



## Financial Report

Presented to  
President Daniel Phelan  
Jackson College Board of Trustees



Prepared by the Business Office  
October 31, 2020

Jackson College  
Memo From Darrell Norris, Vice President of Finance  
For the October 31, 2020 Financial Report

Following is the October 31, 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** - Unfavorable to budget due to timing of annual software 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.
- **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 October 31, 2020 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.

## Jackson College

Memo From Darrell Norris, Vice President of Finance

For the October 31, 2020 Financial Report

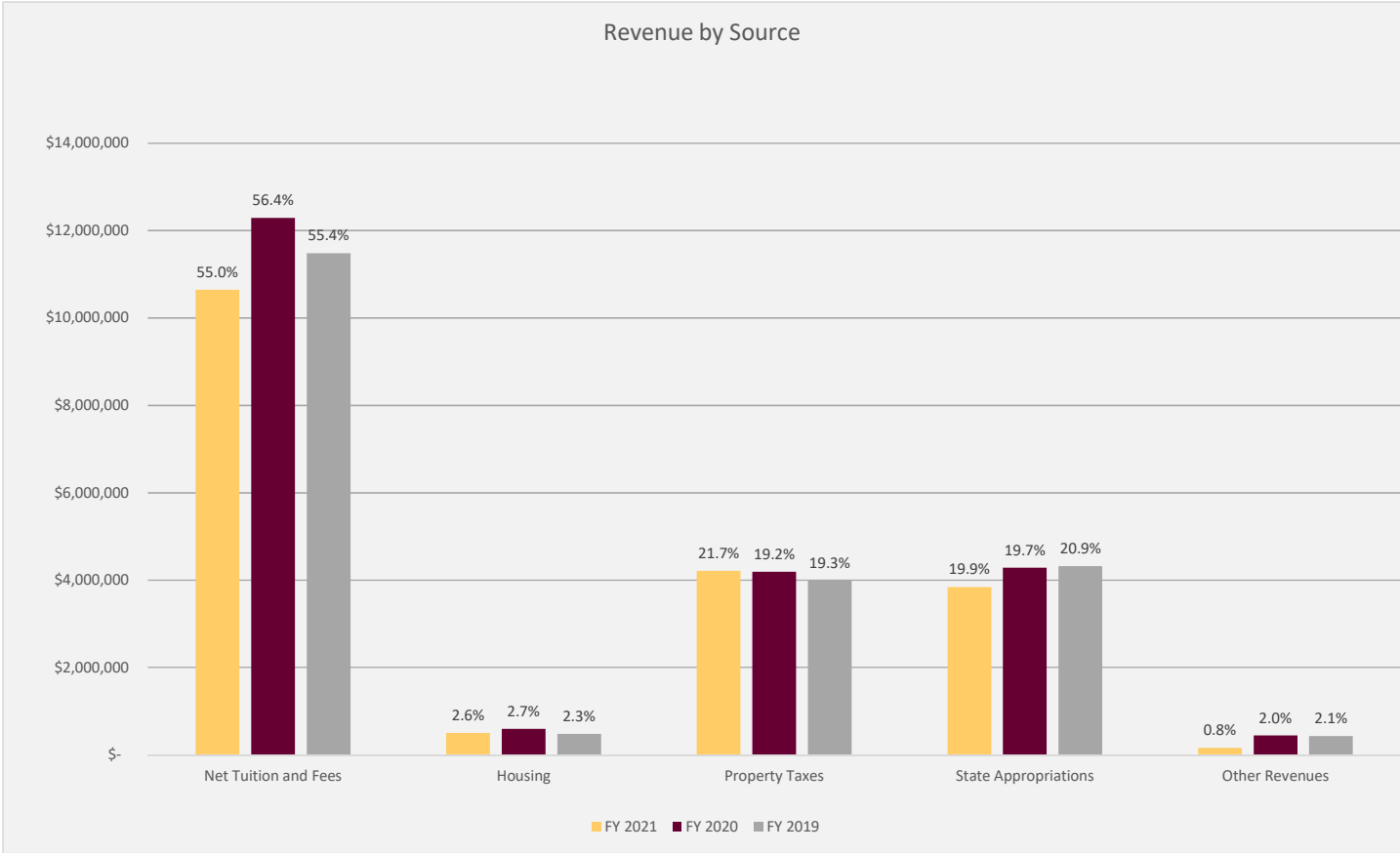
- **Operating Reserves** - Board policy requires the College have combined operating fund balance reserves greater or equal to two months' operating expenses. At October 31, 2020, the operating fund balances reserves were \$18,951,538 which is approximately 5.5 months of projected FY 2021 operating expenses. 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 Four Months Ended October 31, 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
<b>Revenue</b>							
Gross tuition and fees	\$ 23,393,941	57.0%	\$ 11,287,289	48.2%	44.0%	\$ 993,955	\$ 12,516,337
Less Institutional Scholarships	(794,472)	-1.9%	(644,055)	81.1%	44.0%	(294,487)	(225,779)
Net tuition and fees	<u>22,599,469</u>	55.1%	<u>10,643,234</u>	47.1%	44.0%	699,468	12,290,558
Housing	999,010	2.4%	500,140	50.1%	50.0%	635	593,605
Property taxes	4,867,939	11.9%	4,208,802	86.5%	85.0%	71,054	4,192,234
State appropriations	11,529,294	28.1%	3,843,098	33.3%	33.0%	38,431	4,285,233
Contract training	135,000	0.3%	4,064	3.0%	3.0%	14	51,747
Potter Center activities	405,000	1.0%	-	0.0%	0.0%	-	162,745
Miscellaneous	474,000	1.2%	144,743	30.5%	33.0%	(11,677)	215,937
Transfers	7,500	0.0%	10,953	146.0%	33.0%	8,478	12,010
<b>Total revenues</b>	<u>41,017,213</u>	100.0%	<u>19,355,034</u>	47.2%	33.9%	806,403	21,804,069
<b>Expenses</b>							
Wages	16,029,640	39.2%	5,228,686	32.6%	34.6%	(317,568)	5,440,882
Retirement	4,383,350	10.7%	1,432,511	32.7%	34.6%	(84,128)	1,406,026
Benefits	2,877,573	7.0%	972,666	33.8%	33.0%	23,067	1,031,707
Services - Staffing Agency	3,697,700	9.0%	1,022,400	27.6%	34.6%	(257,004)	1,416,117
Services	2,600,525	6.3%	617,335	23.7%	33.0%	(240,838)	906,488
Materials	1,600,225	3.9%	677,269	42.3%	33.0%	149,195	671,995
Rent, utilities, insurance	1,410,900	3.4%	576,617	40.9%	33.0%	111,020	638,603
Other operating costs	2,567,650	6.3%	746,956	29.1%	33.0%	(100,369)	1,088,460
Transfers	1,121,275	2.7%	373,758	33.3%	33.0%	3,737	268,333
Transfers-debt service	4,160,813	10.1%	1,386,938	33.3%	33.0%	13,870	1,616,004
Capital equipment	567,043	1.4%	10,669	1.9%	33.0%	(176,455)	100,690
<b>Total expenses</b>	<u>41,016,694</u>	100.0%	<u>13,045,805</u>	31.8%	33.5%	(875,473)	14,585,305
<b>Income over (under) expenses</b>	<u>\$ 519</u>		<u>\$ 6,309,229</u>			<u>\$ 1,681,876</u>	<u>\$ 7,218,764</u>

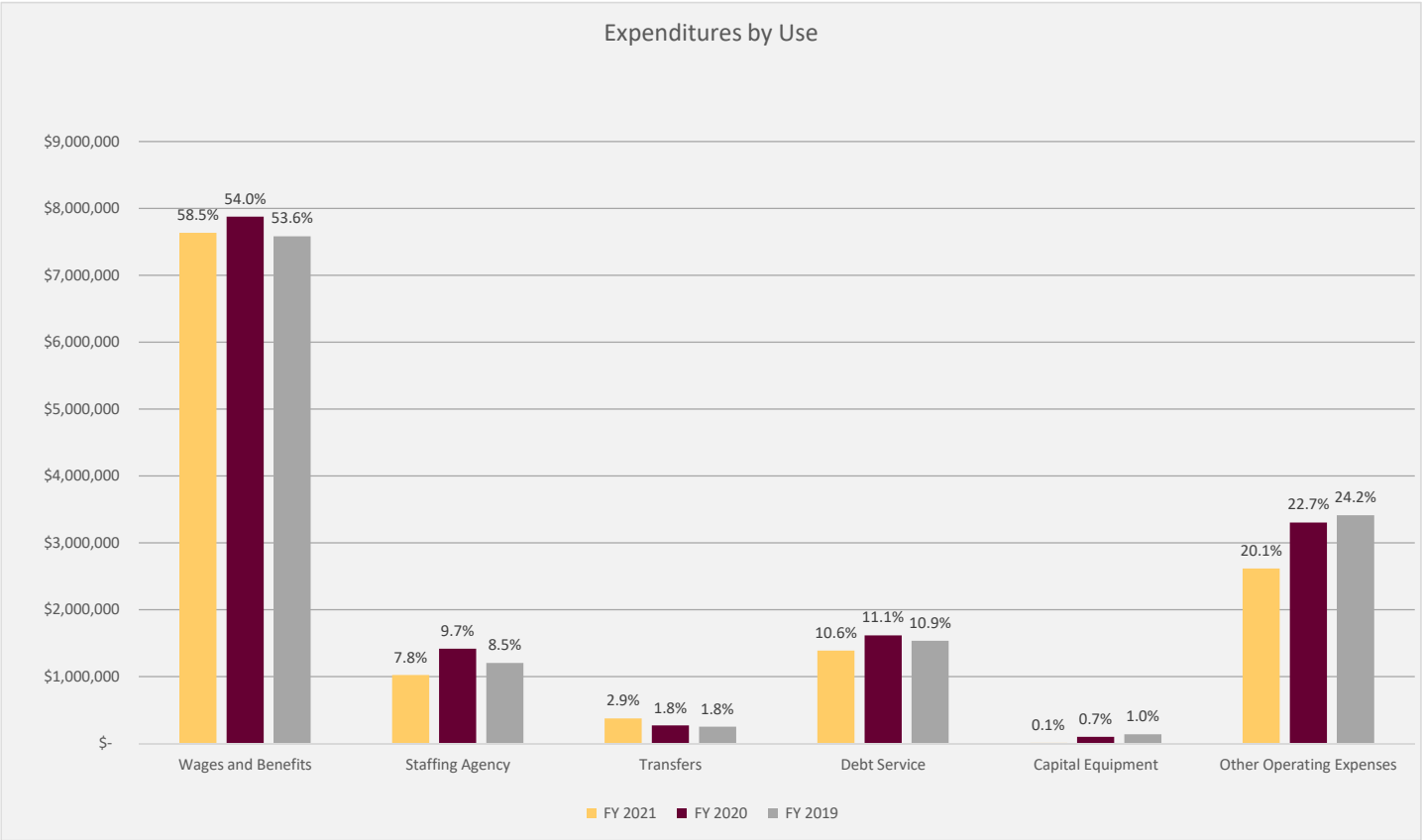
**Jackson College**  
**General Fund Revenue Comparison**  
**For the Four Months Ended October 31, 2020**

\$19,355,034



Jackson College  
 General Fund Expenditure Comparison  
 For the Four Months Ended October 31, 2020

\$13,045,805



Jackson College  
Balance Sheet and Changes in Fund Balance - FY 21  
October 31, 2020  
Preliminary - Unaudited

	General Fund	Designated Fund	Restricted Fund	CARES Fund	Endowment Fund	Debt & Property Fund	Activities Fund	Total
<b>Assets</b>								
Cash	\$ 2,270,756	\$ 11,987,338	\$ 16,641	\$ -	\$ 13,242	\$ 5,275,403	\$ 328,030	\$ 19,891,410
Restricted cash in escrow	-	-	-	-	-	-	-	-
Investments	-	-	-	-	16,726	-	-	16,726
Accounts receivable	11,090,892	12,500	2,000	-	-	9,960	-	11,115,352
Inventories	27,430	-	-	-	-	-	-	27,430
Other assets	301,884	-	44,767	-	-	78,996,202	-	79,342,853
<b>Total assets</b>	<u>13,690,962</u>	<u>11,999,838</u>	<u>63,408</u>	<u>-</u>	<u>29,968</u>	<u>84,281,565</u>	<u>328,030</u>	<u>110,393,771</u>
<b>Liabilities and Fund Balance</b>								
Accounts payable	118,542	-	-	-	-	-	-	118,542
Accrued liabilities	3,046,825	-	-	-	-	38,021,662	-	41,068,487
Deferred liabilities	1,979,182	-	820,617	-	-	-	-	2,799,799
Unearned revenue	327,111	-	-	-	-	-	-	327,111
Other liabilities	1,206,801	-	-	-	-	-	-	1,206,801
<b>Total liabilities</b>	<u>6,678,461</u>	<u>-</u>	<u>820,617</u>	<u>-</u>	<u>-</u>	<u>38,021,662</u>	<u>-</u>	<u>45,520,740</u>
Fund balance	7,012,501	11,999,838	(757,209)	-	29,968	46,259,903	328,030	64,873,031
<b>Total liabilities and fund balance</b>	<u>\$ 13,690,962</u>	<u>\$ 11,999,838</u>	<u>\$ 63,408</u>	<u>\$ -</u>	<u>\$ 29,968</u>	<u>\$ 84,281,565</u>	<u>\$ 328,030</u>	<u>\$ 110,393,771</u>
<b>Beginning fund balance</b>								
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	19,355,034	60,047	8,612,768	1,105,355	38	3,150,306	28,371	32,311,919
Current year expenses	13,045,805	-	9,750,875	-	-	3,313,159	15,807	26,125,646
<b>Ending fund balance</b>	<u>\$ 7,012,501</u>	<u>\$ 11,999,838</u>	<u>\$ (757,209)</u>	<u>\$ -</u>	<u>\$ 29,968</u>	<u>\$ 46,259,903</u>	<u>\$ 328,030</u>	<u>\$ 64,873,031</u>

Jackson College  
 Balance Sheet  
 Building and Site Fund - FY 21  
 October 31, 2020  
 Preliminary - Unaudited

	<b>Building and Site Fund</b>
<b>Assets</b>	
Cash	\$ 875,650
Investments	-
Accounts receivable	9,960
Due from other funds	-
	-
<b>Total assets</b>	885,610
<b>Liabilities and Fund Balance</b>	
Accounts payable	-
Other liabilities	-
	-
<b>Total liabilities</b>	-
Fund balance	885,610
<b>Total liabilities and fund balance</b>	\$ 885,610

Jackson College  
 Statement of Changes in Fund Balance  
 Building and Site Fund  
 For the Four Months Ended October 31, 2020  
 Preliminary - Unaudited

	<b>Balance July 1, 2020</b>	<b>Revenue</b>	<b>Expenditures</b>	<b>Balance October 31, 2020</b>
Major Maintenance and Equipment Replacement	\$ 569,073	\$ 1,758,264	\$ 1,441,727	\$ 885,610
	\$ 569,073	\$ 1,758,264	\$ 1,441,727	\$ 885,610
<b>Total</b>	\$ 569,073	\$ 1,758,264	\$ 1,441,727	\$ 885,610



Jackson College  
Cash and Investments by Fund - FY 21  
October 31, 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	(506,182)	3,572,066	237,495	-	394,986	13,242	875,650	3,459,927	324,621	8,371,805
Cash-Comerica Federal Funds	-	-	(11,033)	-	-	-	-	-	-	(11,033)
Cash-So Mich National	200,150	-	25,543	-	-	-	-	-	-	225,693
VISA Account	178,445	-	50	-	-	-	-	-	685	179,180
Cash-United Bank	234,022	-	29,361	-	-	-	-	-	-	263,383
Cash-Federal Direct Loan	-	-	65,158	-	-	-	-	-	-	65,158
Cash-Comerica State Wire	89,269	-	25,000	-	-	-	-	-	-	114,269
Cash-Payroll	55,993	-	(1,128,195)	-	(537,553)	-	-	-	-	(1,609,755)
JC One Card	13,926	-	-	-	-	-	-	-	-	13,926
Ref Pay	4,459	-	-	-	-	-	-	-	-	4,459
Cultural Affairs Checking	674	-	-	-	-	-	-	-	-	674
MNJTP	-	-	-	-	915,829	-	-	-	-	915,829
Certificates of Deposit	-	-	-	-	-	-	-	-	-	-
MILAF	2,000,000	8,415,272	-	-	-	-	-	-	-	10,415,272
Bond capital project	-	-	-	-	-	-	-	939,826	-	939,826
	<u>2,270,756</u>	<u>11,987,338</u>	<u>(756,621)</u>	<u>-</u>	<u>773,262</u>	<u>13,242</u>	<u>875,650</u>	<u>4,399,753</u>	<u>328,030</u>	<u>19,891,410</u>
Investments										
Common Stock	-	-	-	-	-	16,726	-	-	-	16,726
Total cash and investments	<u>\$ 2,270,756</u>	<u>\$11,987,338</u>	<u>\$ (756,621)</u>	<u>\$ -</u>	<u>\$ 773,262</u>	<u>\$ 29,968</u>	<u>\$ 875,650</u>	<u>\$ 4,399,753</u>	<u>\$ 328,030</u>	<u>\$ 19,908,136</u>

Jackson College  
 Billing Contact Hours  
 October 31, 2020  
 Preliminary - Unaudited

	Budgeted FY 21	Actual FY 21	Actual Percentage	Actual FY 20	Prior Year Percentage
Semester:					
Fall	43,082	42,677	99.1%	49,363	86.5%
Winter	39,165	-	0.0%	45,213	0.0%
Spring	15,666	-	0.0%	14,726	0.0%
<b>Total</b>	<b>97,913</b>	<b>42,677</b>	<b>43.6%</b>	<b>109,302</b>	<b>39.0%</b>

