

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

Governing Board Agenda
 ITEM NUMBER

ITEM TITLE

Meeting Date: 02/26/08
 RESPONSIBLE AGENTS

Budget Analysis Report
 Fund 1: General Unrestricted Fund
 For the Seventh Month Ending 1/31/2008

Ms. Debra Thompson
 Ms. Kim Granio

Expenditure Summary: \$281.5M (year to date)

- Projected expenditure at year end: \$522.0M
- 50.7% of expenditures have been recognized year to date (versus 50.9% in 06/07 and 51.2% in 05/06).
- 21.9% of the budget remains unexpended or unencumbered (versus 22.2% last year).

Revenue Summary: \$373.7M (year to date)

- Projected revenue at year end: \$521.8M
- 67.3% of the budget has been recognized year to date (versus 66.1% in 06/07 and 66.2% 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.
- 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
January 2008**

**Fund 1: January 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	245,934,772	133,197,786	54.2	54.6	52.5	77,604,295	35,132,691	14.3
PUBLIC SERVICE	306,575	218,909	71.4	77.6	41.4	51,209	36,457	11.9
ACADEMIC SUPPORT	62,972,808	31,473,739	50.0	50.3	47.5	18,368,406	13,130,664	20.9
STUDENT SERVICES	37,754,364	21,282,520	56.4	58.3	54.7	11,793,600	4,678,244	12.4
GENERAL INSTITUTIONAL	68,639,811	28,309,026	41.2	43.4	40.5	9,954,972	30,375,813	44.3
ADMINISTRATION	81,874,949	45,551,833	55.6	55.6	63.8	21,321,054	15,002,062	18.3
PHYSICAL PLANT	36,163,628	21,516,098	59.5	59.1	56.3	13,167,857	1,479,673	4.1
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	0.0	0	900,000	100.0
TOTAL OPERATIONAL	555,286,039	281,549,910	50.7	50.9	51.2	152,261,393	121,474,735	21.9
 <u>By Object:</u>								
PERSONAL SERVICES	317,313,441	176,031,232	55.5	56.9	53.5	111,101,476	30,180,733	9.5
EMPLOYEE BENEFITS	81,058,068	43,906,822	54.2	54.8	53.6	20,364,298	16,786,947	20.7
CONTRACTUAL SERVICES	36,894,087	20,290,614	55.0	57.0	55.2	9,161,380	7,442,093	20.2
SUPPLIES, MATERIALS, PARTS	10,397,091	4,214,602	40.5	44.6	46.4	2,724,805	3,457,684	33.3
CURRENT FIXED CHARGES	7,444,823	5,898,732	79.2	60.6	67.7	1,546,044	47	0.0
COMMUNICATIONS AND UTILITIES	15,160,672	8,678,160	57.2	55.3	55.0	6,285,735	196,776	1.3
TRAVEL	2,647,884	1,144,749	43.2	53.6	48.9	101,238	1,401,897	52.9
STUDENT AID AND MISCELLANEOUS	10,024,829	3,461,938	34.5	39.1	34.6	48,841	6,514,050	65.0
TRANSFERS-INTRAFUND	29,630,120	0	0.0	0.0	9.9	777,575	28,852,545	97.4
TRANSFERS TO OTHER FUNDS	23,075,891	17,923,060	77.7	80.5	97.6	150,000	5,002,831	21.7
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	0.0	0	900,000	100.0
TOTAL OPERATIONAL	555,286,039	281,549,910	50.7	50.9	51.2	152,261,393	121,474,735	21.9

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

**MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT
BUDGET ANALYSIS REPORT
January 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	178,982,479	55.8	55.6	55.5	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	96,018,858	82.6	78.5	79.6	116,216,100	0	Based on budget
OUT-OF-STATE TUITION	11,074,650	12,518,112	113.0	88.2	89.0	11,074,650	0	Based on budget
OUT-OF-COUNTY TUITION	492,045	230,213	46.8	57.1	98.3	492,045	0	Based on budget
OTHER FEES AND CHARGES	5,974,060	4,351,410	72.8	74.7	69.8	5,974,060	0	Based on budget
INVESTMENT INCOME	3,500,000	3,316,430	94.8	111.5	105.2	4,300,000	800,000	Based on budget
MISCELLANEOUS AND OTHER	910,000	551,953	60.7	44.6	97.2	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	373,654,284	67.3	66.1	66.2	552,750,092	-2,535,947	
FINANCIAL CONDITION ANALYSIS								
						-30,169,100		
						522,580,992		
						-522,046,617		
						534,375		
						88,539,448		
						89,073,823		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		
						1,152,424		

(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
BUDGET ANALYSIS REPORT
January 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.

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.