

FOR ACTION

Board of Trustees  
Charles Stewart Mott Community College  
Regular Meeting,  
February 26, 2018  
Volume

Treasurer's Report for January 2017

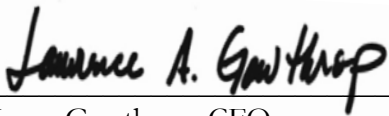
This resolution is recommended.

Be it Resolved, that

The Charles Stewart Mott Community College Board of Trustees

Accepts the Treasurer's Report of the College for the month of January, 2018 as presented by the Administration.

Reviewed and Submitted By:



Larry Gawthrop, CFO

Date: February 26, 2018

*Board Policy Statement Reference:*

*"3100 Budget Adoption: General: The Board recognizes that its annual budget represents the programmatic direction and vision of the College. It is also designed to meet both the legal requirements and needs of the College.  
1. The Finance Committee shall receive and review budget reports on a monthly basis."*

# January Treasurer's Report

Larry Gawthrop, CPA  
Chief Financial Officer

February 26, 2018

## Summary of Expenditures:

Month of January Spending:

General Fund:	\$	4,663,008
All Other Funds:	\$	<u>14,569,410</u>
Total:	\$	<u>15,035,718</u>

## Comments on General Fund Financial Statements:

- Statement of Revenues, Expenditures and Changes in Net Assets

In summary, total revenues for the seven months ended January 31, were approximately \$51.9 million, representing 69.5% of the annual budget, 2.1% higher than it was a year ago. The most significant change when compared to the budget and prior year actuals is in ***Tuition and fees, Property taxes, State Appropriations-UAAL, and Grants and other*** which are discussed further below. Expenditures for the seven months were roughly \$38.5 million, representing 51.8% of the annual budget, compared to \$37.5 million and 50.4%, one year ago.

### Revenues

***Tuition and fees*** revenues are \$28 million, \$148 thousand less than last year and 85.7% of the budget, up from 85.3% a year ago. Our 2017-2018 budget included a 3% decline in enrollment and in contact hours. The final Winter enrollment numbers were 2.5% and 2.7% lower than budgeted and are adjusted accordingly in the Amended Budget.

***Property taxes*** collected are \$13 million, rounded. The amount budgeted is \$17.9 million, \$178 thousand or roughly 1% more than the 2016-2017 fiscal year budget, and is based on final taxable value figures provided by the Genesee County Equalization Department. In conversations with the Genesee County Equalization Department, the initial 1% estimate increase has been increased to 2% and a \$110 thousand increase for historical increases on the final revolving check.

***State appropriations*** payments for FY 2017-18 are paid in eleven monthly installments starting in October. We received our fourth payment as expected and without exception. The total budgeted amount for the current fiscal year is \$16.2 million the same as the prior year excluding the UAAL stabilization pass-through and PPT Stabilization.

## Expenditures

*Salaries and Wages* are roughly \$18.2 million, or 49.9% of the annual budget, compared to \$17.9 million and 50.3%, a year ago.

*Fringe Benefits* are at \$8.2 million, and 53.2% of the budgeted amount compared to \$7.9 million and 51.5% of the budget one year ago.

### *Other Expenditures:*

*Contracted services* are up roughly \$277 thousand due in large part to new maintenance contract services on necessary and required building systems.

*Materials and supplies* are up roughly \$116 thousand, mainly due to timing of lab fees payments to vendors and an increase in water testing expenses.

*Operations/communications* is down approximately \$224 thousand mainly due to informational mailings sent in the prior year related to the millage election and a reduction in bad debt write-offs.

- **Balance Sheet**

*Total Assets* are at approximately \$29.4 million, up \$4.6 million from last January. The largest differences are a \$6 million increase in *Cash and cash equivalents*, a \$1.1 million increase in *Due from/(to) other funds*, and a net \$347 thousand decrease in *Accounts receivable*. The \$347 thousand decrease in *Accounts Receivable* is due in large part to the decrease in enrollment and change in the allowance.

*Due to/Due from Other Funds* result from the College maintaining one checking account for all of its funds; deposits and disbursements. This necessitates the short-term “loaning” or “borrowing” between the funds throughout the year depending on which funds revenue or expenditures are being deposited or paid out. Each month the accounting department clears these “*due to’s*” and “*due from’s*” respectively assigning the activity to the proper fund. However, significant activity can occur after these transfers are completed, causing large variances when compared to the previous period.

*Total Liabilities* are up \$3.8 million from the prior year. The most significant changes are a \$2 million increase in *Other current liabilities* related to the recording of an estimate for potential fines and penalties related to the Title IV findings in the 6/30/2017 audit, \$226 thousand increase in *Accounts payable*, and a \$1.5 million increase in *Accrued payroll and related liabilities*.

## Comments on spending from other funds:

- Of the roughly \$14.5 million expended in the other funds, \$891 thousand was expended out of the ***Capital position funds*** for depreciation and capital asset changes, \$764 thousand was out of the ***Maintenance and Replacement and Bond funds*** for capital related improvements, and the remaining \$12.8 million out of the ***Agency, Scholarships, and Grants Funds***, for grant activities and student scholarships.

**Mott Community College**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Net Assets - Modified Accrual**  
**For the 7 Months Ended January 31, 2018**  
**With Comparative Totals at January 31, 2017**

	FY 2017-2018 Budget	YTD Actuals as of 01/31/18	YTD Actuals as of 01/31/17	Actual to Actual \$ Change	Actual to Actual % Change
<b>Revenues:</b>					
Tuition and fees	\$ 32,644,373	\$ 27,991,577	\$ 28,139,544	\$ (147,967)	-0.53%
Property taxes	17,975,064	13,006,343	12,366,304	640,039	5.18%
State appropriations	16,229,838	5,948,377	5,894,827	53,550	0.91%
State appropriations - UAAL Passthrough	3,365,384	1,731,544	1,303,476	428,068	32.84%
State appropriations - PPT Stabilization	381,407	532,359	476,759	55,600	11.66%
Ballenger trust	1,839,873	1,137,697	1,054,802	82,895	7.86%
Grants and other	2,214,928	1,532,940	993,531	539,409	54.29%
<b>Total revenues</b>	<b>74,650,867</b>	<b>51,880,837</b>	<b>50,229,243</b>	<b>1,651,594</b>	<b>3.29%</b>
<b>Expenditures:</b>					
Salaries and wages	36,526,110	18,216,304	17,929,165	(287,139)	-1.60%
Fringe benefits	15,330,936	8,154,268	7,917,439	(236,829)	-2.99%
Fringe benefits - UAAL Passthrough	3,365,384	1,731,544	1,303,476	(428,068)	-32.84%
Contracted services	6,551,011	2,997,227	2,719,972	(277,255)	-10.19%
Materials and supplies	2,227,674	1,083,363	967,148	(116,215)	-12.02%
Facilities rent	186,000	162,974	187,088	24,114	12.89%
Utilities and insurance	2,674,470	1,654,120	1,650,917	(3,203)	-0.19%
Operations/communications	5,495,306	2,717,891	2,942,830	224,939	7.64%
Transfers out	1,936,000	1,787,267	1,791,824	4,557	0.00%
Equipment and Improvements	99,551	38,702	47,961	9,259	19.31%
<b>Total expenditures</b>	<b>74,392,442</b>	<b>38,543,660</b>	<b>37,457,820</b>	<b>(1,085,840)</b>	<b>-2.90%</b>
<b>Net increase/(decrease) in net assets</b>	<b>258,425</b>	<b>13,337,177</b>	<b>12,771,423</b>	<b>565,754</b>	<b>4.43%</b>

**Mott Community College  
General Fund  
Balance Sheet - Modified Accrual  
January 31, 2018  
With Comparative Totals at January 31, 2017**

	As of January 31 2018	As of January 31 2017	\$ Change
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	\$ 27,438,095	\$ 21,396,204	\$ 6,041,891
Due from other funds	(2,581,093)	(1,453,030)	(1,128,063)
Accounts receivable - net of allowance for uncollectible accounts (\$6,124,879 for 2018 and \$5,415,889 for 2017)	4,184,863	4,531,439	(346,576)
Inventories	70,705	56,540	14,165
Prepaid expenses and other assets	263,883	213,883	50,000
<b>Total Assets</b>	<b>\$ 29,376,453</b>	<b>\$ 24,745,036</b>	<b>\$ 4,631,417</b>
<b>Liabilities and Net Assets</b>			
Current Liabilities			
Accounts payable	\$ 1,318,728	\$ 1,092,215	\$ 226,513
Other current liabilities	2,008,039	-	\$ 2,008,039
Accrued payroll and related liabilities	2,968,950	1,433,472	1,535,478
Deposits held for others	1,840	15,897	(14,057)
Other accrued liabilities	161,766	169,125	(7,359)
<b>Total Current Liabilities</b>	<b>6,459,323</b>	<b>2,710,709</b>	<b>3,748,614</b>
Accrued termination pay	2,334,370	2,320,764	13,606
<b>Total Liabilities</b>	<b>8,793,693</b>	<b>5,031,473</b>	<b>3,762,220</b>
Net Assets			
Unrestricted	20,582,760	19,713,563	869,197
<b>Total Net Assets</b>	<b>20,582,760</b>	<b>19,713,563</b>	<b>869,197</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 29,376,453</b>	<b>\$ 24,745,036</b>	<b>\$ 4,631,417</b>