

FOR ACTION

Board of Trustees  
Charles Stewart Mott Community College  
Regular Meeting,  
November 19, 2018  
Volume

Treasurer's Report for October 2018

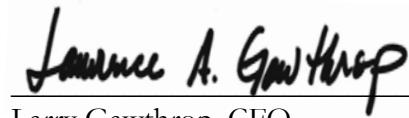
This resolution is recommended.

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 October, 2018 as presented by the Administration.

Reviewed and Submitted By:



Larry Gawthrop, CFO

Date: November 19, 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."*

# October Treasurer's Report

Larry Gawthrop, CPA  
Chief Financial Officer

November 19, 2018

## Summary of Expenditures:

Month of October Spending:

General Fund:	\$	5,545,484
All Other Funds:	\$	<u>8,304,007</u>
Total:	\$	<u>13,849,491</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 \$27.2 million, representing 35.8% of the annual budget, compared to 35.2% a year ago. The most significant change when compared to the budget and prior year actuals is in *Tuition and fees, Property taxes, Ballenger trust, and Transfer from reserve* which are discussed further below. Expenditures for the four months were roughly \$21.8 million, representing 28.8% of the annual budget, compared to \$21.4 million and 28.3%, one year ago.

### Revenues

*Tuition and fees* revenues are \$15.6 million, \$581 thousand more than last year and up 3% from a year ago. Our 2018-2019 budget included a 4% decline in enrollment and in contact hours. Our Fall term enrollment was significantly better than what was budgeted.

*Property taxes* collected are \$7.4 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.

*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.

*Ballenger trust* revenue is \$125 thousand lower due to a timing issue in payment posting in October. In November, there will be two *Ballenger trust* payments for October and November.

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

## Expenditures

*Salaries and Wages* are roughly \$10.2 million, or 27.2% of the annual budget, compared to \$10 million and 27.8%, a year ago.

*Fringe Benefits* are at \$4.7 million, and 30.3% of the budgeted amount compared to \$4.5 million and 29.6% of the budget one year ago.

### *Other Expenditures:*

*Contracted services* are up roughly \$412 thousand from prior year due in large part to custodial contract services and professional fees related to the Robinson trust. 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 \$19.7 million, up \$210 thousand from last October. The largest differences are a \$4.1 million increase in *Cash and cash equivalents*, a \$4.7 million increase in *Due from other funds*, and a net \$889 thousand increase in *Accounts receivable*. The increase in *Cash and Cash equivalents* is due in large part to the receipt of the Trust settlement and the increase in *Accounts receivable* is due to opening winter enrollment earlier this year and the timing of aid payments to students.

*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 down \$493 thousand from the prior year. The most significant changes are a \$324 thousand decrease in *Other Current Liabilities* and a \$165 thousand decrease in *Accounts payable*. The increase in *Other Current Liabilities* represents the difference from the Title IV accrual in the prior year versus the Robinson Trust collection in the current year. 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 \$8.3 million expended in the other funds, \$753 thousand was out of the *Maintenance and Replacement and Bond funds* for capital related improvements, and the remaining \$7.5 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 4 Months Ended October 31, 2018**  
**With Comparative Totals at October 31, 2017**

	FY 2018-2019 Budget	YTD Actuals as of 10/31/18	YTD Actuals as of 10/31/17	Actual to Actual \$ Change	Actual to Actual % Change
<b>Revenues:</b>					
Tuition and fees	\$ 31,180,612	\$ 15,670,508	\$ 15,089,032	\$ 581,476	3.85%
Property taxes	18,850,807	7,433,263	7,248,191	185,072	2.55%
State appropriations	16,294,420	1,512,941	1,514,343	(1,402)	-0.09%
State appropriations - UAAL Passthrough	3,654,617	11,230	632,642	(621,412)	-98.22%
State appropriations - PPT Stabilization	932,359	-	-	-	0.00%
Ballenger trust	2,090,770	543,336	668,652	(125,316)	-18.74%
Grants and other	1,803,502	770,262	784,408	(14,146)	-1.80%
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>27,195,521</b>	<b>26,353,268</b>	<b>842,253</b>	<b>3.20%</b>
<b>Expenditures:</b>					
Salaries and wages	37,333,360	10,169,529	10,010,960	(158,569)	-1.58%
Fringe benefits	15,365,047	4,655,034	4,522,388	(132,646)	-2.93%
Fringe benefits - UAAL Passthrough	3,654,617	11,230	632,642	621,412	98.22%
Contracted services	6,358,079	1,860,294	1,447,301	(412,993)	-28.54%
Materials and supplies	2,312,657	573,165	648,586	75,421	11.63%
Facilities rent	196,756	115,761	97,692	(18,069)	-18.50%
Utilities and insurance	2,906,908	1,113,806	1,108,666	(5,140)	-0.46%
Operations/communications	5,432,908	1,722,111	1,582,996	(139,115)	-8.79%
Transfers out	2,109,824	1,588,941	1,297,000	(291,941)	0.00%
Equipment and Improvements	140,912	25,816	28,623	2,807	9.81%
<b>Total expenditures</b>	<b>75,811,068</b>	<b>21,835,687</b>	<b>21,376,854</b>	<b>(458,833)</b>	<b>-2.15%</b>
<b>Net increase/(decrease) in net assets</b>	<b>250,000</b>	<b>5,359,834</b>	<b>4,976,414</b>	<b>383,420</b>	<b>7.70%</b>

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

	As of October 31 2018	As of October 31 2017	\$ Change
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	\$ 23,912,044	\$ 19,807,223	\$ 4,104,821
Due from other funds	(7,324,434)	(2,580,147)	(4,744,287)
Accounts receivable - net of allowance for uncollectible accounts (\$5,979,071 for 2018 and \$5,549,248 for 2017)	2,910,236	2,020,587	889,649
Inventories	55,947	70,705	(14,758)
Prepaid expenses and other assets	123,009	147,851	(24,842)
<b>Total Assets</b>	<b>\$ 19,676,802</b>	<b>\$ 19,466,219</b>	<b>\$ 210,583</b>
<b>Liabilities and Net Assets</b>			
Current Liabilities			
Accounts payable	\$ 816,907	\$ 981,938	\$ (165,031)
Other current liabilities	1,684,219	2,008,039	(323,820)
Accrued payroll and related liabilities	1,654,513	1,607,039	47,474
Deposits held for others	3,125	8,382	(5,257)
Other accrued liabilities	94,450	161,766	(67,316)
<b>Total Current Liabilities</b>	<b>4,253,214</b>	<b>4,767,164</b>	<b>(513,950)</b>
Accrued termination pay	2,498,158	2,477,060	21,098
<b>Total Liabilities</b>	<b>6,751,372</b>	<b>7,244,224</b>	<b>(492,852)</b>
Net Assets			
Unrestricted	12,925,430	12,221,995	703,435
<b>Total Net Assets</b>	<b>12,925,430</b>	<b>12,221,995</b>	<b>703,435</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 19,676,802</b>	<b>\$ 19,466,219</b>	<b>\$ 210,583</b>