



## Financial Report

Presented to  
President Daniel Phelan  
Jackson College Board of Trustees



Prepared by the Business Office  
August 31, 2020

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

Following is the August 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.
- **Miscellaneous** - Unfavorable to budget, variance is due to timing. We anticipate this variance to diminish over time.
- **Transfers** - Favorable to budget, timing of Foundation support.

**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** - Favorable to budget due to limited in person activity. 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 August 31, 2020 interest revenues have exceeded \$414,000. 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.

Jackson College  
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For the August 31, 2020 Financial Report

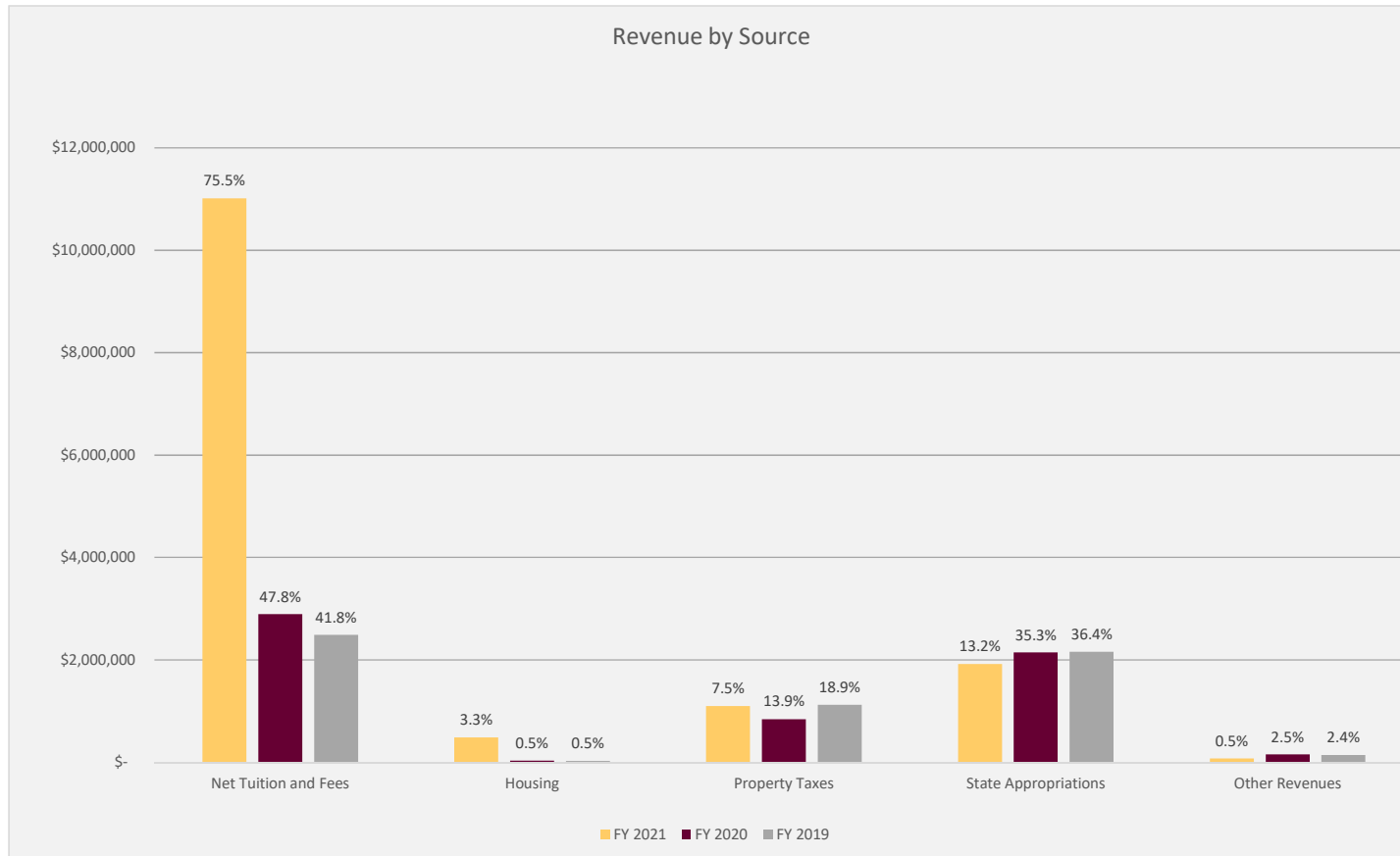
- **Operating Reserves** - Board policy requires the College have combined operating fund balance reserves greater or equal to two months' operating expenses. At August 31, 2020, the operating fund balances reserves were \$21,178,176 which is approximately 6.2 months of projected FY 2021 operating expenses. 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 Two Months Ended August 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
<b>Revenue</b>							
Gross tuition and fees	\$ 23,393,941	57.0%	\$ 11,514,091	49.2%	44.0%	\$ 1,220,757	\$ 2,891,215
Less Institutional Scholarships	(794,472)	-1.9%	(502,437)	63.2%	44.0%	(152,869)	-
Net tuition and fees	22,599,469	55.1%	11,011,654	48.7%	44.0%	1,067,888	2,891,215
Housing	999,010	2.4%	488,220	48.9%	50.0%	(11,285)	32,515
Property taxes	4,867,939	11.9%	1,096,427	22.5%	22.0%	25,480	842,123
State appropriations	11,529,294	28.1%	1,921,549	16.7%	16.7%	(3,843)	2,142,617
Contract training	135,000	0.3%	1,433	1.1%	0.0%	1,433	9,048
Potter Center activities	405,000	1.0%	-	0.0%	0.0%	-	71,130
Miscellaneous	474,000	1.2%	68,548	14.5%	16.7%	(10,610)	73,385
Transfers	7,500	0.0%	3,424	45.7%	16.7%	2,171	-
<b>Total revenues</b>	<b>41,017,213</b>	<b>100.0%</b>	<b>14,591,255</b>	<b>35.6%</b>	<b>17.4%</b>	<b>1,071,234</b>	<b>6,062,033</b>
<b>Expenses</b>							
Wages	16,029,640	39.2%	2,559,944	16.0%	15.4%	91,380	2,952,152
Retirement	4,383,350	10.7%	694,682	15.8%	15.4%	19,646	752,045
Benefits	2,877,573	7.0%	506,478	17.6%	16.7%	25,923	522,501
Services - Staffing Agency	3,697,700	9.0%	356,100	9.6%	15.4%	(213,346)	543,433
Services	2,600,525	6.3%	342,609	13.2%	16.7%	(91,679)	427,261
Materials	1,600,225	3.9%	187,873	11.7%	16.7%	(79,365)	259,742
Rent, utilities, insurance	1,410,900	3.4%	280,945	19.9%	16.7%	45,325	308,324
Other operating costs	2,567,650	6.3%	297,013	11.6%	16.7%	(131,785)	529,398
Transfers	1,121,275	2.7%	186,879	16.7%	16.7%	(374)	134,167
Transfers-debt service	4,160,813	10.1%	693,469	16.7%	16.7%	(1,387)	808,003
Capital equipment	567,043	1.4%	38,722	6.8%	16.7%	(55,974)	20,478
<b>Total expenses</b>	<b>41,016,694</b>	<b>100.0%</b>	<b>6,144,714</b>	<b>15.0%</b>	<b>16.3%</b>	<b>(391,636)</b>	<b>7,257,504</b>
<b>Income over (under) expenses</b>	<b>\$ 519</b>		<b>\$ 8,446,541</b>			<b>\$ 1,462,870</b>	<b>\$ (1,195,471)</b>

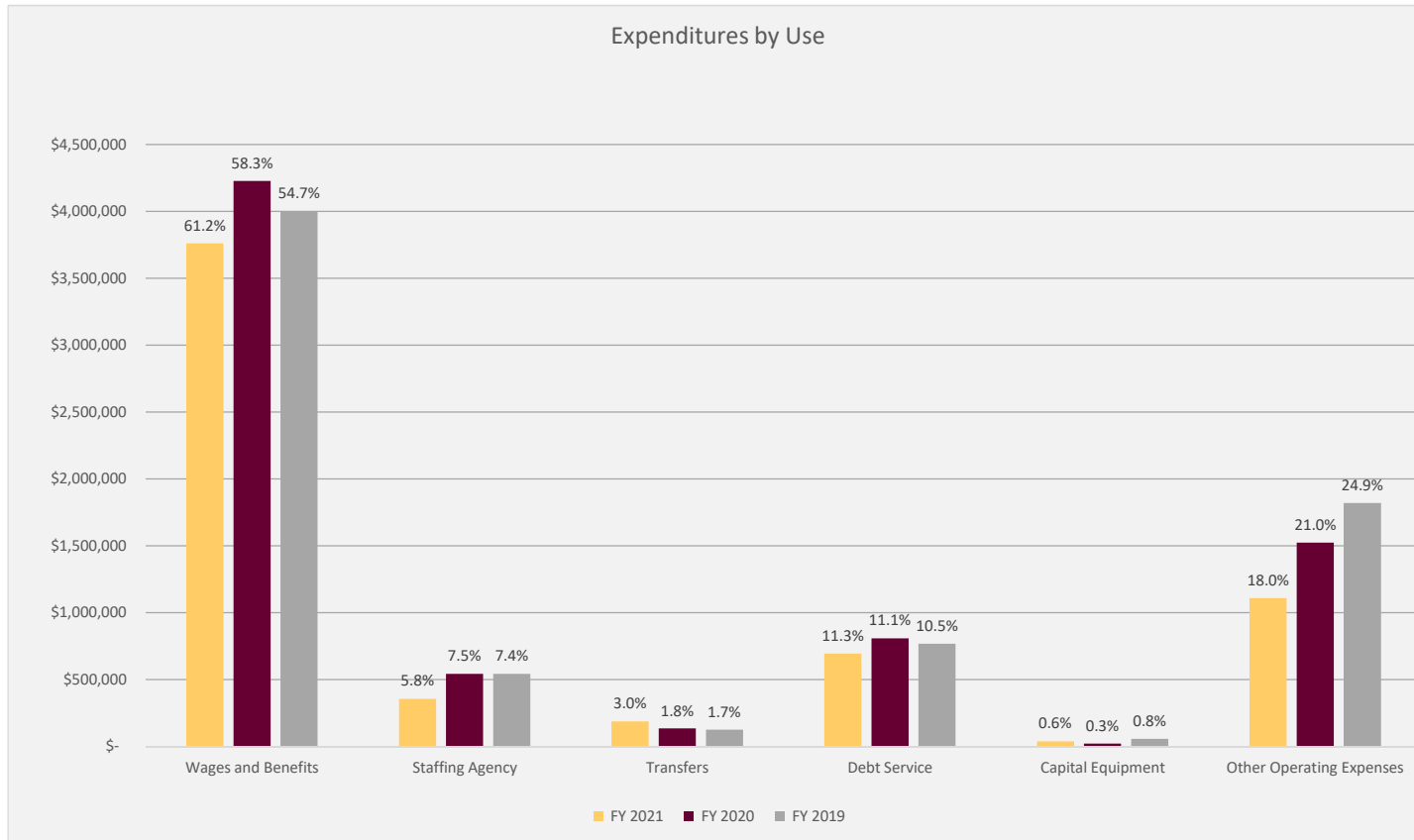
Jackson College  
 General Fund Revenue Comparison  
 For the Two Months Ended August 31, 2020

\$14,591,255



Jackson College  
 General Fund Expenditure Comparison  
 For the Two Months Ended August 31, 2020

\$6,144,714



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

	General Fund	Designated Fund	Restricted Fund	CARES Fund	Endowment Fund	Debt & Property Fund	Activities Fund	Total
<b>Assets</b>								
Cash	\$ 2,912,917	\$ 11,944,863	\$ (373,534)	\$ (294,585)	\$ 13,207	\$ 5,768,448	\$ 309,906	\$ 20,281,222
Restricted cash in escrow	-	-	-	-	-	-	-	-
Investments	-	-	-	-	16,726	-	-	16,726
Accounts receivable	8,341,922	27,150	752,389	-	-	9,995	620,853	9,752,309
Inventories	27,430	-	-	-	-	-	-	27,430
Other assets	259,007	-	31,096	-	-	78,996,202	-	79,286,305
<b>Total assets</b>	<u>11,541,276</u>	<u>11,972,013</u>	<u>409,951</u>	<u>(294,585)</u>	<u>29,933</u>	<u>84,774,645</u>	<u>930,759</u>	<u>109,363,992</u>
<b>Liabilities and Fund Balance</b>								
Accounts payable	151,266	-	481	-	-	-	601,661	753,408
Accrued liabilities	3,110,940	-	19,407	-	-	38,021,662	-	41,152,009
Deferred liabilities	(2,127,693)	-	842,445	810,773	-	-	-	(474,475)
Unearned revenue	321,786	-	-	-	-	-	-	321,786
Other liabilities	935,164	-	-	-	-	-	-	935,164
<b>Total liabilities</b>	<u>2,391,463</u>	<u>-</u>	<u>862,333</u>	<u>810,773</u>	<u>-</u>	<u>38,021,662</u>	<u>601,661</u>	<u>42,687,892</u>
Fund balance	9,149,813	11,972,013	(452,382)	(1,105,358)	29,933	46,752,983	329,098	66,676,100
<b>Total liabilities and fund balance</b>	<u>\$ 11,541,276</u>	<u>\$ 11,972,013</u>	<u>\$ 409,951</u>	<u>\$ (294,585)</u>	<u>\$ 29,933</u>	<u>\$ 84,774,645</u>	<u>\$ 930,759</u>	<u>\$ 109,363,992</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	14,591,255	32,222	1,374,846	(3)	3	1,391,656	20,046	17,410,025
Current year expenses	6,144,714	-	2,208,126	-	-	1,061,429	6,414	9,420,683
<b>Ending fund balance</b>	<u>\$ 9,149,813</u>	<u>\$ 11,972,013</u>	<u>\$ (452,382)</u>	<u>\$ (1,105,358)</u>	<u>\$ 29,933</u>	<u>\$ 46,752,983</u>	<u>\$ 329,098</u>	<u>\$ 66,676,100</u>

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

	<b>Building and Site Fund</b>
<b>Assets</b>	
Cash	\$ 707,143
Investments	-
Accounts receivable	9,995
Due from other funds	-
	-
<b>Total assets</b>	717,138
<b>Liabilities and Fund Balance</b>	
Accounts payable	-
Other liabilities	-
	-
<b>Total liabilities</b>	-
Fund balance	717,138
<b>Total liabilities and fund balance</b>	\$ 717,138

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

	<b>Balance July 1, 2020</b>	<b>Revenue</b>	<b>Expenditures</b>	<b>Balance August 31, 2020</b>
Major Maintenance and Equipment Replacement	\$ 569,073	\$ 698,183	\$ 550,118	\$ 717,138
	\$ 569,073	\$ 698,183	\$ 550,118	\$ 717,138
<b>Total</b>	\$ 569,073	\$ 698,183	\$ 550,118	\$ 717,138



Jackson College  
Cash and Investments by Fund - FY 21  
August 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	(1,252,677)	3,530,266	(242,046)	(298,707)	23,100	13,207	707,143	2,960,908	306,992	5,748,186
Cash-Comerica Federal Funds	-	-	623	4,122	-	-	-	-	-	4,745
Cash-So Mich National	200,150	-	25,543	-	-	-	-	-	-	225,693
VISA Account	238,808	-	-	-	-	-	-	-	190	238,998
Cash-United Bank	234,015	-	29,361	-	-	-	-	-	-	263,376
Cash-Federal Direct Loan	-	-	2,399	-	-	-	-	-	-	2,399
Cash-Comerica State Wire	1,429,525	-	15,049	-	-	-	-	-	-	1,444,574
Cash-Payroll	44,037	-	(1,007,349)	-	(120,346)	-	-	-	-	(1,083,658)
JC One Card	13,926	-	-	-	-	-	-	-	-	13,926
Ref Pay	4,459	-	-	-	-	-	-	-	-	4,459
Cultural Affairs Checking	674	-	-	-	-	-	-	-	-	674
MNJTP	-	-	-	-	900,132	-	-	-	-	900,132
Certificates of Deposit	-	-	-	-	-	-	-	-	-	-
MILAF	2,000,000	8,414,597	-	-	-	-	-	-	-	10,414,597
Bond capital project	-	-	-	-	-	-	-	2,100,397	-	2,100,397
	<u>2,912,917</u>	<u>11,944,863</u>	<u>(1,176,420)</u>	<u>(294,585)</u>	<u>802,886</u>	<u>13,207</u>	<u>707,143</u>	<u>5,061,305</u>	<u>309,906</u>	<u>20,281,222</u>
Investments										
Common Stock	-	-	-	-	-	16,726	-	-	-	16,726
Total cash and investments	<u>\$ 2,912,917</u>	<u>\$11,944,863</u>	<u>\$ (1,176,420)</u>	<u>\$ (294,585)</u>	<u>\$ 802,886</u>	<u>\$ 29,933</u>	<u>\$ 707,143</u>	<u>\$ 5,061,305</u>	<u>\$ 309,906</u>	<u>\$ 20,297,948</u>

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

	Budgeted FY 21	Actual FY 21	Actual Percentage	Actual FY 20	Prior Year Percentage
Semester:					
Fall	43,082	42,747	99.2%	49,363	86.6%
Winter	39,165	-	0.0%	45,213	0.0%
Spring	15,666	-	0.0%	14,726	0.0%
<b>Total</b>	<b>97,913</b>	<b>42,747</b>	<b>43.7%</b>	<b>109,302</b>	<b>39.1%</b>

