

FOR ACTION

Board of Trustees
Charles Stewart Mott Community College
Regular Meeting,
January 22, 2018
Volume

Treasurer's Report for December 2017

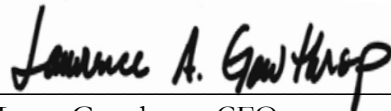
This resolution is recommended.

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 December, 2017 as presented by the Administration.

Reviewed and Submitted By:



Larry Gawthrop, CFO

Date: January 22, 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."

December's Treasurer's Report

Larry Gawthrop, CPA
Chief Financial Officer

January 22, 2018

Summary of Expenditures:

Month of December Spending:

General Fund:	\$	6,452,703
All Other Funds:	\$	<u>3,306,727</u>
Total:	\$	<u>9,759,430</u>

Comments on General Fund Financial Statements:

- Statement of Revenues, Expenditures and Changes in Net Assets

In summary, total revenues for the six months ended December 31, were approximately \$43.2 million, representing 57.8% of the annual budget, 2.1% 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 six months were roughly \$33.9 million, representing 45.5% of the annual budget, compared to \$32.4 million and 43.7%, one year ago.

Revenues

Tuition and fees revenues are \$26.3 million, \$63 thousand less than last year and 80.5% of the budget, up from 79.9% a year ago. Our 2017-2018 budget included a 3% decline in enrollment in contact hours (\$350 thousand). The final Winter enrollment numbers will be available later this month and will be included with the February amended budget.

Property taxes collected are \$8 million, rounded. 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 third payment as expected and without exception. 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 \$15.9 million, or 43.6% of the annual budget, compared to \$15.6 million and 43.7%, a year ago.

Fringe Benefits are at \$7.2 million, and 47.2% of the budgeted amount compared to \$7 million and 45.4% of the budget one year ago.

Other Expenditures:

Contracted services are up roughly \$162 thousand due in large part to new maintenance contract services on necessary and required building systems.

Materials and supplies are up roughly \$168 thousand, mainly due to timing of lab fees payments to vendors and an increase in water testing expenses.

Operations/communications is down approximately \$178 thousand mainly due to informational mailings sent in the prior year related to the millage election and a reduction in bad debt write-offs.

Transfers out are up \$118 thousand due to a timing of transfers in the designated funds.

- **Balance Sheet**

Total Assets are at approximately \$23.5 million, up \$3.4 million from last December. The largest differences are a \$4.3 million increase in *Cash and cash equivalents*, a \$323 thousand increase in *Due from/(to) other funds*, and a \$445 thousand decrease in *Accounts receivable*. The \$445 thousand 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 \$2.9 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, \$403 thousand increase in *Accounts payable*, and a \$462 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, \$615 thousand was expended out of the *Capital position funds* for depreciation and capital asset changes, \$914 thousand was out of the *Maintenance and Replacement and Bond funds* for capital related improvements, and the remaining \$2.1 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 6 Months Ended December 31, 2017
With Comparative Totals at December 31, 2016

	FY 2017-2018 Budget	YTD Actuals as of 12/31/17	YTD Actuals as of 12/31/16	Actual to Actual \$ Change	Actual to Actual % Change
Revenues:					
Tuition and fees	\$ 32,644,373	\$ 26,292,989	\$ 26,355,734	\$ (62,745)	-0.24%
Property taxes	17,975,064	7,958,217	7,465,435	492,782	6.60%
State appropriations	16,229,838	4,470,369	4,429,782	40,587	0.92%
State appropriations - UAAL Passthrough	3,365,384	1,456,819	917,832	538,987	58.72%
State appropriations - PPT Stabilization	381,407	532,359	476,759	55,600	11.66%
Ballenger trust	1,839,873	981,349	904,116	77,233	8.54%
Grants and other	2,214,928	1,471,395	961,926	509,469	52.96%
Total revenues	74,650,867	43,163,497	41,511,584	1,651,913	3.98%
Expenditures:					
Salaries and wages	36,526,110	15,908,961	15,574,371	(334,590)	-2.15%
Fringe benefits	15,330,936	7,239,405	6,971,627	(267,778)	-3.84%
Fringe benefits - UAAL Passthrough	3,365,384	1,456,819	917,832	(538,987)	-58.72%
Contracted services	6,551,011	2,433,653	2,271,470	(162,183)	-7.14%
Materials and supplies	2,227,674	956,287	787,793	(168,494)	-21.39%
Facilities rent	186,000	134,059	162,079	28,020	17.29%
Utilities and insurance	2,674,470	1,434,395	1,367,858	(66,537)	-4.86%
Operations/communications	5,495,306	2,495,091	2,673,023	177,932	6.66%
Transfers out	1,936,000	1,787,267	1,669,242	(118,025)	0.00%
Equipment and Improvements	99,551	34,714	43,051	8,337	19.37%
Total expenditures	74,392,442	33,880,651	32,438,346	(1,442,305)	-4.45%
Net increase/(decrease) in net assets	258,425	9,282,846	9,073,238	209,608	2.31%

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

	As of December 31 2017	As of December 31 2016	\$ Change
Assets			
Current Assets			
Cash and cash equivalents	\$ 16,321,046	\$ 12,051,351	\$ 4,269,695
Due from other funds	(1,265,340)	(941,901)	(323,439)
Accounts receivable - net of allowance for uncollectible accounts (\$5,897,103 for 2017 and \$5,415,889 for 2016)	8,252,212	8,697,503	(445,291)
Inventories	70,705	56,540	14,165
Prepaid expenses and other assets	138,930	206,285	(67,355)
Total Assets	\$ 23,517,553	\$ 20,069,778	\$ 3,447,775
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	\$ 506,193	\$ 103,622	\$ 402,571
Other current liabilities	2,008,039	-	\$ 2,008,039
Accrued payroll and related liabilities	1,867,395	1,404,985	462,410
Deposits held for others	1,994	15,670	(13,676)
Other accrued liabilities	161,766	169,125	(7,359)
Total Current Liabilities	4,545,387	1,693,402	2,851,985
Accrued termination pay	2,443,737	2,360,998	82,739
Total Liabilities	6,989,124	4,054,400	2,934,724
Net Assets			
Unrestricted	16,528,429	16,015,378	513,051
Total Net Assets	16,528,429	16,015,378	513,051
Total Liabilities and Net Assets	\$ 23,517,553	\$ 20,069,778	\$ 3,447,775