



Financial Report

Presented to
President Daniel Phelan
Jackson College Board of Trustees



Prepared by the Business Office
December 31, 2023

Jackson College
Memo From John Globoker, Chief Financial Officer
For the December 31, 2023 Financial Report

Following is the December 31, 2023 Treasurer's Report summarizing the components of the major revenue and expense lines. Explanations for significant variances are included in this memo.

Note: Budgeted amounts reflect the 2023-2024 Budget as adopted at the June 2023 Board of Trustees meeting.

General Fund

Revenues

- **State Appropriations** - Jackson College received the third of eleven funding installments from the state of Michigan in December. Funds are received from October through August each year.
- **Contract training** - Favorable to budget, due to timing and additional trainings through grant programs.
- **Transfers In** - Favorable to budget, due to a Dental Hygiene transfer and conservative budget.

Expenses

- **Wages/Retirement & Benefits** - Favorable to budget, savings realized from vacant positions.
- **Services** - Unfavorable to budget, due to contracted services with CampusWorks for IT, Business Office and PRR Services; Audit Services; and Facilities projects.
- **Transfers** - Favorable to budget, as transfers to plant, auxiliary, and payment on debt have not yet occurred in FY24.

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Auxiliary Fund

Revenues

- **Housing** - Unfavorable to budget as occupancy was lower than expected.
- **Housing Scholarships** - Unfavorable to budget, due to increase in Resident Mentors to support Ready, Set, Jet initiative for the academic year.
- **Potter Center** - Favorable to budget, due to a conservative budget being presented.
- **Hospitality and Meal Plans** - Unfavorable to budget as occupancy was lower than expected.
- **Miscellaneous** - Unfavorable to budget, mainly due to building rentals not meeting expectations.
- **Transfers** - Unfavorable to budget, due to timing of transfers from the Foundation.

Expenses

- **Wages/Benefits** - Favorable to budget, due to position vacancies.
- **Services Staffing Agency** - Unfavorable to budget, possibly under budgeted.
- **Services** - Favorable to budget, due to timing of purchases.
- **Materials** - Favorable to budget, due to timing of expenses.
- **Rent, Utilities, insurance** - Favorable to budget, rental of equipment not needed as much compared to previous years
- **Other operating costs** - Unfavorable to budget, due to timing of necessary production costs for shows in Potter Center.
- **Transfers** - Favorable to budget, as transfers to plant, auxiliary, and payment on debt have not yet occurred in FY24.

Other Notes

- Operating Reserves - Board policy requires the College have combined operating fund balance reserves greater or equal to two months' operating expenses. As of December 31, 2023 the College is meeting this requirement.

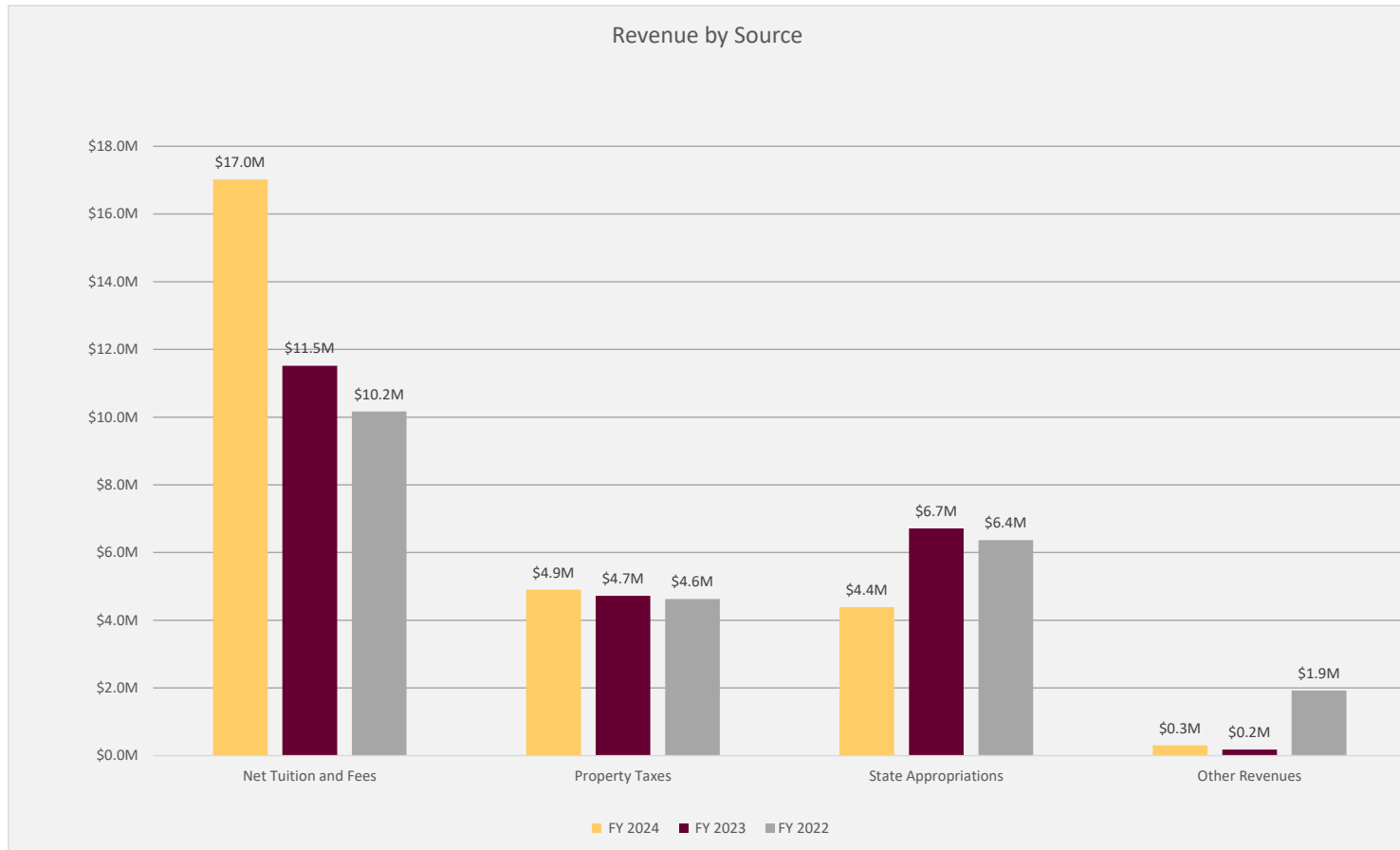
Jackson College
Revenue and Expense Statement
General Fund - FY 24
December 31, 2023
Preliminary - Unaudited

| | 2023-2024 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 | \$ 25,240,228 | 54.5% | \$ 17,519,747 | 69.4% | 70.0% | \$ (148,413) | \$ 11,862,253 |
| Less Institutional Scholarships | (860,000) | -1.9% | (501,468) | 58.3% | 70.0% | 100,532 | (342,336) |
| Net tuition and fees | 24,380,228 | 52.6% | 17,018,279 | 69.8% | 70.0% | (47,881) | 11,519,917 |
| Property taxes | 6,389,547 | 13.7% | 4,902,275 | 76.7% | 75.0% | 110,115 | 4,722,060 |
| State appropriations | 15,119,559 | 32.6% | 4,389,072 | 29.0% | 30.0% | (146,796) | 6,714,396 |
| Contract training | 100,000 | 0.2% | 69,350 | 69.4% | 50.0% | 19,350 | 51,607 |
| Miscellaneous | 353,361 | 0.8% | 207,280 | 58.7% | 50.0% | 30,599 | 105,395 |
| Transfers | - | 0.0% | 26,304 | 0.0% | 50.0% | 26,304 | 25,469 |
| Transfers - Federal grant funds | - | 0.0% | - | 0.0% | | - | - |
| Total revenues | 46,342,695 | 100.0% | 26,612,560 | 57.4% | 51.0% | (8,309) | 23,138,844 |
| Expenses | | | | | | | |
| Wages | 17,633,785 | 38.0% | 6,887,764 | 39.1% | 50.0% | (1,929,128) | 7,658,633 |
| Retirement | 4,761,789 | 10.3% | 2,035,600 | 42.7% | 50.0% | (345,295) | 2,017,931 |
| Benefits | 3,129,996 | 6.8% | 1,418,809 | 45.3% | 50.0% | (146,189) | 1,728,195 |
| Services - Staffing Agency | 3,736,072 | 8.1% | 1,967,421 | 52.7% | 50.0% | 99,385 | 1,957,188 |
| Services | 4,481,797 | 9.7% | 2,688,635 | 60.0% | 50.0% | 447,736 | 2,350,309 |
| Materials | 1,843,739 | 4.0% | 823,047 | 44.6% | 50.0% | (98,823) | 1,157,174 |
| Rent, utilities, insurance | 1,808,477 | 3.9% | 968,952 | 53.6% | 50.0% | 64,713 | 909,014 |
| Other operating costs | 3,929,269 | 8.5% | 1,694,352 | 43.1% | 50.0% | (270,283) | 1,808,240 |
| Transfers-major maintenance | 1,146,577 | 2.5% | - | 0.0% | 50.0% | (573,289) | 493,947 |
| Transfers-deferred maintenance | - | 0.0% | - | 0.0% | 0.0% | - | - |
| Transfers-debt service | 3,457,494 | 7.5% | - | 0.0% | 50.0% | (1,728,747) | 2,230,023 |
| Transfers-Jets Store | - | 0.0% | - | 0.0% | 0.0% | - | 229,996 |
| Capital equipment | 413,700 | 0.9% | 242,799 | 58.7% | 50.0% | 35,949 | 188,009 |
| Total expenses | 46,342,695 | 100.0% | 18,727,379 | 40.4% | 42.3% | (4,443,971) | 22,728,659 |
| Income over (under) expenses | \$ - | | \$ 7,885,181 | | | \$ 4,435,662 | \$ 410,185 |

*Previous years included "financial statement adjustment" entries to smooth revenues and expenses. In fiscal year 2024, management determined to eliminate the need for these entries and report posted revenues and expenses in the college's ERP, Colleague, as it is a better indicator of the college's position for each month.

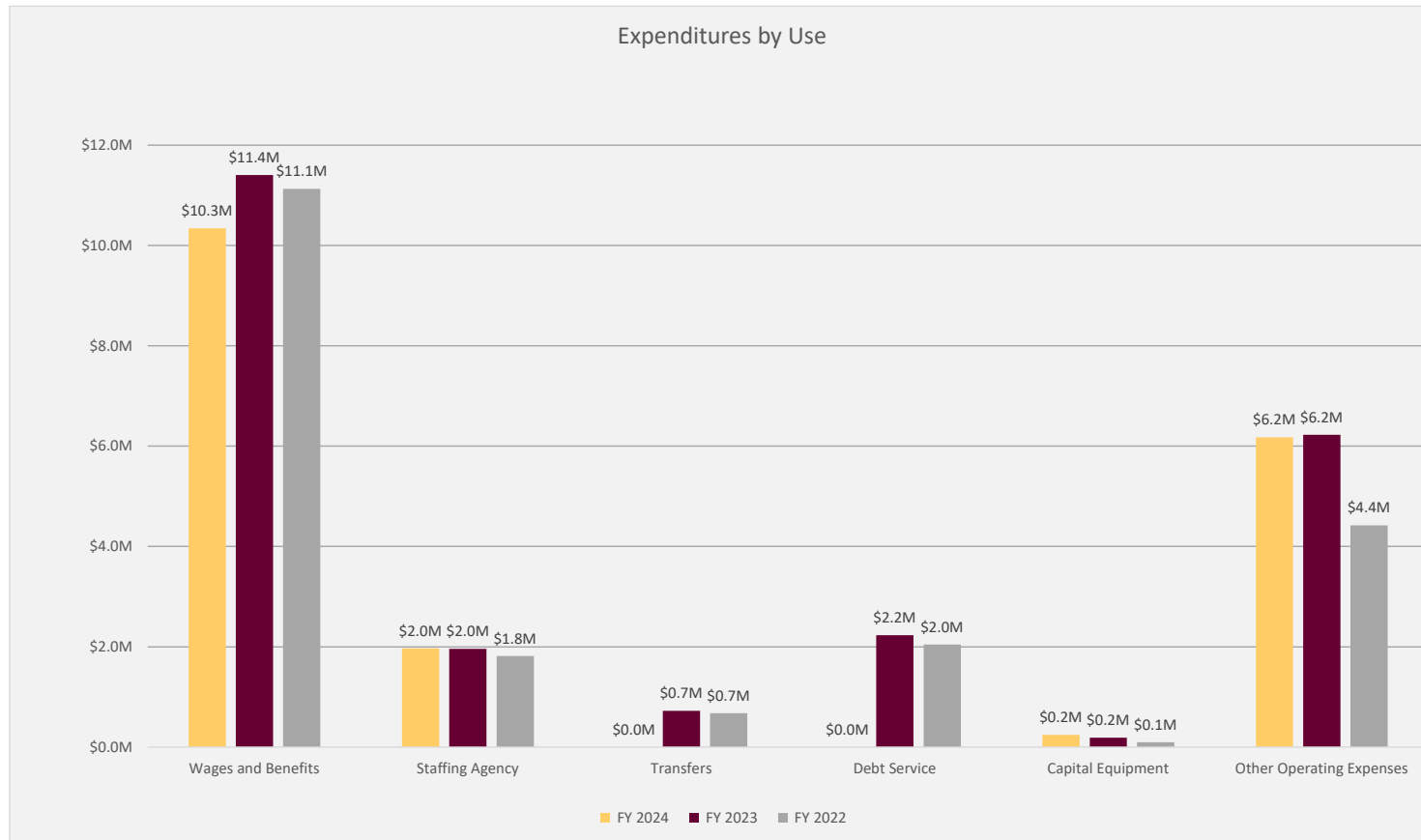
Jackson College
General Fund Revenue Comparison
12/31/2023

\$26,612,560



Jackson College
General Fund Expenditure Comparison
12/31/2023

\$18,727,379



Jackson College
Revenue and Expense Statement
Auxiliary Services
December 31, 2023
Preliminary - Unaudited

| | 2023-2024 Original Budget | Percentage of Original Budget | Actual Year to Date All Auxiliaries | Actual Percentage of Budget | Planned Percentage to Budget | Auxiliary Units | | | |
|-------------------------------------|------------------------------|----------------------------------|---|-----------------------------------|------------------------------------|-------------------------|-------------------|-------------------------|----------------------------------|
| | | | | | | Hospitality Services | Housing | Jets Store Bookstore | Potter Center Performing Arts |
| Revenue | | | | | | | | | |
| Textbook and Class Fees | \$ 2,511,642 | 34.6% | \$ 2,254,484 | 89.8% | 70.0% | - | - | 2,254,484 | - |
| Housing | 2,007,800 | 27.6% | 937,125 | 46.7% | 50.0% | - | 937,125 | - | - |
| Less Housing Scholarships | (200,000) | -2.8% | (140,756) | 70.4% | 50.0% | - | (140,756) | - | - |
| Sales Bookstore | 242,923 | 3.3% | 60,136 | 24.8% | 50.0% | - | - | 60,136 | - |
| Potter Center activities | 351,000 | 4.8% | 284,023 | 80.9% | 50.0% | - | - | - | 284,023 |
| Hospitality and Meal Plans | 2,302,577 | 31.7% | 988,084 | 42.9% | 70.0% | 988,084 | - | - | - |
| Miscellaneous | 35,000 | 0.5% | 10,282 | 29.4% | 50.0% | - | (300) | - | 10,582 |
| Transfers - General Fund | - | 0.0% | - | 0.0% | 0.0% | - | - | - | - |
| Transfers - Foundation | 15,000 | 0.2% | - | 0.0% | 0.0% | - | - | - | - |
| Total revenues | <u>7,265,942</u> | <u>100.0%</u> | <u>4,393,378</u> | <u>60.5%</u> | <u>43.3%</u> | <u>988,084</u> | <u>796,069</u> | <u>2,314,620</u> | <u>294,605</u> |
| Expenses | | | | | | | | | |
| Wages | \$ 1,611,365 | 22.2% | \$ 608,687 | 37.8% | 50.0% | 298,037 | 99,575 | 85,584 | 125,491 |
| Retirement | 418,100 | 5.8% | 148,490 | 35.5% | 50.0% | 73,180 | 12,375 | 21,378 | 41,557 |
| Benefits | 249,400 | 3.4% | 123,965 | 49.7% | 50.0% | 72,578 | 15,222 | 12,904 | 23,261 |
| Services - Staffing Agency | 15,000 | 0.2% | 12,543 | 83.6% | 50.0% | 12,543 | - | - | - |
| Services | 75,500 | 1.0% | 27,772 | 36.8% | 50.0% | 10,003 | 8,134 | 430 | 9,205 |
| Materials | 2,395,500 | 33.0% | 796,962 | 33.3% | 50.0% | 387,939 | 8,768 | 399,213 | 1,042 |
| Rent, utilities, insurance | 4,000 | 0.1% | 1,395 | 34.9% | 50.0% | 1,395 | - | - | - |
| Other operating costs | 474,000 | 6.5% | 335,750 | 70.8% | 50.0% | 494 | 6,418 | 2,332 | 326,506 |
| Transfers | 2,016,077 | 27.7% | - | 0.0% | 50.0% | - | - | - | - |
| Capital equipment | 7,000 | 0.1% | - | 0.0% | 50.0% | - | - | - | - |
| Total expenses | <u>7,265,942</u> | <u>100.0%</u> | <u>2,055,564</u> | <u>28.3%</u> | <u>50.0%</u> | <u>856,169</u> | <u>150,492</u> | <u>521,841</u> | <u>527,062</u> |
| Income over (under) expenses | <u>\$ -</u> | | <u>\$ 2,337,814</u> | | | <u>\$ 131,915</u> | <u>\$ 645,577</u> | <u>\$ 1,792,779</u> | <u>\$ (232,457)</u> |

Jackson College
Balance Sheet and Changes in Fund Balance - FY 24
December 31, 2023
Preliminary - Unaudited

| | General Fund | Designated Fund | Restricted Fund | CARES Fund | Auxiliary Fund | Endowment Fund | Debt & Property Fund | Activities Fund | Total |
|---|----------------------|----------------------|-----------------------|-------------|---------------------|------------------|----------------------|---------------------|-----------------------|
| Assets | | | | | | | | | |
| Cash | \$ 11,195,815 | \$ 11,815,354 | \$ (4,350,844) | \$ - | \$ (2,331,204) | \$ 17,623 | \$ 3,837,411 | \$ (769,842) | \$ 19,414,313 |
| Restricted cash in escrow | - | - | - | - | - | - | - | - | - |
| Investments | - | - | - | - | - | 2,484 | - | - | 2,484 |
| Accounts receivable | 8,259,624 | (12,000) | 2,629 | - | 2,904,104 | 14,401 | 89 | 25 | 11,168,872 |
| Inventories | 29,800 | - | - | - | 255,603 | - | - | - | 285,403 |
| Other assets | 9,321,485 | 1,000,000 | 12,960,680 | - | 1,034,149 | - | 81,276,483 | 1,826,541 | 107,419,338 |
| Total assets | 28,806,724 | 12,803,354 | 8,612,465 | - | 1,862,652 | 34,508 | 85,113,983 | 1,056,724 | 138,290,410 |
| Liabilities and Fund Balance | | | | | | | | | |
| Accounts payable | 13,588 | - | 813 | - | 164 | - | - | - | 14,565 |
| Accrued liabilities | 543,242 | - | (11,696) | - | 352,842 | - | 27,937,564 | - | 28,821,952 |
| Deferred liabilities | 5,789,084 | - | 486,526 | - | - | - | - | - | 6,275,610 |
| Unearned revenue | 62,146 | - | - | - | 263,101 | - | - | - | 325,247 |
| Other liabilities | 14,504,638 | - | 10,864,689 | - | 19,720 | - | 13,884 | 14,400 | 25,417,331 |
| Total liabilities | 20,912,698 | - | 11,340,332 | - | 635,827 | - | 27,951,448 | 14,400 | 60,854,705 |
| Fund balance | 7,894,026 | 12,803,354 | (2,727,867) | - | 1,226,825 | 34,508 | 57,162,535 | 1,042,324 | 77,435,705 |
| Total liabilities and fund balance | \$ 28,806,724 | \$ 12,803,354 | \$ 8,612,465 | \$ - | \$ 1,862,652 | \$ 34,508 | \$ 85,113,983 | \$ 1,056,724 | \$ 138,290,410 |
| Beginning fund balance | | | | | | | | | |
| Net investment in capital assets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 56,327,556 | \$ - | \$ 56,327,556 |
| Major Maintenance and Equipment Replacement | - | - | - | - | - | - | 6,828,663 | - | 6,828,663 |
| Restricted | - | 690,408 | 500,762 | - | (1,110,990) | 34,446 | - | - | 114,626 |
| Future Operations | 8,845 | 11,725,052 | - | - | - | - | - | 517,703 | 12,251,600 |
| | \$ 8,845 | \$ 12,415,460 | \$ 500,762 | \$ - | \$ (1,110,990) | \$ 34,446 | \$ 63,156,219 | \$ 517,703 | \$ 75,522,445 |
| Current year income | 26,612,560 | 387,894 | 8,116,163 | - | 4,534,135 | 62 | (461,272) | 593,475 | 39,783,017 |
| Current year expenses | 18,727,379 | - | 11,344,792 | - | 2,196,320 | - | 5,532,412 | 68,854 | 37,869,757 |
| Ending fund balance | \$ 7,894,026 | \$ 12,803,354 | \$ (2,727,867) | \$ - | \$ 1,226,825 | \$ 34,508 | \$ 57,162,535 | \$ 1,042,324 | \$ 77,435,705 |