

FOR ACTION

Board of Trustees  
Charles Stewart Mott Community College  
Regular Meeting,  
October 15, 2018  
Volume

Treasurer's Report for September 2018

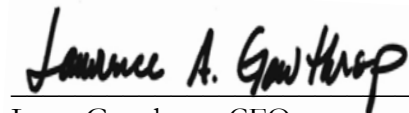
This resolution is recommended.

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: October 15, 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."*

# September Treasurer's Report

Larry Gawthrop, CPA  
Chief Financial Officer

October 15, 2018

## Summary of Expenditures:

Month of September Spending:

General Fund:	\$	5,756,554
All Other Funds:	\$	<u>10,243,188</u>
Total:	\$	<u>15,999,742</u>

## Comments on General Fund Financial Statements:

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

In summary, total revenues for the three months ended September 30, were approximately \$23.9 million, representing 31.5% of the annual budget, 1.9% 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*, *Property taxes*, and *Transfer from reserve* which are discussed further below. Expenditures for the three months were roughly \$16.1 million, representing 21.3% of the annual budget, compared to \$15.6 million and 20.7%, one year ago.

### Revenues

*Tuition and fees* revenues are \$15.1 million, \$125 thousand more than last year and 48.4% of the budget, up from 46.9% 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 \$6.4 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. The \$825 thousand increase compared to the prior year was due to a difference in timing in collections.

*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.

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

## Expenditures

*Salaries and Wages* are roughly \$7.4 million, or 19.8% of the annual budget, compared to \$7.2 million and 20.1%, a year ago.

*Fringe Benefits* are at \$3.5 million, and 22.8% of the budgeted amount compared to \$3.4 million and 22.3% of the budget one year ago.

### *Other Expenditures:*

*Contracted services* are up roughly \$146 thousand from prior year due in large part to custodial contract services. The differences in *Operations and communications* and *Transfers out* are due to timing differences from year to year.

- **Balance Sheet**

*Total Assets* are at approximately \$22.4 million, up \$2.2 million from last September. The largest differences are a \$14.8 million increase in *Cash and cash equivalents*, a \$12.2 million decrease in *Due from other funds*, and a net \$303 thousand decrease in *Accounts receivable*. The increase in *Cash and Cash equivalents* is due in large part to the receipt of the Trust settlement.

*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 \$649 thousand from the prior year. The most significant changes are a \$1.7 million increase in *Other Current Liabilities* and a \$1 million decrease in *Accounts payable*. The increase in *Other Current Liabilities* represents the funds received from the Trust settlement. These funds, less attorney fees paid, will ultimately be forwarded to the Foundation for MCC. The decrease in *Accounts payable* is attributable to timing differences in vouchering of invoices and payments released.

### **Comments on spending from other funds:**

- Of the roughly \$10.2 million expended in the other funds, \$1.3 million was out of the *Maintenance and Replacement and Bond funds* for capital related improvements, \$1.9 million for depreciation, and the remaining \$7 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 3 Months Ended September 30, 2018**  
**With Comparative Totals at September 30, 2017**

	FY 2018-2019 Budget	YTD Actuals as of 09/30/18	YTD Actuals as of 09/30/17	Actual to Actual \$ Change	Actual to Actual % Change
<b>Revenues:</b>					
Tuition and fees	\$ 31,180,612	\$ 15,091,766	\$ 14,966,855	\$ 124,911	0.83%
Property taxes	18,850,807	6,399,694	5,574,528	825,166	14.80%
State appropriations	16,294,420	34,931	36,333	(1,402)	-3.86%
State appropriations - UAAL Passthrough	3,654,617	-	-	-	0.00%
State appropriations - PPT Stabilization	932,359	-	-	-	0.00%
Ballenger trust	2,090,770	543,336	512,304	31,032	6.06%
Grants and other	1,803,502	609,150	659,635	(50,485)	-7.65%
Transfer from Reserve	1,253,981	1,253,981	416,000	837,981	201.44%
<b>Total revenues</b>	<b>76,061,068</b>	<b>23,932,858</b>	<b>22,165,655</b>	<b>1,767,203</b>	<b>7.97%</b>
<b>Expenditures:</b>					
Salaries and wages	37,333,360	7,379,073	7,213,782	(165,291)	-2.29%
Fringe benefits	15,365,047	3,497,579	3,408,583	(88,996)	-2.61%
Fringe benefits - UAAL Passthrough	3,654,617	-	-	-	0.00%
Contracted services	6,358,079	1,112,562	969,651	(142,911)	-14.74%
Materials and supplies	2,312,657	412,852	473,213	60,361	12.76%
Facilities rent	196,756	84,549	83,472	(1,077)	-1.29%
Utilities and insurance	2,906,908	935,931	909,798	(26,133)	-2.87%
Operations/communications	5,432,908	1,114,680	1,280,032	165,352	12.92%
Transfers out	2,109,824	1,588,941	1,297,000	(291,941)	0.00%
Equipment and Improvements	140,912	17,680	13,865	(3,815)	-27.52%
<b>Total expenditures</b>	<b>75,811,068</b>	<b>16,143,847</b>	<b>15,649,396</b>	<b>(494,451)</b>	<b>-3.16%</b>
<b>Net increase/(decrease) in net assets</b>	<b>250,000</b>	<b>7,789,011</b>	<b>6,516,259</b>	<b>1,272,752</b>	<b>19.53%</b>

**Mott Community College  
General Fund  
Balance Sheet - Modified Accrual  
September 30, 2018  
With Comparative Totals at September 30, 2017**

	As of September 30 2018	As of September 30 2017	\$ Change
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	\$ 30,179,312	\$ 15,354,596	\$ 14,824,716
Due from other funds	(12,085,290)	120,909	(12,206,199)
Accounts receivable - net of allowance for uncollectible accounts (\$5,979,071 for 2018 and \$5,549,248 for 2017)	4,169,979	4,473,077	(303,098)
Inventories	55,947	70,705	(14,758)
Prepaid expenses and other assets	106,151	164,845	(58,694)
<b>Total Assets</b>	<b>\$ 22,426,099</b>	<b>\$ 20,184,132</b>	<b>\$ 2,241,967</b>
<b>Liabilities and Net Assets</b>			
Current Liabilities			
Accounts payable	\$ 845,572	\$ 1,868,551	\$ (1,022,979)
Other current liabilities	1,684,219	-	1,684,219
Accrued payroll and related liabilities	1,946,118	1,900,584	45,534
Deposits held for others	2,975	14,331	(11,356)
Other accrued liabilities	94,450	161,766	(67,316)
<b>Total Current Liabilities</b>	<b>4,573,334</b>	<b>3,945,232</b>	<b>628,102</b>
Accrued termination pay	2,498,158	2,477,060	21,098
<b>Total Liabilities</b>	<b>7,071,492</b>	<b>6,422,292</b>	<b>649,200</b>
Net Assets			
Unrestricted	15,354,607	13,761,840	1,592,767
<b>Total Net Assets</b>	<b>15,354,607</b>	<b>13,761,840</b>	<b>1,592,767</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 22,426,099</b>	<b>\$ 20,184,132</b>	<b>\$ 2,241,967</b>