

FOR ACTION

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

Treasurer's Report for February 2017

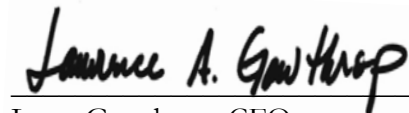
This resolution is recommended.

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, 2018 as presented by the Administration.

Reviewed and Submitted By:



Larry Gawthrop, CFO

Date: March 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.”

February Treasurer's Report

Larry Gawthrop, CPA
Chief Financial Officer

March 26, 2018

Summary of Expenditures:

Month of February Spending:

General Fund:	\$	5,076,432
All Other Funds:	\$	<u>8,644,297</u>
Total:	\$	<u>13,720,729</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 \$56.1 million, representing 74.7% of the annual budget, 1.0 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 eight months were roughly \$43.6 million, representing 58.2% of the annual budget, compared to \$42.7 million and 57.5%, one year ago.

Revenues

Tuition and fees revenues are \$28.2 million, \$200 thousand less than last year and 87.3% of the budget, up from 86.0% 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 \$15 million. The amount budgeted is \$18.2 million, \$144 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 fifth payment as expected and without exception. The total budgeted amount for the current fiscal year is \$16.3 million up from \$16.2 million in the 2016-2017 year, excluding the UAAL stabilization pass-through and PPT Stabilization.

Expenditures

Salaries and Wages are roughly \$20.1 million, or 57.7% of the annual budget, compared to \$20.6 million and 57.9%, a year ago.

Fringe Benefits are at \$9.2 million, and 59.2% of the budgeted amount compared to \$9.1 million and 59.1% of the budget one year ago.

Other Expenditures:

Contracted services are up roughly \$320 thousand due in large part to new maintenance contract services on necessary and required building systems.

Materials and supplies are up roughly \$70 thousand, mainly due to timing of lab fees payments to vendors and an increase in water testing expenses.

Operations/communications is down approximately \$309 thousand mainly due to informational mailings sent in the prior year related to the millage election and a reduction in bad debt write-offs and licensing fees.

- **Balance Sheet**

Total Assets are at approximately \$33.4 million, up \$6.4 million from last February. The largest differences are a \$8 million increase in *Cash and cash equivalents*, a \$900 thousand decrease in *Due from/(to) other funds*, and a net \$576 thousand decrease in *Accounts receivable*. The \$576 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 \$5.8 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, \$1.9 million increase in *Accounts payable*, and a \$1.8 million increase in *Accrued payroll and related liabilities*.

Comments on spending from other funds:

- Of the roughly \$8.6 million expended in the other funds, \$586 thousand was expended out of the *Capital position funds* for depreciation and capital asset changes, \$411 thousand was out of the *Maintenance and Replacement and Bond funds* for capital related improvements, and the remaining \$7.6 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 8 Months Ended February 28, 2018
With Comparative Totals at February 28, 2017

	FY 2017-2018 Budget	YTD Actuals as of 02/28/18	YTD Actuals as of 02/28/17	Actual to Actual \$ Change	Actual to Actual % Change
Revenues:					
Tuition and fees	\$ 32,278,443	\$ 28,175,308	\$ 28,374,613	\$ (199,305)	-0.70%
Property taxes	18,244,690	15,018,143	14,874,054	144,089	0.97%
State appropriations	16,294,420	7,496,462	7,439,572	56,890	0.76%
State appropriations - UAAL Passthrough	3,654,617	2,006,269	1,529,720	476,549	31.15%
State appropriations - PPT Stabilization	532,359	532,359	476,759	55,600	11.66%
Ballenger trust	1,919,437	1,294,045	1,205,488	88,557	7.35%
Grants and other	2,236,013	1,621,938	1,030,975	590,963	57.32%
Total revenues	75,159,979	56,144,524	54,931,181	1,213,343	2.21%
Expenditures:					
Salaries and wages	36,222,101	20,886,500	20,649,414	(237,086)	-1.15%
Fringe benefits	15,553,441	9,215,400	9,087,583	(127,817)	-1.41%
Fringe benefits - UAAL Passthrough	3,654,617	2,006,269	1,529,720	(476,549)	-31.15%
Contracted services	6,910,597	3,556,932	3,236,816	(320,116)	-9.89%
Materials and supplies	2,367,520	1,191,862	1,121,080	(70,782)	-6.31%
Facilities rent	191,900	189,348	204,047	14,699	7.20%
Utilities and insurance	2,724,690	1,859,877	1,842,152	(17,725)	-0.96%
Operations/communications	5,223,705	2,883,294	3,192,301	309,007	9.68%
Transfers out	1,966,795	1,787,267	1,807,890	20,623	0.00%
Equipment and Improvements	74,599	43,344	50,024	6,680	13.35%
Total expenditures	74,889,965	43,620,093	42,721,027	(899,066)	-2.10%
Net increase/(decrease) in net assets	270,014	12,524,431	12,210,154	314,277	2.57%

**Mott Community College
General Fund
Balance Sheet - Modified Accrual
February 28, 2018
With Comparative Totals at February 28, 2017**

	As of February 28 2018	As of February 28 2017	\$ Change
Assets			
Current Assets			
Cash and cash equivalents	\$ 27,678,739	\$ 19,852,589	\$ 7,826,150
Due from other funds	3,585,121	4,498,382	(913,261)
Accounts receivable - net of allowance for uncollectible accounts (\$6,124,879 for 2018 and \$5,415,889 for 2017)	1,782,505	2,358,267	(575,762)
Inventories	70,705	56,540	14,165
Prepaid expenses and other assets	266,329	247,929	18,400
Total Assets	\$ 33,383,399	\$ 27,013,707	\$ 6,369,692
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	\$ 5,951,718	\$ 4,030,777	\$ 1,920,941
Other current liabilities	2,008,039	-	2,008,039
Accrued payroll and related liabilities	3,161,439	1,358,089	1,803,350
Deposits held for others	2,040	14,182	(12,142)
Other accrued liabilities	161,766	169,125	(7,359)
Total Current Liabilities	11,285,002	5,572,173	5,712,829
Accrued termination pay	2,328,383	2,289,240	39,143
Total Liabilities	13,613,385	7,861,413	5,751,972
Net Assets			
Unrestricted	19,770,014	19,152,294	617,720
Total Net Assets	19,770,014	19,152,294	617,720
Total Liabilities and Net Assets	\$ 33,383,399	\$ 27,013,707	\$ 6,369,692