

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

Governing Board Agenda
 ITEM NUMBER

ITEM TITLE

Meeting Date: 9/25/07
 RESPONSIBLE AGENTS

Budget Analysis Report
 Fund 1: General Unrestricted Fund
 For the Second Month Ending 8/31/2007

Ms. Debra Thompson
 Ms. Kim Granio

Expenditure Summary: \$76.4M (year to date)

- Projected expenditure at year end: \$521.4M
- 13.8% of expenditures have been recognized year to date (versus 11.4% in 06/07 and 12.5% in 05/06).
- 36.2% of the budget remains unexpended or unencumbered (versus 43.0% last year).

Revenue Summary: \$95.1M (year to date)

- Projected revenue at year end: \$521.9M
- 17.1% of the budget has been recognized year to date (versus 19.5% in 06/07 and 18.2% 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 \$41.7M. The remaining fund balance of \$47.3M 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 \$4.9M.

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 Affairs _____</p> <p>Business Services _____</p> <p>Human Resources _____</p> <p>Student & Com. Affairs _____</p> <p>College President _____</p>

**MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT
BUDGET ANALYSIS REPORT
August 2007**

**Fund 1: August 2007
EXPENDITURE ANALYSIS**

<u>By Function:</u>	Budget (a)	Amount Expended	Percent Expended 07-08	Percent Expended 06-07	Percent Expended 05-06	Amount Encumbered	Unencumbered Balance Available	Percent of Budget Available
INSTRUCTION	236,248,055	25,072,702	10.6	10.8	10.9	139,682,262	71,493,092	30.3
PUBLIC SERVICE	312,848	181,643	58.1	7.5	0.9	74,703	56,501	18.1
ACADEMIC SUPPORT	59,785,526	8,094,796	13.5	13.7	13.5	33,970,032	17,720,698	29.6
STUDENT SERVICES	35,753,814	5,561,383	15.6	16.4	16.8	23,079,931	7,112,500	19.9
GENERAL INSTITUTIONAL	75,750,262	12,266,173	16.2	9.1	8.7	15,538,399	47,945,690	63.3
ADMINISTRATION	79,464,547	19,531,303	24.6	14.8	21.6	40,696,870	19,236,373	24.2
PHYSICAL PLANT	34,233,064	5,734,169	16.8	16.4	15.3	24,685,667	3,813,227	11.1
CONTINGENCIES:								
COLLEGE CARRYFORWARD	29,579,568	0	0.0	0.0	0.0	0	29,579,568	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	0.0	0	900,000	100.0
TOTAL OPERATIONAL	555,286,039	76,442,169	13.8	11.4	12.5	277,727,863	201,116,007	36.2
By Object:								
PERSONAL SERVICES	315,022,443	38,361,274	12.2	12.3	12.6	212,179,987	64,481,182	20.5
EMPLOYEE BENEFITS	82,249,056	9,164,257	11.1	12.7	13.6	35,957,265	37,127,534	45.1
CONTRACTUAL SERVICES	34,930,946	6,101,731	17.5	17.1	16.3	11,616,870	17,212,346	49.3
SUPPLIES, MATERIALS, PARTS	9,361,654	963,605	10.3	10.0	8.3	3,261,980	5,136,069	54.9
CURRENT FIXED CHARGES	7,337,837	1,842,633	25.1	27.8	15.3	2,268,426	3,226,778	44.0
COMMUNICATIONS AND UTILITIES	14,500,391	2,221,031	15.3	14.0	14.2	12,205,505	73,855	0.5
TRAVEL	1,911,665	323,712	16.9	27.4	21.1	106,769	1,481,184	77.5
STUDENT AID AND MISCELLANEOUS	5,634,359	1,075,950	19.1	28.2	12.7	131,062	4,427,347	78.6
TRANSFERS-INTRAFUND	29,307,324	0	0.0	0.0	0.0	0	29,307,324	100.0
TRANSFERS TO OTHER FUNDS	21,292,439	16,387,976	77.0	12.9	40.2	0	4,904,463	23.0
CONTINGENCIES:								
COLLEGE CARRYFORWARD	29,579,568	0	0.0	0.0	0.0	0	29,579,568	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	0.0	0	900,000	100.0
TOTAL OPERATIONAL	555,286,039	76,442,169	13.8	11.4	12.5	277,727,863	201,116,007	36.2

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

**MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT
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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	2,264,760	0.7	0.6	0.9	317,760,630	-3,258,356	Projected, see (a)
STATE AID	57,528,300	14,382,075	25.0	25.0	24.1	57,528,300	0	Per State Budget
IN LIEU TAX, SALT RIVER PROJECT	4,816,598	0	0.0	0.0	0.0	4,816,598	0	Based on budget
GENERAL TUITION	116,216,100	46,909,682	40.4	39.5	40.6	116,216,100	0	Based on budget
OUT-OF-STATE TUITION	11,074,650	7,402,907	66.8	45.8	48.0	11,074,650	0	Based on budget
OUT-OF-COUNTY TUITION	492,045	25,700	5.2	11.3	19.9	492,045	0	Based on budget
OTHER FEES AND CHARGES	5,974,060	2,039,518	34.1	35.9	31.2	5,974,060	0	Based on budget
INVESTMENT INCOME	3,500,000	351,093	10.0	15.5	12.4	3,500,000	0	Based on budget
MISCELLANEOUS AND OTHER	910,000	92,243	10.1	8.1	13.3	910,000	0	Based on budget
TRANSFERS IN	3,586,200	0	0.0	0.0	0.0	3,586,200	0	Based on budget
COLLEGE CARRYFORWARD	30,169,100	21,667,000	71.8	100.0	100.0	21,667,000	-8,502,100	Revised 8-13-07
TOTAL	555,286,039	95,134,977	17.1	19.5	18.2	543,525,583	-11,760,456	
FINANCIAL CONDITION ANALYSIS								
						-21,667,000		
Less college carryforward						521,858,583		
Total projected revenues						-521,413,591		
Less total projected expenditures (c)						444,992		
Projected increase / (decrease) in fund balance						88,539,448		
Beginning fund balance (unaudited)						88,984,440		
Projected ending fund balance 6/30/08							17%	
Less projected designations for future operations								
3% college carryforward					9,945,589			
Enrollment Growth Funding					2,131,425			
Additional carryforward allocations					9,589,986			
Total budgeted designations:					21,667,000			
Operating costs (impact of capital development)					20,664,662			
Total other designations:						42,331,662		
Less minimum financial condition measure (d)						41,748,687		8%
Projected undesignated balance						4,904,091		

(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 projected 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
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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	Each year a transfer to the Auxiliary Fund for Meet & Confer occurs. This year the transfer occurred in July, in prior years it was October. The result is a higher percent expended year to date versus previous years.
General Institutional	Each year a transfer to the Auxiliary Fund for Meet & Confer occurs. This year the transfer occurred in July, in prior years it was October. The result is a higher percent expended year to date versus previous years.
Administration	Each year a transfer to the Auxiliary Fund for Meet & Confer occurs. This year the transfer occurred in July, in prior years it was October. The result is a higher percent expended year to date versus previous years.
Travel	A decrease in expenditures for international travel results in a lower percent expended year to date.
Student Aid & Misc	A decrease in expenditures for desktop computers results in a lower percent expended year to date.
Transfers to Other Funds	Each year a transfer to the Auxiliary Fund for Meet & Confer occurs. This year the transfer occurred in July, in prior years it was October. The result is a higher percent expended year to date versus previous years.

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. It is predicted that out of state revenue will move lower as students provide in-state residency documentation.
Out-of-County Tuition	A increase in budgeted revenue (+27%) coupled with a decrease in out of country revenue received year to date (-42%) results in a lower percent recognized versus the prior year.
Investment Income	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. Fluctuations can occur in the early part of the fiscal year due to the reversal of accruals from the previous fiscal year and the timing of the receipts in the current fiscal year. By the end of the first quarter, the year-to-year amounts should be comparable.