The mission of Mott Community College is to provide high quality, accessible, and affordable educational opportunities and services that cultivate student success and individual development and improve the overall quality of life in a multicultural community.
AGENDA

I. CALL TO ORDER

II. ADDITIONS TO THE AGENDA

III. ADOPTION OF THE AGENDA

IV. SPECIAL PRESENTATIONS
FY 2012-2013 Audit Report
   - Larry Gawthrop, Chief Financial Officer

   Help Portrait 2014
   - Dr. Amy Fugate, Vice-President, Academic Affairs

V. COMMUNICATIONS

VI. COMMENTS FROM THE PUBLIC

VII. APPROVAL OF MINUTES

   Approval of Regular Meeting Minutes of October 28, 2013  17-17f

VIII. INFORMATIONAL REPORTS

Acceptance of Standing Board Committee Reports:

1. Personnel (Joseph, Norwood, Turner)
2. Finance/Audit (Koegel, Freeman, Snell)

IX. UNFINISHED BUSINESS

X. NEW BUSINESS

Consent Agenda:

1.05 Treasurer’s Report for October 2013  35-39
1.06 Receiving of Audit for FY 2012-2013  40

Individual Items:

1.07 Main Campus College Depositories  41
1.08 Morgan Stanley Signatory Authorization  42
XI. ADMINISTRATIVE ITEMS

President’s Report

XII. MISCELLANEOUS BUSINESS

Comments from Board Members

XIII. EXECUTIVE SESSION

ADJOURNMENT
FOR ACTION

Board of Trustees
Charles Stewart Mott Community College
Regular Meeting, November 25, 2013
Volume 45

1.05 Treasurer’s Report for October 2013

This resolution is recommended.

Be it Resolved, That

The Charles Stewart Mott Community College Board of Trustees

Accepts the financial report of the College for the month of October 2013 as presented by the Administration.

Reviewed and Submitted By:

[Signature]
Lawrence A. Gawthrop
Chief Financial Officer

Date: November 25, 2013

Board Policy Statement Reference: 3100 – Budget Adoption
General: The annual budget represents the programmatic direction and vision of the College. It is also designed to meet both the legal requirements and needs of the College.
October Treasurer’s Report

Larry Gawthrop, CPA
Chief Financial Officer

November 25, 2013

Summary of Expenditures:

Month of October Spending:

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund:</td>
<td>$6,666,913</td>
</tr>
<tr>
<td>All Other Funds:</td>
<td>$15,234,914</td>
</tr>
<tr>
<td>Total:</td>
<td>$21,901,827</td>
</tr>
</tbody>
</table>

Comments on General Fund Financial Statements:

- **Statement of Revenues, Expenditures and Changes in Net Assets**

In summary, total revenues for the four months ended October 31, was approximately $25.3 million, representing 33.6% of the annual budget. This is .1% lower than last year at this time, when we had recognized 33.7% of budgeted revenues. The most significant changes continue to be in the *Tuition and fees, Property taxes, and Grants and Other* which are discussed further below. Expenditures year-to-date are at $20.2 million dollars, which represents 26.7% of the annual budget, .7% lower than it was one year ago.

**Revenues**

*Tuition and fee* revenues are $15.5 million for the four months ended, which is $799 thousand more than last year, mainly due to the tuition increase from January 2013 coupled with a less than anticipated decrease in enrollment. A 3% decrease in enrollment and contact hours was budgeted for this fiscal year.

*Property taxes* collected are $7.1 million through October. The amount budgeted is $17.2 million, down $500 thousand from last year’s $17.7 million and is based on final taxable value figures provided by the Genesee County Equalization Department.

*State appropriations* payments for FY2012-13 are paid in monthly installments starting with October. We received our first of ten payments totaling $1.4 million. The total budgeted amount for the current fiscal year is $15.3 million or approximately $285 thousand (2%) more than last year.
Expenditures

*Salaries and Wages* are at $10.4 million, or 26% of the annual budget, .2% lower than it was one year ago.

*Fringe Benefits* are at $4.6 million, or 19.5% of the budgeted amount and .3% lower when compared to the previous year's budgeted amount.

**Other Expenditures**
The changes in the Other Expenses area were due mainly to decreases in contracted service agreements in Financial Aid and ITS, an increase in water and electric rates, an overall decrease in supplies from the prior year, and a change in recording of the bad debt expense monthly instead of at year-end. Additionally this month, the decrease in *Transfers out* line item when compared to the previous year is a timing difference of when the transfer was made.

- **Balance Sheet**

  **Total Assets** are at approximately $26.5 million, up $10.3 million from last October. The largest differences are a $2.7 million decrease in *Cash and Cash Equivalents*, and a $12.9 million increase in *Due (from) to other funds*. These variances are due to the timing of the second Pell transmission, receipt and distribution in an effort to reduce exposure on the Return of Funds.

  **Due to/Due from Other Funds**
The College maintains one checking account for all of its funds; deposits and disbursements. This necessitates the short-term “loaning” or “borrowing” between the funds throughout the year depending on which funds revenue or expenditures are being deposited or paid out. Each month the accounting department clears these “due to's” and “due from's” respectively assigning the activity to the proper fund. However, significant activity can occur after these transfers are completed, causing large variances when compared to the previous period.

  At roughly $12.3 million, **Total Liabilities** are up approximately $9.9 million from last October’s balance. The most significant changes was in the areas of an increase in *Accounts payable* - caused by timing differences in the check runs from year to year and the change in timing of the second Pell distribution to the students, and a decrease in *Accrued termination pay* from the employee retirements which was based on the actuarial computation completed in June 2013.

**Comments on spending from other funds:**

- Of the $15.2 million expended in the other funds, $325 thousand was expended out of the *Maintenance and Replacement Funds* for maintenance and improvements, $622 thousand from the *Debt Service Funds* for semi-annual interest payments for our outstanding debt, $573 thousand in monthly depreciation and the remaining $13.7 million out of the *Agency, Scholarships, and Federal Grants*, for grant activities and student scholarships.
Mott Community College
General Fund
Statement of Revenues, Expenditures and Changes in Net Assets
For the 4 Months Ended October 31, 2013
With Comparative Totals at October 31, 2012

<table>
<thead>
<tr>
<th></th>
<th>FY 2013-2014 Budget</th>
<th>YTD Actuals as of 10/31/13</th>
<th>YTD Actuals as of 10/31/12</th>
<th>Actual to Actual $</th>
<th>Actual to Actual %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition and fees</td>
<td>$38,999,911</td>
<td>$15,459,841</td>
<td>$14,660,944</td>
<td>$798,897</td>
<td>5.45%</td>
</tr>
<tr>
<td>Property taxes</td>
<td>17,228,840</td>
<td>7,077,250</td>
<td>7,324,629</td>
<td>(247,379)</td>
<td>-3.38%</td>
</tr>
<tr>
<td>State appropriations</td>
<td>15,306,817</td>
<td>1,440,024</td>
<td>1,353,672</td>
<td>86,352</td>
<td>100.00%</td>
</tr>
<tr>
<td>Ballenger trust</td>
<td>1,728,000</td>
<td>588,588</td>
<td>554,922</td>
<td>33,666</td>
<td>6.07%</td>
</tr>
<tr>
<td>Grants and other</td>
<td>1,960,251</td>
<td>745,368</td>
<td>660,864</td>
<td>84,504</td>
<td>12.79%</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>75,223,819</td>
<td>25,311,071</td>
<td>24,555,031</td>
<td>756,040</td>
<td>3.08%</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>40,083,795</td>
<td>10,412,222</td>
<td>10,423,955</td>
<td>(11,733)</td>
<td>-0.11%</td>
</tr>
<tr>
<td>Fringe benefits</td>
<td>17,060,954</td>
<td>4,589,631</td>
<td>4,522,381</td>
<td>67,250</td>
<td>1.49%</td>
</tr>
<tr>
<td>Contracted services</td>
<td>5,205,948</td>
<td>1,359,751</td>
<td>1,477,783</td>
<td>(118,032)</td>
<td>-7.99%</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>2,214,660</td>
<td>535,328</td>
<td>524,361</td>
<td>10,967</td>
<td>2.09%</td>
</tr>
<tr>
<td>Facilities rent</td>
<td>243,400</td>
<td>70,591</td>
<td>59,976</td>
<td>10,615</td>
<td>17.70%</td>
</tr>
<tr>
<td>Utilities and insurance</td>
<td>2,954,000</td>
<td>1,173,774</td>
<td>1,219,115</td>
<td>(45,341)</td>
<td>-3.72%</td>
</tr>
<tr>
<td>Operations/communications</td>
<td>5,967,496</td>
<td>2,003,474</td>
<td>1,456,460</td>
<td>547,014</td>
<td>37.56%</td>
</tr>
<tr>
<td>Transfers out</td>
<td>1,924,863</td>
<td>-</td>
<td>243,039</td>
<td>(243,039)</td>
<td>-100.00%</td>
</tr>
<tr>
<td>Equipment and Improvements</td>
<td>2,000</td>
<td>78,241</td>
<td>116,843</td>
<td>(38,602)</td>
<td>-33.04%</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>75,657,116</td>
<td>20,223,012</td>
<td>20,043,913</td>
<td>(179,099)</td>
<td>-0.89%</td>
</tr>
<tr>
<td><strong>Net increase/(decrease) in net assets</strong></td>
<td>(433,297)</td>
<td>5,088,059</td>
<td>4,511,118</td>
<td>576,941</td>
<td>12.79%</td>
</tr>
<tr>
<td></td>
<td>As of October 31, 2013</td>
<td>As of October 31, 2012</td>
<td>Change $</td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------</td>
<td>------------------------</td>
<td>------------------------</td>
<td>----------</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$14,034,976</td>
<td>$16,777,979</td>
<td>$(2,743,003)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due from other funds</td>
<td>11,111,124</td>
<td>(1,764,087)</td>
<td>12,875,211</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable - net of allowance</td>
<td>918,740</td>
<td>887,110</td>
<td>31,630</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
for uncollectible accounts ($5,627,075 for 2014 and $5,014,247 for 2013) |
| Inventories              | 44,069                 | 28,730                 | 15,339   |
| Prepaid expenses and other assets | 359,829 | 189,440 | 170,389 |
| **Total Assets**         | $26,468,738            | $16,119,172            | $10,349,566 |
|                          |                        |                        |          |
| **Liabilities and Net Assets** |                      |                        |          |
| Current Liabilities      |                        |                        |          |
| Accounts payable         | $10,153,471            | $150,744               | 10,002,727 |
| Accrued payroll and related liabilities | 1,579,111 | 1,605,804 | (26,693) |
| Deposits held for others | 14,561                 | 2,662                  | 11,899   |
| Other accrued liabilities | 540,536               | 582,579                | (42,043) |
| **Total Current Liabilities** | 12,287,679 | 2,341,789 | 9,945,890 |
| Accrued termination pay  | 2,511,839              | 2,761,042              | (249,203) |
| **Total Liabilities**    | 14,799,518             | 5,102,831              | 9,696,687 |
| Net Assets               |                        |                        |          |
| Unrestricted             | 11,669,220             | 11,016,341             | 652,879  |
| **Total Net Assets**     | 11,669,220             | 11,016,341             | 652,879  |
| **Total Liabilities and Net Assets** | $26,468,738 | $16,119,172 | $10,349,566 |
FOR ACTION

Board of Trustees
Charles Stewart Mott Community College
Regular Meeting, November 25, 2013
Volume 45

1.06 Receiving of Audit for Fiscal Year 2012-2013

Section 389.143 of the Community College Act of 1966 provides that the fiscal accounts of the College shall be audited yearly by a certified public accountant in good standing and licensed to practice in the state of Michigan. In compliance with this law, the annual audit of Mott Community College’s financial records for the fiscal year ended June 30, 2013 as performed by Rehmann Robson has now been completed.

Audited Financial Statements have been issued, along with the independent opinion of the auditors that the statements present fairly, in all material respects, the financial position of the College for the year ended June 30, 2013.

On the basis of the preceding information, the following resolution is recommended.

Be it Resolved, That

The Charles Stewart Mott Community College Board of Trustees

Receives the 2012-2013 audit as issued by Rehmann Robson.

Reviewed and Submitted By:

[Signature]
Date: November 25, 2013

Lawrence A. Gawthrop
Chief Financial Officer

Board Policy Statement Reference: 3431 - Audits
General: The purpose of this policy is to provide adequate authority for a strong, competent and vigilant Finance/Audit Committee (the Committee) to assist the Board in fulfilling its fiscal oversight responsibilities relating to: the integrity of the College's financial statements, the independence and performance of external and internal audit functions, the College's financial and accounting practices, the College's compliance with legal and regulatory requirements, and standards of conduct. The Committee serves as the Board's liaison with any external auditors.
FOR ACTION

Board of Trustees
Charles Stewart Mott Community College
Regular Meeting, November 25, 2013
Volume 45

1.07 Main Campus College Depositories

In accordance to Board Policy 3460 Statement 4, a periodic review of the depositories (banking institutions) and their capacity to serve the College will be conducted. This review, which included products, fees, and level of service was conducted over the past year.

The review was conducted concurrently with discussions/presentations from other local comparable banking institutions.

After this review of our current banking relationship and consideration of the other local banking institution's presentations/discussions, we determined, based on reputation, physical local presence, experience, location, and longevity of their client service personnel, fees, and electronic banking and fraud detection products, that Chase Bank should be the new depository as soon as feasibly possible.

On the basis of the preceding information, the following resolution is recommended.

Be it Resolved, That

The Charles Stewart Mott Community College Board of Trustees

Approves Chase Bank as the new the main campus depository as soon as feasibly possible.

Reviewed and Submitted By:

____________________________________  
Date: November 25, 2013
Lawrence A. Gawthrop  
Chief Financial Officer

____________________________________  
Date: November 25, 2013
James L. Delaney  
Board Attorney

Board Policy Statement Reference: 3460 – Depositories for College Funds
General: The Board is responsible for selecting depositories for its funds. Therefore, the Board establishes this policy to properly account for its funds and to provide opportunity for local financial institutions to compete for financial services.

(4). The President or his/her designee will periodically review its depository(ies) (including local financial institution capacity) and make recommendations to the Board.
1.08 Morgan Stanley Signatory Authorization

The College maintains investments outside of its commercial checking accounts as a part of its overall investment strategy. Additionally, the College’s tax debt collections are required to be kept separately from our general checking account.

For the past several years the College has used Morgan Stanley for these types of deposits.

Any time that a change to the authorized users on the accounts is required, as when an employee leaves, Morgan Stanley requires a resolution from the Board authorizing this change. With the departure of the Director of Accounting and an Interim Director named, it has become necessary.

On the basis of the preceding information, the following resolution is recommended.

Be it Resolved, That

The Charles Stewart Mott Community College Board of Trustees

Authorizes the following individuals, and those authorized per Board Policy 3510, to conduct transactions within all of the Mott Community College Morgan Stanley accounts.

Nichole Woods, Interim Director of Accounting
Darilyn Milostan, Senior Accountant

Reviewed and Submitted By:

[Signature]
Lawrence A. Gawthrop
Chief Financial Officer

Date: November 25, 2013

Board Policy Statement Reference: 3460 – Depositories for College Funds
General: The Board is responsible for selecting depositories for its funds. Therefore, the Board establishes this policy to properly account for its funds and to provide opportunity for local financial institutions to compete for financial services.

Board Policy Statement Reference: 3510 – Authorized Signatures
General: The Board designates signatories to financial documents and funds of the College. The authorization is made to carry out fiduciary responsibilities in an efficient and responsible manner.
President’s Report
Regular Board of Trustees Meeting
November 25, 2013

1. Executive Summary

2. Introduction of New Hires

3. Upcoming Dates:

*****

November 28-29, 2013 College Closed for Thanksgiving Break
December 11, 2013 Finance/Audit Committee, 12:00 noon, CM1019
Personnel Committee, 4:00 p.m., CM1019
December 16, 2013 Regular Board Meeting, RTC 1301
December 23, 2013 –
January 1, 2014 College Closed for Holidays
January 22, 2014 Finance/Audit Committee, 12:00 noon, CM1019
Personnel Committee, 4:00 p.m., CM1019
January 27, 2014 Regular Board Meeting, RTC 1301
February 9-12, 2014 National Legislative Summit, Washington, DC
February 19, 2014 Finance/Audit Committee, 12:00 noon, CM1019
Personnel Committee, 4:00 p.m., CM1019
February 24, 2014 Regular Board Meeting, RTC 1301
March 19, 2014 Finance/Audit Committee, 12:00 noon, CM1019
Personnel Committee, 4:00 p.m., CM1019
March 24, 2014 Regular Board Meeting, RTC 1301
April 23, 1014 Finance/Audit Committee, 12:00 noon, CM1019
Personnel Committee, 4:00 p.m., CM1019
April 28, 2014 Regular Board Meeting, RTC 1301
May 3, 2014 Commencement Activities
May 14, 2014 Finance/Audit Committee, 12:00 noon, CM1019
Personnel Committee, 4:00 p.m., CM1019
May 19, 2014 Regular Board Meeting, RTC 1301
June 18, 2014 Finance/Audit Committee, 12:00 noon, CM1019
Personnel Committee, 4:00 p.m., CM1019
June 23, 2014 Regular Board Meeting, RTC 1301