

FOR ACTION

Board of Trustees
Charles Stewart Mott Community College
Regular Meeting,
March 27, 2017
Volume

Treasurer's Report for February 2017

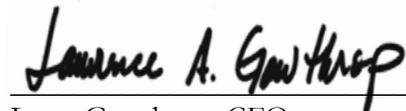
This resolution is recommended.

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 February, 2017 as presented by the Administration.

Reviewed and Submitted By:



Larry Gawthrop, CFO

Date: March 27, 2017

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."

February's Treasurer's Report

Larry Gawthrop, CPA
Chief Financial Officer

March 27, 2017

Summary of Expenditures:

Month of February Spending:

General Fund:	\$	5,263,206
All Other Funds:	\$	<u>8,677,687</u>
Total:	\$	<u>13,940,893</u>

Comments on General Fund Financial Statements:

- Statement of Revenues, Expenditures and Changes in Net Assets

In summary, total revenues for the eight months ended February 28, were approximately \$54.9 million, representing 73.3% of the annual budget, the same percentage as it was a year ago. The most significant change when compared to the budget and prior year actuals is in *Tuition and fees* which is discussed further below. Expenditures for the eight months was roughly \$42.7 million, which represents 58.2% of the annual budget, compared to \$43.3 million and 58.9%, one year ago. Decreases in *Salaries and wages* and *Fringe benefits* offset by an increase in the *Operations and communications* and a timing difference in the timing if the *Transfers* line items make up a significant portion of the differences.

Revenues

Tuition and fees revenues are \$28.4 million, \$577 thousand less than last year and 84.4% of the budget, down from 87.4% a year ago. Our 2016-2017 budget included an 8% decline in enrollment in contact hours (\$1.3 million) with a combination of our Summer, Fall, and Winter terms better than budgeted. Our Winter enrollment and headcount at March 16, were down 2.7% and 3.8%, respectively.

Property taxes collected are roughly \$15.4 million. The amount budgeted is \$18.3 million, \$134 thousand or roughly 1% more than the 2015-2016 fiscal year budget, exclusive of the PPT small business reimbursement and is based on final taxable value figures provided by the Genesee County Equalization Department.

State appropriations payments for FY 2016-17 are paid in eleven monthly installments starting in October. The total budgeted amount for the current fiscal year is \$16.3 million or \$262 thousand more than last year excluding the UAAL stabilization pass-through. We received our fifth installment of roughly \$1.5 million without exception.

Expenditures

Salaries and Wages are roughly \$20.6 million, or 57.8% of the annual budget, compared to \$21.7 million and 59.8% a year ago.

Fringe Benefits are at \$9.1 million, or 57.3% of the budgeted amount compared to \$9.6 million and 59.7% of the budget one year ago.

Other Expenditures:

The variances in *Operations/communications* continues to be due to an increase in the Ellucian license fee and a new Amerinet license related to desktop security, as well as, more dollars spent on advertising, HR recruiting, and postage compared to last year.

- **Balance Sheet**

Total Assets are at approximately \$27 million, up \$5.4 million from last February. The largest differences are a \$2.2 million increase in *Cash and cash equivalents*, a \$5.2 million increase in *Due from/(to) other funds*, and a \$2 million decrease in *Accounts receivable* due mainly in part to the Pell draw down occurring in February this year vs. March last year. Lower enrollment and the change in the allowance impacts this as well.

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.

At roughly \$7.9 million, *Total Liabilities* are up \$3.7 million from the prior year. The most significant changes were a timing in the Pell distribution previously discussed increasing *Accounts Payable* and a decrease in *Accrued payroll and related liabilities* due to lower payroll and related expenses compared to the previous year.

Comments on spending from other funds:

- Of the roughly \$8.7 million expended in the other funds, \$236 thousand was out of the *Maintenance and Replacement and Bond funds*, \$487 thousand in depreciation and capital asset changes in the *Capital position fund*, and the remaining \$8 million out of the *Agency, Scholarships, and Federal Grants*, for grant activities and student scholarships.

Mott Community College
General Fund
Statement of Revenues, Expenditures and Changes in Net Assets - Modified Accrual
For the 8 Months Ended February 28, 2017
With Comparative Totals at February 29, 2016

	FY 2016-2017 Budget	YTD Actuals as of 02/28/17	YTD Actuals as of 2/29/16	Actual to Actual \$ Change	Actual to Actual % Change
Revenues:					
Tuition and fees	\$ 33,616,199	\$ 28,374,613	\$ 28,952,068	\$ (577,455)	-1.99%
Property taxes	18,275,518	15,350,813	13,840,741	1,510,072	10.91%
State appropriations	16,275,955	7,439,572	7,340,311	99,261	1.35%
State appropriations - UAAL Passthrough	3,148,057	1,529,720	1,430,934	98,786	6.90%
Ballenger trust	1,808,232	1,205,488	1,292,899	(87,411)	-6.76%
Grants and other	1,818,176	1,030,975	1,198,574	(167,599)	-13.98%
Total revenues	74,942,137	54,931,181	54,055,527	875,654	1.62%
Expenditures:					
Salaries and wages	35,725,985	20,649,414	21,664,295	1,014,881	4.68%
Fringe benefits	15,850,481	9,087,583	9,627,905	540,322	5.61%
Fringe benefits - UAAL Passthrough	3,148,057	1,529,720	1,430,934	(98,786)	-6.90%
Contracted services	6,163,490	3,236,816	2,962,360	(274,456)	-9.26%
Materials and supplies	2,270,794	1,121,080	1,113,309	(7,771)	-0.70%
Facilities rent	186,000	204,047	139,723	(64,324)	-46.04%
Utilities and insurance	2,739,216	1,842,152	1,892,426	50,274	2.66%
Operations/communications	5,404,012	3,192,301	2,904,683	(287,618)	-9.90%
Transfers out	1,851,000	1,807,890	1,450,744	(357,146)	0.00%
Equipment and Improvements	119,987	50,024	68,356	18,332	26.82%
Total expenditures	73,459,022	42,721,027	43,254,735	533,708	1.23%
Net increase/(decrease) in net assets	1,483,115	12,210,154	10,800,792	1,409,362	13.05%

**Mott Community College
General Fund
Balance Sheet - Modified Accrual
February 28, 2017
With Comparative Totals at February 29, 2016**

	As of February 28 2017	As of February 29 2016	\$ Change
Assets			
Current Assets			
Cash and cash equivalents	\$ 19,852,589	\$ 17,638,337	\$ 2,214,252
Due from other funds	4,498,382	(658,873)	5,157,255
Accounts receivable - net of allowance for uncollectible accounts (\$5,415,889 for 2017 and \$4,647,823 for 2016)	2,358,267	4,436,830	(2,078,563)
Inventories	56,540	74,972	(18,432)
Prepaid expenses and other assets	247,929	74,203	173,726
Total Assets	\$ 27,013,707	\$ 21,565,469	\$ 5,448,238
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	\$ 4,030,777	\$ 762,770	\$ 3,268,007
Accrued payroll and related liabilities	1,358,089	936,435	421,654
Deposits held for others	14,182	13,882	300
Other accrued liabilities	169,125	177,218	(8,093)
Total Current Liabilities	5,572,173	1,890,305	3,681,868
Accrued termination pay	2,289,240	2,267,031	22,209
Total Liabilities	7,861,413	4,157,336	3,704,077
Net Assets			
Unrestricted	19,152,294	17,408,133	1,744,161
Total Net Assets	19,152,294	17,408,133	1,744,161
Total Liabilities and Net Assets	\$ 27,013,707	\$ 21,565,469	\$ 5,448,238