

FOR ACTION

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

Treasurer's Report for February 2019

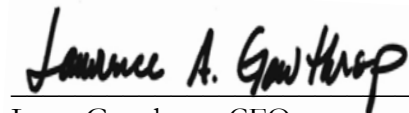
This resolution is recommended.

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 February 2019 as presented by the Administration.

Reviewed and Submitted By:



Larry Gawthrop, CFO

Date: March 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."*

# February Treasurer's Report

Larry Gawthrop, CPA  
Chief Financial Officer

March 25, 2019

## Summary of Expenditures:

Month of February Spending:

General Fund:	\$	5,513,863
All Other Funds:	\$	6,371,837
Total:	\$	<u>11,885,700</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 \$59 million, representing 74.5% of the annual budget, compared to 75% 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 eight months were roughly \$45.5 million, representing 58.2% of the annual budget, compared to \$43.6 million and 57.7%, one year ago.

### Revenues

***Tuition and fees*** revenue is \$28.0 million, \$189 thousand less than last year and down 0.67% 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 better than what was budgeted, but not as good as Fall.

***Property taxes*** collected are \$15.3 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 \$2.2 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 \$21 million, or 57.5% of the annual budget, compared to \$20.9 million and 58.1%, a year ago.

*Fringe Benefits* are at \$9.4 million, and 58.6% of the budgeted amount compared to \$9.2 million and 60.4% of the budget one year ago.

### *Other Expenditures:*

*Contracted services* are up roughly \$400 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 \$24.8 million, down \$8.5 million from last February. The largest differences are a \$5.8 million increase in *Cash and cash equivalents*, a \$15.3 million decrease in *Due from other funds*, and a net \$1 million increase in *Accounts receivable*. The increase in *Accounts receivable* is due to a timing difference in collections from sponsor billings and non-student A/R year, and a decrease in the Allowance for Bad Debts due to better collections.

*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 \$9.7 million from the prior year. The most significant changes are a \$5.7 million decrease in *Accounts payable*, a \$2 million decrease in *Other Current Liabilities* and a \$1.9 million 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 student refund payments.

### Comments on spending from other funds:

- Of the roughly \$6.4 million expended in the other funds, \$458 thousand was out of the *Maintenance and Replacement and Bond funds*, for capital related improvements, \$664 thousand for depreciation and capital asset related activity and the remaining \$5.2 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, 2019**  
**With Comparative Totals at February 28, 2018**

	FY 2018-2019 Budget	YTD Actuals as of 02/28/19	YTD Actuals as of 02/28/18	Actual to Actual \$ Change	Actual to Actual % Change
<b>Revenues:</b>					
Tuition and fees	\$ 31,987,304	\$ 27,986,176	\$ 28,175,308	\$ (189,132)	-0.67%
Property taxes	18,850,807	15,318,246	15,018,143	300,103	2.00%
State appropriations	16,258,100	7,390,046	7,390,053	(7)	0.00%
State appropriations - UAAL Passthrough	3,174,303	1,442,875	2,006,269	(563,394)	-28.08%
State appropriations - Other	313,433	304,980	106,409	198,571	186.61%
State appropriations - PPT Stabilization	600,000	277,284	532,359	(255,075)	-47.91%
Ballenger trust	2,173,344	1,448,896	1,294,045	154,851	11.97%
Grants and other	4,314,056	3,402,397	1,205,938	2,196,459	182.14%
Transfer from Reserve	1,253,981	1,253,981	416,000	837,981	201.44%
<b>Total revenues</b>	<b>78,925,328</b>	<b>58,824,881</b>	<b>56,144,524</b>	<b>2,680,357</b>	<b>4.77%</b>
<b>Expenditures:</b>					
Salaries and wages	36,547,719	21,002,460	20,886,500	(115,960)	-0.56%
Fringe benefits	15,977,686	9,365,954	9,215,400	(150,554)	-1.63%
Fringe benefits - UAAL Passthrough	3,174,303	1,442,875	2,006,269	563,394	28.08%
Contracted services	7,404,584	3,963,564	3,556,932	(406,632)	-11.43%
Materials and supplies	2,342,731	1,186,290	1,191,862	5,572	0.47%
Facilities rent	401,756	237,560	189,348	(48,212)	-25.46%
Utilities and insurance	3,021,458	1,785,883	1,859,877	73,994	3.98%
Operations/communications	7,198,547	4,288,641	2,883,294	(1,405,347)	-48.74%
Transfers out	1,984,824	2,187,438	1,787,267	(400,171)	0.00%
Equipment and Improvements	138,102	46,055	43,344	(2,711)	-6.25%
<b>Total expenditures</b>	<b>78,191,710</b>	<b>45,506,720</b>	<b>43,620,093</b>	<b>(1,886,627)</b>	<b>-4.33%</b>
<b>Net increase/(Increase) in net assets</b>	<b>733,618</b>	<b>13,318,161</b>	<b>12,524,431</b>	<b>793,730</b>	<b>6.34%</b>

**Mott Community College  
General Fund  
Balance Sheet - Modified Accrual  
February 28, 2019  
With Comparative Totals at February 28, 2018**

	As of February 28 2019	As of February 28 2018	\$ Change
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	\$ 33,543,869	\$ 27,678,739	\$ 5,865,130
Due from other funds	(11,695,422)	3,585,121	(15,280,543)
Accounts receivable - net of allowance for uncollectible accounts (\$6,025,038 for 2018 and \$6,124,879 for 2017)	2,782,339	1,782,505	999,834
Inventories	55,947	70,705	(14,758)
Prepaid expenses and other assets	152,125	266,329	(114,204)
<b>Total Assets</b>	<b>\$ 24,838,858</b>	<b>\$ 33,383,399</b>	<b>\$ (8,544,541)</b>
<b>Liabilities and Net Assets</b>			
Current Liabilities			
Accounts payable	\$ 236,753	\$ 5,951,718	\$ (5,714,965)
Other current liabilities	-	2,008,039	(2,008,039)
Accrued payroll and related liabilities	1,190,320	3,161,439	(1,971,119)
Deposits held for others	3,550	2,040	1,510
Other accrued liabilities	94,450	161,766	(67,316)
<b>Total Current Liabilities</b>	<b>1,525,073</b>	<b>11,285,002</b>	<b>(9,759,929)</b>
Accrued termination pay	2,430,028	2,328,383	101,645
<b>Total Liabilities</b>	<b>3,955,101</b>	<b>13,613,385</b>	<b>(9,658,284)</b>
Net Assets			
Unrestricted	20,883,757	19,770,014	1,113,743
<b>Total Net Assets</b>	<b>20,883,757</b>	<b>19,770,014</b>	<b>1,113,743</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 24,838,858</b>	<b>\$ 33,383,399</b>	<b>\$ (8,544,541)</b>