



Financial Report

Presented to
President Daniel Phelan
Jackson College Board of Trustees



Prepared by the Business Office
January 31, 2021

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

Following is the January 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, it is too early to tell if this trend will hold through the fiscal year.
- **Housing** - Unfavorable to budget. The College reduced housing capacity for the Winter semester due to the pandemic.
- **Transfers** - Favorable to budget, Foundation support through waiver of rent at Maher Campus.

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** - Unfavorable to budget due to timing of annual software payments and the materials needs of the Corrections Education Program. 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.
- **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.
- **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 January 31, 2021 interest revenues have exceeded \$415,000. 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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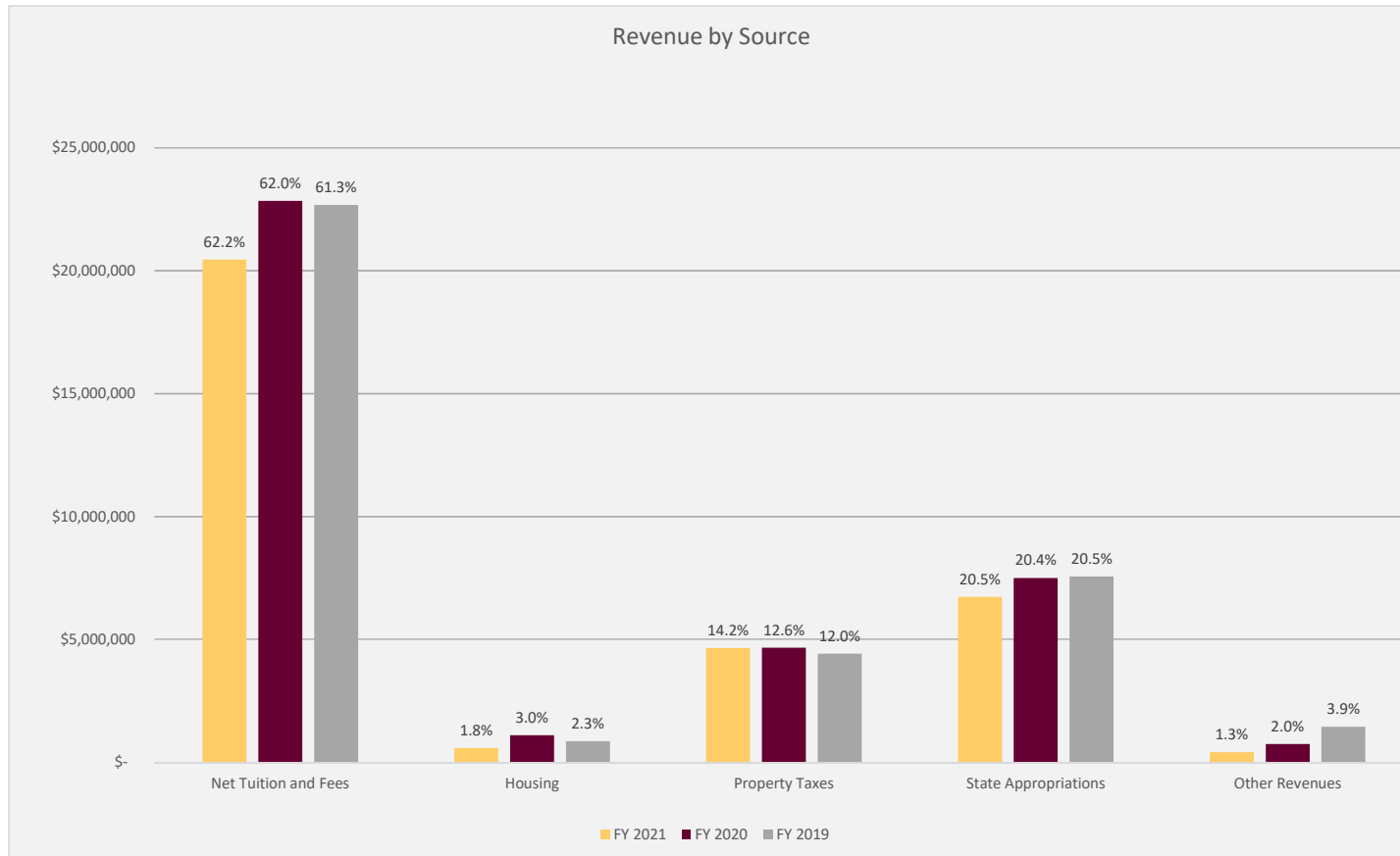
- **Operating Reserves** - Board policy requires the College have combined operating fund balance reserves greater or equal to two months' operating expenses. At January 31, 2021, the operating fund balances reserves were \$23,226,148 which is approximately 6.8 months of projected FY 2021 operating expenses. 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 Seven Months Ended January 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%	\$ 20,948,274	89.5%	86.0%	\$ 829,484	\$ 23,461,464
Less Institutional Scholarships	(794,472)	-1.9%	(504,042)	63.4%	65.0%	12,365	(630,468)
Net tuition and fees	22,599,469	55.1%	20,444,232	90.5%	75.5%	841,849	22,830,996
Housing	999,010	2.4%	579,057	58.0%	85.0%	(270,102)	1,106,195
Property taxes	4,867,939	11.9%	4,642,017	95.4%	95.0%	17,475	4,656,105
State appropriations	11,529,294	28.1%	6,725,422	58.3%	58.3%	3,843	7,499,158
Contract training	135,000	0.3%	7,459	5.5%	5.0%	709	64,632
Potter Center activities	405,000	1.0%	-	0.0%	0.0%	-	260,506
Miscellaneous	474,000	1.2%	281,547	59.4%	58.3%	5,205	393,786
Transfers	7,500	0.0%	123,335	1644.5%	58.3%	118,962	23,151
Total revenues	41,017,213	100.0%	32,803,069	80.0%	51.4%	717,941	36,834,529
Expenses							
Wages	16,029,640	39.2%	8,941,923	55.8%	57.7%	(307,178)	9,790,719
Retirement	4,383,350	10.7%	2,455,488	56.0%	57.7%	(73,705)	2,576,414
Benefits	2,877,573	7.0%	1,701,641	59.1%	58.3%	24,016	1,791,433
Services - Staffing Agency	3,697,700	9.0%	1,885,405	51.0%	57.7%	(248,168)	2,772,752
Services	2,600,525	6.3%	1,237,499	47.6%	58.3%	(278,607)	1,585,376
Materials	1,600,225	3.9%	1,045,518	65.3%	58.3%	112,587	1,447,049
Rent, utilities, insurance	1,410,900	3.4%	907,417	64.3%	58.3%	84,862	1,021,026
Other operating costs	2,567,650	6.3%	1,014,623	39.5%	58.3%	(482,317)	1,887,473
Transfers	1,121,275	2.7%	654,077	58.3%	58.3%	374	469,583
Transfers-debt service	4,160,813	10.1%	2,427,141	58.3%	58.3%	1,387	2,828,007
Capital equipment	567,043	1.4%	53,937	9.5%	58.3%	(276,649)	337,894
Total expenses	41,016,694	100.0%	22,324,669	54.4%	58.1%	(1,443,398)	26,507,726
Income over (under) expenses	\$ 519		\$ 10,478,400			\$ 2,161,339	\$ 10,326,803

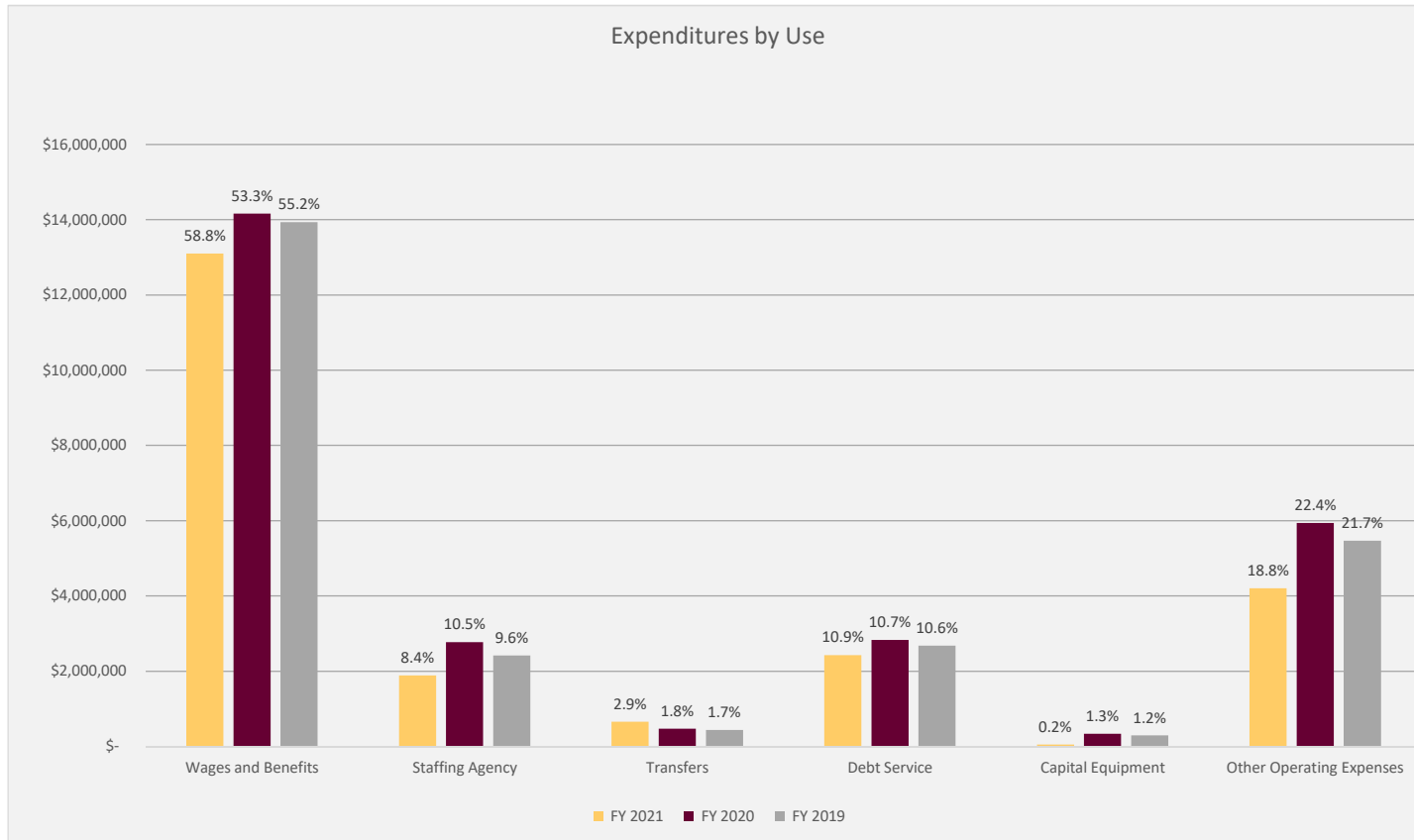
Jackson College
General Fund Revenue Comparison
For the Seven Months Ended January 31, 2021

\$32,803,069



Jackson College
 General Fund Expenditure Comparison
 For the Seven Months Ended January 31, 2021

\$22,324,669



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

	General Fund	Designated Fund	Restricted Fund	CARES Fund	Endowment Fund	Debt & Property Fund	Activities Fund	Total
Assets								
Cash	\$ 7,856,587	\$ 12,031,976	\$ (1,587,366)	\$ -	\$ 14,064	\$ 6,095,785	\$ 361,588	\$ 24,772,634
Restricted cash in escrow	-	-	-	-	-	-	-	-
Investments	-	-	-	-	16,726	-	-	16,726
Accounts receivable	9,235,547	12,500	-	-	-	16,739	-	9,264,786
Inventories	27,430	-	-	-	-	-	-	27,430
Other assets	400,563	-	56,067	-	-	79,018,967	-	79,475,597
Total assets	<u>17,520,127</u>	<u>12,044,476</u>	<u>(1,531,299)</u>	<u>-</u>	<u>30,790</u>	<u>85,131,491</u>	<u>361,588</u>	<u>113,557,173</u>
Liabilities and Fund Balance								
Accounts payable	106,790	-	-	-	-	9,932	-	116,722
Accrued liabilities	3,348,151	-	-	-	-	38,021,662	-	41,369,813
Deferred liabilities	1,979,182	-	820,617	-	-	-	-	2,799,799
Unearned revenue	292,626	-	-	-	-	-	-	292,626
Other liabilities	611,706	-	-	-	-	-	-	611,706
Total liabilities	<u>6,338,455</u>	<u>-</u>	<u>820,617</u>	<u>-</u>	<u>-</u>	<u>38,031,594</u>	<u>-</u>	<u>45,190,666</u>
Fund balance	11,181,672	12,044,476	(2,351,916)	-	30,790	47,099,897	361,588	68,366,507
Total liabilities and fund balance	<u>\$ 17,520,127</u>	<u>\$ 12,044,476</u>	<u>\$ (1,531,299)</u>	<u>\$ -</u>	<u>\$ 30,790</u>	<u>\$ 85,131,491</u>	<u>\$ 361,588</u>	<u>\$ 113,557,173</u>
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
	<u>\$ 703,272</u>	<u>\$ 11,939,791</u>	<u>\$ 380,898</u>	<u>\$ (1,105,355)</u>	<u>\$ 29,930</u>	<u>\$ 46,422,756</u>	<u>\$ 315,466</u>	<u>\$ 58,686,758</u>
Current year income	32,803,069	104,685	14,361,288	1,105,355	860	4,945,614	76,809	53,397,680
Current year expenses	22,324,669	-	17,094,102	-	-	4,268,473	30,687	43,717,931
Ending fund balance	<u>\$ 11,181,672</u>	<u>\$ 12,044,476</u>	<u>\$ (2,351,916)</u>	<u>\$ -</u>	<u>\$ 30,790</u>	<u>\$ 47,099,897</u>	<u>\$ 361,588</u>	<u>\$ 68,366,507</u>

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

	Building and Site Fund
Assets	
Cash	\$ 1,100,934
Investments	-
Accounts receivable	16,739
Due from other funds	<u>22,765</u>
Total assets	<u>1,140,438</u>
Liabilities and Fund Balance	
Accounts payable	9,932
Other liabilities	<u>-</u>
Total liabilities	<u>9,932</u>
Fund balance	1,130,506
Total liabilities and fund balance	<u><u>\$ 1,140,438</u></u>

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

	Balance July 1, 2020	Revenue	Expenditures	Balance January 31, 2021
Major Maintenance and Equipment Replacement	<u>\$ 569,073</u>	<u>\$ 2,513,301</u>	<u>\$ 1,951,868</u>	<u>\$ 1,130,506</u>
Total	<u><u>\$ 569,073</u></u>	<u><u>\$ 2,513,301</u></u>	<u><u>\$ 1,951,868</u></u>	<u><u>\$ 1,130,506</u></u>

Jackson College
Cash and Investments by Fund - FY 21
January 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	3,815,396	3,616,016	(269,975)	-	47,483	14,064	1,100,934	4,672,779	358,484	13,355,181
Cash-Comerica Federal Funds	-	-	2,049	-	-	-	-	-	-	2,049
Cash-So Mich National	200,150	-	25,543	-	-	-	-	-	-	225,693
VISA Account	151,301	-	-	-	-	-	-	-	380	151,681
Cash-United Bank	234,026	-	29,361	-	-	-	-	-	-	263,387
Cash-Federal Direct Loan	-	-	158	-	-	-	-	-	-	158
Cash-Comerica State Wire	7,073	-	-	-	-	-	-	-	-	7,073
Cash-Payroll	1,429,582	-	(2,180,410)	-	(190,612)	-	-	-	-	(941,440)
JC One Card	13,926	-	-	-	-	-	-	-	-	13,926
Ref Pay	4,459	-	-	-	-	-	-	-	-	4,459
Cultural Affairs Checking	674	-	-	-	-	-	-	-	-	674
MNJTP	-	-	-	-	949,037	-	-	-	-	949,037
Certificates of Deposit	-	-	-	-	-	-	-	-	-	-
MILAF	2,000,000	8,415,960	-	-	-	-	-	-	-	10,415,960
Bond capital project	-	-	-	-	-	-	-	322,072	-	322,072
	<u>7,856,587</u>	<u>12,031,976</u>	<u>(2,393,274)</u>	<u>-</u>	<u>805,908</u>	<u>14,064</u>	<u>1,100,934</u>	<u>4,994,851</u>	<u>361,588</u>	<u>24,772,634</u>
Investments										
Common Stock	-	-	-	-	-	16,726	-	-	-	16,726
Total cash and investments	<u>\$ 7,856,587</u>	<u>\$12,031,976</u>	<u>\$(2,393,274)</u>	<u>\$ -</u>	<u>\$ 805,908</u>	<u>\$ 30,790</u>	<u>\$ 1,100,934</u>	<u>\$ 4,994,851</u>	<u>\$ 361,588</u>	<u>\$ 24,789,360</u>

Jackson College
 Billing Contact Hours
 January 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	37,790	96.5%	45,213	83.6%
Spring	15,666	-	0.0%	14,726	0.0%
Total	97,913	79,267	81.0%	109,302	72.5%

