

FOR ACTION

Board of Trustees
Charles Stewart Mott Community College
Regular Meeting,
November 27, 2017
Volume

Treasurer's Report for October 2017

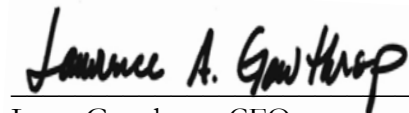
This resolution is recommended.

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 October, 2017 as presented by the Administration.

Reviewed and Submitted By:



Larry Gawthrop, CFO

Date: November 27, 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.”

October's Treasurer's Report

Larry Gawthrop, CPA
Chief Financial Officer

November 27, 2017

Summary of Expenditures:

Month of October Spending:

General Fund:	\$	5,094,819
All Other Funds:	\$	<u>10,753,431</u>
Total:	\$	<u>15,848,250</u>

Comments on General Fund Financial Statements:

- Statement of Revenues, Expenditures and Changes in Net Assets

In summary, total revenues for the four months ended October 31, were approximately \$26.4 million, representing 35.3% of the annual budget, 1.2% 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, State Appropriations-UAAL, and Grants and other*** which are discussed further below. Expenditures for the four months were roughly \$21.4 million, representing 28.7% of the annual budget, compared to \$21 million and 28.3%, one year ago.

Revenues

Tuition and fees revenues are \$15.1 million, \$312 thousand less than last year and 46.2% of the budget, down from 46.7% a year ago. Our 2017-2018 budget included a 3% decline in enrollment in contact hours (\$350 thousand).

Property taxes collected are roughly \$7.2 million. The amount budgeted is \$17.9 million, \$178 thousand or roughly 1% more than the 2016-2017 fiscal year budget, and is based on final taxable value figures provided by the Genesee County Equalization Department.

State appropriations payments for FY 2017-18 are paid in eleven monthly installments starting in October. We received our first payment of \$1.5 million in operating and \$632 thousand in UAAL pass-through. The total budgeted amount for the current fiscal year is \$16.2 million the same as the prior year excluding the UAAL stabilization pass-through and PPT Stabilization.

Expenditures

Salaries and Wages are roughly \$10 million, or 27.4% of the annual budget, compared to \$9.9 million and 27.7%, a year ago.

Fringe Benefits are at \$4.5 million, or 29.5% of the budgeted amount compared to \$4.5 million and 29.2% of the budget one year ago.

Other Expenditures:

Materials and supplies are up roughly \$114 thousand, mainly due to timing of lab fees payments to vendors and an increase in water testing expenses.

Operations/communications is down approximately \$655 thousand mainly due to informational mailings sent in the prior year related to the millage election and a timing difference in the recognition of Fall semester bad debt write-offs, an estimate of \$600 thousand. This was done in October last year and will be recorded in November this year.

- **Balance Sheet**

Total Assets are at approximately \$19.5 million, up \$2.8 million from last October. The largest differences are a \$4.6 million increase in *Cash and cash equivalents*, a \$2.3 million decrease in *Due from/(to) other funds*, and a \$456 thousand increase in *Accounts receivable*. The \$456 thousand increase in *Accounts Receivable* is the result of the student refunds being processed earlier than the prior year resulting in roughly a \$500k decrease in the STDR credit balances 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 \$7.4 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, and a \$289 thousand decrease in *Accrued Payroll and related liabilities*.

Comments on spending from other funds:

- Of the roughly \$10.8 million expended in the other funds, \$490 thousand was expended out of the *Capital position funds* for depreciation and capital asset changes, \$1.4 million was out of the *Maintenance and Replacement and Bond funds* for capital related improvements, \$779 thousand out of the *Debt Service Funds* for regularly scheduled interest payments on the College’s outstanding bonds, and the remaining \$8.1 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 4 Months Ended October 31, 2017
With Comparative Totals at October 31, 2016

	FY 2017-2018 Budget	YTD Actuals as of 10/31/17	YTD Actuals as of 10/31/16	Actual to Actual \$ Change	Actual to Actual % Change
Revenues:					
Tuition and fees	\$ 32,644,373	\$ 15,089,032	\$ 15,400,810	\$ (311,778)	-2.02%
Property taxes	17,975,064	7,248,191	7,166,586	81,605	1.14%
State appropriations	16,229,838	1,514,343	1,499,692	14,651	0.98%
State appropriations - UAAL Passthrough	3,365,384	632,642	-	632,642	#DIV/0!
State appropriations - PPT Stabilization	381,407	-	-	-	0.00%
Ballenger trust	1,839,873	668,652	602,744	65,908	10.93%
Grants and other	2,214,928	1,200,408	719,297	481,111	66.89%
Total revenues	74,650,867	26,353,268	25,389,129	964,139	3.80%
Expenditures:					
Salaries and wages	36,526,110	10,010,960	9,890,999	(119,961)	-1.21%
Fringe benefits	15,330,936	4,522,390	4,485,391	(36,999)	-0.82%
Fringe benefits - UAAL Passthrough	3,365,384	632,642	-	(632,642)	#DIV/0!
Contracted services	6,551,011	1,447,301	1,366,881	(80,420)	-5.88%
Materials and supplies	2,227,674	648,586	534,827	(113,759)	-21.27%
Facilities rent	186,000	97,692	75,185	(22,507)	-29.94%
Utilities and insurance	2,674,470	1,108,666	1,094,577	(14,089)	-1.29%
Operations/communications	5,495,306	1,582,996	2,238,425	655,429	29.28%
Transfers out	1,936,000	1,297,000	1,297,000	-	0.00%
Equipment and Improvements	99,551	28,623	36,171	7,548	20.87%
Total expenditures	74,392,442	21,376,856	21,019,456	(357,400)	-1.70%
Net increase/(decrease) in net assets	258,425	4,976,412	4,369,673	606,739	13.89%

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

	As of October 31 2017	As of October 31 2016	\$ Change
Assets			
Current Assets			
Cash and cash equivalents	\$ 19,807,223	\$ 15,200,488	\$ 4,606,735
Due from other funds	(2,580,147)	(234,050)	(2,346,097)
Accounts receivable - net of allowance for uncollectible accounts (\$5,549,248 for 2017 and \$5,415,889 for 2016)	2,020,587	1,563,715	456,872
Inventories	70,705	56,540	14,165
Prepaid expenses and other assets	147,851	61,128	86,723
Total Assets	\$ 19,466,219	\$ 16,647,821	\$ 2,818,398
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	\$ 981,938	\$ 882,406	\$ 99,532
Other current liabilities	2,008,039	-	\$ 2,008,039
Accrued payroll and related liabilities	1,607,039	1,896,257	(289,218)
Deposits held for others	8,382	16,042	(7,660)
Other accrued liabilities	161,766	169,125	(7,359)
Total Current Liabilities	4,767,164	2,963,830	1,803,334
Accrued termination pay	2,477,060	2,372,178	104,882
Total Liabilities	7,244,224	5,336,008	1,908,216
Net Assets			
Unrestricted	12,221,995	11,311,813	910,182
Total Net Assets	12,221,995	11,311,813	910,182
Total Liabilities and Net Assets	\$ 19,466,219	\$ 16,647,821	\$ 2,818,398