



Financial Report

Presented to
President Daniel Phelan
Jackson College Board of Trustees



Prepared by the Business Office
March 31, 2021

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

Following is the March 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.
- **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. 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.

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Other Notes

- **Cash and Investments** - The Board directed MILAF investment strategy was operationalized in June 2018. At March 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 March 31, 2021, the operating fund balances reserves were \$20,317,910 which is approximately 5.9 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 Nine Months Ended March 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	\$ 23,554,868
Less Institutional Scholarships	(794,472)	-1.9%	(504,042)	63.4%	66.7%	25,871	(840,645)
Net tuition and fees	22,599,469	55.1%	20,444,232	90.5%	76.4%	855,355	22,714,223
Housing	999,010	2.4%	579,457	58.0%	85.0%	(269,702)	963,970
Property taxes	4,867,939	11.9%	4,830,455	99.2%	98.0%	59,875	5,032,450
State appropriations	11,529,294	28.1%	8,646,971	75.0%	75.0%	-	9,641,775
Contract training	135,000	0.3%	11,314	8.4%	8.0%	514	84,799
Potter Center activities	405,000	1.0%	-	0.0%	0.0%	-	299,506
Miscellaneous	474,000	1.2%	419,331	88.5%	75.0%	63,831	557,750
Transfers	7,500	0.0%	192,519	2566.9%	75.0%	186,894	31,205
Transfers - Federal grant funds	-	0.0%	191,158	0.0%	0.0%	191,158	-
Total revenues	41,017,213	100.0%	35,315,437	86.1%	52.0%	1,087,925	39,325,678
Expenses							
Wages	16,029,640	39.2%	10,992,764	68.6%	73.1%	(724,902)	12,388,096
Retirement	4,383,350	10.7%	2,960,205	67.5%	73.1%	(244,024)	3,271,772
Benefits	2,877,573	7.0%	2,157,393	75.0%	73.1%	53,887	2,335,545
Services - Staffing Agency	3,697,700	9.0%	2,430,999	65.7%	73.1%	(272,020)	3,553,781
Services	2,600,525	6.3%	1,484,274	57.1%	75.0%	(466,120)	2,126,286
Materials	1,600,225	3.9%	1,256,646	78.5%	75.0%	56,477	1,894,791
Rent, utilities, insurance	1,410,900	3.4%	1,145,620	81.2%	75.0%	87,445	1,275,789
Other operating costs	2,567,650	6.3%	1,256,625	48.9%	75.0%	(669,113)	2,367,728
Transfers	1,121,275	2.7%	840,956	75.0%	75.0%	-	603,750
Transfers-debt service	4,160,813	10.1%	3,120,610	75.0%	75.0%	-	3,636,010
Capital equipment	567,043	1.4%	128,902	22.7%	75.0%	(296,380)	391,086
Total expenses	41,016,694	100.0%	27,774,994	67.7%	74.2%	(2,474,750)	33,844,634
Income over (under) expenses	\$ 519		\$ 7,540,443			\$ 3,562,675	\$ 5,481,044

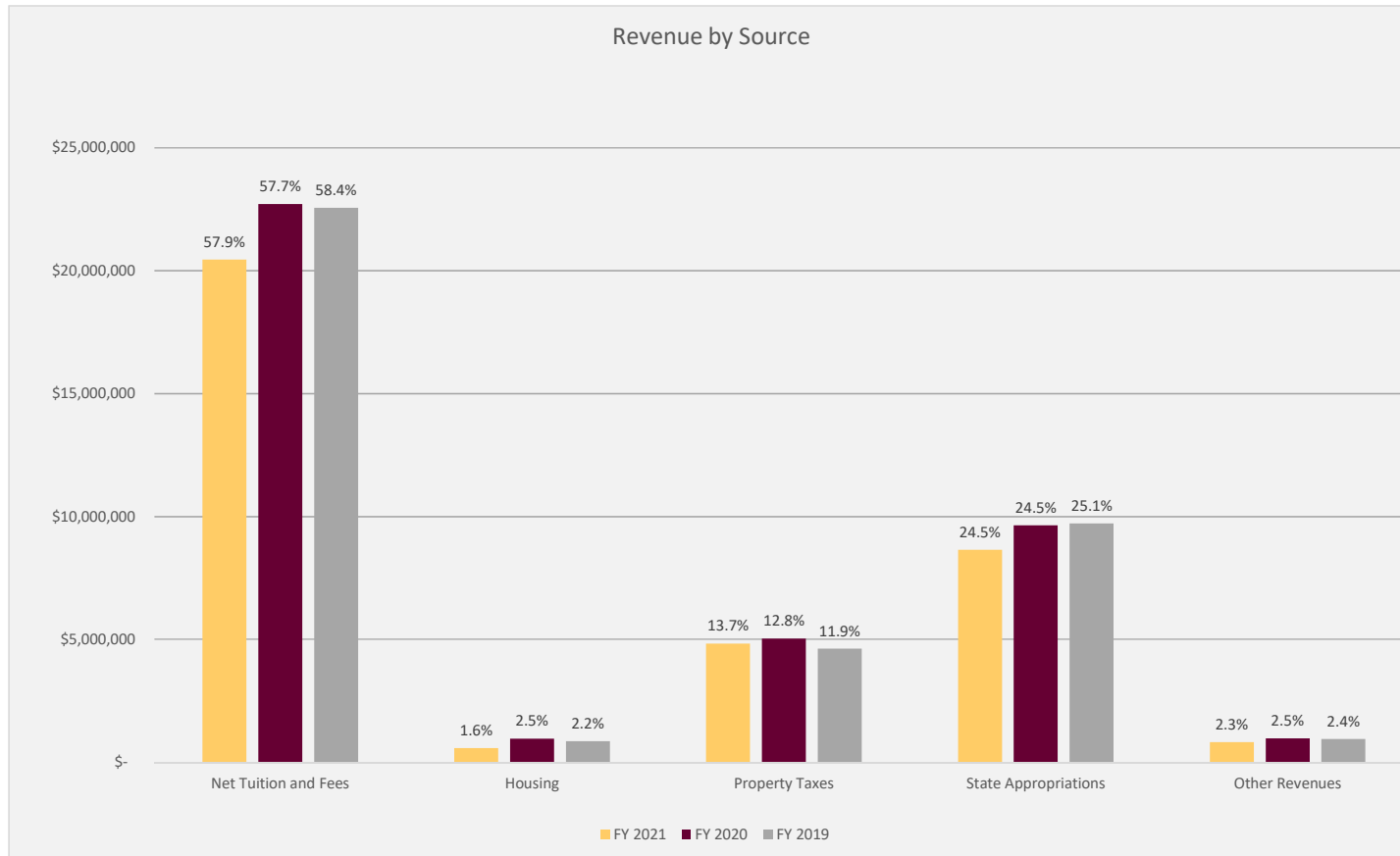
Jackson College
Revenue and Expense Schedule
HEERF Funds - FY 21
For the Nine Months Ended March 31, 2021
Preliminary - Unaudited

	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	1,699,683	2,188,179	-	-	-	7,766,802
Transfers	-	-	-	-	-	-	-	-	-
Total revenues	1,843,067	1,844,715	191,158	1,699,683	2,188,179	-	-	1,429,602	9,196,404
Fiscal Year 2021 Expenses									
Online course fee scholarships	-	1,032,294	-	-	1,865,324	-	-	-	2,897,618
Emergency grants to students	1,843,067	-	-	1,699,683	-	-	-	-	3,542,750
Wages	-	-	-	-	142,894	-	-	290,972	433,866
Retirement	-	-	-	-	44,422	-	-	114,427	158,849
Benefits	-	-	-	-	16,449	-	-	32,884	49,333
Services	-	-	-	-	10,369	-	-	70,405	80,774
Materials	-	-	-	-	35,325	-	-	158,414	193,739
Other operating costs	-	-	-	-	5,465	-	-	174,182	179,647
Transfers to general fund	-	-	191,158	-	-	-	-	-	191,158
Capital equipment	-	-	-	-	67,931	-	-	293,733	361,664
Total expenses	1,843,067	1,032,294	191,158	1,699,683	2,188,179	-	-	1,135,017	8,089,398
Income over (under) expenses	\$ -	\$ 812,421 *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 294,585 *	1,107,006

* 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.

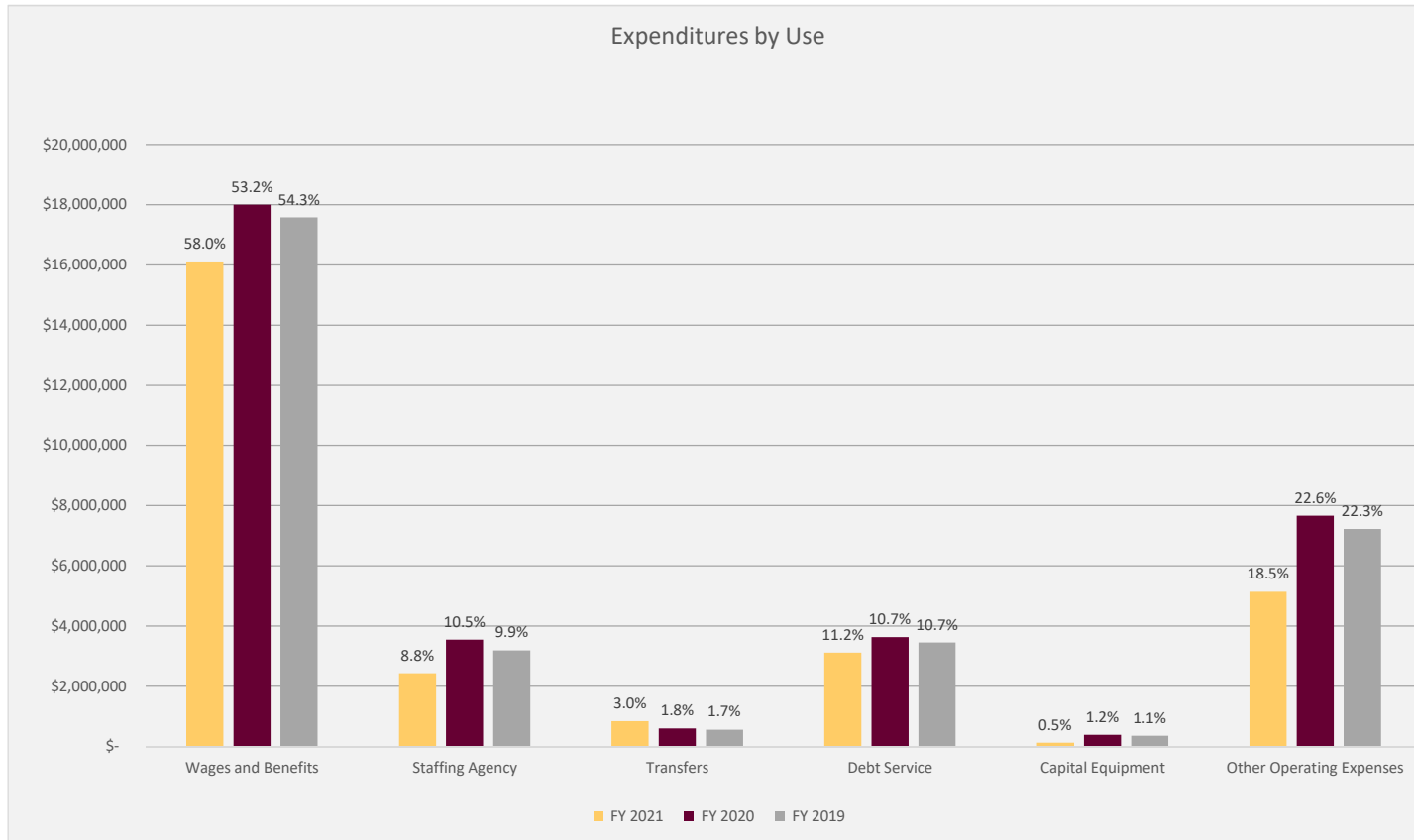
Jackson College
 General Fund Revenue Comparison
 For the Nine Months Ended March 31, 2021

\$35,315,437



Jackson College
 General Fund Expenditure Comparison
 For the Nine Months Ended March 31, 2021

\$27,774,994



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

	General Fund	Designated Fund	Restricted Fund	CARES Fund	Endowment Fund	Debt & Property Fund	Activities Fund	Total
Assets								
Cash	\$ 10,000,982	\$ 12,061,704	\$ (2,413,356)	\$ -	\$ 14,098	\$ 6,908,833	\$ 360,809	\$ 26,933,070
Restricted cash in escrow	-	-	-	-	-	-	-	-
Investments	-	-	-	-	16,726	-	-	16,726
Accounts receivable	4,449,990	12,500	980,111	-	-	16,733	-	5,459,334
Inventories	27,430	-	-	-	-	-	-	27,430
Other assets	308,636	-	27,027	-	-	78,996,202	-	79,331,865
Total assets	<u>14,787,038</u>	<u>12,074,204</u>	<u>(1,406,218)</u>	<u>-</u>	<u>30,824</u>	<u>85,921,768</u>	<u>360,809</u>	<u>111,768,425</u>
Liabilities and Fund Balance								
Accounts payable	254,912	-	552,794	-	-	25,561	-	833,267
Accrued liabilities	3,174,708	-	-	-	-	38,021,662	-	41,196,370
Deferred liabilities	1,979,182	-	-	-	-	-	-	1,979,182
Unearned revenue	294,281	-	-	-	-	-	-	294,281
Other liabilities	840,249	-	-	-	-	-	-	840,249
Total liabilities	<u>6,543,332</u>	<u>-</u>	<u>552,794</u>	<u>-</u>	<u>-</u>	<u>38,047,223</u>	<u>-</u>	<u>45,143,349</u>
Fund balance	8,243,706	12,074,204	(1,959,012)	-	30,824	47,874,545	360,809	66,625,076
Total liabilities and fund balance	<u>\$ 14,787,038</u>	<u>\$ 12,074,204</u>	<u>\$ (1,406,218)</u>	<u>\$ -</u>	<u>\$ 30,824</u>	<u>\$ 85,921,768</u>	<u>\$ 360,809</u>	<u>\$ 111,768,425</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	35,315,437	134,411	22,547,829	1,105,355	894	5,837,904	94,368	65,036,198
Current year expenses	27,774,994	-	24,887,737	-	-	4,386,114	49,025	57,097,870
Ending fund balance	<u>\$ 8,243,706</u>	<u>\$ 12,074,204</u>	<u>\$ (1,959,012)</u>	<u>\$ -</u>	<u>\$ 30,824</u>	<u>\$ 47,874,545</u>	<u>\$ 360,809</u>	<u>\$ 66,625,076</u>

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

	Building and Site Fund
Assets	
Cash	\$ 1,231,534
Investments	-
Accounts receivable	16,733
Due from other funds	-
	-
Total assets	1,248,267
Liabilities and Fund Balance	
Accounts payable	25,561
Other liabilities	-
	-
Total liabilities	25,561
Fund balance	1,222,706
Total liabilities and fund balance	\$ 1,248,267

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

	Balance July 1, 2020	Revenue	Expenditures	Balance March 31, 2021
Major Maintenance and Equipment Replacement	\$ 569,072	\$ 2,711,658	\$ 2,058,024	\$ 1,222,706
Total	\$ 569,072	\$ 2,711,658	\$ 2,058,024	\$ 1,222,706

Jackson College
Cash and Investments by Fund - FY 21
March 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	5,363,870	3,645,316	(347,830)	-	1,979	14,098	1,231,534	5,469,111	357,230	15,735,308
Cash-Comerica Federal Funds	-	-	6,870	-	-	-	-	-	-	6,870
Cash-So Mich National	200,150	-	26,043	-	-	-	-	-	-	226,193
VISA Account	142,983	-	-	-	-	-	-	-	855	143,838
Cash-United Bank	234,031	-	29,361	-	-	-	-	-	-	263,392
Cash-Federal Direct Loan	-	-	158	-	-	-	-	-	-	158
Cash-Comerica State Wire	2,817	-	-	-	-	-	-	-	-	2,817
Cash-Payroll	2,053,903	-	(2,213,183)	-	(882,673)	-	-	-	-	(1,041,953)
JC One Card	-	-	-	-	-	-	-	-	-	-
Ref Pay	2,554	-	-	-	-	-	-	-	-	2,554
Cultural Affairs Checking	674	-	-	-	-	-	-	-	-	674
MNJTP	-	-	-	-	965,919	-	-	-	-	965,919
Certificates of Deposit	-	-	-	-	-	-	-	-	-	-
MILAF	2,000,000	8,416,388	-	-	-	-	-	-	-	10,416,388
Bond capital project	-	-	-	-	-	-	-	208,188	-	208,188
	<u>10,000,982</u>	<u>12,061,704</u>	<u>(2,498,581)</u>	<u>-</u>	<u>85,225</u>	<u>14,098</u>	<u>1,231,534</u>	<u>5,677,299</u>	<u>360,809</u>	<u>26,933,070</u>
Investments										
Common Stock	-	-	-	-	-	16,726	-	-	-	16,726
Total cash and investments	<u>\$ 10,000,982</u>	<u>\$12,061,704</u>	<u>\$(2,498,581)</u>	<u>\$ -</u>	<u>\$ 85,225</u>	<u>\$ 30,824</u>	<u>\$ 1,231,534</u>	<u>\$ 5,677,299</u>	<u>\$ 360,809</u>	<u>\$ 26,949,796</u>

Jackson College
 Billing Contact Hours
 March 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	-	0.0%	14,726	0.0%
Total	97,913	78,967	80.7%	109,302	72.2%

