



Financial Report

Presented to
President Daniel Phelan
Jackson College Board of Trustees



Prepared by the Business Office
May 31, 2021

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

Following is the May 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 2020-2021 Budget as adopted at the May 2020 Board of Trustees meeting.

Revenues

- **Tuition and fees** - Favorable to budget, summer enrollments were favorable.
- **Housing** - Unfavorable to budget. The College reduced housing capacity for the Winter semester due to the pandemic.
- **Property taxes** - Favorable to budget due to higher than anticipated property tax collections.
- **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.
- **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.
- **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.
- **Capital Equipment** - Favorable to budget due to timing of purchases. We anticipate this variance to diminish over time.

Other Notes

Jackson College
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- **Cash and Investments** - The Board directed MILAF investment strategy was operationalized in June 2018. At May 31, 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 May 31, 2021, the operating fund balances reserves were \$20,724,503 which is approximately 6.1 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 Eleven Months Ended May 31, 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
Revenue							
Gross tuition and fees	\$ 23,393,941	57.0%	\$ 25,794,377	110.3%	100.0%	\$ 2,400,436	\$ 27,184,099
Less Institutional Scholarships	(794,472)	-1.9%	(688,805)	86.7%	100.0%	105,667	(878,553)
Net tuition and fees	22,599,469	55.1%	25,105,572	111.1%	100.0%	2,506,103	26,305,546
Housing	999,010	2.4%	592,822	59.3%	100.0%	(406,188)	977,029
Property taxes	4,867,939	11.9%	5,458,503	112.1%	100.0%	590,564	5,302,258
State appropriations	11,529,294	28.1%	10,568,520	91.7%	91.7%	(3,843)	11,784,392
Contract training	135,000	0.3%	16,263	12.0%	12.0%	63	112,057
Potter Center activities	405,000	1.0%	-	0.0%	0.0%	-	300,148
Miscellaneous	474,000	1.2%	486,052	102.5%	91.7%	51,394	629,715
Transfers	7,500	0.0%	261,724	3489.7%	91.7%	254,846	31,245
Transfers - Federal grant funds	-	0.0%	191,158	0.0%	0.0%	191,158	-
Total revenues	41,017,213	100.0%	42,680,614	104.1%	60.9%	3,184,097	45,442,390
Expenses							
Wages	16,029,640	39.2%	14,011,523	87.4%	92.3%	(783,834)	15,569,638
Retirement	4,383,350	10.7%	3,797,319	86.6%	92.3%	(248,513)	4,132,394
Benefits	2,877,573	7.0%	2,727,885	94.8%	92.3%	71,885	2,840,684
Services - Staffing Agency	3,697,700	9.0%	3,113,308	84.2%	92.3%	(299,669)	4,280,037
Services	2,600,525	6.3%	1,789,398	68.8%	91.7%	(595,283)	2,435,229
Materials	1,600,225	3.9%	1,407,035	87.9%	91.7%	(60,371)	1,993,369
Rent, utilities, insurance	1,410,900	3.4%	1,350,302	95.7%	91.7%	56,507	1,452,244
Other operating costs	2,567,650	6.3%	1,480,235	57.6%	91.7%	(874,300)	2,658,486
Transfers	1,121,275	2.7%	1,027,835	91.7%	91.7%	(374)	737,917
Transfers-debt service	4,160,813	10.1%	3,814,078	91.7%	91.7%	(1,388)	4,444,012
Capital equipment	567,043	1.4%	225,215	39.7%	91.7%	(294,763)	527,192
Total expenses	41,016,694	100.0%	34,744,133	84.7%	91.9%	(3,030,103)	41,071,202
Income over (under) expenses	\$ 519		\$ 7,936,481			\$ 6,214,200	\$ 4,371,188

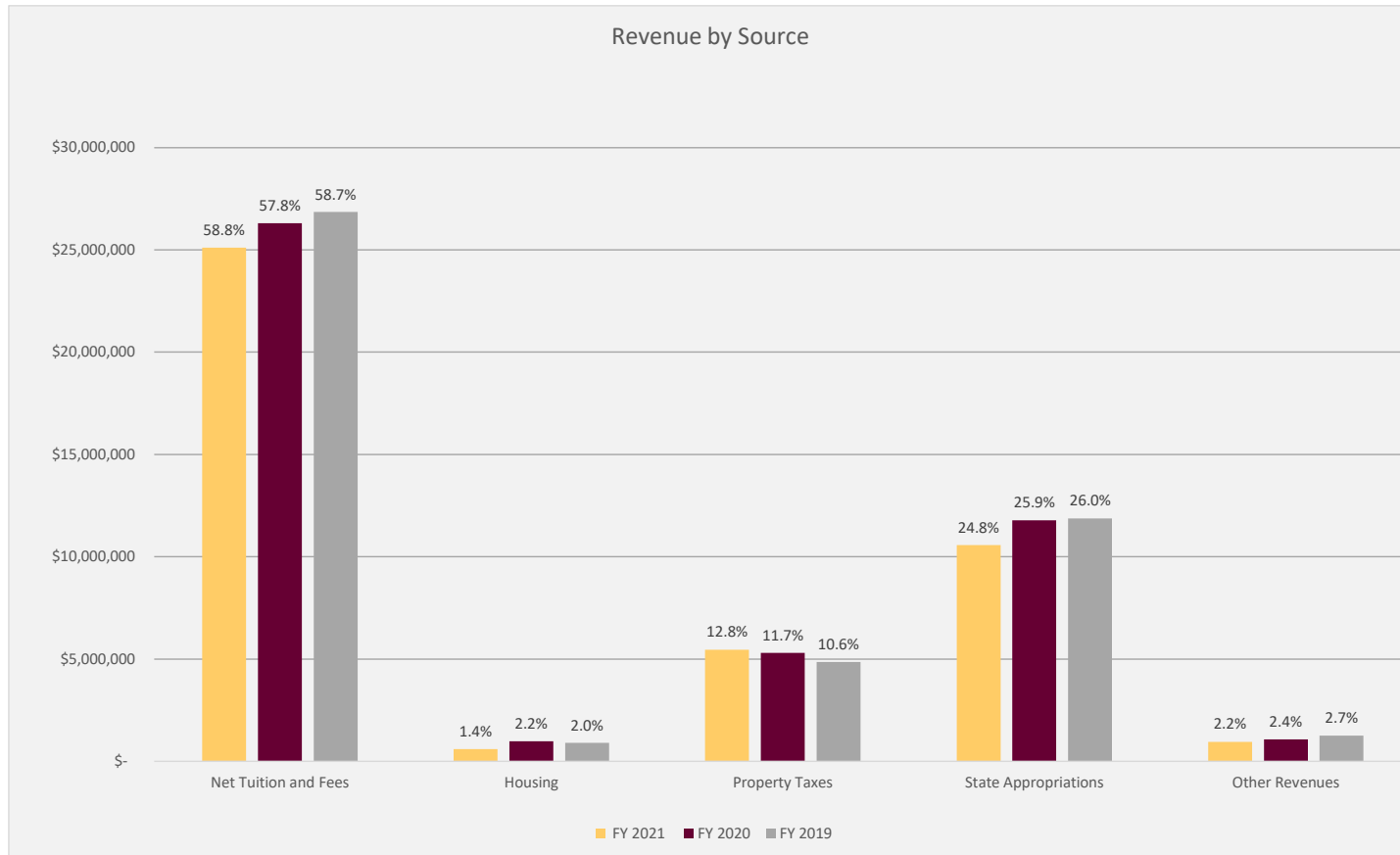
Jackson College
Revenue and Expense Schedule
HEERF Funds - FY 21
For the Eleven Months Ended May 31, 2021
Preliminary - Unaudited

	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
Net prior year activity	\$ -	\$ (812,421)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (294,585)	\$ (1,107,006)
Fiscal Year 2021 Revenue									
Grant revenue - State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,429,602	\$ 1,429,602
Grant revenue - Federal	1,843,067	1,844,715	191,158	1,697,658	2,738,031	-	-	-	8,314,629
Transfers	-	-	-	-	-	-	-	-	-
Total revenues	1,843,067	1,844,715	191,158	1,697,658	2,738,031	-	-	1,429,602	9,744,231
Fiscal Year 2021 Expenses									
Online course fee scholarships	-	1,032,294	-	-	2,112,631	-	-	-	3,144,925
Emergency grants to students	1,843,067	-	-	1,697,658	-	-	-	-	3,540,725
Wages	-	-	-	-	158,088	-	-	290,972	449,060
Retirement	-	-	-	-	46,257	-	-	114,427	160,684
Benefits	-	-	-	-	16,842	-	-	32,884	49,726
Services	-	-	-	-	10,369	-	-	70,405	80,774
Materials	-	-	-	-	70,988	-	-	158,414	229,402
Other operating costs	-	-	-	-	7,127	-	-	174,182	181,309
Transfers to general fund	-	-	191,158	-	-	-	-	-	191,158
Capital equipment	-	-	-	-	334,553	-	-	293,733	628,286
Total expenses	1,843,067	1,032,294	191,158	1,697,658	2,756,855	-	-	1,135,017	8,656,049
Income over (under) expenses	\$ -	\$ 812,421 *	\$ -	\$ -	\$ (18,824)	\$ -	\$ -	\$ 294,585 *	1,088,182

* 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.

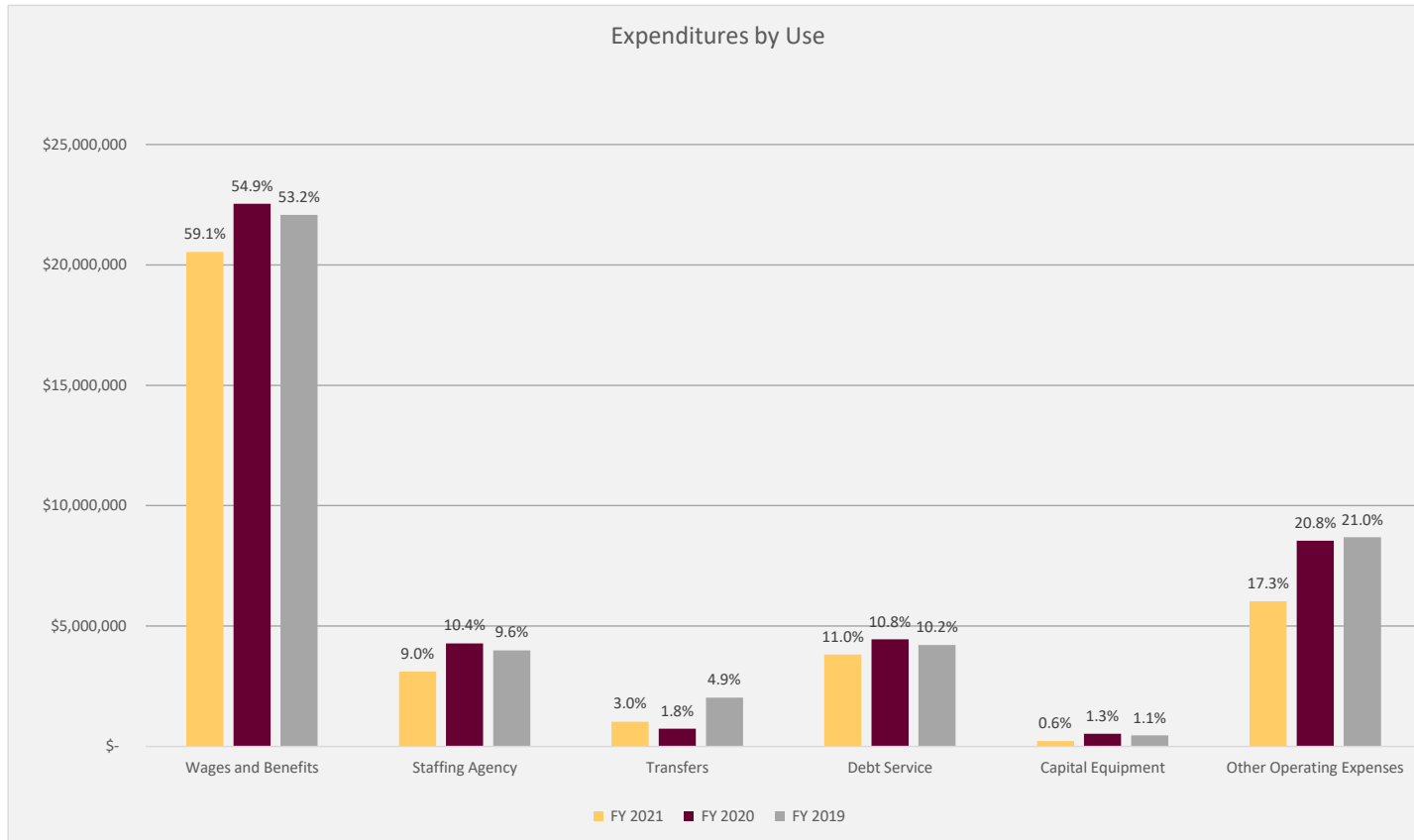
Jackson College
General Fund Revenue Comparison
For the Eleven Months Ended May 31, 2021

\$42,680,614



Jackson College
 General Fund Expenditure Comparison
 For the Eleven Months Ended May 31, 2021

\$34,744,133



Jackson College
Balance Sheet and Changes in Fund Balance - FY 21
May 31, 2021
Preliminary - Unaudited

	General Fund	Designated Fund	Restricted Fund	CARES Fund	Endowment Fund	Debt & Property Fund	Activities Fund	Total
Assets								
Cash	\$ 9,277,737	\$ 12,091,083	\$ (288,185)	\$ -	\$ 14,100	\$ 3,905,202	\$ 363,068	\$ 25,363,005
Restricted cash in escrow	-	-	-	-	-	-	-	-
Investments	-	-	-	-	16,726	-	-	16,726
Accounts receivable	4,915,533	12,500	629,713	-	-	16,608	-	5,574,354
Inventories	27,430	-	-	-	-	-	-	27,430
Other assets	322,393	-	27,213	-	-	78,996,202	-	79,345,808
Total assets	<u>14,543,093</u>	<u>12,103,583</u>	<u>368,741</u>	<u>-</u>	<u>30,826</u>	<u>82,918,012</u>	<u>363,068</u>	<u>110,327,323</u>
Liabilities and Fund Balance								
Accounts payable	97,345	-	-	-	-	-	-	97,345
Accrued liabilities	3,368,049	-	-	-	-	34,996,662	-	38,364,711
Deferred liabilities	1,979,182	-	-	-	-	-	-	1,979,182
Unearned revenue	289,391	-	-	-	-	-	-	289,391
Other liabilities	169,382	-	-	-	-	-	-	169,382
Total liabilities	<u>5,903,349</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,996,662</u>	<u>-</u>	<u>40,900,011</u>
Fund balance	8,639,744	12,103,583	368,741	-	30,826	47,921,350	363,068	69,427,312
Total liabilities and fund balance	<u>\$ 14,543,093</u>	<u>\$ 12,103,583</u>	<u>\$ 368,741</u>	<u>\$ -</u>	<u>\$ 30,826</u>	<u>\$ 82,918,012</u>	<u>\$ 363,068</u>	<u>\$ 110,327,323</u>
Beginning fund balance								
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,853,683	\$ -	\$ 45,853,683
Major Maintenance and Equipment Replacement	-	-	-	-	-	569,072	-	569,072
Restricted	-	178,467	380,896	(1,105,355)	29,930	-	-	(516,062)
Future Operations	703,263	11,761,326	-	-	-	-	315,466	12,780,055
	<u>\$ 703,263</u>	<u>\$ 11,939,793</u>	<u>\$ 380,896</u>	<u>\$ (1,105,355)</u>	<u>\$ 29,930</u>	<u>\$ 46,422,755</u>	<u>\$ 315,466</u>	<u>\$ 58,686,748</u>
Current year income	42,680,614	163,790	26,778,433	1,105,355	896	6,887,556	122,041	77,738,685
Current year expenses	34,744,133	-	26,790,588	-	-	5,388,961	74,439	66,998,121
Ending fund balance	<u>\$ 8,639,744</u>	<u>\$ 12,103,583</u>	<u>\$ 368,741</u>	<u>\$ -</u>	<u>\$ 30,826</u>	<u>\$ 47,921,350</u>	<u>\$ 363,068</u>	<u>\$ 69,427,312</u>

Jackson College
 Balance Sheet
 Building and Site Fund - FY 21
 May 31, 2021
 Preliminary - Unaudited

	Building and Site Fund
Assets	
Cash	\$ 1,262,757
Investments	-
Accounts receivable	16,608
Due from other funds	-
	-
Total assets	1,279,365
Liabilities and Fund Balance	
Accounts payable	-
Other liabilities	-
	-
Total liabilities	-
Fund balance	1,279,365
Total liabilities and fund balance	\$ 1,279,365

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

	Balance July 1, 2020	Revenue	Expenditures	Balance May 31, 2021
Major Maintenance and Equipment Replacement	\$ 569,072	\$ 3,067,615	\$ 2,357,322	\$ 1,279,365
	\$ 569,072	\$ 3,067,615	\$ 2,357,322	\$ 1,279,365
Total	\$ 569,072	\$ 3,067,615	\$ 2,357,322	\$ 1,279,365

Jackson College
Cash and Investments by Fund - FY 21
May 31, 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	5,319,917	3,674,616	19,197	-	(13,233)	14,100	1,262,757	2,434,257	360,344	13,071,955
Cash-Comerica Federal Funds	-	-	2,249	-	-	-	-	-	-	2,249
Cash-So Mich National	200,150	-	26,043	-	-	-	-	-	-	226,193
VISA Account	181,568	-	-	-	-	-	-	-	-	181,568
Cash-United Bank	234,037	-	29,361	-	-	-	-	-	-	263,398
Cash-Federal Direct Loan	-	-	158	-	-	-	-	-	-	158
Cash-Comerica State Wire	2,285	-	-	-	-	-	-	-	-	2,285
Cash-Payroll	1,337,962	-	(454,949)	-	(883,480)	-	-	-	-	(467)
JC One Card	-	-	-	-	-	-	-	-	-	-
Ref Pay	1,144	-	-	-	-	-	-	-	-	1,144
Cultural Affairs Checking	674	-	-	-	-	-	-	-	-	674
MNJTP	-	-	-	-	986,469	-	-	-	-	986,469
Certificates of Deposit	-	-	-	-	-	-	-	-	-	-
MILAF	2,000,000	8,416,467	-	-	-	-	-	-	-	10,416,467
Bond capital project	-	-	-	-	-	-	-	208,188	-	208,188
	<u>9,277,737</u>	<u>12,091,083</u>	<u>(377,941)</u>	<u>-</u>	<u>89,756</u>	<u>14,100</u>	<u>1,262,757</u>	<u>2,642,445</u>	<u>363,068</u>	<u>25,363,005</u>
Investments										
Common Stock	-	-	-	-	-	16,726	-	-	-	16,726
Total cash and investments	<u>\$ 9,277,737</u>	<u>\$12,091,083</u>	<u>\$ (377,941)</u>	<u>\$ -</u>	<u>\$ 89,756</u>	<u>\$ 30,826</u>	<u>\$ 1,262,757</u>	<u>\$ 2,642,445</u>	<u>\$ 363,068</u>	<u>\$ 25,379,731</u>

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

	Budgeted FY 21	Actual FY 21	Actual Percentage	Actual FY 20	Prior Year Percentage
Semester:					
Fall	43,082	41,477	96.3%	49,363	84.0%
Winter	39,165	37,490	95.7%	45,213	82.9%
Spring	15,666	18,378	117.3%	14,726	124.8%
Total	97,913	97,345	99.4%	109,302	89.1%

