



Financial Report

Presented to
President Daniel Phelan
Jackson College Board of Trustees



Prepared by the Business Office
August 31, 2021

Jackson College
Memo From Darrell Norris, Vice President of Finance
For the August 31, 2021 Financial Report

Following is the August 31, 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 2021-2022 Budget as adopted at the June 2021 Board of Trustees meeting.

Revenues

- **Tuition and fees** - Favorable to budget, 21/FL enrollment was higher than projected.
- **Housing** - Unfavorable to budget as occupancy was lower than expected due to social distancing considerations.
- **Contract training** - Favorable to budget, it is too early in the fiscal year to tell if this trend will continue.
- **Hospitality** - Unfavorable to budget, this is a new revenue stream for the College and we anticipate this to gain traction once on campus activity increases.
- **Miscellaneous** - Unfavorable to budget, it is too early in the fiscal year to tell if this trend will continue.
- **Transfers** - Unfavorable to budget, due to timing of Foundation support.

Expenses

- **Benefits** - Unfavorable to budget, it is too early in the fiscal year to tell if this trend will continue.
- **Services - Staffing Agency** - Favorable to budget, it is too early in the fiscal year to tell if this trend will continue.
- **Materials** - Unfavorable to budget due to timing of several IT software and licensing purchases that require larger upfront payments. We anticipate this variance to diminish over the fiscal year.
- **Other operating costs** - Favorable to budget due to timing of purchases. We anticipate this variance to diminish over time.
- **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, 2021 interest revenues have exceeded \$416,000. These earnings are designated for future operations. In June 2021, the College made a \$4 million investment in U.S. Government bonds, which is separately presented on the cash and investment summary.

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- **Looking Ahead** - Expense controls have been put in place in anticipation of reduced revenues resulting from COVID-19 pandemic.

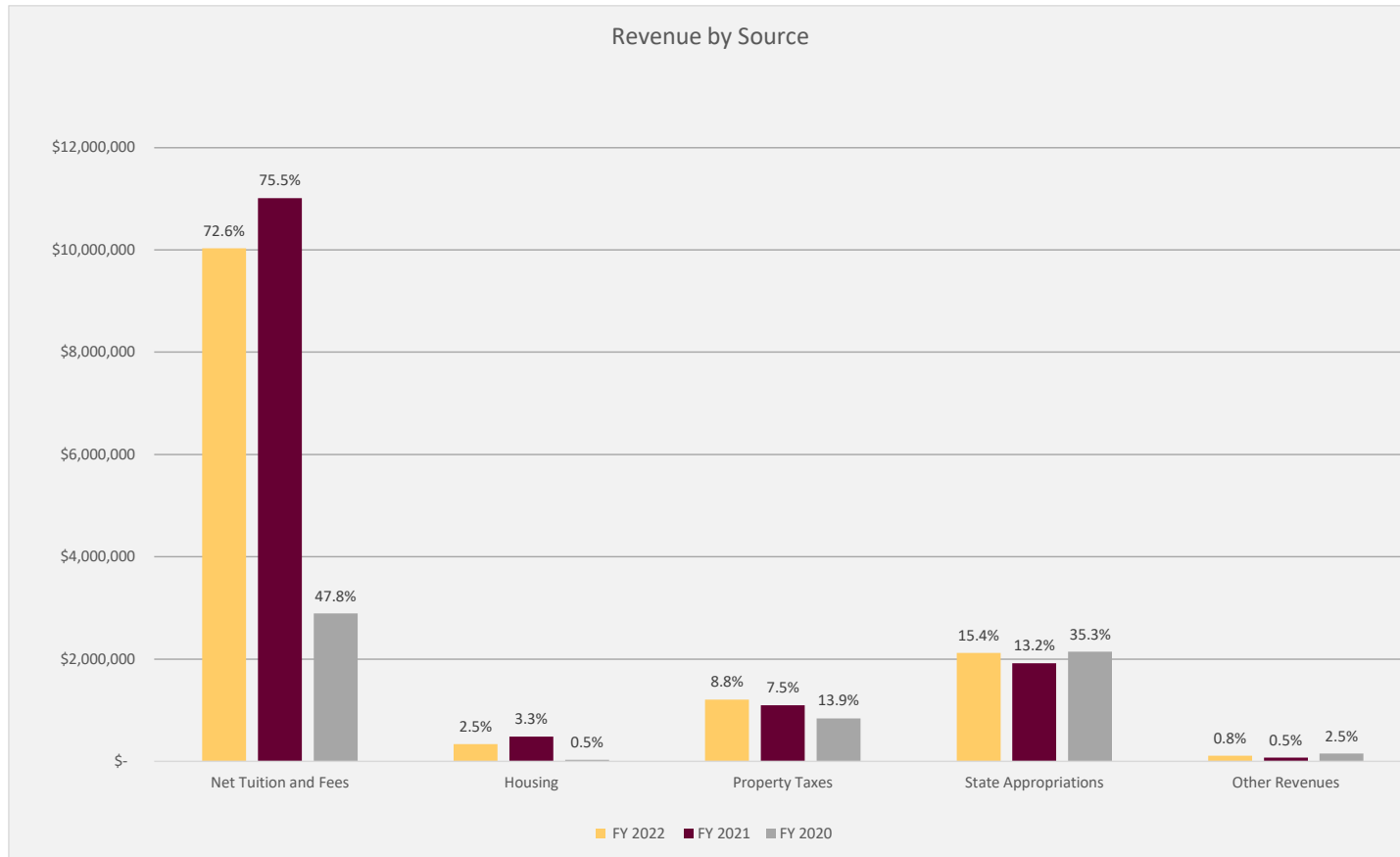
- **Operating Reserves** - Board policy requires the College have combined operating fund balance reserves greater or equal to two months' operating expenses. At August 31, 2021, the operating fund balances reserves were \$20,141,429 which is approximately 5.8 months of projected FY 2022 operating expenses. 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 22
For the Two Months Ended August 31, 2021
Preliminary - Unaudited

	2021-2022 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	\$ 21,433,000	51.7%	\$ 10,263,287	47.9%	44.0%	\$ 832,767	\$ 11,514,091
Less Institutional Scholarships	(800,000)	-1.9%	(235,155)	29.4%	44.0%	116,845	(502,437)
Net tuition and fees	20,633,000	49.8%	10,028,132	48.6%	44.0%	949,612	11,011,654
Housing	1,400,000	3.4%	340,200	24.3%	50.0%	(359,800)	488,220
Property taxes	5,300,000	12.7%	1,210,887	22.8%	22.0%	44,887	1,096,427
State appropriations	12,735,720	30.7%	2,122,620	16.7%	16.7%	(4,245)	1,921,549
Contract training	4,000	0.0%	3,357	83.9%	16.7%	2,689	1,433
Potter Center activities	200,000	0.5%	719	0.4%	0.0%	719	-
Hospitality	750,000	1.8%	42,919	5.7%	16.7%	(82,331)	-
Miscellaneous	450,000	1.1%	61,541	13.7%	16.7%	(13,609)	68,548
Transfers	7,500	0.0%	-	0.0%	16.7%	(1,253)	3,424
Transfers - Federal grant funds	-	0.0%	-	0.0%	0.0%	-	-
Total revenues	41,480,220	100.0%	13,810,375	33.3%	17.3%	536,669	14,591,255
Expenses							
Wages	16,496,606	39.7%	2,575,718	15.6%	15.4%	35,242	2,559,944
Retirement	4,438,874	10.7%	693,914	15.6%	15.4%	10,327	694,682
Benefits	2,935,210	7.1%	523,511	17.8%	15.4%	71,489	506,478
Services - Staffing Agency	3,697,700	8.9%	470,222	12.7%	15.4%	(99,224)	356,100
Services	2,545,525	6.1%	386,647	15.2%	16.7%	(38,456)	342,609
Materials	1,994,765	4.8%	458,067	23.0%	16.7%	124,941	187,873
Rent, utilities, insurance	1,708,000	4.1%	303,382	17.8%	16.7%	18,146	280,945
Other operating costs	3,155,000	7.6%	428,920	13.6%	16.7%	(97,965)	297,013
Transfers	64,926	0.2%	10,821	16.7%	16.7%	(22)	186,879
Transfers-debt service	4,087,895	9.9%	681,316	16.7%	16.7%	(1,362)	693,469
Capital equipment	355,000	0.9%	22,653	6.4%	16.7%	(36,632)	38,722
Total expenses	41,479,501	100.0%	6,555,171	15.8%	16.2%	(13,516)	6,144,714
Income over (under) expenses	\$ 719		\$ 7,255,204			\$ 550,185	\$ 8,446,541

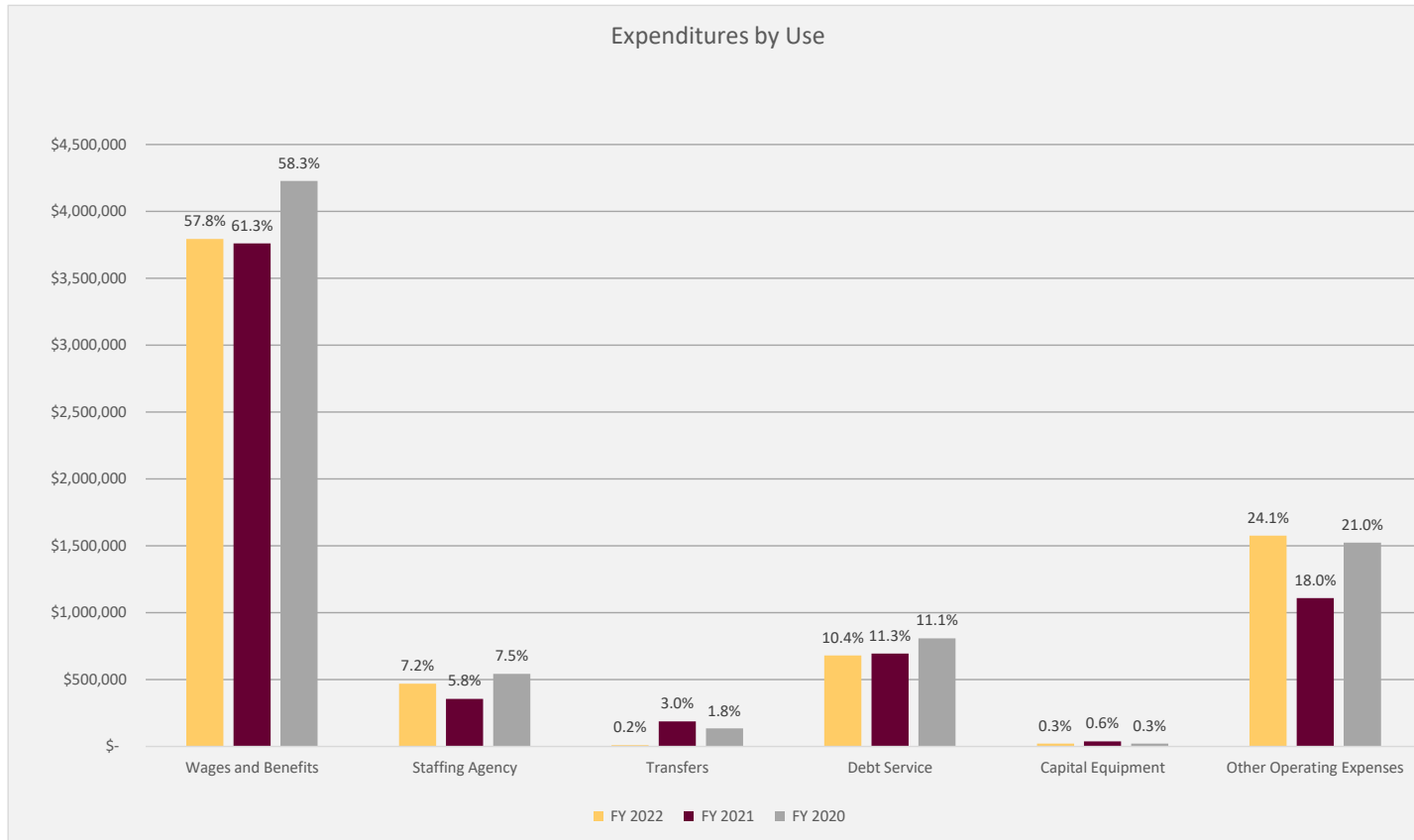
Jackson College
 General Fund Revenue Comparison
 For the Two Months Ended August 31, 2021

\$13,810,375



Jackson College
 General Fund Expenditure Comparison
 For the Two Months Ended August 31, 2021

\$6,555,171



Jackson College
Balance Sheet and Changes in Fund Balance - FY 22
August 31, 2021
Preliminary - Unaudited

	General Fund	Designated Fund	Restricted Fund	CARES Fund	Bookstore Fund	Endowment Fund	Debt & Property Fund	Activities Fund	Total
Assets									
Cash	\$ 2,388,707	\$ 12,119,924	\$ (1,877,856)	\$ -	\$ 38	\$ 14,134	\$ 12,049,362	\$ 528,187	\$ 25,222,496
Restricted cash in escrow	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	21,013	-	-	21,013
Accounts receivable	11,491,942	25,000	1,357,149	-	-	-	265	-	12,874,356
Inventories	70,828	-	-	-	-	-	-	-	70,828
Other assets	(846)	-	62,588	-	-	-	77,310,142	-	77,371,884
Total assets	13,950,631	12,144,924	(458,119)	-	38	35,147	89,359,769	528,187	115,560,577
Liabilities and Fund Balance									
Accounts payable	271,095	-	-	-	-	-	-	-	271,095
Accrued liabilities	2,666,504	-	-	-	-	-	34,866,120	-	37,532,624
Deferred liabilities	2,479,492	-	-	-	-	-	-	-	2,479,492
Unearned revenue	322,176	-	-	-	-	-	-	-	322,176
Other liabilities	252,359	-	-	-	-	-	762	-	253,121
Total liabilities	5,991,626	-	-	-	-	-	34,866,882	-	40,858,508
Fund balance	7,959,005	12,144,924	(458,119)	-	38	35,147	54,492,887	528,187	74,702,069
Total liabilities and fund balance	\$ 13,950,631	\$ 12,144,924	\$ (458,119)	\$ -	\$ 38	\$ 35,147	\$ 89,359,769	\$ 528,187	\$ 115,560,577
Beginning fund balance									
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,412,811	\$ -	\$ 45,412,811
Major Maintenance and Equipment Replacement	-	-	-	-	-	-	8,588,577	-	8,588,577
Restricted	-	178,467	361,624	-	-	35,147	-	-	575,238
Future Operations	703,801	11,938,888	-	-	-	-	-	519,586	13,162,275
	\$ 703,801	\$ 12,117,355	\$ 361,624	\$ -	\$ -	\$ 35,147	\$ 54,001,388	\$ 519,586	\$ 67,738,901
Current year income	13,810,375	27,569	3,122,867	-	38	-	1,092,572	11,590	18,065,011
Current year expenses	6,555,171	-	3,942,610	-	-	-	601,073	2,989	11,101,843
Ending fund balance	\$ 7,959,005	\$ 12,144,924	\$ (458,119)	\$ -	\$ 38	\$ 35,147	\$ 54,492,887	\$ 528,187	\$ 74,702,069

Jackson College
 Balance Sheet
 Building and Site Fund - FY 22
 August 31, 2021
 Preliminary - Unaudited

	Building and Site Fund
Assets	
Cash	\$ 8,399,086
Investments	-
Accounts receivable	265
Due from other funds	-
	-
Total assets	8,399,351
Liabilities and Fund Balance	
Accounts payable	-
Other liabilities	762
	762
Total liabilities	762
Fund balance	8,398,589
Total liabilities and fund balance	\$ 8,399,351

Jackson College
 Statement of Changes in Fund Balance
 Building and Site Fund
 For the Two Months Ended August 31, 2021
 Preliminary - Unaudited

	Balance July 1, 2021	Revenue	Expenditures	Balance August 31, 2021
Major Maintenance and Equipment Replacement	\$ 8,588,577	\$ 411,086	\$ 601,074	\$ 8,398,589
Total	\$ 8,588,577	\$ 411,086	\$ 601,074	\$ 8,398,589

Jackson College
Cash and Investments by Fund - FY 22
August 31, 2021
Preliminary - Unaudited

	General Fund	Designated Fund	Restricted Fund	CARES Fund	Grants Fund	Bookstore Fund	Endowment Fund	Building and Site	Physical Plant	Activities Fund	Total
Cash											
Petty Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,747	\$ 3,747
Cash-Comerica Bank Pooled	(551,996)	(293,934)	558,522	-	(1,984,944)	38	14,134	8,399,086	3,650,276	524,060	10,315,242
Cash-Comerica Federal Funds	-	-	34,928	-	26,712	-	-	-	-	-	61,640
VISA Account	266,286	-	-	-	-	-	-	-	-	380	266,666
Cash-United Bank	2	-	-	-	-	-	-	-	-	-	2
Cash-Federal Direct Loan	-	-	158	-	-	-	-	-	-	-	158
Cash-Comerica State Wire	7,275	-	-	-	-	-	-	-	-	-	7,275
Cash-Payroll	183,584	-	-	-	(1,310,658)	-	-	-	-	-	(1,127,074)
County National Bank	470,299	-	34,348	-	-	-	-	-	-	-	504,647
Ref Pay	12,583	-	-	-	-	-	-	-	-	-	12,583
Cultural Affairs Checking	674	-	-	-	-	-	-	-	-	-	674
MNJTP	-	-	-	-	763,078	-	-	-	-	-	763,078
U.S. Government Bonds	-	3,997,360	-	-	-	-	-	-	-	-	3,997,360
MILAF	2,000,000	8,416,498	-	-	-	-	-	-	-	-	10,416,498
	<u>2,388,707</u>	<u>12,119,924</u>	<u>627,956</u>	<u>-</u>	<u>(2,505,812)</u>	<u>38</u>	<u>14,134</u>	<u>8,399,086</u>	<u>3,650,276</u>	<u>528,187</u>	<u>25,222,496</u>
Investments											
Common Stock	-	-	-	-	-	-	21,013	-	-	-	21,013
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,013</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,013</u>
Total cash and investments	<u>\$ 2,388,707</u>	<u>\$12,119,924</u>	<u>\$ 627,956</u>	<u>\$ -</u>	<u>\$(2,505,812)</u>	<u>\$ 38</u>	<u>\$ 35,147</u>	<u>\$ 8,399,086</u>	<u>\$ 3,650,276</u>	<u>\$ 528,187</u>	<u>\$ 25,243,509</u>

Jackson College
 Billing Contact Hours
 August 31, 2021
 Preliminary - Unaudited

	Budgeted FY 22	Actual FY 22	Actual Percentage	Actual FY 21	Prior Year Percentage
Semester:					
Fall	36,872	41,014	111.2%	41,477	98.9%
Winter	33,520	-	0.0%	37,384	0.0%
Spring	13,408	-	0.0%	17,373	0.0%
Total	83,800	41,014	48.9%	96,234	42.6%

