



## Financial Report

Presented to  
President Daniel Phelan  
Jackson College Board of Trustees



Prepared by the Business Office  
February 28, 2021

Jackson College  
Memo From Darrell Norris, Vice President of Finance  
For the February 28, 2021 Financial Report

Following is the February 28, 2021 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.
- **Housing** - Unfavorable to budget. The College reduced housing capacity for the Winter semester due to the pandemic.
- **Miscellaneous** - Favorable to a conservative budget in bad debt recovery and bookstore commissions.
- **Transfers** - Favorable to budget, Foundation support through waiver of rent at Maher Campus and transfers from restricted grant funds to cover lost housing revenues.
- **Transfers from Federal Grants** - Unbudgeted revenue. This is a transfer from Restricted Federal funds to replace lost housing revenue from fiscal year 2020.

**Expenses**

- **Wages** - Favorable to budget due to COVID response related wages being covered by Restricted Federal Funds.
- **Retirement** - Favorable to budget due to COVID response related retirement being covered by Restricted Federal Funds.
- **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.
- **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.
- **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.

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- **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 February 28, 2021 interest revenues have exceeded \$416,000. 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.
- **Operating Reserves** - Board policy requires the College have combined operating fund balance reserves greater or equal to two months' operating expenses. At February 28, 2021, the operating fund balances reserves were \$22,040,648 which is approximately 6.4 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 Eight Months Ended February 28, 2021  
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
<b>Revenue</b>							
Gross tuition and fees	\$ 23,393,941	57.0%	\$ 20,948,274	89.5%	86.0%	\$ 829,484	\$ 23,588,436
Less Institutional Scholarships	(794,472)	-1.9%	(504,042)	63.4%	66.7%	25,871	(672,147)
Net tuition and fees	22,599,469	55.1%	20,444,232	90.5%	76.4%	855,355	22,916,289
Housing	999,010	2.4%	579,457	58.0%	85.0%	(269,702)	1,117,220
Property taxes	4,867,939	11.9%	4,680,133	96.1%	96.0%	6,912	4,826,412
State appropriations	11,529,294	28.1%	7,686,196	66.7%	66.7%	(3,843)	8,570,467
Contract training	135,000	0.3%	8,361	6.2%	5.0%	1,611	68,977
Potter Center activities	405,000	1.0%	-	0.0%	0.0%	-	283,759
Miscellaneous	474,000	1.2%	335,928	70.9%	66.7%	19,770	470,196
Transfers	7,500	0.0%	123,335	1644.5%	66.7%	118,332	26,023
Transfers - Federal grant funds	-	0.0%	191,158	0.0%	0.0%	191,158	-
<b>Total revenues</b>	<b>41,017,213</b>	<b>100.0%</b>	<b>34,048,800</b>	<b>83.0%</b>	<b>48.3%</b>	<b>919,593</b>	<b>38,279,343</b>
<b>Expenses</b>							
Wages	16,029,640	39.2%	9,792,210	61.1%	65.4%	(691,173)	11,082,105
Retirement	4,383,350	10.7%	2,637,390	60.2%	65.4%	(229,321)	2,920,918
Benefits	2,877,573	7.0%	1,941,273	67.5%	66.7%	21,932	2,069,044
Services - Staffing Agency	3,697,700	9.0%	2,133,960	57.7%	65.4%	(284,336)	3,156,988
Services	2,600,525	6.3%	1,314,517	50.5%	66.7%	(420,033)	1,787,853
Materials	1,600,225	3.9%	1,146,427	71.6%	66.7%	79,077	1,774,164
Rent, utilities, insurance	1,410,900	3.4%	1,014,057	71.9%	66.7%	72,987	1,128,611
Other operating costs	2,567,650	6.3%	1,168,214	45.5%	66.7%	(544,409)	2,136,511
Transfers	1,121,275	2.7%	747,517	66.7%	66.7%	(373)	536,667
Transfers-debt service	4,160,813	10.1%	2,773,875	66.7%	66.7%	(1,387)	3,232,009
Capital equipment	567,043	1.4%	101,321	17.9%	66.7%	(276,897)	364,269
<b>Total expenses</b>	<b>41,016,694</b>	<b>100.0%</b>	<b>24,770,761</b>	<b>60.4%</b>	<b>66.3%</b>	<b>(2,273,933)</b>	<b>30,189,139</b>
<b>Income over (under) expenses</b>	<b>\$ 519</b>		<b>\$ 9,278,039</b>			<b>\$ 3,193,526</b>	<b>\$ 8,090,204</b>

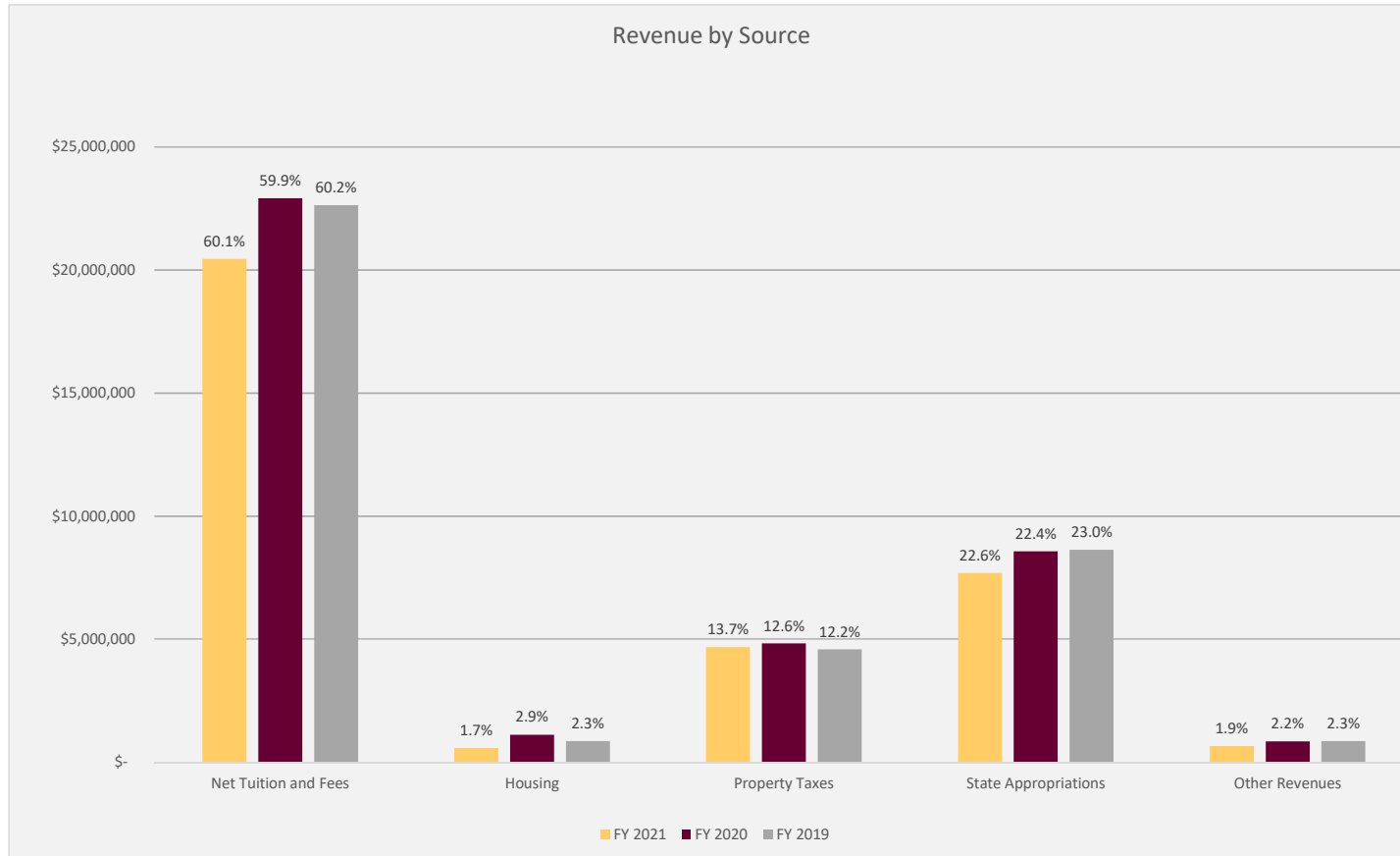
Jackson College  
Revenue and Expense Schedule  
HEERF Funds - FY 21  
For the Eight Months Ended February 28, 2021  
Preliminary - Unaudited

	CARES/HEERF I Student Funding	CARES/HEERF I Institutional Funding	CARES/HEERF I Strengthening Institutions Funding	CRRSAA/ HEERF II Student Funding	CRRSAA/ HEERF II Institutional Funding	ARP/HEERF III Student Funding	ARP/HEERF III Institutional Funding	Restricted State CARES Funding	Total
Prior year revenues	\$ 103,000	\$ 103,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 206,000
Prior year expenses	103,000	915,421	-	-	-	-	-	294,585	1,313,006
<b>Net prior year activity</b>	<b>\$ -</b>	<b>\$ (812,421)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (294,585)</b>	<b>\$ (1,107,006)</b>
<b>Fiscal Year 2021 Revenue</b>									
Grant revenue - State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,429,602	\$ 1,429,602
Grant revenue - Federal	1,843,067	1,844,715	191,158	-	1,793,293	-	-	-	5,672,233
Transfers	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>1,843,067</b>	<b>1,844,715</b>	<b>191,158</b>	<b>-</b>	<b>1,793,293</b>	<b>-</b>	<b>-</b>	<b>1,429,602</b>	<b>7,101,835</b>
<b>Fiscal Year 2021 Expenses</b>									
Online course fee scholarships	-	1,032,294	-	-	1,615,353	-	-	-	2,647,647
Emergency grants to students	1,843,067	-	-	-	-	-	-	-	1,843,067
Wages	-	-	-	-	89,538	-	-	290,972	380,510
Retirement	-	-	-	-	28,675	-	-	114,427	143,102
Benefits	-	-	-	-	10,930	-	-	32,884	43,814
Services	-	-	-	-	9,883	-	-	70,405	80,288
Materials	-	-	-	-	17,147	-	-	158,414	175,561
Other operating costs	-	-	-	-	3,587	-	-	174,182	177,769
Transfers to general fund	-	-	191,158	-	-	-	-	-	191,158
Capital equipment	-	-	-	-	18,180	-	-	293,733	311,913
<b>Total expenses</b>	<b>1,843,067</b>	<b>1,032,294</b>	<b>191,158</b>	<b>-</b>	<b>1,793,293</b>	<b>-</b>	<b>-</b>	<b>1,135,017</b>	<b>5,994,829</b>
<b>Income over (under) expenses</b>	<b>\$ -</b>	<b>\$ 812,421 *</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 294,585 *</b>	<b>1,107,006</b>

\* Note: Current year income exceeds expenses for these grant awards due to the College being unable to fully recognize revenue in FY 2020 for expenses incurred in FY 2020, these funds have been fully spent.

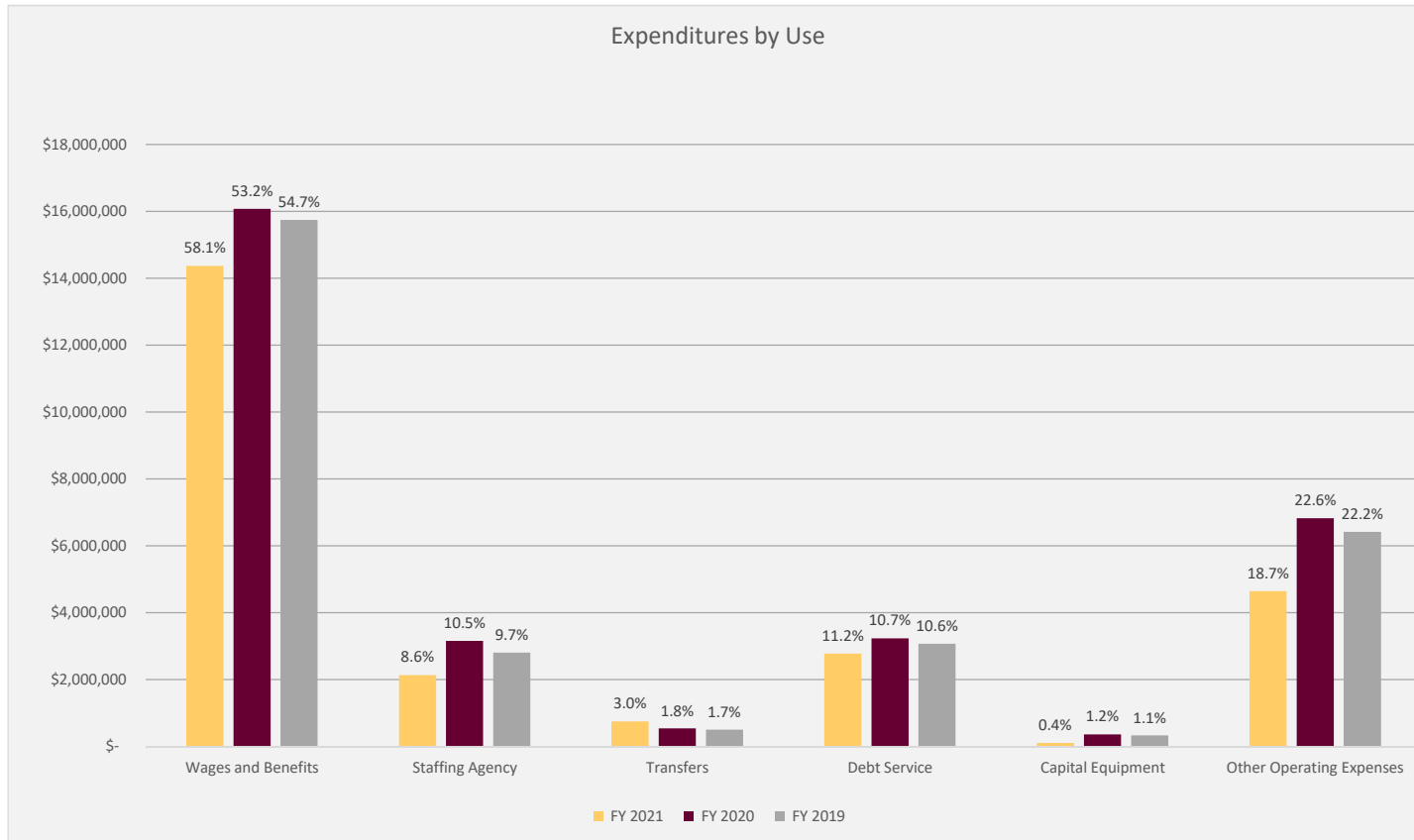
Jackson College  
General Fund Revenue Comparison  
For the Eight Months Ended February 28, 2021

\$34,048,800



Jackson College  
 General Fund Expenditure Comparison  
 For the Eight Months Ended February 28, 2021

\$24,770,761



Jackson College  
Balance Sheet and Changes in Fund Balance - FY 21  
February 28, 2021  
Preliminary - Unaudited

	General Fund	Designated Fund	Restricted Fund	CARES Fund	Endowment Fund	Debt & Property Fund	Activities Fund	Total
<b>Assets</b>								
Cash	\$ 9,654,230	\$ 12,046,837	\$ (3,037,319)	\$ -	\$ 14,064	\$ 6,527,788	\$ 363,414	\$ 25,569,014
Restricted cash in escrow	-	-	-	-	-	-	-	-
Investments	-	-	-	-	16,726	-	-	16,726
Accounts receivable	6,309,136	12,500	1,793,293	-	-	16,733	-	8,131,662
Inventories	27,430	-	-	-	-	-	-	27,430
Other assets	290,772	-	30,830	-	-	78,996,202	-	79,317,804
<b>Total assets</b>	<u>16,281,568</u>	<u>12,059,337</u>	<u>(1,213,196)</u>	<u>-</u>	<u>30,790</u>	<u>85,540,723</u>	<u>363,414</u>	<u>113,062,636</u>
<b>Liabilities and Fund Balance</b>								
Accounts payable	96,101	-	-	-	-	-	-	96,101
Accrued liabilities	3,207,357	-	-	-	-	38,021,662	-	41,229,019
Deferred liabilities	1,979,182	-	-	-	-	-	-	1,979,182
Unearned revenue	292,781	-	-	-	-	-	-	292,781
Other liabilities	724,836	-	-	-	-	-	-	724,836
<b>Total liabilities</b>	<u>6,300,257</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,021,662</u>	<u>-</u>	<u>44,321,919</u>
Fund balance	9,981,311	12,059,337	(1,213,196)	-	30,790	47,519,061	363,414	68,740,717
<b>Total liabilities and fund balance</b>	<u>\$ 16,281,568</u>	<u>\$ 12,059,337</u>	<u>\$ (1,213,196)</u>	<u>\$ -</u>	<u>\$ 30,790</u>	<u>\$ 85,540,723</u>	<u>\$ 363,414</u>	<u>\$ 113,062,636</u>
<b>Beginning fund balance</b>								
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
	<u>\$ 703,272</u>	<u>\$ 11,939,791</u>	<u>\$ 380,898</u>	<u>\$ (1,105,355)</u>	<u>\$ 29,930</u>	<u>\$ 46,422,756</u>	<u>\$ 315,466</u>	<u>\$ 58,686,758</u>
Current year income	34,048,800	119,546	18,843,381	1,105,355	860	5,386,246	85,821	59,590,009
Current year expenses	24,770,761	-	20,437,475	-	-	4,289,941	37,873	49,536,050
<b>Ending fund balance</b>	<u>\$ 9,981,311</u>	<u>\$ 12,059,337</u>	<u>\$ (1,213,196)</u>	<u>\$ -</u>	<u>\$ 30,790</u>	<u>\$ 47,519,061</u>	<u>\$ 363,414</u>	<u>\$ 68,740,717</u>



Jackson College  
 Balance Sheet  
 Building and Site Fund - FY 21  
 February 28, 2021  
 Preliminary - Unaudited

	<b>Building and Site Fund</b>
<b>Assets</b>	
Cash	\$ 1,185,739
Investments	-
Accounts receivable	16,733
Due from other funds	-
	-
<b>Total assets</b>	<b>1,202,472</b>
<b>Liabilities and Fund Balance</b>	
Accounts payable	-
Other liabilities	-
	-
<b>Total liabilities</b>	<b>-</b>
Fund balance	1,202,472
<b>Total liabilities and fund balance</b>	<b>\$ 1,202,472</b>

Jackson College  
 Statement of Changes in Fund Balance  
 Building and Site Fund  
 For the Eight Months Ended February 28, 2021  
 Preliminary - Unaudited

	<b>Balance July 1, 2020</b>	<b>Revenue</b>	<b>Expenditures</b>	<b>Balance February 28, 2021</b>
Major Maintenance and Equipment Replacement	\$ 569,073	\$ 2,606,735	\$ 1,973,336	\$ 1,202,472
<b>Total</b>	<b>\$ 569,073</b>	<b>\$ 2,606,735</b>	<b>\$ 1,973,336</b>	<b>\$ 1,202,472</b>

Jackson College  
Cash and Investments by Fund - FY 21  
February 28, 2021  
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	6,721,466	3,630,666	(2,107,139)	-	(764,798)	14,064	1,185,739	5,133,861	360,120	14,173,979
Cash-Comerica Federal Funds	-	-	-	-	29,220	-	-	-	-	29,220
Cash-So Mich National	200,150	-	26,043	-	-	-	-	-	-	226,193
VISA Account	188,010	-	-	-	-	-	-	-	570	188,580
Cash-United Bank	234,029	-	29,361	-	-	-	-	-	-	263,390
Cash-Federal Direct Loan	-	-	158	-	-	-	-	-	-	158
Cash-Comerica State Wire	75,789	-	-	-	-	-	-	-	-	75,789
Cash-Payroll	215,727	-	-	-	(1,207,586)	-	-	-	-	(991,859)
JC One Card	13,926	-	-	-	-	-	-	-	-	13,926
Ref Pay	4,459	-	-	-	-	-	-	-	-	4,459
Cultural Affairs Checking	674	-	-	-	-	-	-	-	-	674
MNJTP	-	-	-	-	957,422	-	-	-	-	957,422
Certificates of Deposit	-	-	-	-	-	-	-	-	-	-
MILAF	2,000,000	8,416,171	-	-	-	-	-	-	-	10,416,171
Bond capital project	-	-	-	-	-	-	-	208,188	-	208,188
	<u>9,654,230</u>	<u>12,046,837</u>	<u>(2,051,577)</u>	<u>-</u>	<u>(985,742)</u>	<u>14,064</u>	<u>1,185,739</u>	<u>5,342,049</u>	<u>363,414</u>	<u>25,569,014</u>
Investments										
Common Stock	-	-	-	-	-	16,726	-	-	-	16,726
Total cash and investments	<u>\$ 9,654,230</u>	<u>\$12,046,837</u>	<u>\$(2,051,577)</u>	<u>\$ -</u>	<u>\$ (985,742)</u>	<u>\$ 30,790</u>	<u>\$ 1,185,739</u>	<u>\$ 5,342,049</u>	<u>\$ 363,414</u>	<u>\$ 25,585,740</u>

Jackson College  
 Billing Contact Hours  
 February 28, 2021  
 Preliminary - Unaudited

	<b>Budgeted FY 21</b>	<b>Actual FY 21</b>	<b>Actual Percentage</b>	<b>Actual FY 20</b>	<b>Prior Year Percentage</b>
Semester:					
Fall	43,082	41,477	96.3%	49,363	84.0%
Winter	39,165	38,095	97.3%	45,213	84.3%
Spring	15,666	-	0.0%	14,726	0.0%
<b>Total</b>	<b>97,913</b>	<b>79,572</b>	<b>81.3%</b>	<b>109,302</b>	<b>72.8%</b>

