

FOR ACTION

Board of Trustees  
Charles Stewart Mott Community College  
Regular Meeting,  
April 23, 2018  
Volume

Treasurer's Report for March 2018

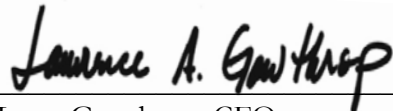
This resolution is recommended.

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, 2018 as presented by the Administration.

Reviewed and Submitted By:



Larry Gawthrop, CFO

Date: April 23, 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.”

# March Treasurer's Report

Larry Gawthrop, CPA  
Chief Financial Officer

April 23, 2018

## Summary of Expenditures:

Month of March Spending:

General Fund:	\$	7,248,288
All Other Funds:	\$	<u>2,729,410</u>
Total:	\$	<u>9,977,698</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 \$60.6 million, representing 80.7% of the annual budget, 1.5% 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 nine months were roughly \$51.1 million, representing 68.3% of the annual budget, compared to \$49.6 million and 66.8%, one year ago.

### Revenues

***Tuition and fees*** revenues are \$28.2 million, \$243 thousand less than last year and 87.4% of the budget, up from 86.3% 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 \$17.4 million. The amount budgeted is \$18.2 million, \$448 thousand or roughly 2.5% 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 sixth payment as expected 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 \$25 million, or 68.9% of the annual budget, compared to \$24.8 million and 69.7%, a year ago.

*Fringe Benefits* are at \$11 million, and 70.9% of the budgeted amount compared to \$10.5 million and 68.2% of the budget one year ago.

### ***Other Expenditures:***

*Contracted services* are up roughly \$337 thousand due in large part to new maintenance contract services on necessary and required building systems.

*Materials and supplies* are up roughly \$97 thousand, mainly due to timing of lab fees payments to vendors and an increase in water testing expenses.

*Operations/communications* is down approximately \$96 thousand mainly due to informational mailings sent in the prior year related to the millage election and a reduction in licensing fees.

- **Balance Sheet**

*Total Assets* are at approximately \$24.0 million, up \$2.0 million from last March. The largest differences are a \$3.0 million increase in *Cash and cash equivalents*, a \$922 thousand increase in *Due from/(to) other funds*, and a net \$107 thousand decrease in *Accounts receivable*. The \$107 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 \$1.7 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, \$683 thousand decrease in *Accounts payable*, and a \$310 thousand increase in *Accrued payroll and related liabilities*.

## Comments on spending from other funds:

- Of the roughly \$2.7 million expended in the other funds, \$1.2 million 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 \$1.5 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 9 Months Ended March 31, 2018**  
**With Comparative Totals at March 31, 2017**

	FY 2017-2018 Budget	YTD Actuals as of 03/31/18	YTD Actuals as of 03/31/17	Actual to Actual \$ Change	Actual to Actual % Change
<b>Revenues:</b>					
Tuition and fees	\$ 32,278,443	\$ 28,224,756	\$ 28,467,777	\$ (243,021)	-0.85%
Property taxes	18,244,690	17,369,417	16,926,446	442,971	2.62%
State appropriations	16,294,420	9,062,475	8,904,617	157,858	1.77%
State appropriations - UAAL Passthrough	3,654,617	2,280,994	1,835,664	445,330	24.26%
State appropriations - PPT Stabilization	532,359	532,359	476,759	55,600	11.66%
Ballenger trust	1,919,437	1,450,393	1,356,174	94,219	6.95%
Grants and other	2,236,013	1,727,022	1,097,031	629,991	57.43%
<b>Total revenues</b>	<b>75,159,979</b>	<b>60,647,416</b>	<b>59,064,468</b>	<b>1,582,948</b>	<b>2.68%</b>
<b>Expenditures:</b>					
Salaries and wages	36,222,101	24,956,493	24,841,223	(115,270)	-0.46%
Fringe benefits	15,553,441	11,023,637	10,483,007	(540,630)	-5.16%
Fringe benefits - UAAL Passthrough	3,654,617	2,280,994	1,835,664	(445,330)	-24.26%
Contracted services	6,910,597	4,079,856	3,742,726	(337,130)	-9.01%
Materials and supplies	2,367,520	1,355,357	1,258,471	(96,886)	-7.70%
Facilities rent	191,900	219,768	217,895	(1,873)	-0.86%
Utilities and insurance	2,724,690	2,079,336	2,040,268	(39,068)	-1.91%
Operations/communications	5,223,705	3,306,808	3,402,825	96,017	2.82%
Transfers out	1,966,795	1,787,267	1,722,890	(64,377)	0.00%
Equipment and Improvements	74,599	55,412	55,149	(263)	-0.48%
<b>Total expenditures</b>	<b>74,889,965</b>	<b>51,144,928</b>	<b>49,600,118</b>	<b>(1,544,810)</b>	<b>-3.11%</b>
<b>Net increase/(decrease) in net assets</b>	<b>270,014</b>	<b>9,502,488</b>	<b>9,464,350</b>	<b>38,138</b>	<b>0.40%</b>

**Mott Community College  
General Fund  
Balance Sheet - Modified Accrual  
March 31, 2018  
With Comparative Totals at March 31, 2017**

	As of March 31 2018	As of March 31 2017	\$ Change
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	\$ 24,052,199	\$ 21,054,437	\$ 2,997,762
Due from other funds	(937,439)	(15,220)	(922,219)
Accounts receivable - net of allowance for uncollectible accounts (\$6,4,01,428 for 2018 and \$5,415,889 for 2017)	505,635	613,070	(107,435)
Inventories	70,705	56,540	14,165
Prepaid expenses and other assets	273,568	253,085	20,483
<b>Total Assets</b>	<b>\$ 23,964,668</b>	<b>\$ 21,961,912</b>	<b>\$ 2,002,756</b>
<b>Liabilities and Net Assets</b>			
Current Liabilities			
Accounts payable	\$ 751,668	\$ 1,434,252	\$ (682,584)
Other current liabilities	2,008,039	-	2,008,039
Accrued payroll and related liabilities	1,970,547	1,660,227	310,320
Deposits held for others	2,140	14,067	(11,927)
Other accrued liabilities	161,766	169,125	(7,359)
<b>Total Current Liabilities</b>	<b>4,894,160</b>	<b>3,277,671</b>	<b>1,616,489</b>
Accrued termination pay	2,322,437	2,277,751	44,686
<b>Total Liabilities</b>	<b>7,216,597</b>	<b>5,555,422</b>	<b>1,661,175</b>
Net Assets			
Unrestricted	16,748,071	16,406,490	341,581
<b>Total Net Assets</b>	<b>16,748,071</b>	<b>16,406,490</b>	<b>341,581</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 23,964,668</b>	<b>\$ 21,961,912</b>	<b>\$ 2,002,756</b>