

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

Governing Board Agenda
 ITEM NUMBER

ITEM TITLE

Meeting Date: 03/25/08
 RESPONSIBLE AGENTS

Budget Analysis Report
 Fund 1: General Unrestricted Fund
 For the Eight Months Ending 2/29/2008

Ms. Debra Thompson
 Ms. Kim Granio

Expenditure Summary: \$371.5M (year to date)

- Projected expenditure at year end: \$522.0M
- 57.2% of expenditures have been recognized year to date (versus 57.9% in 06/07 and 58.5% in 05/06).
- 20.1% of the budget remains unexpended or unencumbered (versus 20.1% last year).

Revenue Summary: \$388.4M (year to date)

- Projected revenue at year end: \$522.6M
- 69.9% of the budget has been recognized year to date (versus 68.0% in 06/07 and 68.4% 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.
- MCCCDC 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
February 2008**

**Fund 1: February 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	246,937,365	152,739,434	61.9	62.8	60.9	62,581,517	31,616,415	12.8
PUBLIC SERVICE	306,679	226,130	73.7	79.7	78.1	46,622	33,927	11.1
ACADEMIC SUPPORT	63,064,701	35,541,136	56.4	56.9	54.4	15,503,623	12,019,942	19.1
STUDENT SERVICES	37,929,259	24,089,284	63.5	65.8	62.4	9,494,493	4,345,482	11.5
GENERAL INSTITUTIONAL	67,129,681	30,227,326	45.0	48.8	46.2	9,150,286	27,752,070	41.3
ADMINISTRATION	82,038,316	50,566,148	61.6	61.9	70.2	17,798,610	13,673,558	16.7
PHYSICAL PLANT	36,240,905	24,143,772	66.6	65.6	62.7	11,546,100	551,033	1.5
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	317,533,229	57.2	57.9	58.5	126,121,251	111,631,559	20.1
<u>By Object:</u>								
PERSONAL SERVICES	317,551,102	202,042,987	63.6	65.3	61.9	89,285,873	26,222,243	8.3
EMPLOYEE BENEFITS	81,087,964	49,512,856	61.1	62.9	62.1	16,953,526	14,621,582	18.0
CONTRACTUAL SERVICES	37,210,332	22,006,176	59.1	64.4	62.4	9,267,573	5,936,582	16.0
SUPPLIES, MATERIALS, PARTS	10,396,679	4,921,840	47.3	49.0	53.3	2,554,654	2,920,185	28.1
CURRENT FIXED CHARGES	7,648,454	6,167,471	80.6	63.4	70.6	1,480,483	501	0.0
COMMUNICATIONS AND UTILITIES	15,160,919	9,742,919	64.3	60.8	60.4	5,397,143	20,857	0.1
TRAVEL	2,725,328	1,304,244	47.9	59.2	57.1	177,095	1,243,989	45.6
STUDENT AID AND MISCELLANEOUS	10,058,662	3,371,608	33.5	31.8	27.9	77,330	6,609,724	65.7
TRANSFERS-INTRAFUND	28,489,516	0	0.0	0.0	10.9	777,575	27,711,941	97.3
TRANSFERS TO OTHER FUNDS	23,317,951	18,463,128	79.2	83.6	102.6	150,000	4,704,823	20.2
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	317,533,229	57.2	57.9	58.5	126,121,251	111,631,559	20.1

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

**MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT
BUDGET ANALYSIS REPORT
February 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	189,756,839	59.1	58.0	58.5	317,760,630	-3,258,356	Projected, see (a)
STATE AID	57,528,300	43,146,225	75.0	75.0	75.0	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	98,433,360	84.7	80.4	81.2	116,216,100	0	Based on budget
OUT-OF-STATE TUITION	11,074,650	13,437,795	121.3	86.5	89.7	11,074,650	0	Based on budget
OUT-OF-COUNTY TUITION	492,045	225,687	45.9	60.0	95.7	492,045	0	Based on budget
OTHER FEES AND CHARGES	5,974,060	4,526,672	75.8	77.9	73.8	5,974,060	0	Based on budget
INVESTMENT INCOME	3,500,000	3,781,530	108.0	135.0	134.5	4,300,000	800,000	Based on budget
MISCELLANEOUS AND OTHER	910,000	569,414	62.6	52.4	101.9	910,000	0	Based on budget
TRANSFERS IN	3,586,200	2,000,000	55.8	0.6	62.4	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	388,416,125	69.9	68.0	68.4	552,750,092	-2,535,947	
FINANCIAL CONDITION ANALYSIS								
						-30,169,100		
Less college carryforward						522,580,992		
Total projected revenues						-522,046,617		
Less total projected expenditures (c)						534,375		
Projected increase / (decrease) in fund balance						88,539,448		
Beginning fund balance (audited)						89,073,823		
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						1,152,424		

(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
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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	In FY07, there were payments made for services related to the MCCCCD AZ Issues programs, in which no services have been performed in FY08.
Contractual Services	A decrease in 3rd party service providers at Rio in FY 08 results in a decrease of expense in Contractual Services recognized year-to-date.
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.

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	An increase in the budgeted Out-of-County tuition (+27%) results in lower Out of County tuition percent recognized year-to-date.
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 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.
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.