



## 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.

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For the August 31, 2020 Financial Report

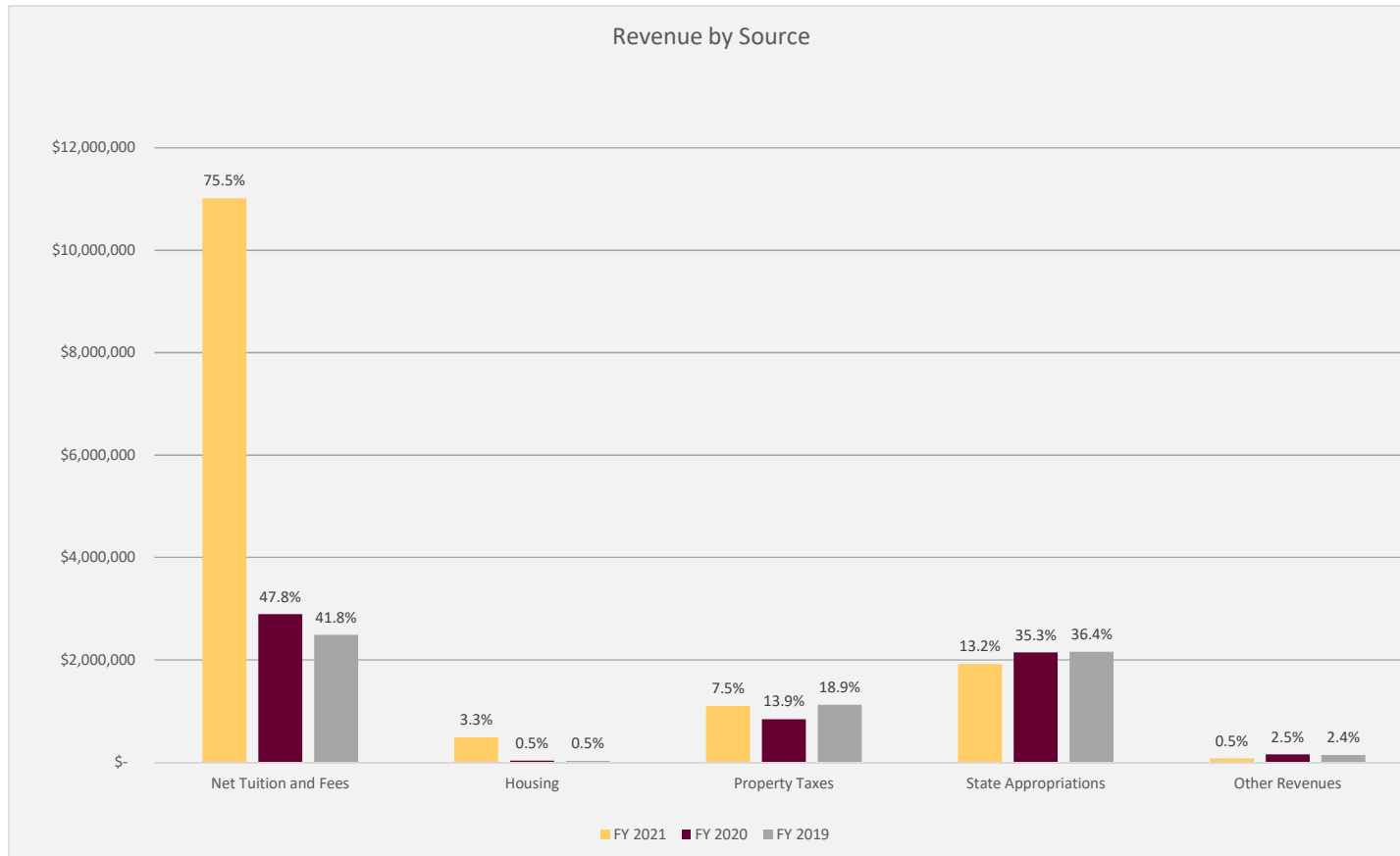
- **Operating Reserves** - Board policy requires the College have combined operating fund balance reserves greater or equal to two months' operating expenses. At August 31, 2020, the operating fund balances reserves were \$21,178,176 which is approximately 6.2 months of projected FY 2021 operating expenses. 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<br>Original<br>Budget | Percentage of<br>Original<br>Budget | Actual Year to<br>Date | Actual<br>Percentage of<br>Budget | Planned<br>Percentage to<br>Date | Variance of<br>Planned<br>Percentage to<br>Actual | Prior Year to<br>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> |

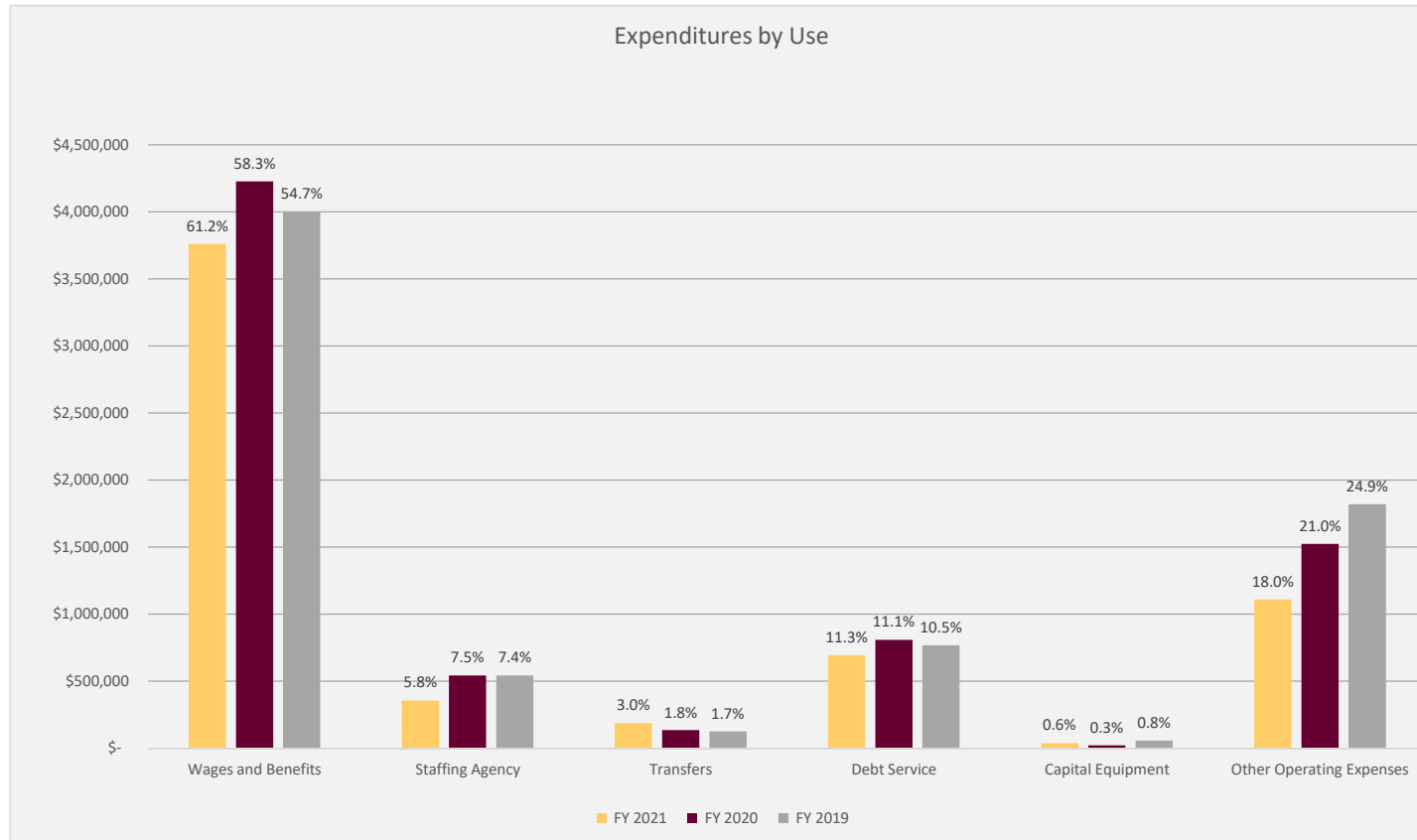
Jackson College  
General Fund Revenue Comparison  
For the Two Months Ended August 31, 2020

\$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>                         | <b>11,541,276</b>    | <b>11,972,013</b>    | <b>409,951</b>      | <b>(294,585)</b>      | <b>29,933</b>    | <b>84,774,645</b>    | <b>930,759</b>    | <b>109,363,992</b>    |
| <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>                    | <b>2,391,463</b>     | <b>-</b>             | <b>862,333</b>      | <b>810,773</b>        | <b>-</b>         | <b>38,021,662</b>    | <b>601,661</b>    | <b>42,687,892</b>     |
| 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>   | <b>\$ 11,541,276</b> | <b>\$ 11,972,013</b> | <b>\$ 409,951</b>   | <b>\$ (294,585)</b>   | <b>\$ 29,933</b> | <b>\$ 84,774,645</b> | <b>\$ 930,759</b> | <b>\$ 109,363,992</b> |
| <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            |
|   | \$ 703,272           | \$ 11,939,791        | \$ 380,898          | \$ (1,105,355)        | \$ 29,930        | \$ 46,422,756        | \$ 315,466        | \$ 58,686,758         |
| 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>                  | <b>\$ 9,149,813</b>  | <b>\$ 11,972,013</b> | <b>\$ (452,382)</b> | <b>\$ (1,105,358)</b> | <b>\$ 29,933</b> | <b>\$ 46,752,983</b> | <b>\$ 329,098</b> | <b>\$ 66,676,100</b>  |

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

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

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

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



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<br>FY 21 | Actual<br>FY 21 | Actual<br>Percentage | Actual<br>FY 20 | Prior Year<br>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%                     |
| Total     | 97,913            | 42,747          | 43.7%                | 109,302         | 39.1%                    |

