

FOR ACTION

Board of Trustees
Charles Stewart Mott Community College
Regular Meeting,
June 25, 2018
Volume

Treasurer's Report for May 2018

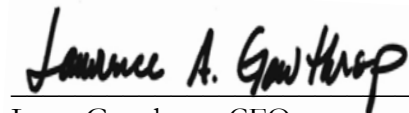
This resolution is recommended.

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 May, 2018 as presented by the Administration.

Reviewed and Submitted By:



Larry Gawthrop, CFO

Date: June 25, 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.”

May Treasurer's Report

Larry Gawthrop, CPA
Chief Financial Officer

June 25, 2018

Summary of Expenditures:

Month of May Spending:

General Fund:	\$	5,553,002
All Other Funds:	\$	<u>3,568,186</u>
Total:	\$	<u>9,121,188</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 31, were approximately \$68.5 million, representing 91.1% of the annual budget, 0.7% 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 eleven months were roughly \$62.2 million, representing 83.0% of the annual budget, compared to \$61.5 million and 82.8%, one year ago.

Revenues

Tuition and fees revenues are \$32 million, \$660 thousand less than last year and 99.1% of the budget, up from 98.9% 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 in headcount and contact hours than budgeted and are adjusted accordingly in the Amended Budget.

Property taxes collected are \$17.5 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 eighth 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 \$30.6 million, or 84.6% of the annual budget, compared to \$31.1 million and 87.3%, a year ago.

Fringe Benefits are at \$13.4 million, and 86.2% of the budgeted amount compared to \$15.4 million and 86.8% of the budget one year ago.

Other Expenditures:

Contracted services are up roughly \$455 thousand due in large part to new maintenance contract services on necessary and required building systems.

Materials and supplies are up roughly \$44 thousand, mainly due to timing of lab fees payments to vendors and an increase in water testing expenses.

Operations/communications is down approximately \$67 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 \$25.3 million, up \$2.9 million from last May. The largest differences are a \$11 million increase in *Cash and cash equivalents*, a \$6.8 million decrease in *Due from/(to) other funds*, and a net \$1.4 million decrease in *Accounts receivable*. The 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 \$2.2 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, \$414 thousand increase in *Accounts payable*, and a \$549 thousand increase in *Accrued payroll and related liabilities*.

Comments on spending from other funds:

- Of the roughly \$3.6 million expended in the other funds, \$497 thousand was expended out of the *Capital position funds* for depreciation and capital asset changes, \$790 thousand was out of the *Maintenance and Replacement and Bond funds* for capital related improvements, and the remaining \$2.3 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 11 Months Ended May 31, 2018
With Comparative Totals at May 31, 2017

	FY 2017-2018 Budget	YTD Actuals as of 05/31/18	YTD Actuals as of 05/31/17	Actual to Actual \$ Change	Actual to Actual % Change
Revenues:					
Tuition and fees	\$ 32,278,443	\$ 31,977,923	\$ 32,637,990	\$ (660,067)	-2.02%
Property taxes	18,244,690	17,474,096	17,091,409	382,687	2.24%
State appropriations	16,294,420	12,058,285	11,834,708	223,577	1.89%
State appropriations - UAAL Passthrough	3,654,617	2,830,444	2,447,552	382,892	15.64%
State appropriations - PPT Stabilization	532,359	523,714	476,759	46,955	9.85%
Ballenger trust	1,919,437	1,763,089	1,657,546	105,543	6.37%
Grants and other	2,236,013	1,866,563	1,234,642	631,921	51.18%
Total revenues	75,159,979	68,494,114	67,380,606	1,113,508	1.65%
Expenditures:					
Salaries and wages	36,222,101	30,630,134	31,144,689	514,555	1.65%
Fringe benefits	15,553,441	13,413,025	13,336,112	(76,913)	-0.58%
Fringe benefits - UAAL Passthrough	3,654,617	2,830,444	2,447,552	(382,892)	-15.64%
Contracted services	6,910,597	5,243,931	4,789,236	(454,695)	-9.49%
Materials and supplies	2,367,520	1,597,732	1,553,252	(44,480)	-2.86%
Facilities rent	191,900	260,641	209,763	(50,878)	-24.25%
Utilities and insurance	2,724,690	2,429,796	2,373,718	(56,078)	-2.36%
Operations/communications	5,223,705	3,832,919	3,899,732	66,813	1.71%
Transfers out	1,966,795	1,889,994	1,726,890	(163,104)	0.00%
Equipment and Improvements	74,599	59,755	59,538	(217)	-0.36%
Total expenditures	74,889,965	62,188,371	61,540,482	(647,889)	-1.05%
Net increase/(decrease) in net assets	270,014	6,305,743	5,840,124	465,619	7.97%

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

	As of May 31 2018	As of May 31 2017	\$ Change
Assets			
Current Assets			
Cash and cash equivalents	\$ 25,503,395	\$ 14,467,669	\$ 11,035,726
Due from other funds	(5,585,528)	1,182,848	(6,768,376)
Accounts receivable - net of allowance for uncollectible accounts (\$6,401,428 for 2018 and \$5,366,683 for 2017)	4,961,120	6,384,618	(1,423,498)
Inventories	70,705	56,740	13,965
Prepaid expenses and other assets	328,958	233,732	95,226
Total Assets	\$ 25,278,650	\$ 22,325,607	\$ 2,953,043
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	\$ 476,912	\$ 890,596	\$ (413,684)
Other current liabilities	2,008,039	-	2,008,039
Accrued payroll and related liabilities	1,988,053	1,439,371	548,682
Deposits held for others	1,915	12,982	(11,067)
Other accrued liabilities	161,766	169,125	(7,359)
Total Current Liabilities	9,404,887	7,278,365	2,126,522
Accrued termination pay	2,322,437	2,264,978	57,459
Total Liabilities	11,727,324	9,543,343	2,183,981
Net Assets			
Unrestricted	13,551,326	12,782,264	769,062
Total Net Assets	13,551,326	12,782,264	769,062
Total Liabilities and Net Assets	\$ 25,278,650	\$ 22,325,607	\$ 2,953,043