

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

Governing Board Agenda
 ITEM NUMBER

ITEM TITLE

Meeting Date: 01/22/08
 RESPONSIBLE AGENTS

Budget Analysis Report
 Fund 1: General Unrestricted Fund
 For the Sixth Month Ending 12/31/2007

Ms. Debra Thompson
 Ms. Kim Granio

Expenditure Summary: \$232.3M (year to date)

- Projected expenditure at year end: \$521.2M
- 41.8% of expenditures have been recognized year to date (versus 42.0% in 06/07 and 43.6% in 05/06).
- 27.5% of the budget remains unexpended or unencumbered (versus 27.6% last year).

Revenue Summary: \$336.4M (year to date)

- Projected revenue at year end: \$521.8M
- 60.6% of the budget has been recognized year to date (versus 59.4% in 06/07 and 59.4% 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 Affairs _____</p> <p>Business Services _____</p> <p>Human Resources _____</p> <p>Student & Com. Affairs/ITS _____</p> <p>College President _____</p>

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

**Fund 1: December 2007
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	242,690,183	108,841,895	44.8	45.0	45.8	78,690,629	55,157,659	22.7
PUBLIC SERVICE	305,260	208,719	68.4	74.3	37.9	48,189	48,351	15.8
ACADEMIC SUPPORT	62,472,459	25,655,892	41.1	40.8	41.1	22,722,436	14,094,131	22.6
STUDENT SERVICES	37,301,149	17,196,255	46.1	47.1	47.2	14,681,180	5,423,714	14.5
GENERAL INSTITUTIONAL	72,405,257	24,534,308	33.9	38.7	37.1	12,031,361	35,839,588	49.5
ADMINISTRATION	82,803,164	37,789,308	45.6	45.6	47.8	26,413,386	18,600,470	22.5
PHYSICAL PLANT	35,669,436	18,094,872	50.7	47.7	46.9	15,762,321	1,812,243	5.1
CONTINGENCIES:								
COLLEGE CARRYFORWARD	17,480,776	0	0.0	0.0	0.3	0	17,480,776	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	232,321,249	41.8	42.0	43.6	170,349,502	152,615,287	27.5
<u>By Object:</u>								
PERSONAL SERVICES	317,605,901	143,161,681	45.1	46.2	46.8	124,695,770	49,748,450	15.7
EMPLOYEE BENEFITS	81,028,335	34,763,800	42.9	43.4	44.4	22,480,400	23,784,135	29.4
CONTRACTUAL SERVICES	36,810,177	17,617,607	47.9	50.8	47.6	10,108,105	9,084,465	24.7
SUPPLIES, MATERIALS, PARTS	10,366,597	3,626,966	35.0	38.9	39.3	2,871,880	3,867,750	37.3
CURRENT FIXED CHARGES	7,443,995	5,601,940	75.3	55.9	59.2	1,663,094	178,961	2.4
COMMUNICATIONS AND UTILITIES	14,976,080	7,364,287	49.2	47.2	47.4	7,401,469	210,324	1.4
TRAVEL	2,613,873	1,069,147	40.9	49.1	45.2	97,817	1,446,909	55.4
STUDENT AID AND MISCELLANEOUS	10,358,157	2,311,758	22.3	32.0	25.4	103,393	7,943,007	76.7
TRANSFERS-INTRAFUND	29,474,609	0	0.0	0.0	0.0	777,575	28,697,034	97.4
TRANSFERS TO OTHER FUNDS	22,969,183	16,804,063	73.2	75.5	87.4	150,000	6,015,120	26.2
CONTINGENCIES:								
COLLEGE CARRYFORWARD	17,480,776	0	0.0	0.0	0.3	0	17,480,776	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	232,321,249	41.8	42.0	43.6	170,349,502	152,615,287	27.5

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

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

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	173,187,853	53.9	53.6	53.9	317,760,630	-3,258,356	Projected, see (a)
STATE AID	57,528,300	28,764,150	50.0	50.0	48.2	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	83,094,375	71.5	68.2	70.0	116,216,100	0	Based on budget
OUT-OF-STATE TUITION	11,074,650	12,072,319	109.0	76.2	83.1	11,074,650	0	Based on budget
OUT-OF-COUNTY TUITION	492,045	73,287	14.9	14.7	26.4	492,045	0	Based on budget
OTHER FEES AND CHARGES	5,974,060	3,651,312	61.1	62.9	58.5	5,974,060	0	Based on budget
INVESTMENT INCOME	3,500,000	2,740,236	78.3	68.8	59.9	3,500,000	0	Based on budget
MISCELLANEOUS AND OTHER	910,000	300,153	33.0	23.0	51.7	910,000	0	Based on budget
TRANSFERS IN	3,586,200	0	0.0	0.6	22.7	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	336,422,287	60.6	59.4	59.4	551,950,092	-3,335,947	
FINANCIAL CONDITION ANALYSIS								
						-30,169,100		
Less college carryforward						521,780,992		
Total projected revenues						-521,247,005		
Less total projected expenditures (c)						533,987		
Projected increase / (decrease) in fund balance						88,539,448		
Beginning fund balance (audited)						89,073,435		
Projected ending fund balance 6/30/08							17%	
Less projected designations for future operations								
3% college carryforward					9,734,891			
Enrollment Growth Funding					2,116,350			
Additional carryforward allocations					18,317,859			
Total budgeted designations:					30,169,100			
Additional operating costs (impact of capital development)					10,142,944			
Total other designations:						40,312,044		
Less minimum financial condition measure (d)						42,009,355		8%
Less minimum financial condition measure for future years						5,600,000		
Projected undesignated balance						1,152,036		

(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
December 2007**

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 a timing difference of the allocation of property insurance premiums in December 2007 as opposed to January 2007 for FY06, as well as higher rents at some MCC satellites, 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 November 2006.

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.
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.
Investment Income	The variance is primarily due to the increase in budgeted amounts in anticipation of a continually improving market environment. A timing difference due to the early receipt of the Maricopa County Treasurer's interest caused December to be higher in FY08 than last fiscal year. In past years, the interest has been received in January rather than December. 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.