

Board of Trustees
Washtenaw Community College

TAB C

ACTION

4800 E. Huron River Drive
Ann Arbor, Michigan 48105

Subject
Financial Reports (April 2019)

Date
May 21, 2019

RECOMMENDATION

That the Board of Trustees receive the Financial Reports for April 2019 as follows: General Fund, Deferred Maintenance Fund, Capital Fund, and Combined Schedule of Investments-All Funds.

Prepared by: William Johnson
Title: Executive Vice President for
Administration and CFO

Recommended by: 
Rose B. Bellanca, President

Financial Narrative

April 2019

The financial narrative discusses the financial operating performance of Washtenaw Community College for fiscal year 2018-19, the ten months ended April 30, 2019.

Revenue

As of April 30, 2019, Total Revenues were \$105.5 million; Total Expenditures and Operating Transfers were \$87.8 million. Revenues in total are ahead of the expected budget for the first ten months of the fiscal year by approximately \$1.5 million.

Spring Tuition revenue is ahead of the year-to-date budget by approximately \$53,000 with both headcount and credit hour enrollments in line with budget assumptions. The Spring Tuition revenue amount includes 65% of the tuition revenue billed through April for the upcoming Spring/Summer term (an estimate of what will be earned in this fiscal year), along with \$1.6 million of tuition revenue that was earned for the prior 2018 Spring/Summer term.

State Aid revenue reflects an accrual for ten months of the annual appropriation for the fiscal year, along with a partial payment of approximately \$364,000 from the Local Community Stabilization Authority (LCSA), (the make whole mechanism for lost personal property tax revenue). The State has indicated that the remaining LCSA payment, now expected in May 2019, will be between 100% and 134% of the initial payment, which will leave us in range of our budget of approximately \$800,000. Additionally, payments from the State to offset increases in the cost of the MPSERS pension plan have pushed the year-to-date revenue ahead of budget.

Receipts for Local Government Taxes are \$52.7 million through April, which represents 99.7 percent of the total budgeted revenue from property taxes. This is ahead of the projected collections through the first ten months of the year. Refunds of prior year taxes are trending below budget, as are diversions to the local DDA's and TIFA's. These items, along with a better-than-expected increase in taxable values, support that the final tax revenue amount for the year will exceed the budget by \$600,000 or more.

Expenditures

Total Expenditures through April 30, 2019, represent 80 percent of the budgeted expenditures for the fiscal year. Overall expenditures continue to be right on pace with what was projected through the first ten months of the year.

For the year, vacancies in full-time positions were budgeted to provide savings of approximately \$2 million, based on an average of 20-25 vacant positions per month. Actual vacancies have averaged just above 21 for the first eight months of the year, in line with the budget, while March and April experienced an increase to 31 vacancies. Additionally, YTD part-time vacancy savings will help to offset the one-time cost of \$459,000 related to settling the MPSERS PT Student matter.

Washtenaw Community College
Revenues and Expenditures - General Fund
Statement as of April 30, 2019

	Annual Budget	YTD Budget	YTD Actual	YTD Variance
REVENUES				
Tuition Fall	12,125,248	12,125,248	12,042,254	(82,994)
Tuition Winter	11,294,472	11,294,472	11,357,055	62,583
Tuition Spring	4,887,996	4,651,688	4,705,140	53,451
Student Fees	4,985,000	4,920,665	4,906,822	(13,843)
Total Tuition and Fees	<u>33,292,716</u>	<u>32,992,073</u>	<u>33,011,270</u>	<u>19,196</u>
Local Property Taxes	52,900,000	52,268,540	52,762,404	493,864
State Appropriations	14,696,374	11,977,354	12,263,253	285,899
Trade Partnerships	3,773,072	3,412,687	3,692,104	279,417
Investment Income	825,000	825,000	970,560	145,560
Other	1,835,364	1,538,361	1,645,163	106,803
Auxiliary Activities	1,218,650	1,002,367	1,149,479	147,112
Total Revenue	108,541,176	104,016,381	105,494,232	1,477,851
EXPENDITURES				
Humanities & Social Sciences	11,781,379	9,689,235	9,763,491	(74,256)
Math, Science & Engineering Technologies	8,753,365	7,187,959	7,243,224	(55,265)
Health Sciences	5,675,866	4,565,911	4,625,252	(59,341)
Business & Computer Technologies	7,220,896	5,917,728	6,260,441	(342,713)
Advanced Technologies & Public Service Careers	7,285,446	5,845,999	5,763,918	82,081
Continuing Education	611,388	467,031	430,041	36,990
Distance Learning	1,874,201	1,519,480	1,463,701	55,779
Instructional Support	14,002,083	11,505,018	10,976,243	528,775
Total Instruction	<u>57,204,624</u>	<u>46,698,360</u>	<u>46,526,311</u>	<u>172,049</u>
Student Services	9,240,586	7,489,717	6,939,226	550,491
Scholarships	1,669,467	1,571,735	1,552,067	19,668
Executive Management	2,140,537	1,639,262	1,613,518	25,743
General Admin - Institutional Services	7,377,407	5,619,423	7,025,741	(1,406,318)
MIS/Computer Services	8,109,460	6,228,199	6,084,379	143,820
Public Relations Development	3,217,702	2,357,469	2,219,984	137,484
Community Services	2,181,490	1,778,282	1,747,896	30,386
Physical Plant Operations	10,949,813	8,631,397	8,322,757	308,640
Utilities	2,089,700	1,734,562	1,719,761	14,801
Equipment	1,938,515	1,346,456	1,214,292	132,164
Total Non-Instruction	<u>48,914,677</u>	<u>38,396,501</u>	<u>38,439,621</u>	<u>(43,120)</u>
Total Expenditures	106,119,301	85,094,861	84,965,932	128,929
OPERATING TRANSFERS				
Unexpended Plant				
Repair & Maintenance	750,000	750,000	750,000	-
Debt Retirement	1,221,875	1,221,875	1,221,875	-
Health & Fitness Center	(1,750,000)	(1,312,500)	(1,312,500)	-
Deferred Maintenance	2,000,000	2,000,000	2,000,000	-
Furniture	200,000	200,000	200,000	-
Total Operating Transfers	2,421,875	2,859,375	2,859,375	-
Total Expenditures and Operating Transfers	108,541,176	87,954,236	87,825,307	128,929
Operating Revenue Over Expenditures & Transfers	-	16,062,145	17,668,926	1,606,780
OTHER NON-OPERATING ACTIVITY				
Transfer to Unexpended Plant - Budgeted	-	-	-	-
Transfer to Unexpended Plant - Unbudgeted	-	-	-	-
Unrealized Gain/(Loss) on Investment	-	-	417,235	417,235
Total Revenue over Expenditures & Transfers	-	16,062,145	18,086,160	2,024,015

Capital Fund
Project Summary
April 30 , 2019

Project Category	Budget	Actuals	Commitment	Balance
Revenues				
State Appropriation CC - STEP Equipment	4,516,749	4,516,749	-	0
General Fund	6,055,178	6,055,178	-	0
Misc. Revenue		11,167		11,167
Total Revenues	\$ 10,571,927	10,583,094	-	11,167
Construction/Repair Projects				
Storage Receiving Building				
Renovations:				
SRB Addition	1,830,000	1,828,220	-	1,780
Total Storage Receiving Building	\$ 1,830,000	\$ 1,828,220	\$ -	1,780
Campus Wide				
System Improvements:				
Classroom & Lab access Control	570,802	567,438	-	3,364
CC - STEP Equipment	7,627,434	7,504,061	-	123,373
Campus Security System Upgrades	318,691	317,723	-	968
Campus Data Storage Upgrades	225,000	224,080	-	920
Total Campus Wide	\$ 8,741,927	\$ 8,613,302	\$ -	128,625
Grand Total Construction/Repair Projects	\$ 10,571,927	\$ 10,441,523	\$ -	130,405
Revenue Over (Under) Expenditures		\$ 141,572		

**Washtenaw Community College
Deferred Maintenance Fund
April 30, 2019**

Since inception of fund:

General Fund Transfers	17,300,000
Completed projects	(11,504,362)
Projects in process	(4,785,997)
Uncommitted Fund Balance	<u><u>1,009,642</u></u>

Completed Projects:

	<u>Final Cost</u>
Projects completed in prior years	9,529,223
Current year completed projects:	
GM Carpet/Flooring Replacement	173,430
CLASB Humidification Boiler Rplcmt	251,400
Maint Garage Oil Separator Rplc	109,100
BEB Fan Coil Units	611,079
GMB Penthouse Rplc Tfrms	150,000
Bus Loop Replacement	228,132
Campus Temperature Control Upgrades	114,652
Campus Concrete Rplc	102,000
FEB Roof Replacement	55,145
Total of FY19 completed projects < \$50,000 each	180,201
Total Completed	<u><u>11,504,362</u></u>

Projects in Process or scheduled to begin:

	<u>Allocated Budget</u>
EC Heating Pumps Rplcmt	418,822
EC Boiler Control & Valve Repl	75,000
EC RPLC Campus Cooling Twr	800,000
HFC Hot Water Capacity	375,000
FEB Upgrade & Replace Lighting	75,000
HFC Defender Tank	90,000
HFC Womens Hot Tub Repair	300,000
HFC Chem Cntrlr & Chlorine Gen Rplc	97,000
LA RPLC Chemistry Hood	700,000
LA-2nd FL Tile Corridor	210,000
* LA-Roofing and Intake Rprs	60,000
ML Boiler Repl & System Mats	556,075
ML Gun Range AHU Repl	750,000
GL Handicap Ramp Rplc	100,000
OEB Exhaust Fan Rplcmts	55,000
Total of other projects < \$50,000 each	124,100
Total in Process	<u><u>4,785,997</u></u>

* Scheduled; no financial activity as of report date

Projects anticipated to begin in FY 20

	<u>Expected Budget</u>
BE-Replace Server room A/C units	50,000
Campus-DM Emergent Requirements	200,000
CAMPUS-Flooring Replacement (Based upon assessment)	150,000
Campus-Repair Asphalt Pavements	450,000
Campus-Replace concrete sidewalks	80,000
Campus-Replace VFDs Multiple locations	75,000
Campus-Upgrade Elevators	110,000
Campus-Upgrade Fire Alarm Panels	85,000
EC-Complete 10 Year Chiller overhaul	50,000
GL-Replace RTU and Controls	125,000
HFC-Locker Room Renovation	250,000
HFC-Replace free weight 10mm flooring	50,000
HFC-The lap pool and therapy pool floor and walls need to be replaced w/itl	200,000
LA-Replace Corridor Floors	110,000
ML-Renovation Design	300,000
SC-Renovation Design	95,000
SR-Replace Dock 1 and 2 Dock Plates	70,000
Total of other projects < \$50,000 each	345,000
Total Pending	<u><u>2,795,000</u></u>



**WCC Active Portfolio
Portfolio Management
Portfolio Summary
April 30, 2019**

Washtenaw Community College
4800 East Huron River Drive
Ann Arbor, MI 48105
(734)973-3300

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM/C 360 Equiv.	YTM/C 365 Equiv.
Federal Agency Coupon Securities	7,000,000.00	6,934,432.22	6,992,050.52	26.80%	2,471	1409	2.226	2.257
State of Michigan Bonds	5,000,000.00	4,982,935.69	5,026,387.48	19.26%	2,164	1468	2.325	2.357
Municipal Bonds	14,000,000.00	14,069,654.33	14,073,117.49	53.94%	2,077	948	2.394	2.427
	26,000,000.00	25,987,022.24	26,091,555.49	100.00%	2,199	1,172	2,336	2,368

Investments

Total Earnings	Month Ending 4/30/2019	Fiscal Year 2018 - 2019 To Date	Month Ending 4/30/18	Fiscal Year 2017 - 2018 To Date
Current Year	53,061.17	503,288.70	49,124.86	469,104.46
Average Monthly Balance - Long Term Invested Balance		26,060,705.22		25,703,241.03
Effective Rate of Return - Long Term Invested Balance		2.32%		2.19%

	6 Month	1 Year	5 Year	10 Year	20 Year
Treasury Yield Curve 04/30/2019	2.46%	2.39%	2.28%	2.51%	2.75%

Reporting period 04/01/2019-04/30/2019