

FOR ACTION

Board of Trustees
Charles Stewart Mott Community College
Regular Meeting,
June 26, 2017
Volume

Treasurer's Report for May 2017

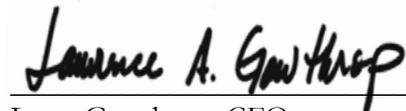
This resolution is recommended.

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 May, 2017 as presented by the Administration.

Reviewed and Submitted By:



Larry Gawthrop, CFO

Date: June 26, 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.”

May's Treasurer's Report

Larry Gawthrop, CPA
Chief Financial Officer

June 26, 2017

Summary of Expenditures:

Month of May Spending:

General Fund:	\$	6,309,049
All Other Funds:	\$	<u>3,252,679</u>
Total:	\$	<u>9,561,728</u>

Comments on General Fund Financial Statements:

- Statement of Revenues, Expenditures and Changes in Net Assets

In summary, total revenues for the eleven months ended May 30, were approximately \$67.4 million, representing 89.9% of the annual budget, 1% 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 eleven months was roughly \$61.5 million, which represents 83.8% of the annual budget, compared to \$62.1 million and 84.5%, 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 \$32.6 million, \$383 thousand less than last year and 97.1% of the budget, down from 99.7% a year ago. Our 2016-2017 budget included an 8% decline in enrollment in contact hours (\$1.3 million).

Property taxes collected are roughly \$17.1 million. The amount budgeted is \$17.8 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 eighth installment of roughly \$1.5 million without exception.

Expenditures

Salaries and Wages are roughly \$31.1 million, or 87.2% of the annual budget, compared to \$32.4 million and 89.3% a year ago.

Fringe Benefits are at \$13.3 million, or 86.1% of the budgeted amount compared to \$14.2 million and 88.3% of the budget one year ago.

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. We are projecting a \$100 thousand decrease in the bad debt budget line item as well.

- **Balance Sheet**

Total Assets are at approximately \$22.3 million, up \$1.3 million from last May. The largest differences are a \$3.3 million increase in *Cash and cash equivalents*, a \$1.9 million decrease in *Due from/(to) other funds*, and a \$65 thousand decrease in *Accounts receivable*.

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 \$9.5 million, **Total Liabilities** are up \$79 thousand from the prior year. The most significant changes were a timing difference increase in *Accounts Payable*, a decrease in *Accrued payroll and related liabilities*, and a \$170 thousand decrease in *Unearned revenue* related to Fall registration.

Comments on spending from other funds:

- Of the roughly \$3.3 million expended in the other funds, \$680 thousand was out of the *Maintenance and Replacement and Bond funds*, \$409 thousand in depreciation and capital asset changes in the *Capital position fund*, and the remaining \$2.2 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 11 Months Ended May 31, 2017
With Comparative Totals at May 31, 2016

	FY 2016-2017 Budget	YTD Actuals as of 05/31/17	YTD Actuals as of 5/31/16	Actual to Actual \$ Change	Actual to Actual % Change
Revenues:					
Tuition and fees	\$ 33,616,199	\$ 32,637,990	\$ 33,020,702	\$ (382,712)	-1.16%
Property taxes	17,799,093	17,091,409	16,869,861	221,548	1.31%
State appropriations	16,275,955	11,835,042	11,677,139	157,903	1.35%
State appropriations - UAAL Passthrough	3,148,057	2,447,552	2,289,495	158,057	6.90%
State appropriations - PPT Stabilization	476,425	476,425	-	476,425	
Ballenger trust	1,808,232	1,657,546	1,777,736	(120,190)	-6.76%
Grants and other	1,818,176	1,234,642	1,366,100	(131,458)	-9.62%
Total revenues	74,942,137	67,380,606	67,001,033	379,573	0.57%
Expenditures:					
Salaries and wages	35,725,985	31,144,689	32,368,354	1,223,665	3.78%
Fringe benefits	15,850,481	13,336,112	14,231,211	895,099	6.29%
Fringe benefits - UAAL Passthrough	3,148,057	2,447,552	2,289,495	(158,057)	-6.90%
Contracted services	6,163,490	4,789,236	4,309,907	(479,329)	-11.12%
Materials and supplies	2,270,794	1,553,252	1,572,132	18,880	1.20%
Facilities rent	186,000	209,763	175,099	(34,664)	-19.80%
Utilities and insurance	2,739,216	2,373,718	2,331,396	(42,322)	-1.82%
Operations/communications	5,404,012	3,899,732	3,832,182	(67,550)	-1.76%
Transfers out	1,851,000	1,726,890	865,559	(861,331)	0.00%
Equipment and Improvements	119,987	59,538	88,599	29,061	32.80%
Total expenditures	73,459,022	61,540,482	62,063,934	523,452	0.84%
Net increase/(decrease) in net assets	1,483,115	5,840,124	4,937,099	903,025	18.29%

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

	As of May 31 2017	As of May 31 2016	\$ Change
Assets			
Current Assets			
Cash and cash equivalents	\$ 14,467,669	\$ 11,153,620	\$ 3,314,049
Due from other funds	1,182,848	3,091,672	(1,908,824)
Accounts receivable - net of allowance for uncollectible accounts (\$5,366,683 for 2017 and \$4,939,027 for 2016)	6,384,618	6,449,705	(65,087)
Inventories	56,740	74,972	(18,232)
Prepaid expenses and other assets	233,732	238,406	(4,674)
Total Assets	\$ 22,325,607	\$ 21,008,375	\$ 1,317,232
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	\$ 890,596	\$ 528,652	\$ 361,944
Accrued payroll and related liabilities	1,439,371	1,541,703	(102,332)
Deposits held for others	12,982	12,982	-
Unearned revenue	4,766,291	4,936,349	(170,058)
Other accrued liabilities	169,125	177,218	(8,093)
Total Current Liabilities	7,278,365	7,196,904	81,461
Accrued termination pay	2,264,978	2,267,031	(2,053)
Total Liabilities	9,543,343	9,463,935	79,408
Net Assets			
Unrestricted	12,782,264	11,544,440	1,237,824
Total Net Assets	12,782,264	11,544,440	1,237,824
Total Liabilities and Net Assets	\$ 22,325,607	\$ 21,008,375	\$ 1,317,232