



Financial Report

Presented to
President Daniel Phelan
Jackson College Board of Trustees



Prepared by the Business Office
December 31, 2020

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

Following is the December 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 2020-2021 Budget as adopted at the May 2020 Board of Trustees meeting.

Revenues

- **Tuition and fees** - Favorable to budget, it is too early to tell if this trend will hold through the fiscal year.
- **Institutional Scholarships** - Unfavorable to budget. The College has been using scholarships to cover online fees for students and has fully spent the Federal HEERF we were granted.
- **Miscellaneous revenue** - Unfavorable to budget due to timing, we anticipate this variance to diminish over time.
- **Transfers** - Favorable to budget, Foundation support through waiver of rent at Maher Campus.

Expenses

- **Services - Staffing Agency** - Favorable to budget. This may or may not continue depending on the number of sections we continue to offer.
- **Services** - Favorable to budget due to expenditure controls and limited in person activity. We anticipate this variance to diminish over the fiscal year.
- **Materials** - Unfavorable to budget due to timing of annual software payments and the materials needs of the Corrections Education Program. We anticipate this variance to diminish over the fiscal year.
- **Other operating costs** - Favorable to budget due to expenditure controls and limited in person activity. We anticipate this variance to diminish over the fiscal year.
- **Rent, Utilities, Insurance** - Unfavorable to budget due to timing, several insurance policies require larger upfront payments. We anticipate this variance to diminish over the fiscal year.
- **Capital Equipment** - Favorable to budget due to timing of purchases. We anticipate this variance to diminish over time.

Other Notes

- **Cash and Investments** - The Board directed MILAF investment strategy was operationalized in June 2018. At December 31, 2020 interest revenues have exceeded \$415,000. These earnings are designated for future operations.
- **Looking Ahead** - Expense controls have been put in place in anticipation of reduced revenues resulting from COVID-19 pandemic.

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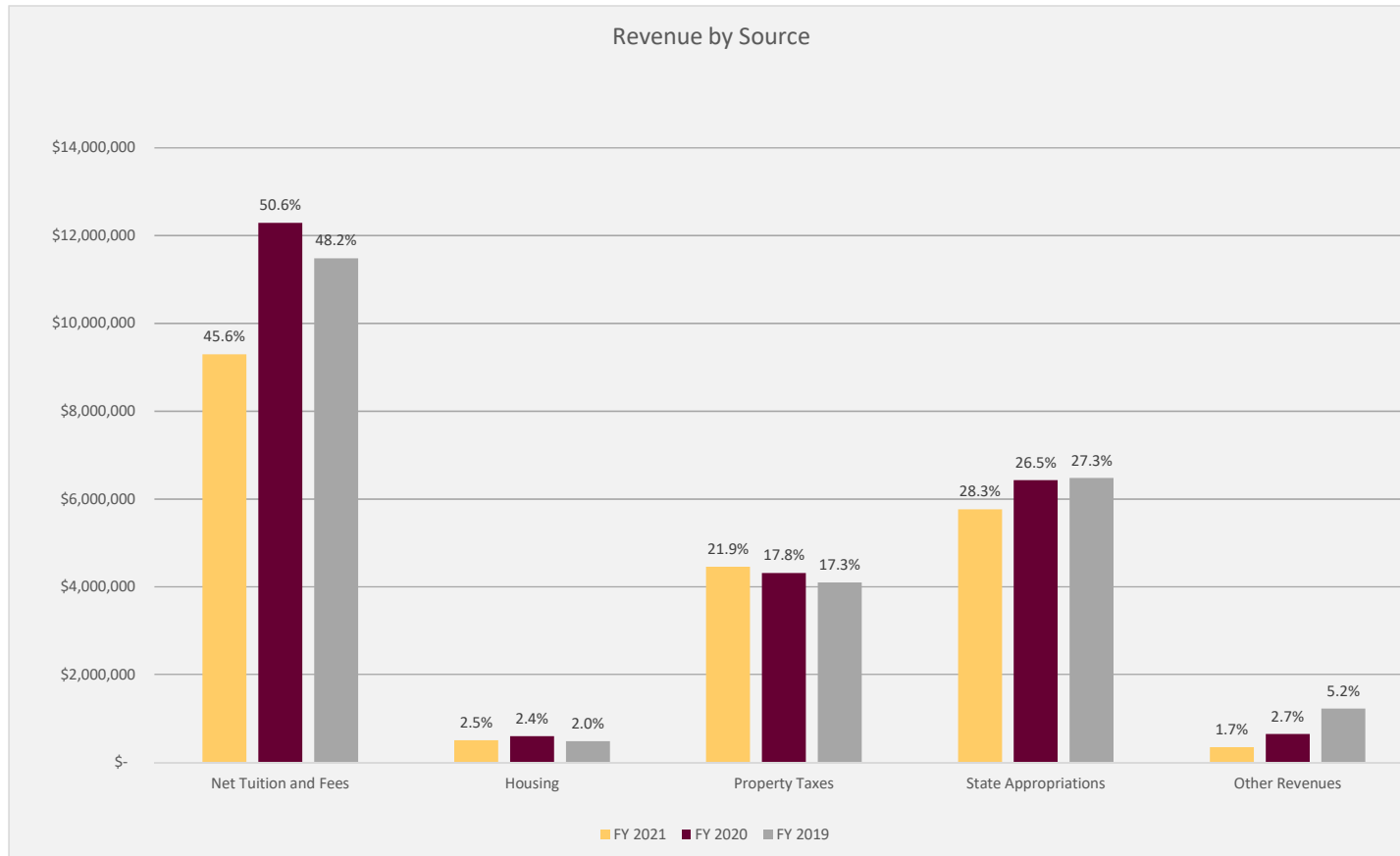
- **Operating Reserves** - Board policy requires the College have combined operating fund balance reserves greater or equal to two months' operating expenses. At December 31, 2020, the operating fund balances reserves were \$13,819,209 which is approximately 4 months of projected FY 2021 operating expenses. At the beginning of the semester, the number of months of reserves on hand is generally higher as the College has recognized revenue for the whole semester and has not yet incurred the entire semester's expenses.

Jackson College
Revenue and Expense Statement
General Fund - FY 21
For the Six Months Ended December 31, 2020
Preliminary - Unaudited

	2020-2021 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	\$ 23,393,941	57.0%	\$ 10,996,893	47.0%	44.0%	\$ 703,559	\$ 12,516,337
Less Institutional Scholarships	(794,472)	-1.9%	(1,703,036)	214.4%	44.0%	(1,353,468)	(225,778)
Net tuition and fees	22,599,469	55.1%	9,293,857	41.1%	44.0%	(649,909)	12,290,559
Housing	999,010	2.4%	500,140	50.1%	50.0%	635	593,605
Property taxes	4,867,939	11.9%	4,457,112	91.6%	90.0%	75,967	4,313,852
State appropriations	11,529,294	28.1%	5,764,647	50.0%	50.0%	-	6,427,850
Contract training	135,000	0.3%	6,424	4.8%	4.0%	1,024	57,362
Potter Center activities	405,000	1.0%	-	0.0%	0.0%	-	212,731
Miscellaneous	474,000	1.2%	221,197	46.7%	50.0%	(15,803)	353,027
Transfers	7,500	0.0%	119,908	1598.8%	50.0%	116,158	21,257
Total revenues	41,017,213	100.0%	20,363,285	49.6%	42.0%	(471,928)	24,270,243
Expenses							
Wages	16,029,640	39.2%	7,704,215	48.1%	50.0%	(310,604)	8,576,395
Retirement	4,383,350	10.7%	2,123,386	48.4%	50.0%	(68,289)	2,247,319
Benefits	2,877,573	7.0%	1,465,515	50.9%	50.0%	26,729	1,530,254
Services - Staffing Agency	3,697,700	9.0%	1,629,328	44.1%	50.0%	(219,522)	2,595,367
Services	2,600,525	6.3%	938,406	36.1%	50.0%	(361,857)	1,321,870
Materials	1,600,225	3.9%	958,837	59.9%	50.0%	158,724	1,285,451
Rent, utilities, insurance	1,410,900	3.4%	810,690	57.5%	50.0%	105,240	837,948
Other operating costs	2,567,650	6.3%	992,152	38.6%	50.0%	(291,673)	1,476,393
Transfers	1,121,275	2.7%	560,637	50.0%	50.0%	(1)	402,500
Transfers-debt service	4,160,813	10.1%	2,080,407	50.0%	50.0%	-	2,424,007
Capital equipment	567,043	1.4%	13,352	2.4%	50.0%	(270,170)	278,190
Total expenses	41,016,694	100.0%	19,276,925	47.0%	50.0%	(1,231,423)	22,975,694
Income over (under) expenses	\$ 519		\$ 1,086,360			\$ 759,495	\$ 1,294,549

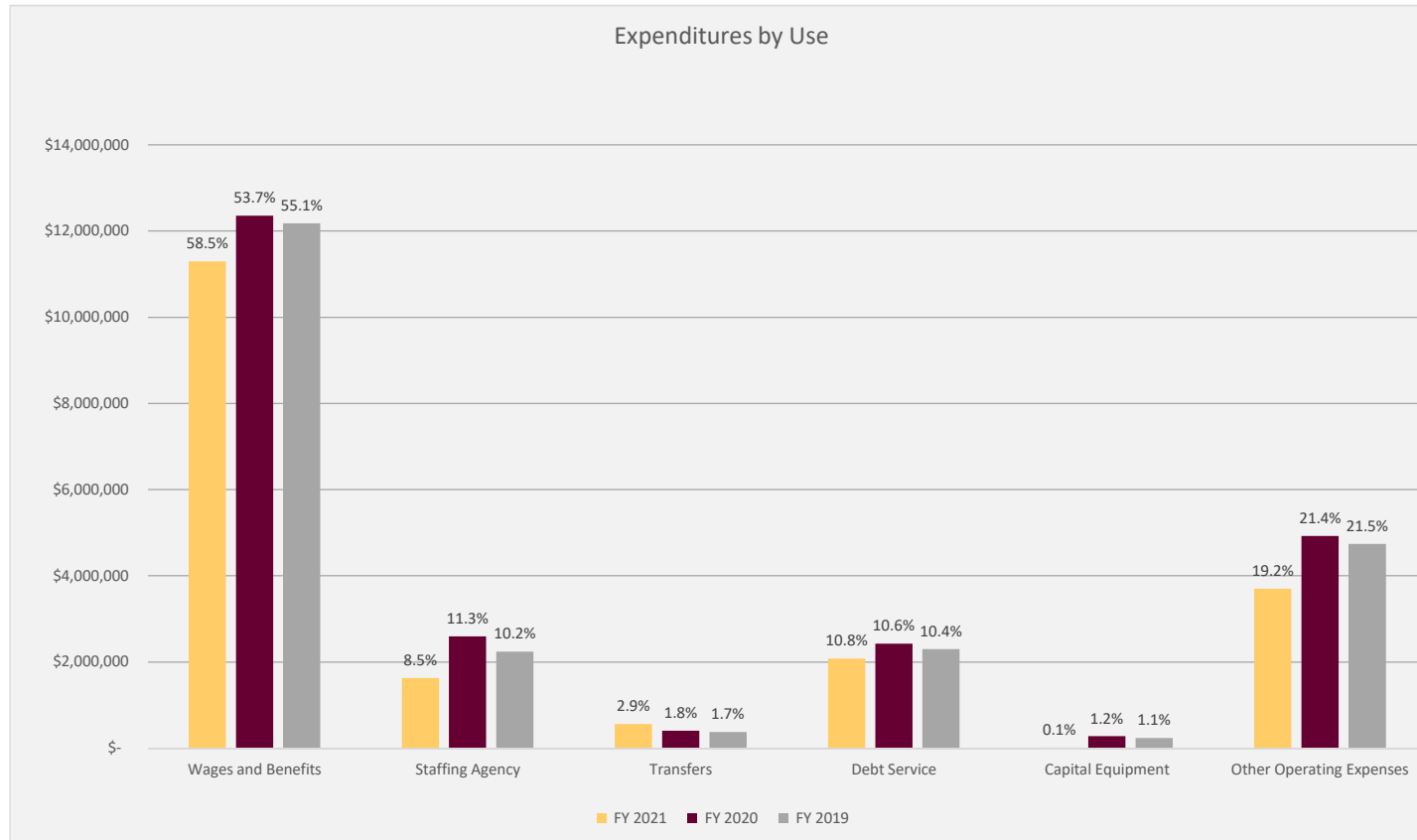
Jackson College
General Fund Revenue Comparison
For the Six Months Ended December 31, 2020

\$20,363,285



Jackson College
General Fund Expenditure Comparison
For the Six Months Ended December 31, 2020

\$19,276,925



Jackson College
Balance Sheet and Changes in Fund Balance - FY 21
December 31, 2020
Preliminary - Unaudited

	General Fund	Designated Fund	Restricted Fund	CARES Fund	Endowment Fund	Debt & Property Fund	Activities Fund	Total
Assets								
Cash	\$ 4,783,071	\$ 12,017,077	\$ 917,886	\$ -	\$ 13,271	\$ 5,775,141	\$ 352,181	\$ 23,858,627
Restricted cash in escrow	-	-	-	-	-	-	-	-
Investments	-	-	-	-	16,726	-	-	16,726
Accounts receivable	2,433,330	12,500	2,000	-	-	16,769	-	2,464,599
Inventories	27,430	-	-	-	-	-	-	27,430
Other assets	437,515	-	54,943	-	-	79,018,967	-	79,511,425
Total assets	7,681,346	12,029,577	974,829	-	29,997	84,810,877	352,181	105,878,807
Liabilities and Fund Balance								
Accounts payable	106,880	-	-	-	-	-	-	106,880
Accrued liabilities	2,983,576	-	-	-	-	38,021,662	-	41,005,238
Deferred liabilities	1,979,182	-	820,617	-	-	-	-	2,799,799
Unearned revenue	287,831	-	-	-	-	-	-	287,831
Other liabilities	534,245	-	-	-	-	-	438	534,683
Total liabilities	5,891,714	-	820,617	-	-	38,021,662	438	44,734,431
Fund balance	1,789,632	12,029,577	154,212	-	29,997	46,789,215	351,743	61,144,376
Total liabilities and fund balance	\$ 7,681,346	\$ 12,029,577	\$ 974,829	\$ -	\$ 29,997	\$ 84,810,877	\$ 352,181	\$ 105,878,807
Beginning fund balance								
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,853,683	\$ -	\$ 45,853,683
Major Maintenance and Equipment Replacement	-	-	-	-	-	569,073	-	569,073
Restricted	-	178,467	380,898	(1,105,355)	29,930	-	-	(516,060)
Future Operations	703,272	11,761,324	-	-	-	-	315,466	12,780,062
	\$ 703,272	\$ 11,939,791	\$ 380,898	\$ (1,105,355)	\$ 29,930	\$ 46,422,756	\$ 315,466	\$ 58,686,758
Current year income	20,363,285	89,786	12,578,066	1,105,355	67	4,417,551	62,658	38,616,768
Current year expenses	19,276,925	-	12,804,752	-	-	4,051,092	26,381	36,159,150
Ending fund balance	\$ 1,789,632	\$ 12,029,577	\$ 154,212	\$ -	\$ 29,997	\$ 46,789,215	\$ 351,743	\$ 61,144,376

Jackson College
Balance Sheet
Building and Site Fund - FY 21
December 31, 2020
Preliminary - Unaudited

	Building and Site Fund
Assets	
Cash	\$ 1,039,105
Investments	-
Accounts receivable	16,769
Due from other funds	<u>22,765</u>
Total assets	<u>1,078,639</u>
Liabilities and Fund Balance	
Accounts payable	-
Other liabilities	<u>-</u>
Total liabilities	<u>-</u>
Fund balance	1,078,639
Total liabilities and fund balance	<u><u>\$ 1,078,639</u></u>

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

	Balance July 1, 2020	Revenue	Expenditures	Balance December 31, 2020
Major Maintenance and Equipment Replacement	<u>\$ 569,073</u>	<u>\$ 2,331,972</u>	<u>\$ 1,822,406</u>	<u>\$ 1,078,639</u>
Total	<u><u>\$ 569,073</u></u>	<u><u>\$ 2,331,972</u></u>	<u><u>\$ 1,822,406</u></u>	<u><u>\$ 1,078,639</u></u>

Jackson College
Cash and Investments by Fund - FY 21
December 31, 2020
Preliminary - Unaudited

	General Fund	Designated Fund	Restricted Fund	CARES Fund	Grants Fund	Endowment Fund	Building and Site	Physical Plant	Activities Fund	Total
Cash										
Petty Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,724	\$ 2,724
Cash-Comerica Bank Pooled	1,969,911	3,601,366	1,109,353	-	51,175	13,271	1,039,105	4,413,964	349,362	12,547,507
Cash-Comerica Federal Funds	-	-	2,049	-	-	-	-	-	-	2,049
Cash-So Mich National	200,150	-	25,543	-	-	-	-	-	-	225,693
VISA Account	184,058	-	-	-	-	-	-	-	95	184,153
Cash-United Bank	234,024	-	29,361	-	-	-	-	-	-	263,385
Cash-Federal Direct Loan	-	-	158	-	-	-	-	-	-	158
Cash-Comerica State Wire	144,633	-	-	-	-	-	-	-	-	144,633
Cash-Payroll	31,236	-	(1,065,089)	-	(174,302)	-	-	-	-	(1,208,155)
JC One Card	13,926	-	-	-	-	-	-	-	-	13,926
Ref Pay	4,459	-	-	-	-	-	-	-	-	4,459
Cultural Affairs Checking	674	-	-	-	-	-	-	-	-	674
MNJTP	-	-	-	-	939,638	-	-	-	-	939,638
Certificates of Deposit	-	-	-	-	-	-	-	-	-	-
MILAF	2,000,000	8,415,711	-	-	-	-	-	-	-	10,415,711
Bond capital project	-	-	-	-	-	-	-	322,072	-	322,072
	<u>4,783,071</u>	<u>12,017,077</u>	<u>101,375</u>	<u>-</u>	<u>816,511</u>	<u>13,271</u>	<u>1,039,105</u>	<u>4,736,036</u>	<u>352,181</u>	<u>23,858,627</u>
Investments										
Common Stock	-	-	-	-	-	16,726	-	-	-	16,726
Total cash and investments	<u>\$ 4,783,071</u>	<u>\$12,017,077</u>	<u>\$ 101,375</u>	<u>\$ -</u>	<u>\$ 816,511</u>	<u>\$ 29,997</u>	<u>\$ 1,039,105</u>	<u>\$ 4,736,036</u>	<u>\$ 352,181</u>	<u>\$ 23,875,353</u>

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

	Budgeted FY 21	Actual FY 21	Actual Percentage	Actual FY 20	Prior Year Percentage
Semester:					
Fall	43,082	41,477	96.3%	49,363	84.0%
Winter	39,165	-	0.0%	45,213	0.0%
Spring	15,666	-	0.0%	14,726	0.0%
Total	97,913	41,477	42.4%	109,302	37.9%

