

FOR ACTION

Board of Trustees
Charles Stewart Mott Community College
Regular Meeting,
April 17, 2017
Volume

Treasurer's Report for March 2017

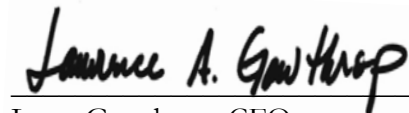
This resolution is recommended.

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 March, 2017 as presented by the Administration.

Reviewed and Submitted By:



Larry Gawthrop, CFO

Date: April 17, 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.”

March's Treasurer's Report

Larry Gawthrop, CPA
Chief Financial Officer

April 17, 2017

Summary of Expenditures:

Month of March Spending:

General Fund:	\$	6,879,089
All Other Funds:	\$	<u>4,235,085</u>
Total:	\$	<u>11,114,174</u>

Comments on General Fund Financial Statements:

- Statement of Revenues, Expenditures and Changes in Net Assets

In summary, total revenues for the nine months ended March 31, were approximately \$59.1 million, representing 78.8% of the annual budget, .8% lower than 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 nine months was roughly \$49.6 million, which represents 67.5% of the annual budget, compared to \$48.9 million and 66.7%, one year ago. Decreases in ***Salaries and wages*** and ***Fringe benefits*** offset by an increase in the ***Contracted services*** and a timing difference in the timing if the ***Transfers*** line items comprise the significant changes.

Revenues

Tuition and fees revenues are \$28.5 million, \$589 thousand less than last year and 84.7% of the budget, down from 87.7% 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 headcount and contact hours ended up down 3.6% and 2.6%, respectively.

Property taxes collected are roughly \$17.4 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 sixth installment of roughly \$1.5 million without exception.

Expenditures

Salaries and Wages are roughly \$24.8 million, or 69.5% of the annual budget, compared to \$25.0 million and 68.9% a year ago. There were three pays this March compared to only two in March of 2016 causing the comparison to be skewed. This will normalize next month.

Fringe Benefits are at \$10.8 million, or 68.1% of the budgeted amount compared to \$11.3 million and 69.9% of the budget one year ago. The same rationale applies here as it did for *Salaries and Wages*.

Other Expenditures:

The variance in *Contracted Services* is the result of increased CE/CS activity, legal expenses, and Cenergistic energy savings program payments. The variance 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. Due to the early month close to accommodate the earlier board meeting date, the bad debt allowance was unable to be calculated and will be addressed in the April Treasurer's report.

- **Balance Sheet**

Total Assets are at approximately \$22 million, up \$1.7 million from last March. The largest differences are a \$1.0 million increase in *Cash and cash equivalents*, a \$1.1 million increase in *Due from/(to) other funds*, and a \$559 thousand decrease in *Accounts receivable* due mainly to lower enrollment and changes 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.

At roughly \$5.5 million, *Total Liabilities* are up \$1.6 million from the prior year. The most significant changes were a timing difference increase in *Accounts Payable* and an increase in *Accrued payroll and related liabilities* due to an additional pay this month compared to the previous year.

Comments on spending from other funds:

- Of the roughly \$4.3 million expended in the other funds, \$387 thousand was out of the *Maintenance and Replacement and Bond funds*, \$583 thousand in depreciation and capital asset changes in the *Capital position fund*, and the remaining \$3.3 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 9 Months Ended March 31, 2017
With Comparative Totals at March 31, 2016

	FY 2016-2017 Budget	YTD Actuals as of 03/31/17	YTD Actuals as of 3/31/16	Actual to Actual \$ Change	Actual to Actual % Change
Revenues:					
Tuition and fees	\$ 33,616,199	\$ 28,467,777	\$ 29,057,389	\$ (589,612)	-2.03%
Property taxes	18,275,518	17,403,205	16,371,831	1,031,374	6.30%
State appropriations	16,275,955	8,904,617	8,785,920	118,697	1.35%
State appropriations - UAAL Passthrough	3,148,057	1,835,664	1,717,121	118,543	6.90%
Ballenger trust	1,808,232	1,356,174	1,454,511	(98,337)	-6.76%
Grants and other	1,818,176	1,097,031	1,275,740	(178,709)	-14.01%
Total revenues	74,942,137	59,064,468	58,662,512	401,956	0.69%
Expenditures:					
Salaries and wages	35,725,985	24,841,223	24,966,827	125,604	0.50%
Fringe benefits	15,850,481	10,483,007	10,988,365	505,358	4.60%
Fringe benefits - UAAL Passthrough	3,148,057	1,835,664	1,717,121	(118,543)	-6.90%
Contracted services	6,163,490	3,742,726	3,428,720	(314,006)	-9.16%
Materials and supplies	2,270,794	1,258,471	1,330,891	72,420	5.44%
Facilities rent	186,000	217,895	158,605	(59,290)	-37.38%
Utilities and insurance	2,739,216	2,040,268	2,107,283	67,015	3.18%
Operations/communications	5,404,012	3,402,825	3,404,936	2,111	0.06%
Transfers out	1,851,000	1,722,890	750,744	(972,146)	0.00%
Equipment and Improvements	119,987	55,149	87,093	31,944	36.68%
Total expenditures	73,459,022	49,600,118	48,940,585	(659,533)	-1.35%
Net increase/(decrease) in net assets	1,483,115	9,464,350	9,721,927	(257,577)	-2.65%

**Mott Community College
General Fund
Balance Sheet - Modified Accrual
March 31, 2017
With Comparative Totals at March 31, 2016**

	As of March 31 2017	As of March 31 2016	\$ Change
Assets			
Current Assets			
Cash and cash equivalents	\$ 21,054,437	\$ 20,041,404	\$ 1,013,033
Due from other funds	(15,220)	(1,072,475)	1,057,255
Accounts receivable - net of allowance for uncollectible accounts (\$5,415,889 for 2017 and \$4,939,027 for 2016)	613,070	1,172,483	(559,413)
Inventories	56,540	74,972	(18,432)
Prepaid expenses and other assets	253,085	88,109	164,976
Total Assets	<u>\$ 21,961,912</u>	<u>\$ 20,304,493</u>	<u>\$ 1,657,419</u>
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	\$ 1,434,252	\$ 527,279	\$ 906,973
Accrued payroll and related liabilities	1,660,227	989,865	670,362
Deposits held for others	14,067	13,832	235
Other accrued liabilities	169,125	177,218	(8,093)
Total Current Liabilities	3,277,671	1,708,194	1,569,477
Accrued termination pay	2,277,751	2,267,031	10,720
Total Liabilities	5,555,422	3,975,225	1,580,197
Net Assets			
Unrestricted	16,406,490	16,329,268	77,222
Total Net Assets	<u>16,406,490</u>	<u>16,329,268</u>	<u>77,222</u>
Total Liabilities and Net Assets	<u>\$ 21,961,912</u>	<u>\$ 20,304,493</u>	<u>\$ 1,657,419</u>