

FOR ACTION

Board of Trustees
Charles Stewart Mott Community College
Regular Meeting,
February 25, 2019
Volume

Treasurer's Report for January 2019

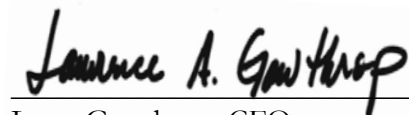
This resolution is recommended.

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, 2019 as presented by the Administration.

Reviewed and Submitted By:



Larry Gawthrop, CFO

Date: February 25, 2019

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 25, 2019

Summary of Expenditures:

Month of January Spending:

General Fund:	\$	5,138,008
All Other Funds:	\$	8,759,784
Total:	\$	<u>13,897,792</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 \$54 million, representing 71.1% of the annual budget, compared to 69.3% a year ago. The most significant change when compared to the budget and prior year actuals is in ***Tuition and fees, State of Michigan Retirement and PPT reimbursement, Grants and Other and Transfer from Reserve*** which are discussed further below. Expenditures for the seven months were roughly \$40 million, representing 52.8% of the annual budget, compared to \$38.5 million and 51%, one year ago.

Revenues

Tuition and fees revenues is \$27.9 million, \$88 thousand less than last year and down 0.3% from a year ago. Our 2018-2019 budget included a 4% decline in enrollment and in contact hours. Our Fall term enrollment was significantly better than what was budgeted and our Winter term was mildly better than what was budgeted.

Property taxes collected are \$12.7 million. The amount budgeted is \$18.8 million, \$600 thousand or roughly 3.32% more than the 2017-2018 fiscal year budget, and is based on final taxable value figures provided by the Genesee County Equalization Department.

State appropriations payments for FY 2018-19 are paid in eleven monthly installments starting in October. The total budgeted amount for the current fiscal year is \$16.3 million the same as the 2017-2018 year, excluding the UAAL stabilization pass-through and PPT Stabilization.

Grants and other revenue increased by \$2.1 million compared to the previous year which is a direct result of the Jana B Robinson Trust receipt, with the offset in the ***Operations/communications*** line as an expenditure when the funds were transferred out to the Foundation for MCC.

Transfer from reserve account is for the planned transfer from the future funding account.

Expenditures

Salaries and Wages are roughly \$18.3 million, or 48.9% of the annual budget, compared to \$18.2 million and 50.7%, a year ago.

Fringe Benefits are at \$8.2 million, and 53.6% of the budgeted amount compared to \$8.2 million and 53.5% of the budget one year ago.

Other Expenditures:

Contracted services are up roughly \$495 thousand from prior year due in large part to custodial contract services and professional fees related to the Robinson trust. The difference in *Transfers out* is due to timing differences from year to year.

- Balance Sheet

Total Assets are at approximately \$26.8 million, down \$2.6 million from last January. The largest differences are a \$2.7 million increase in *Cash and cash equivalents*, a \$5 million increase in *Due from other funds*, and a net \$257 thousand decrease in *Accounts receivable*. The decrease in *Accounts receivable* is largely due to the decrease in Winter enrollment when compared to the previous year.

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 down \$3.7 million from the prior year. The most significant changes are a \$722 thousand decrease in *Accounts payable*, a \$2 million decrease in *Other Current Liabilities* and a \$982 thousand decrease in *Accrued payroll and other liabilities* mainly due to the 3% ORS refunds issued in the prior year to eligible participants from the lawsuit against the State of Michigan. The increase in *Other Current Liabilities* represents the reversal of the Title IV audit finding accrued in the prior year. The decrease in *Accounts payable* is attributable to timing differences in vouchering of invoices and payments released.

Comments on spending from other funds:

- Of the roughly \$8.8 million expended in the other funds, \$543 thousand was out of the *Maintenance and Replacement and Bond funds*, for capital related improvements, \$590 thousand for depreciation and capital asset related activity and the remaining \$7.7 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, 2019
With Comparative Totals at January 31, 2018

	FY 2018-2019 Budget	YTD Actuals as of 01/31/19	YTD Actuals as of 01/31/18	Actual to Actual \$ Change	Actual to Actual % Change
Revenues:					
Tuition and fees	\$ 31,180,612	\$ 27,903,676	\$ 27,991,577	\$ (87,901)	-0.31%
Property taxes	18,850,807	12,737,629	13,006,343	(268,714)	-2.07%
State appropriations	16,258,099	5,912,037	5,912,045	(8)	0.00%
State appropriations - UAAL Passthrough	3,654,617	1,154,302	1,731,544	(577,242)	-33.34%
State appropriations - Other	36,321	259,493	36,332	223,161	614.23%
State appropriations - PPT Stabilization	932,359	277,284	532,359	(255,075)	-47.91%
Ballenger trust	2,090,770	1,267,784	1,137,697	130,087	11.43%
Grants and other	1,803,502	3,291,734	1,116,940	2,174,794	194.71%
Transfer from Reserve	1,253,981	1,253,981	416,000	837,981	201.44%
Total revenues	76,061,068	54,057,920	51,880,837	2,177,083	4.20%
Expenditures:					
Salaries and wages	37,333,360	18,256,071	18,216,304	(39,767)	-0.22%
Fringe benefits	15,365,047	8,230,203	8,154,268	(75,935)	-0.93%
Fringe benefits - UAAL Passthrough	3,654,617	1,154,302	1,731,544	577,242	33.34%
Contracted services	6,358,079	3,491,344	2,997,227	(494,117)	-16.49%
Materials and supplies	2,312,657	1,036,660	1,083,363	46,703	4.31%
Facilities rent	196,756	199,483	162,974	(36,509)	-22.40%
Utilities and insurance	2,906,908	1,576,137	1,654,120	77,983	4.71%
Operations/communications	5,432,908	4,119,997	2,717,891	(1,402,106)	-51.59%
Transfers out	2,109,824	1,887,438	1,787,267	(100,171)	0.00%
Equipment and Improvements	140,912	41,224	38,702	(2,522)	-6.52%
Total expenditures	75,811,068	39,992,859	38,543,660	(1,449,199)	-3.76%
Net increase/(Increase) in net assets	250,000	14,065,061	13,337,177	727,884	5.46%

**Mott Community College
General Fund
Balance Sheet - Modified Accrual
January 31, 2019
With Comparative Totals at January 31, 2018**

	As of January 31 2019	As of January 31 2018	\$ Change
Assets			
Current Assets			
Cash and cash equivalents	\$ 30,178,281	\$ 27,438,095	\$ 2,740,186
Due from other funds	(7,553,721)	(2,581,093)	(4,972,628)
Accounts receivable - net of allowance for uncollectible accounts (\$6,034,786 for 2018 and \$6,124,879 for 2017)	3,927,127	4,184,863	(257,736)
Inventories	55,947	70,705	(14,758)
Prepaid expenses and other assets	151,748	263,883	(112,135)
Total Assets	\$ 26,759,382	\$ 29,376,453	\$ (2,617,071)
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	\$ 596,672	\$ 1,318,728	\$ (722,056)
Other current liabilities	-	2,008,039	(2,008,039)
Accrued payroll and related liabilities	1,987,008	2,968,950	(981,942)
Deposits held for others	3,375	1,840	1,535
Other accrued liabilities	94,450	161,766	(67,316)
Total Current Liabilities	2,681,505	6,459,323	(3,777,818)
Accrued termination pay	2,447,220	2,334,370	112,850
Total Liabilities	5,128,725	8,793,693	(3,664,968)
Net Assets			
Unrestricted	21,630,657	20,582,760	1,047,897
Total Net Assets	21,630,657	20,582,760	1,047,897
Total Liabilities and Net Assets	\$ 26,759,382	\$ 29,376,453	\$ (2,617,071)