

FOR ACTION

Board of Trustees
Charles Stewart Mott Community College
Regular Meeting,
September 24, 2018
Volume

Treasurer's Report for August 2018

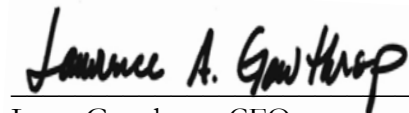
This resolution is recommended.

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 September, 2018 as presented by the Administration.

Reviewed and Submitted By:



Larry Gawthrop, CFO

Date: September 24, 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."*

August Treasurer's Report

Larry Gawthrop, CPA
Chief Financial Officer

September 24, 2018

Summary of Expenditures:

Month of August Spending:

General Fund:	\$	6,687,475
All Other Funds:	\$	<u>4,104,076</u>
Total:	\$	<u>10,791,551</u>

Comments on General Fund Financial Statements:

- **Statement of Revenues, Expenditures and Changes in Net Assets**

In summary, total revenues for the two months ended August 31, were approximately \$18.5 million, representing 24.3% of the annual budget, 0.9% more than it was a year ago. The most significant change when compared to the budget and prior year actuals is in *Tuition and fees, Grants and other, and Transfer from reserve* which are discussed further below. Expenditures for the two months were roughly \$10.4 million, representing 13.7% of the annual budget, compared to \$8.7 million and 11.5%, one year ago.

Revenues

Tuition and fees revenues are \$14.6 million, \$457 thousand more than last year and 47.0% of the budget, up from 44.5% a year ago. Our 2018-2019 budget included a 4% decline in enrollment and in contact hours. Our Fall term enrollment was a 0.7% increase in headcount and a 0.4% decrease in contact hours, which is significantly better than what was budgeted.

Property taxes collected are \$2 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 decreased \$381 thousand and is largely attributable to the timing of the recording of the Foundation for MCC pledge to the College in July of the previous year. For the current year, we anticipate recording this in September.

Transfer from reserve account is for the planned transfer from the *future funding* account.

Expenditures

Salaries and Wages are roughly \$4.6 million, or 12.3% of the annual budget, compared to \$3.0 million and 9.3%, a year ago. The increase is attributable to having three payrolls in August versus only two in August 2017 and the impact of the 2% across the board increase.

Fringe Benefits are at \$2 million, and 13.3% of the budgeted amount compared to \$1.8 million and 11.6% of the budget one year ago due to the same rationale for the increase in salaries and wages.

Other Expenditures:

Contracted services are up roughly \$146 thousand from prior year due in large part to custodial contract services.

- Balance Sheet

Total Assets are at approximately \$22.7 million, up from \$1.4 million from last August. The largest differences are a \$14.9 million increase in *Cash and cash equivalents*, a \$18 million decrease in *Due from/(to) other funds*, and a net \$4.7 million increase in *Accounts receivable*. The increase in *Accounts Receivable* is mainly due to a timing in applying the first Pell distribution to student accounts with some impact from increases in enrollment and tuition charges compared to the prior year.

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 \$1.8 million from the prior year. The most significant changes are a \$1.7 million increase in *Other Current Liabilities* and a \$326 thousand increase in *Accrued payroll and related liabilities*. The increase in *Other Current Liabilities* represents the funds received regarding the Jana Robinson Trust. These funds, less attorney fees paid, will ultimately be forwarded to the Foundation for MCC.

Comments on spending from other funds:

- Of the roughly \$4.1 million expended in the other funds, \$1.2 million was out of the *Maintenance and Replacement and Bond funds* for capital related improvements, and the remaining \$2.9 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 2 Months Ended August 31, 2018
With Comparative Totals at August 31, 2017

	FY 2018-2019 Budget	YTD Actuals as of 08/31/18	YTD Actuals as of 08/31/17	Actual to Actual \$ Change	Actual to Actual % Change
Revenues:					
Tuition and fees	\$ 31,180,612	\$ 14,666,253	\$ 14,209,138	\$ 457,115	3.22%
Property taxes	18,850,807	2,023,199	1,971,402	51,797	2.63%
State appropriations	16,294,420	5,761	-	5,761	0.00%
State appropriations - UAAL Passthrough	3,654,617	-	-	-	0.00%
State appropriations - PPT Stabilization	932,359	-	-	-	0.00%
Ballenger trust	2,090,770	362,224	355,956	6,268	1.76%
Grants and other	1,803,502	141,893	522,950	(381,057)	-72.87%
Transfer from Reserve	1,253,981	1,253,981	416,000	837,981	201.44%
Total revenues	76,061,068	18,453,311	17,475,446	977,865	5.60%
Expenditures:					
Salaries and wages	37,333,360	4,578,043	3,330,660	(1,247,383)	-37.45%
Fringe benefits	15,365,047	2,042,430	1,775,757	(266,673)	-15.02%
Fringe benefits - UAAL Passthrough	3,654,617	-	-	-	0.00%
Contracted services	6,358,079	526,771	381,073	(145,698)	-38.23%
Materials and supplies	2,312,657	246,147	201,642	(44,505)	-22.07%
Facilities rent	196,756	55,692	48,813	(6,879)	-14.09%
Utilities and insurance	2,906,908	697,772	699,057	1,285	0.18%
Operations/communications	5,432,908	934,877	947,028	12,151	1.28%
Transfers out	2,109,824	1,297,000	1,297,000	-	0.00%
Equipment and Improvements	140,912	8,558	7,856	(702)	-8.94%
Total expenditures	75,811,068	10,387,290	8,688,886	(1,698,404)	-19.55%
Net increase/(decrease) in net assets	250,000	8,066,021	8,786,560	(720,539)	-8.20%

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

	As of August 31 2018	As of August 31 2017	\$ Change
Assets			
Current Assets			
Cash and cash equivalents	\$ 24,377,650	\$ 9,494,232	\$ 14,883,418
Due from other funds	(11,402,723)	6,760,685	(18,163,408)
Accounts receivable - net of allowance for uncollectible accounts (\$5,979,071 for 2018 and \$5,549,248 for 2017)	9,556,571	4,827,832	4,728,739
Inventories	55,947	70,705	(14,758)
Prepaid expenses and other assets	113,312	150,449	(37,137)
Total Assets	\$ 22,700,757	\$ 21,303,903	\$ 1,396,854
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	\$ 1,117,040	\$ 1,276,741	\$ (159,701)
Other current liabilities	1,684,219	-	1,684,219
Accrued payroll and related liabilities	1,666,788	1,340,528	326,260
Deposits held for others	2,351	12,607	(10,256)
Other accrued liabilities	94,450	161,766	(67,316)
Total Current Liabilities	4,564,848	2,791,642	1,773,206
Accrued termination pay	2,504,292	2,480,120	24,172
Total Liabilities	7,069,140	5,271,762	1,797,378
Net Assets			
Unrestricted	15,631,617	16,032,141	(400,524)
Total Net Assets	15,631,617	16,032,141	(400,524)
Total Liabilities and Net Assets	\$ 22,700,757	\$ 21,303,903	\$ 1,396,854