

MONITORING REPORT
POLICY TYPE: EXECUTIVE BOUNDARIES
POLICY TITLE: FINANCIAL CONDITION

Governing Board Agenda
 ITEM NUMBER

ITEM TITLE

Meeting Date: 05/27/08
 RESPONSIBLE AGENTS

Budget Analysis Report
 Fund 1: General Unrestricted Fund
 For the Ten Months Ending 4/30/2008

Ms. Debra Thompson
 Ms. Kim Granio

Expenditure Summary: \$395.5M (year to date)

- Projected expenditure at year end: \$522.0M
- 71.2% of expenditures have been recognized year to date (versus 71.8% in 06/07 and 76.4% in 05/06).
- 16.7% of the budget remains unexpended or unencumbered (versus 16.4% last year).

Revenue Summary: \$496.8M (year to date)

- Projected revenue at year end: \$522.6M
- 89.5% of the budget has been recognized year to date (versus 88.6% in 06/07 and 89.4% in 05/06).

Fund Balance and Financial Stability Requirements

- Projections are for the Fund 1 balance to increase by ~\$0.5M (from \$88.5M to \$89.0M) in FY 07-08.
- MCCCCD is required to maintain a financial stability balance equal to 8% of the annual projected revenue. This currently equates to \$42.0M. The remaining fund balance of \$47.0M is comprised of college carryforward, designations for future operations, minimum financial condition measure for future years, medical insurance reserve, and a projected undesignated balance of \$1.1M.

Items of Particular Interest: Substantial Deviations from Budget or Expectations

- None

More information on the Budget Analysis Report access:
<http://www.maricopa.edu/business/reporting/reports.html>

This report is also provided to the Audit & Finance Committee quarterly.

Funding	Approvals/Certifications
<p><u>Source:</u></p> <p><u>Account Identification:</u></p>	<p>Chancellor _____</p> <p>Academic & Student Affairs _____</p> <p>Business Services _____</p> <p>Human Resources _____</p> <p>Res Dev & Com Affairs _____ ITS _____</p> <p>College President _____</p>

**MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT
BUDGET ANALYSIS REPORT
April 2008**

**Fund 1: April 2008
EXPENDITURE ANALYSIS**

<u>By Function:</u>	<u>Budget (a)</u>	<u>Amount Expended</u>	<u>Percent Expended 07-08</u>	<u>Percent Expended 06-07</u>	<u>Percent Expended 05-06</u>	<u>Amount Encumbered</u>	<u>Unencumbered Balance Available</u>	<u>Percent of Budget Available</u>
INSTRUCTION	248,285,938	194,828,946	78.5	79.0	81.2	29,543,447	23,913,545	9.6
PUBLIC SERVICE	321,345	245,313	76.3	87.0	88.6	49,319	26,712	8.3
ACADEMIC SUPPORT	64,320,591	44,151,640	68.6	70.7	70.8	8,971,201	11,197,751	17.4
STUDENT SERVICES	38,569,914	29,943,189	77.6	80.3	80.6	5,430,050	3,196,675	8.3
GENERAL INSTITUTIONAL	63,545,955	35,942,751	56.6	61.2	62.3	5,567,571	22,035,633	34.7
ADMINISTRATION	81,983,609	60,616,984	73.9	73.7	85.6	10,237,464	11,129,161	13.6
PHYSICAL PLANT	37,040,476	29,739,422	80.3	78.6	77.3	7,280,562	20,492	0.1
CONTINGENCIES:								
COLLEGE CARRYFORWARD	17,459,856	0	0.0	0.0	1.0	0	17,459,856	100.0
UNCOLLECTED TAX LEVY	3,258,356	0	0.0	0.0	0.0	0	3,258,356	100.0
BASIC	900,000	0	0.0	0.0	100.0	0	900,000	100.0
TOTAL OPERATIONAL	555,686,039	395,468,245	71.2	71.8	76.4	67,079,614	93,138,180	16.8
By Object:								
PERSONAL SERVICES	318,290,792	254,488,460	80.0	82.0	83.3	43,337,150	20,465,183	6.4
EMPLOYEE BENEFITS	81,104,489	62,572,398	77.2	78.1	82.1	9,810,714	8,721,377	10.8
CONTRACTUAL SERVICES	37,661,045	28,028,364	74.4	77.4	77.3	5,870,593	3,762,088	10.0
SUPPLIES, MATERIALS, PARTS	9,779,914	6,641,018	67.9	66.4	68.2	2,395,708	743,188	7.6
CURRENT FIXED CHARGES	7,682,349	6,643,251	86.5	71.9	77.9	956,709	82,388	1.1
COMMUNICATIONS AND UTILITIES	15,528,918	11,932,779	76.8	74.5	73.5	3,588,125	8,014	0.1
TRAVEL	3,353,999	1,922,346	57.3	72.9	72.4	153,160	1,278,493	38.1
STUDENT AID AND MISCELLANEOUS	10,791,084	3,620,227	33.5	45.4	39.4	39,880	7,130,977	66.1
TRANSFERS-INTRAFUND	25,597,824	0	0.0	0.0	11.9	777,575	24,820,249	97.0
TRANSFERS TO OTHER FUNDS	23,877,412	19,619,403	82.2	85.2	103.2	150,000	4,108,009	17.2
CONTINGENCIES:								
COLLEGE CARRYFORWARD	17,459,856	0	0.0	0.0	1.0	0	17,459,856	100.0
UNCOLLECTED TAX LEVY	3,258,356	0	0.0	0.0	0.0	0	3,258,356	100.0
BASIC	900,000	0	0.0	0.0	100.0	0	900,000	100.0
TOTAL OPERATIONAL	555,286,039	395,468,245	71.2	71.8	76.4	67,079,614	92,738,180	16.7

(a) Represents amended budget, as amended by approved budget transfers.

**MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT
BUDGET ANALYSIS REPORT
April 2008**

REVENUE ANALYSIS (a)	Budget (b)	Recognized	Percent Recognized 07-08	Percent Recognized 06-07	Percent Recognized 05-06	Projected Revenue	Projected Variance Over/(Under) Budget	Comments
PROPERTY TAX	321,018,986	274,093,464	85.4	86.8	87.7	317,760,630	-3,258,356	Projected, see (a)
STATE AID	57,528,300	57,528,300	100.0	100.0	100.0	57,528,300	0	Per State Budget
IN LIEU TAX, SALT RIVER PROJECT	4,816,598	2,369,504	49.2	49.3	48.5	4,739,007	-77,591	Based on budget
GENERAL TUITION	116,216,100	105,306,362	90.6	86.4	88.3	116,216,100	0	Based on budget
OUT-OF-STATE TUITION	11,074,650	14,646,310	132.3	96.4	88.3	11,074,650	0	Based on budget
OUT-OF-COUNTY TUITION	492,045	432,891	88.0	103.8	193.7	492,045	0	Based on budget
OTHER FEES AND CHARGES	5,974,060	5,089,161	85.2	87.6	86.3	5,974,060	0	Based on budget
INVESTMENT INCOME	3,500,000	4,449,673	127.1	173.5	171.6	4,800,000	1,300,000	Based on budget
MISCELLANEOUS AND OTHER	910,000	753,860	82.8	176.4	136.2	910,000	0	Based on budget
TRANSFERS IN	3,586,200	2,000,000	55.8	0.6	62.8	3,586,200	0	Based on budget
COLLEGE CARRYFORWARD	30,169,100	30,169,100	100.0	100.0	100.0	30,169,100	0	Revised 8-13-07
TOTAL	555,286,039	496,838,624	89.5	88.6	89.4	553,250,092	-2,035,947	
FINANCIAL CONDITION ANALYSIS								
						-30,169,100		
						523,080,992		
						-522,046,617		
						1,034,375	% of Projected Revenues	
						88,539,448		
						89,573,823	17%	
						9,734,891		
						2,116,350		
						18,317,859		
						30,169,100		
						10,142,944		
						40,312,044		
						42,009,355	8%	
						5,600,000		
						1,652,424		

(a) See specific revenue analysis by type on page 3

(b) Represents adopted budget, as amended by approved budget transfers.

(c) Projections based on college actuals, district office averages, and assumptions regarding transfers and reserve lines.

(d) The financial condition measure represents that portion of the undesignated general fund balance equal to 8% of the annual budgeted revenues. This measure represents the minimum level of the undesignated general fund balance that must be continuously maintained to ensure continued operations in the event of unforeseen circumstances and contingencies.

**MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT
BUDGET ANALYSIS REPORT
April 2008**

EXPENDITURE COMMENTS

Expenditures have been selected for comment (1) if the percent of budget expended varies from the prior year by at least five percentage points or (2) if transactions or activities during the month are unusual. Some of these variations result from fluctuations in budget amounts allocated from year to year. Others are the result of timing differences for annually recurring expenditures.

EXPENDITURE BY OBJECT

Public Service	In FY07, there were payments made for services related to the MCCCCD AZ Issues programs, in which no services have been performed in FY08.
Current Fixed Charges	Increase due to higher rents at some MCC satellites, an increase in legal fees, and an overall increase in dues.
Travel	A decrease in expenditures for international travel results in a lower percent expended year to date.
Student Aid and Misc.	The lower percentage used to date is due to the final payment of the Burke vs. ASRS lawsuit being paid in FY 07.

REVENUE COMMENTS

Out-of-State Tuition	Out of State revenue higher because the default for registration, without proper in-state residence proof, is charged at the out of state rate.
Out-of-County Tuition	An increase in the budgeted Out-of-County tuition (+27%) results in lower Out of County tuition percent recognized year-to-date.
Investment Income	The variance is primarily due to the increase in budgeted amounts in anticipation of a continued improving market environment. This represents earnings on operating funds held by the State and County Treasurers. Earnings are allocated monthly and quarterly, respectively. Projected revenues are based on market and general economic conditions, both of which have improved in recent years.
Misc. Income and Other	The higher percent recognized to date is primarily due to the timing of bad debt write-off. As part of the preparation for the original SIS go-live date of October 2007, bad debts were written off in September instead of the normal March timeline. Subsequent collections on these amounts written off are recorded as bad debt recovery.
Transfers in	A budgeted transfer from plant occurred in January 2008 but there was no transfer in FY 2007, causing a higher percent recognized in FY 2008.