



Financial Report

Presented to
President Daniel Phelan
Jackson College Board of Trustees



Prepared by the Business Office
May 31, 2020

Jackson College
Memo From Darrell Norris, Vice President of Finance
For the May 31, 2020 Financial Report

Following is the May 31, 2020 Treasurer's Report summarizing the components of the major revenue and expense lines. Explanations for variances greater than 2% are included in this memo.

Note: Budgeted amounts reflect the 2019-2020 Budget as adopted at the May 2019 Board of Trustees meeting.

Revenues

- **Housing** - Favorable to budget due to increased number of students housed in Fall semester and a higher than average Winter occupancy rate.
- **Property Tax** - Favorable to budget due to higher than anticipated delinquent tax collections.
- **Contract Training** - Favorable to budget due to conservative budget and increased training.
- **Potter Center** - Unfavorable to budget due to necessary show cancellations.
- **Miscellaneous Income** - Favorable to budget. Summer unused meal plan monies higher than expected.

Expenses

- **Wages, Retirement and Benefits** - Costs are favorable to budget due to vacant positions. These vacant positions will be held to create additional savings due to COVID-19 uncertainties.
- **Services** - Favorable to budget. We anticipate this favorable status to carry to year end due to COVID 19 expense controls.
- **Materials** - Favorable to budget. We anticipate this favorable status to carry to year end due to COVID 19 expense controls.
- **Rent, Utilities, Insurance** - Favorable to budget. We anticipate this favorable status to carry to year end due to COVID-19 expense controls.
- **Other operating costs** - Favorable to budget. Favorable status expected to carry to year end due to COVID-19 expense controls.
- **Capital Equipment** - Favorable to budget. Favorable status expected to carry to year end due to COVID-19 expense controls.

Other Notes

- **Cash and Investments** - The Board directed MILAF investment strategy was operationalized in May 2018. At May 31, 2020 interest revenues have exceeded \$409,000. These earnings are designated for future operations.

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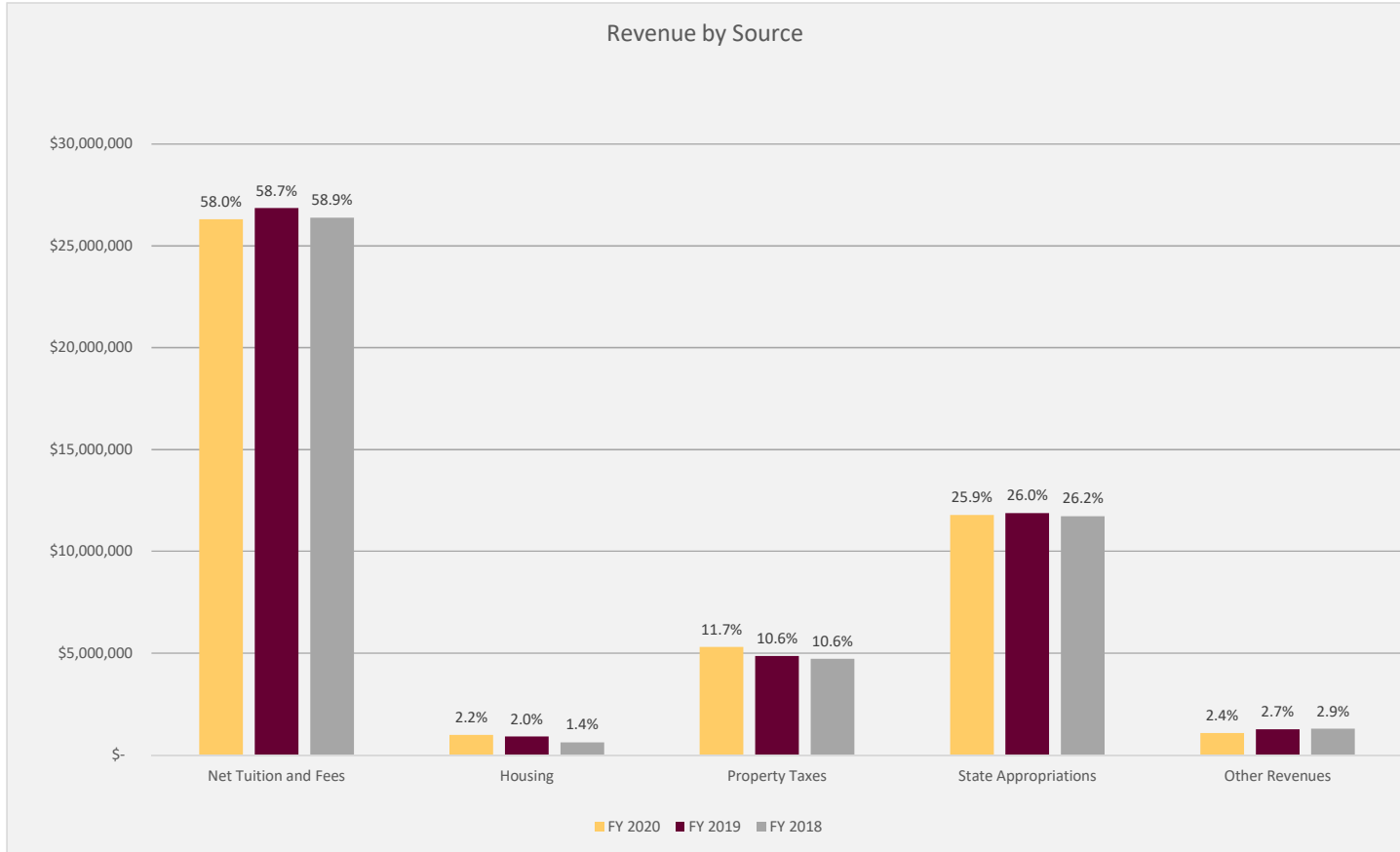
- **Looking Ahead** - Expense controls have been put in place in anticipation of reduced revenues resulting from COVID-19 pandemic. Our 20/SP enrollment numbers are down by 25% at this time so additional budget savings are being discussed to prepare for further future reductions in revenues.
- **Operating Reserves** - Board policy requires the College have combined operating fund balance reserves greater or equal to two months' operating expenses. At May 31, 2020, the operating fund balances reserves were \$14,425,046, which is approximately 3.6 months of operating expenses.

Jackson College
Revenue and Expense Statement
General Fund - FY 20
For the Eleven Months Ended May 31, 2020
Preliminary - Unaudited

	2019-2020 Original Budget	Percentage of Original Budget	Actual Year to Date	Actual Percentage of Budget	Planned Percentage to Date	Variance of Planned Percentage to Actual	Prior Year to Date
Revenue							
Gross tuition and fees	\$ 28,537,274	59.7%	\$ 27,184,099	95.3%	83.0%	\$ 3,498,162	\$ 27,642,010
Less Institutional Scholarships	(884,443)	-1.9%	(878,553)	99.3%	86.0%	(117,932)	(791,805)
Net tuition and fees	<u>27,652,831</u>	57.8%	<u>26,305,546</u>	95.1%	84.5%	3,380,230	26,850,205
Housing	900,000	1.9%	977,029	108.6%	100.0%	77,029	903,855
Property taxes	5,240,000	11.0%	5,302,258	101.2%	100.0%	62,258	4,860,204
State appropriations	12,855,700	26.9%	11,784,392	91.7%	91.7%	(4,285)	11,873,377
Contract training	100,000	0.2%	112,057	112.1%	91.7%	20,357	151,822
Potter Center activities	446,431	0.9%	300,148	67.2%	91.7%	(109,229)	380,508
Miscellaneous	557,500	1.2%	629,715	113.0%	91.7%	118,487	691,301
Transfers	34,500	0.1%	31,245	90.6%	91.7%	(392)	28,490
Total revenues	<u>47,786,962</u>	100.0%	<u>45,442,390</u>	95.1%	94.1%	3,544,455	45,739,762
Expenses							
Wages	18,024,637	37.7%	15,569,638	86.4%	92.3%	(1,067,101)	15,191,945
Retirement	4,699,758	9.8%	4,132,394	87.9%	92.3%	(205,482)	4,149,700
Benefits	3,186,946	6.7%	2,840,684	89.1%	91.7%	(81,745)	2,734,621
Services - Staffing Agency	4,878,622	10.2%	4,280,037	87.7%	92.3%	(222,931)	3,986,879
Services	2,943,382	6.2%	2,435,229	82.7%	91.7%	(263,852)	2,575,087
Materials	2,483,250	5.2%	1,993,369	80.3%	91.7%	(283,771)	1,794,299
Rent, utilities, insurance	1,900,000	4.0%	1,452,244	76.4%	91.7%	(290,056)	1,545,967
Other operating costs	3,415,069	7.1%	2,658,486	77.8%	91.7%	(473,132)	2,770,240
Transfers	805,000	1.7%	737,917	91.7%	91.7%	(268)	2,033,735
Transfers-debt service	4,848,013	10.1%	4,444,012	91.7%	91.7%	(1,616)	4,217,321
Capital equipment	601,500	1.3%	527,192	87.6%	91.7%	(24,384)	455,868
Total expenses	<u>47,786,176</u>	100.0%	<u>41,071,202</u>	85.9%	91.9%	(2,914,338)	41,455,662
Income over (under) expenses	<u>\$ 785</u>		<u>\$ 4,371,188</u>			<u>\$ 6,458,793</u>	<u>\$ 4,284,100</u>

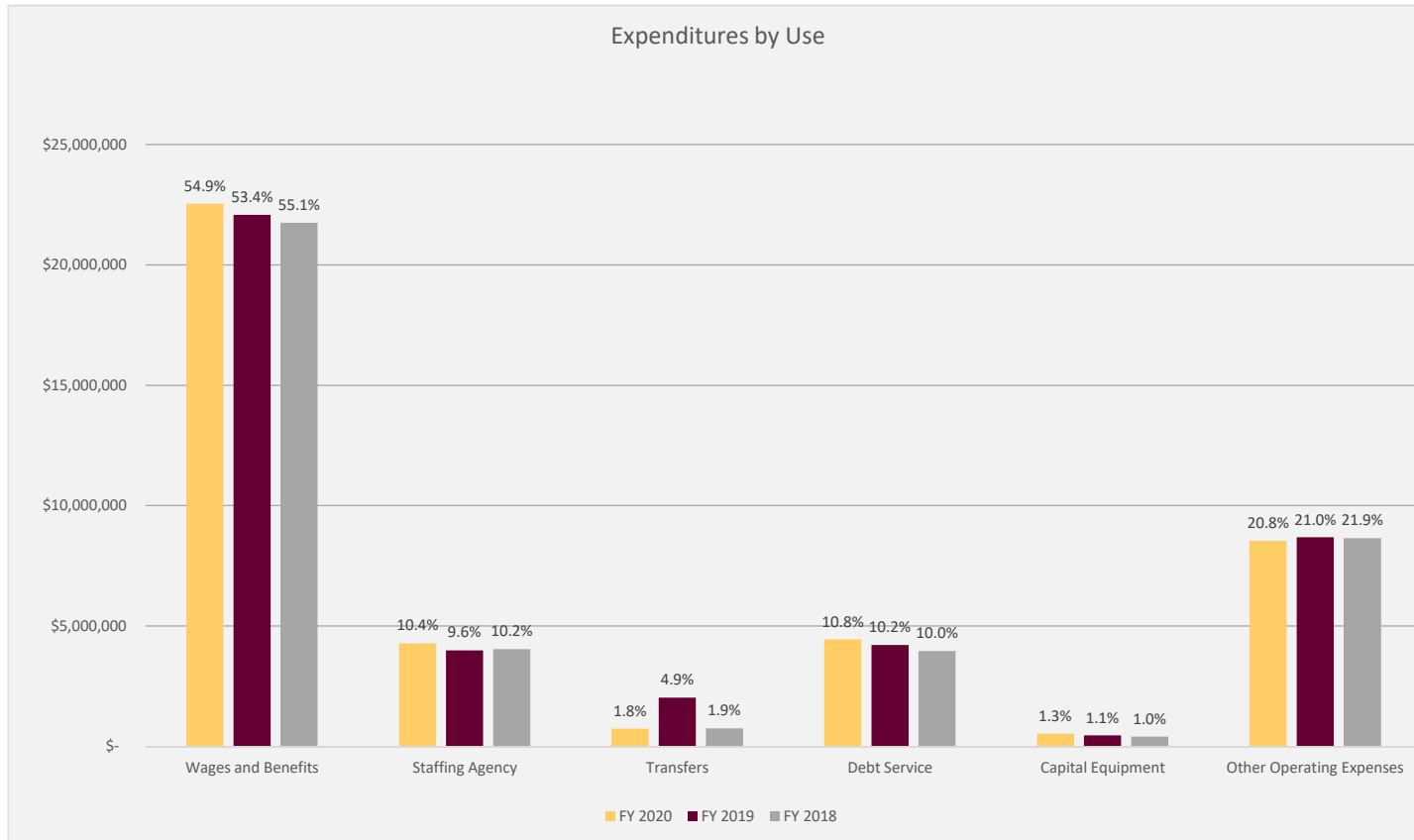
Jackson College
 General Fund Revenue Comparison
 For the Eleven Months Ended May 31, 2020

\$45,442,390



Jackson College
 General Fund Expenditure Comparison
 For the Eleven Months Ended May 31, 2020

\$41,071,202



Jackson College
Balance Sheet and Changes in Fund Balance - FY 20
May 31, 2020
Preliminary - Unaudited

	General Fund	Designated Fund	Restricted Fund	Endowment Fund	Debt & Property Fund	Activities Fund	Total
Assets							
Cash	\$ 4,086,527	\$ 9,055,817	\$ 68,679	\$ 13,171	\$ 2,843,988	\$ 305,482	\$ 16,373,664
Investments	-	-	-	17,673	-	-	17,673
Accounts receivable	5,245,157	37,500	939,464	-	50,504	-	6,272,625
Inventories	30,425	-	-	-	-	-	30,425
Other assets	1,526,208	-	2,794	-	72,078,030	-	73,607,032
Total assets	10,888,317	9,093,317	1,010,937	30,844	74,972,522	305,482	96,301,419
Liabilities and Fund Balance							
Accounts payable	126,885	-	-	-	-	-	126,885
Accrued liabilities	2,504,119	-	-	-	26,692,610	-	29,196,729
Deferred liabilities	2,895,240	-	-	-	-	-	2,895,240
Unearned revenue	288,260	-	-	-	-	-	288,260
Other liabilities	155	-	938,464	-	-	-	938,619
Total liabilities	5,814,659	-	938,464	-	26,692,610	-	33,445,733
Fund balance	5,073,658	9,093,317	72,473	30,844	48,279,912	305,482	62,855,686
Total liabilities and fund balance	\$ 10,888,317	\$ 9,093,317	\$ 1,010,937	\$ 30,844	\$ 74,972,522	\$ 305,482	\$ 96,301,419
Beginning fund balance							
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ 44,188,252	\$ -	\$ 44,188,252
Major Maintenance and Equipment Replacement	-	-	-	-	4,165,003	-	4,165,003
Restricted	-	178,467	379,183	29,252	-	-	586,902
Future Operations	702,470	8,603,673	-	-	-	268,318	9,574,461
	\$ 702,470	\$ 8,782,140	\$ 379,183	\$ 29,252	\$ 48,353,255	\$ 268,318	\$ 58,514,618
Current year income	45,442,390	321,177	23,484,707	1,592	5,210,195	201,052	74,661,113
Current year expenses	41,071,202	10,000	23,791,417	-	5,283,538	163,888	70,320,045
Ending fund balance	\$ 5,073,658	\$ 9,093,317	\$ 72,473	\$ 30,844	\$ 48,279,912	\$ 305,482	\$ 62,855,686

Jackson College
 Balance Sheet
 Building and Site Fund - FY 20
 May 31, 2020
 Preliminary - Unaudited

	Building and Site Fund
Assets	
Cash	\$ 527,473
Investments	-
Accounts receivable	29,694
Due from other funds	-
	-
Total assets	557,167
Liabilities and Fund Balance	
Accounts payable	-
Other liabilities	-
	-
Total liabilities	-
Fund balance	557,167
Total liabilities and fund balance	\$ 557,167

Jackson College
 Statement of Changes in Fund Balance
 Building and Site Fund
 For the Eleven Months Ended May 31, 2020
 Preliminary - Unaudited

	Balance July 1, 2019	Revenue	Expenditures	Balance May 31, 2020
Major Maintenance and Equipment Replacement	\$ 4,165,003	\$ 757,691	\$ 4,365,527	\$ 557,167
Total	\$ 4,165,003	\$ 757,691	\$ 4,365,527	\$ 557,167

Jackson College
Cash and Investments by Fund - FY 20
May 31, 2020
Preliminary - Unaudited

	General Fund	Designated Fund	Restricted Fund	Grants Fund	Endowment Fund	Building and Site	Physical Plant	Activities Fund	Total
Cash									
Petty Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,724	\$ 2,724
Cash-Comerica Bank Pooled	1,422,969	140,398	342,644	462,506	13,171	527,473	2,316,515	302,473	5,528,149
Cash-Comerica Federal Funds	-	-	-	4,895	-	-	-	-	4,895
Cash-So Mich National	200,150	-	25,543	-	-	-	-	-	225,693
VISA Account	184,277	-	-	-	-	-	-	285	184,562
Cash-United Bank	234,004	-	29,361	-	-	-	-	-	263,365
Cash-Federal Stafford	-	-	2,399	-	-	-	-	-	2,399
Cash-Comerica State Wire	2,754	-	-	-	-	-	-	-	2,754
Cash-Payroll	23,055	-	(1,107,819)	(608,447)	-	-	-	-	(1,693,211)
JC One Card	14,110	-	-	-	-	-	-	-	14,110
Ref Pay	4,459	-	-	-	-	-	-	-	4,459
Athletic Checking	-	-	-	-	-	-	-	-	-
Cultural Affairs Checking	749	-	-	-	-	-	-	-	749
MNJTP	-	-	-	917,597	-	-	-	-	917,597
Certificates of Deposit	-	506,298	-	-	-	-	-	-	506,298
MILAF	2,000,000	8,409,121	-	-	-	-	-	-	10,409,121
Insurance HRA	-	-	-	-	-	-	-	-	-
	<u>4,086,527</u>	<u>9,055,817</u>	<u>(707,872)</u>	<u>776,551</u>	<u>13,171</u>	<u>527,473</u>	<u>2,316,515</u>	<u>305,482</u>	<u>16,373,664</u>
Investments									
Common Stock	-	-	-	-	17,673	-	-	-	17,673
Total cash and investments	<u>\$ 4,086,527</u>	<u>\$ 9,055,817</u>	<u>\$ (707,872)</u>	<u>\$ 776,551</u>	<u>\$ 30,844</u>	<u>\$ 527,473</u>	<u>\$ 2,316,515</u>	<u>\$ 305,482</u>	<u>\$ 16,391,337</u>

Jackson College
 Billing Contact Hours
 May 31, 2020
 Preliminary - Unaudited

	Budgeted FY 20	Actual FY 20	Actual Percentage	Actual FY 19	Prior Year Percentage
Semester:					
Fall	51,985	49,363	95.0%	49,168	100.4%
Winter	48,442	45,234	93.4%	46,014	98.3%
Spring	17,723	12,849	72.5%	19,063	67.4%
Total	118,150	107,446	90.9%	114,245	94.0%

