



Financial Report

Presented to
President Daniel Phelan
Jackson College Board of Trustees



Prepared by the Business Office
September 30, 2020

Jackson College
Memo From Darrell Norris, Vice President of Finance
For the September 30, 2020 Financial Report

Following is the September 30, 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** - Favorable 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 September 30, 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

Memo From Darrell Norris, Vice President of Finance

For the September 30, 2020 Financial Report

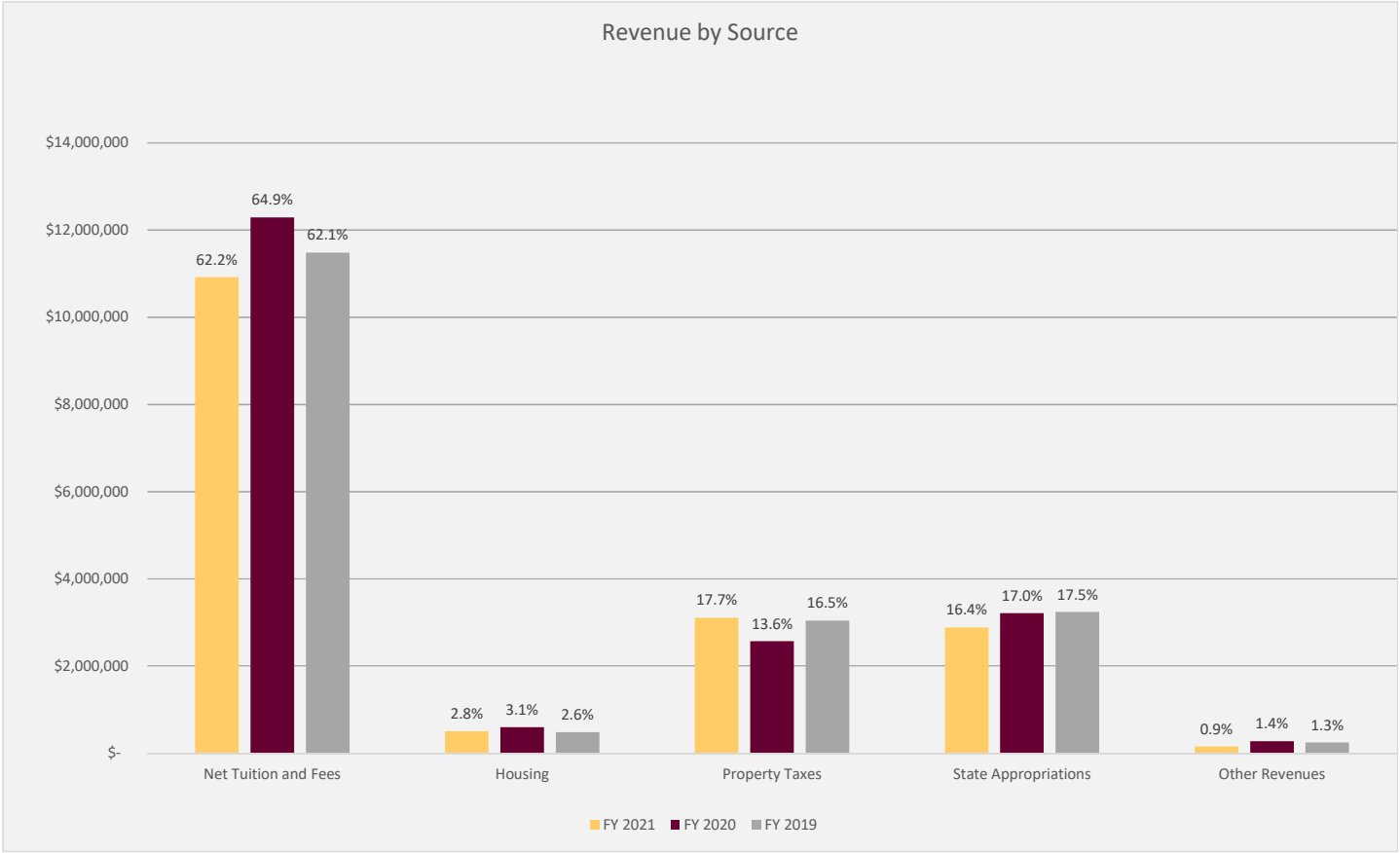
- **Operating Reserves** - Board policy requires the College have combined operating fund balance reserves greater or equal to two months' operating expenses. At September 30, 2020, the operating fund balances reserves were \$20,989,946 which is approximately 6.1 months of projected FY 2021 operating 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 Three Months Ended September 30, 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
Revenue							
Gross tuition and fees	\$ 23,393,941	57.0%	\$ 11,567,040	49.4%	44.0%	\$ 1,273,706	\$ 12,516,337
Less Institutional Scholarships	(794,472)	-1.9%	(652,316)	82.1%	44.0%	(302,748)	(225,779)
Net tuition and fees	22,599,469	55.1%	10,914,724	48.3%	44.0%	970,958	12,290,558
Housing	999,010	2.4%	500,140	50.1%	50.0%	635	593,605
Property taxes	4,867,939	11.9%	3,104,077	63.8%	62.0%	85,955	2,566,462
State appropriations	11,529,294	28.1%	2,882,324	25.0%	25.0%	-	3,213,925
Contract training	135,000	0.3%	4,019	3.0%	3.0%	(31)	24,723
Potter Center activities	405,000	1.0%	-	0.0%	0.0%	-	115,393
Miscellaneous	474,000	1.2%	142,733	30.1%	25.0%	24,233	126,992
Transfers	7,500	0.0%	3,424	45.7%	25.0%	1,549	2,539
Total revenues	41,017,213	100.0%	17,551,441	42.8%	27.1%	1,083,299	18,934,197
Expenses							
Wages	16,029,640	39.2%	3,679,041	23.0%	23.1%	(23,805)	4,188,664
Retirement	4,383,350	10.7%	1,023,012	23.3%	23.1%	10,458	1,071,470
Benefits	2,877,573	7.0%	754,941	26.2%	25.0%	35,548	780,278
Services - Staffing Agency	3,697,700	9.0%	571,752	15.5%	23.1%	(282,417)	927,535
Services	2,600,525	6.3%	552,649	21.3%	25.0%	(97,482)	639,307
Materials	1,600,225	3.9%	299,457	18.7%	25.0%	(100,599)	539,067
Rent, utilities, insurance	1,410,900	3.4%	426,379	30.2%	25.0%	73,654	498,726
Other operating costs	2,567,650	6.3%	583,550	22.7%	25.0%	(58,363)	723,971
Transfers	1,121,275	2.7%	280,319	25.0%	25.0%	-	201,250
Transfers-debt service	4,160,813	10.1%	1,040,203	25.0%	25.0%	-	1,212,003
Capital equipment	567,043	1.4%	40,508	7.1%	25.0%	(101,253)	42,892
Total expenses	41,016,694	100.0%	9,251,811	22.6%	24.4%	(544,259)	10,825,163
Income over (under) expenses	\$ 519		\$ 8,299,630			\$ 1,627,558	\$ 8,109,034

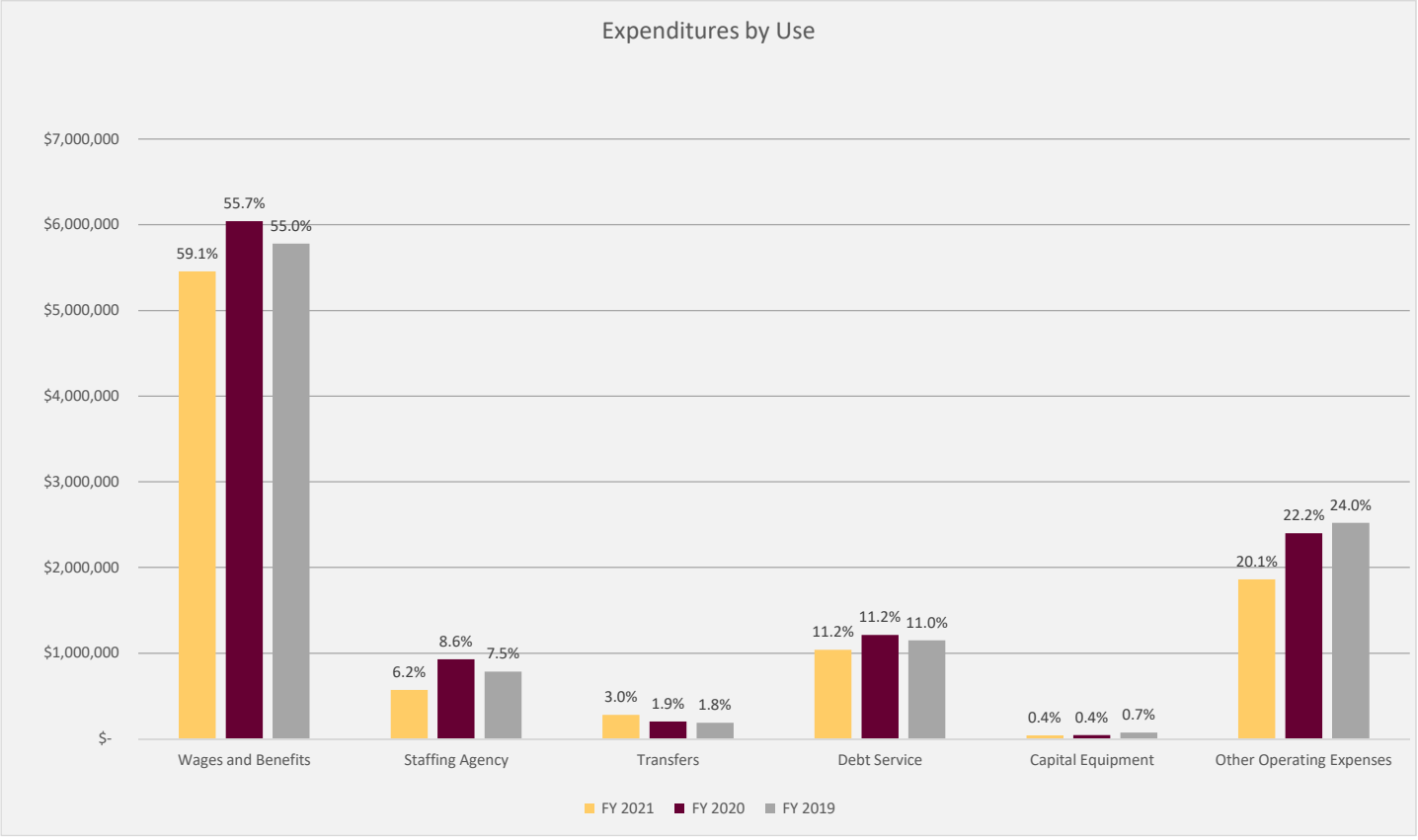
Jackson College
General Fund Revenue Comparison
For the Three Months Ended September 30, 2020

\$17,551,441



Jackson College
General Fund Expenditure Comparison
For the Three Months Ended September 30, 2020

\$9,251,811



Jackson College
Balance Sheet and Changes in Fund Balance - FY 21
September 30, 2020
Preliminary - Unaudited

	General Fund	Designated Fund	Restricted Fund	CARES Fund	Endowment Fund	Debt & Property Fund	Activities Fund	Total
Assets								
Cash	\$ 2,279,731	\$ 11,947,394	\$ (318,228)	\$ (294,585)	\$ 13,240	\$ 5,596,621	\$ 309,363	\$ 19,533,536
Restricted cash in escrow	-	-	-	-	-	-	-	-
Investments	-	-	-	-	16,726	-	-	16,726
Accounts receivable	8,886,387	39,650	752,389	-	-	9,995	620,853	10,309,274
Inventories	27,430	-	-	-	-	-	-	27,430
Other assets	271,415	-	64,955	-	-	78,996,202	-	79,332,572
Total assets	11,464,963	11,987,044	499,116	(294,585)	29,966	84,602,818	930,216	109,219,538
Liabilities and Fund Balance								
Accounts payable	233,923	-	481	-	-	22,120	605,726	862,250
Accrued liabilities	3,105,889	-	10,565	-	-	38,021,662	-	41,138,116
Deferred liabilities	(2,127,693)	-	842,445	810,773	-	-	-	(474,475)
Unearned revenue	326,986	-	-	-	-	-	-	326,986
Other liabilities	922,956	-	-	-	-	-	-	922,956
Total liabilities	2,462,061	-	853,491	810,773	-	38,043,782	605,726	42,775,833
Fund balance	9,002,902	11,987,044	(354,375)	(1,105,358)	29,966	46,559,036	324,490	66,443,705
Total liabilities and fund balance	\$ 11,464,963	\$ 11,987,044	\$ 499,116	\$ (294,585)	\$ 29,966	\$ 84,602,818	\$ 930,216	\$ 109,219,538
Beginning fund balance								
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	17,551,441	47,253	5,284,538	(3)	36	2,450,856	20,441	25,354,562
Current year expenses	9,251,811	-	6,019,811	-	-	2,314,576	11,417	17,597,615
Ending fund balance	\$ 9,002,902	\$ 11,987,044	\$ (354,375)	\$ (1,105,358)	\$ 29,966	\$ 46,559,036	\$ 324,490	\$ 66,443,705

Jackson College
Balance Sheet
Building and Site Fund - FY 21
September 30, 2020
Preliminary - Unaudited

	Building and Site Fund
Assets	
Cash	\$ 797,408
Investments	-
Accounts receivable	9,995
Due from other funds	-
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Total assets	807,403
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Liabilities and Fund Balance	
Accounts payable	22,120
Other liabilities	-
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Total liabilities	22,120
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Fund balance	785,283
Total liabilities and fund balance	\$ 807,403
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Jackson College
Statement of Changes in Fund Balance
Building and Site Fund
For the Three Months Ended September 30, 2020
Preliminary - Unaudited

	Balance July 1, 2020	Revenue	Expenditures	Balance September 30, 2020
Major Maintenance and Equipment Replacement	\$ 569,073	\$ 1,405,549	\$ 1,189,339	\$ 785,283
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Total	\$ 569,073	\$ 1,405,549	\$ 1,189,339	\$ 785,283
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Jackson College
Cash and Investments by Fund - FY 21
September 30, 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	(560,472)	3,532,416	303,600	(298,707)	417,263	13,240	797,408	3,859,387	306,054	8,370,189
Cash-Comerica Federal Funds	-	-	623	4,122	59,339	-	-	-	-	64,084
Cash-So Mich National	200,150	-	25,543	-	-	-	-	-	-	225,693
VISA Account	361,109	-	50	-	-	-	-	-	585	361,744
Cash-United Bank	234,015	-	29,361	-	-	-	-	-	-	263,376
Cash-Federal Direct Loan	-	-	2,399	-	-	-	-	-	-	2,399
Cash-Comerica State Wire	9,197	-	25,000	-	-	-	-	-	-	34,197
Cash-Payroll	16,673	-	(1,548,951)	-	(537,222)	-	-	-	-	(2,069,500)
JC One Card	13,926	-	-	-	-	-	-	-	-	13,926
Ref Pay	4,459	-	-	-	-	-	-	-	-	4,459
Cultural Affairs Checking	674	-	-	-	-	-	-	-	-	674
MNJTP	-	-	-	-	904,767	-	-	-	-	904,767
Certificates of Deposit	-	-	-	-	-	-	-	-	-	-
MILAF	2,000,000	8,414,978	-	-	-	-	-	-	-	10,414,978
Bond capital project	-	-	-	-	-	-	-	939,826	-	939,826
	<u>2,279,731</u>	<u>11,947,394</u>	<u>(1,162,375)</u>	<u>(294,585)</u>	<u>844,147</u>	<u>13,240</u>	<u>797,408</u>	<u>4,799,213</u>	<u>309,363</u>	<u>19,533,536</u>
Investments										
Common Stock	-	-	-	-	-	16,726	-	-	-	16,726
Total cash and investments	<u>\$ 2,279,731</u>	<u>\$11,947,394</u>	<u>\$ (1,162,375)</u>	<u>\$ (294,585)</u>	<u>\$ 844,147</u>	<u>\$ 29,966</u>	<u>\$ 797,408</u>	<u>\$ 4,799,213</u>	<u>\$ 309,363</u>	<u>\$ 19,550,262</u>

Jackson College
Billing Contact Hours
September 30, 2020
Preliminary - Unaudited

	Budgeted FY 21	Actual FY 21	Actual Percentage	Actual FY 20	Prior Year Percentage
Semester:					
Fall	43,082	43,611	101.2%	49,363	88.3%
Winter	39,165	-	0.0%	45,213	0.0%
Spring	15,666	-	0.0%	14,726	0.0%
Total	97,913	43,611	44.5%	109,302	39.9%

