



Financial Report

Presented to
President Daniel Phelan
Jackson College Board of Trustees



Prepared by the Business Office
September 30, 2021

Jackson College
Memo From Darrell Norris, Vice President of Finance
For the September 30, 2021 Financial Report

Following is the September 30, 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, due to a conservative budget related to COVID-19 uncertainties.
- **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** - Favorable to budget, due to a conservative budget.

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.
- **Services** - Favorable to budget due to timing of purchases. We anticipate this variance to diminish over time.
- **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.

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Other Notes

- **Cash and Investments** - The Board directed MILAF investment strategy was operationalized in June 2018. At September 30, 2021 interest revenues have exceeded \$417,000. 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.
- **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 September 30, 2021, the operating fund balances reserves were \$21,357,318 which is approximately 6.2 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 Three Months Ended September 30, 2021
Preliminary - Unaudited

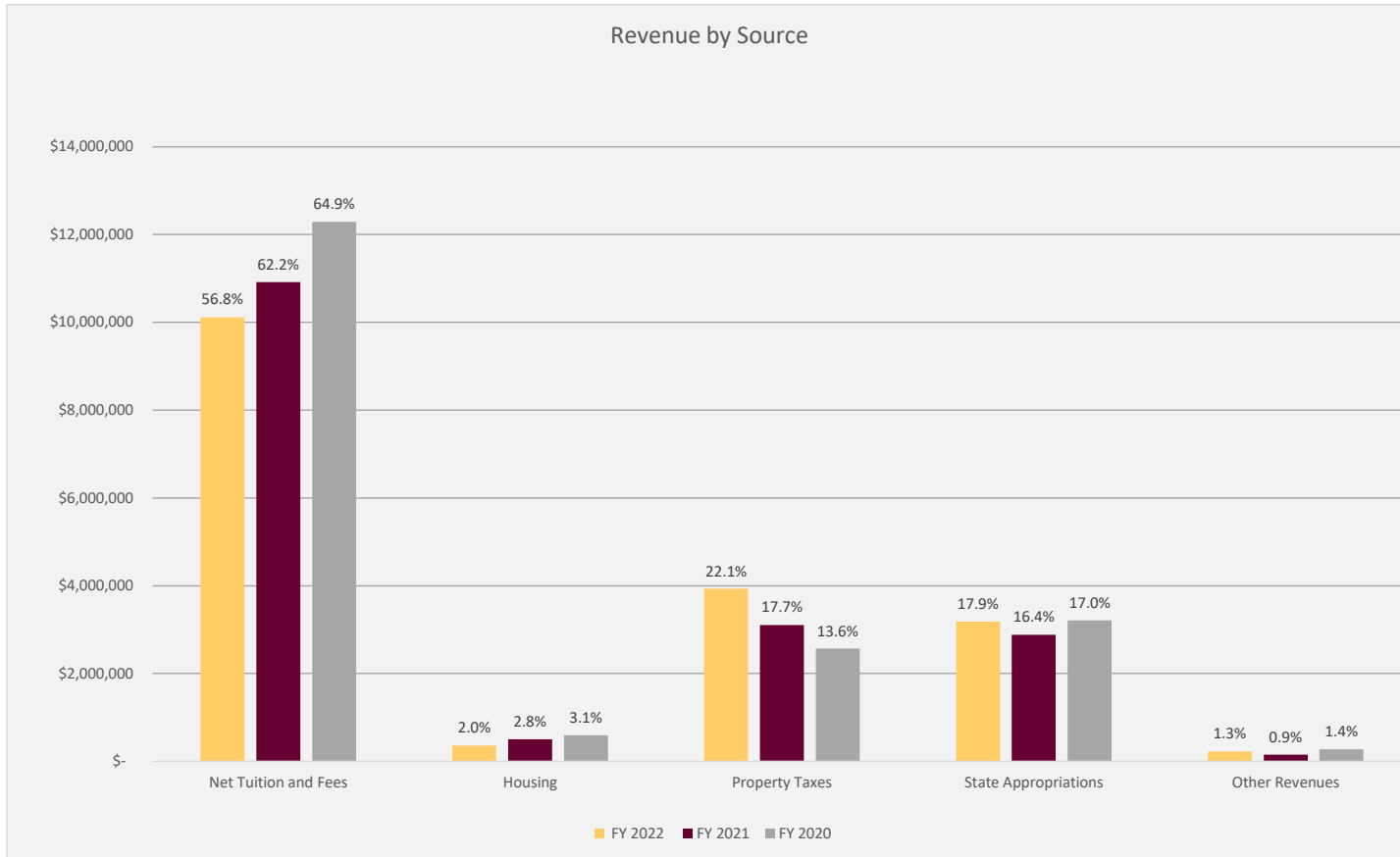
| | 2021-2022 Original Budget | Percentage of Original Budget | Actual Year to Date | Actual Percentage of Budget | Planned Percentage to Date | Variance of Planned Percentage to Actual | Prior Year to Date |
|-------------------------------------|------------------------------|----------------------------------|------------------------|-----------------------------------|----------------------------------|---|-----------------------|
| Revenue | | | | | | | |
| Gross tuition and fees | \$ 21,433,000 | 51.7% | \$ 10,408,346 | 48.6% | 44.0% | \$ 977,826 | \$ 11,567,040 |
| Less Institutional Scholarships | (800,000) | -1.9% | (290,442) | 36.3% | 44.0% | 61,558 | (652,316) |
| Net tuition and fees | 20,633,000 | 49.8% | 10,117,904 | 49.0% | 44.0% | 1,039,384 | 10,914,724 |
| Housing | 1,400,000 | 3.4% | 359,563 | 25.7% | 50.0% | (340,437) | 500,140 |
| Property taxes | 5,300,000 | 12.7% | 3,929,622 | 74.1% | 74.0% | 7,622 | 3,104,077 |
| State appropriations | 12,735,720 | 30.7% | 3,183,930 | 25.0% | 25.0% | - | 2,882,324 |
| Contract training | 4,000 | 0.0% | 5,567 | 139.2% | 25.0% | 4,567 | 4,019 |
| Potter Center activities | 200,000 | 0.5% | 23,496 | 11.7% | 12.5% | (1,504) | - |
| Hospitality | 750,000 | 1.8% | 93,947 | 12.5% | 25.0% | (93,553) | - |
| Miscellaneous | 450,000 | 1.1% | 89,818 | 20.0% | 25.0% | (22,682) | 142,733 |
| Transfers | 7,500 | 0.0% | 11,622 | 155.0% | 25.0% | 9,747 | 3,424 |
| Transfers - Federal grant funds | - | 0.0% | - | 0.0% | 0.0% | - | - |
| Total revenues | 41,480,220 | 100.0% | 17,815,469 | 42.9% | 29.1% | 603,144 | 17,551,441 |
| Expenses | | | | | | | |
| Wages | 16,496,606 | 39.7% | 3,607,746 | 21.9% | 23.1% | (202,969) | 3,679,041 |
| Retirement | 4,438,874 | 10.7% | 985,523 | 22.2% | 23.1% | (39,857) | 1,023,012 |
| Benefits | 2,935,210 | 7.1% | 760,384 | 25.9% | 23.1% | 82,350 | 754,941 |
| Services - Staffing Agency | 3,697,700 | 8.9% | 692,726 | 18.7% | 23.1% | (161,443) | 571,752 |
| Services | 2,545,525 | 6.1% | 539,924 | 21.2% | 25.0% | (96,457) | 552,649 |
| Materials | 1,994,765 | 4.8% | 645,108 | 32.3% | 25.0% | 146,417 | 299,457 |
| Rent, utilities, insurance | 1,708,000 | 4.1% | 441,434 | 25.8% | 25.0% | 14,434 | 426,379 |
| Other operating costs | 3,155,000 | 7.6% | 566,452 | 18.0% | 25.0% | (222,298) | 583,550 |
| Transfers | 64,926 | 0.2% | 16,232 | 25.0% | 25.0% | - | 280,319 |
| Transfers-debt service | 4,087,895 | 9.9% | 1,021,974 | 25.0% | 25.0% | - | 1,040,203 |
| Capital equipment | 355,000 | 0.9% | 39,800 | 11.2% | 25.0% | (48,950) | 40,508 |
| Total expenses | 41,479,501 | 100.0% | 9,317,303 | 22.5% | 24.2% | (528,773) | 9,251,811 |
| Income over (under) expenses | \$ 719 | | \$ 8,498,166 | | | \$ 1,131,917 | \$ 8,299,630 |

Jackson College
Revenue and Expense Schedule
HEERF Funds - FY 22
For the Three Months Ended September 30, 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 years revenues | \$ 1,946,067 | \$ 1,946,067 | \$ 524,189 | \$ 1,690,458 | \$ 4,235,343 | \$ - | \$ 45 | \$ 1,429,600 | \$ 11,771,769 |
| Prior years expenses | 1,946,067 | 1,946,067 | 524,189 | 1,690,458 | 4,235,343 | - | 45 | 1,429,600 | 11,771,769 |
| Net prior year activity | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Fiscal Year 2022 Revenue | | | | | | | | | |
| Grant revenue - State | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grant revenue - Federal | - | - | - | 1,116,650 | 1,543,876 | - | - | - | 2,660,526 |
| Transfers | - | - | - | - | - | - | - | - | - |
| Total revenues | - | - | - | 1,116,650 | 1,543,876 | - | - | - | 2,660,526 |
| Fiscal Year 2022 Expenses | | | | | | | | | |
| Online course fee scholarships | - | - | - | - | 1,049,175 | - | - | - | 1,049,175 |
| Emergency grants to students | - | - | - | 1,116,650 | - | - | - | - | 1,116,650 |
| Student retention | - | - | - | - | 2,000 | - | - | - | 2,000 |
| Wages | - | - | - | - | 104,947 | - | - | - | 104,947 |
| Retirement | - | - | - | - | 33,280 | - | - | - | 33,280 |
| Benefits | - | - | - | - | 15,417 | - | - | - | 15,417 |
| Services | - | - | - | - | 3,189 | - | - | - | 3,189 |
| Materials | - | - | - | - | 18,109 | - | - | - | 18,109 |
| Other operating costs | - | - | - | - | 38,420 | - | - | - | 38,420 |
| Transfers to general fund | - | - | - | - | - | - | - | - | - |
| Capital equipment | - | - | - | - | 279,356 | - | - | - | 279,356 |
| Total expenses | - | - | - | 1,116,650 | 1,543,893 | - | - | - | 2,660,543 |
| Income over (under) expenses | \$ - | \$ - | \$ - | \$ - | \$ (17) | \$ - | \$ - | \$ - | (17) |

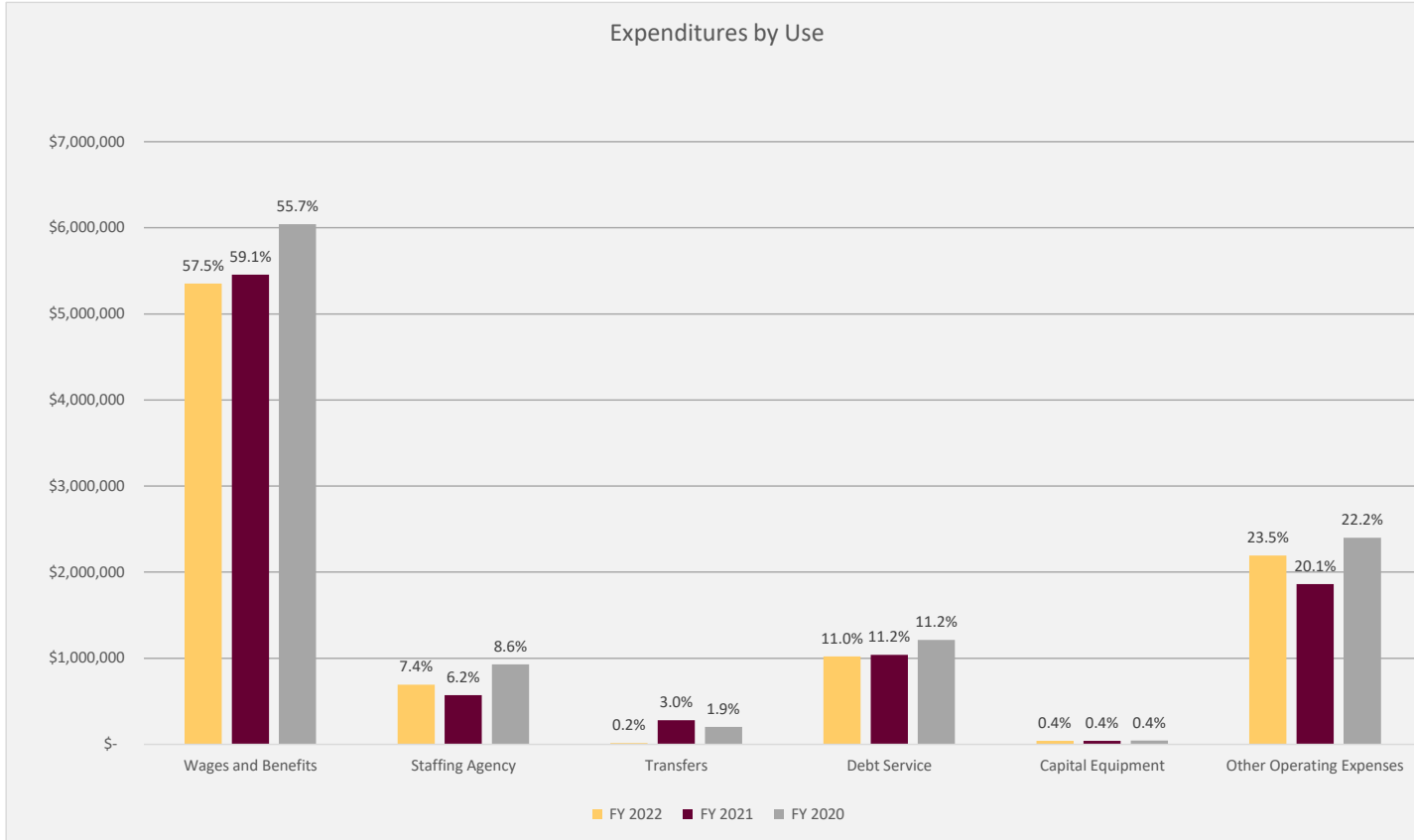
Jackson College
 General Fund Revenue Comparison
 For the Three Months Ended September 30, 2021

\$17,815,469



Jackson College
 General Fund Expenditure Comparison
 For the Three Months Ended September 30, 2021

\$9,317,303



Jackson College
Balance Sheet and Changes in Fund Balance - FY 22
September 30, 2021
Preliminary - Unaudited

| | General Fund | Designated Fund | Restricted Fund | CARES Fund | Bookstore Fund | Endowment Fund | Debt & Property Fund | Activities Fund | Total |
|---|----------------------|----------------------|---------------------|-------------|------------------|------------------|----------------------|-------------------|-----------------------|
| Assets | | | | | | | | | |
| Cash | \$ 2,471,250 | \$ 12,117,851 | \$ (2,311,331) | \$ - | \$ (139,938) | \$ 14,167 | \$ 11,525,069 | \$ 527,485 | \$ 24,204,553 |
| Restricted cash in escrow | - | - | - | - | - | - | - | - | - |
| Investments | - | - | - | - | - | 21,013 | - | - | 21,013 |
| Accounts receivable | 13,007,376 | 37,500 | 1,840,609 | - | 45,294 | - | 295 | 150 | 14,931,224 |
| Inventories | 28,112 | - | - | - | 130,997 | - | - | - | 159,109 |
| Other assets | 7,354 | - | 75,148 | - | - | - | 77,310,142 | - | 77,392,644 |
| Total assets | 15,514,092 | 12,155,351 | (395,574) | - | 36,353 | 35,180 | 88,835,506 | 527,635 | 116,708,543 |
| Liabilities and Fund Balance | | | | | | | | | |
| Accounts payable | 587,337 | - | - | - | - | - | 141,925 | 530 | 729,792 |
| Accrued liabilities | 2,671,774 | - | - | - | - | - | 34,866,120 | - | 37,537,894 |
| Deferred liabilities | 2,479,492 | - | - | - | - | - | - | - | 2,479,492 |
| Unearned revenue | 316,738 | - | - | - | - | - | - | - | 316,738 |
| Other liabilities | 256,784 | - | - | - | - | - | 762 | - | 257,546 |
| Total liabilities | 6,312,125 | - | - | - | - | - | 35,008,807 | 530 | 41,321,462 |
| Fund balance | 9,201,967 | 12,155,351 | (395,574) | - | 36,353 | 35,180 | 53,826,699 | 527,105 | 75,387,081 |
| Total liabilities and fund balance | \$ 15,514,092 | \$ 12,155,351 | \$ (395,574) | \$ - | \$ 36,353 | \$ 35,180 | \$ 88,835,506 | \$ 527,635 | \$ 116,708,543 |
| 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 | 17,815,469 | 37,996 | 5,743,748 | - | 46,762 | 33 | 1,438,671 | 15,229 | 25,097,908 |
| Current year expenses | 9,317,303 | - | 6,500,946 | - | 10,409 | - | 1,613,360 | 7,710 | 17,449,728 |
| Ending fund balance | \$ 9,201,967 | \$ 12,155,351 | \$ (395,574) | \$ - | \$ 36,353 | \$ 35,180 | \$ 53,826,699 | \$ 527,105 | \$ 75,387,081 |

Jackson College
 Balance Sheet
 Building and Site Fund - FY 22
 September 30, 2021
 Preliminary - Unaudited

| | Building and Site Fund |
|---|-----------------------------------|
| Assets | |
| Cash | \$ 7,534,135 |
| Investments | - |
| Accounts receivable | 295 |
| Due from other funds | - |
| | - |
| Total assets | 7,534,430 |
| Liabilities and Fund Balance | |
| Accounts payable | 141,925 |
| Other liabilities | 762 |
| | 762 |
| Total liabilities | 142,687 |
| Fund balance | 7,391,743 |
| Total liabilities and fund balance | \$ 7,534,430 |

Jackson College
 Statement of Changes in Fund Balance
 Building and Site Fund
 For the Three Months Ended September 30, 2021
 Preliminary - Unaudited

| | Balance July 1, 2021 | Revenue | Expenditures | Balance September 30, 2021 |
|--|---------------------------------|----------------|---------------------|---------------------------------------|
| Major Maintenance and Equipment Replacement | \$ 8,588,577 | \$ 416,527 | \$ 1,613,361 | \$ 7,391,743 |
| Total | \$ 8,588,577 | \$ 416,527 | \$ 1,613,361 | \$ 7,391,743 |

Jackson College
Cash and Investments by Fund - FY 22
September 30, 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 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,514 | \$ 3,514 |
| Cash-Comerica Bank Pooled | (205,540) | (289,634) | 1,455,848 | - | (2,441,689) | (140,214) | 14,167 | 7,534,135 | 3,990,934 | 523,971 | 10,441,978 |
| Cash-Comerica Federal Funds | - | - | 8,634 | - | - | - | - | - | - | - | 8,634 |
| VISA Account | 153,603 | - | - | - | - | 276 | - | - | - | - | 153,879 |
| Cash-United Bank | 2 | - | - | - | - | - | - | - | - | - | 2 |
| Cash-Federal Direct Loan | - | - | 7,268 | - | - | - | - | - | - | - | 7,268 |
| Cash-Comerica State Wire | 10,670 | - | 9,090 | - | - | - | - | - | - | - | 19,760 |
| Cash-Payroll | 27,733 | - | (841,592) | - | (1,328,305) | - | - | - | - | - | (2,142,164) |
| County National Bank | 476,212 | - | 37,723 | - | - | - | - | - | - | - | 513,935 |
| Ref Pay | 7,896 | - | - | - | - | - | - | - | - | - | 7,896 |
| Cultural Affairs Checking | 674 | - | - | - | - | - | - | - | - | - | 674 |
| MNJTP | - | - | - | - | 781,692 | - | - | - | - | - | 781,692 |
| U.S. Government Bonds | - | 3,990,320 | - | - | - | - | - | - | - | - | 3,990,320 |
| MILAF | 2,000,000 | 8,417,165 | - | - | - | - | - | - | - | - | 10,417,165 |
| | <u>2,471,250</u> | <u>12,117,851</u> | <u>676,971</u> | <u>-</u> | <u>(2,988,302)</u> | <u>(139,938)</u> | <u>14,167</u> | <u>7,534,135</u> | <u>3,990,934</u> | <u>527,485</u> | <u>24,204,553</u> |
| Investments | | | | | | | | | | | |
| Common Stock | - | - | - | - | - | - | 21,013 | - | - | - | 21,013 |
| Total cash and investments | <u>\$ 2,471,250</u> | <u>\$12,117,851</u> | <u>\$ 676,971</u> | <u>\$ -</u> | <u>\$(2,988,302)</u> | <u>\$ (139,938)</u> | <u>\$ 35,180</u> | <u>\$ 7,534,135</u> | <u>\$ 3,990,934</u> | <u>\$ 527,485</u> | <u>\$ 24,225,566</u> |

Jackson College
Billing Contact Hours
September 30, 2021
Preliminary - Unaudited

| | Budgeted FY 22 | Actual FY 22 | Actual Percentage | Actual FY 21 | Prior Year Percentage |
|--------------|-------------------|-----------------|----------------------|-----------------|--------------------------|
| Semester: | | | | | |
| Fall | 36,872 | 41,663 | 113.0% | 41,477 | 100.4% |
| Winter | 33,520 | - | 0.0% | 37,384 | 0.0% |
| Spring | 13,408 | - | 0.0% | 17,373 | 0.0% |
| Total | 83,800 | 41,663 | 49.7% | 96,234 | 43.3% |

