

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

Governing Board Agenda  
 ITEM NUMBER

Meeting Date: 8/24/07  
 RESPONSIBLE AGENTS

ITEM TITLE  
 Budget Analysis Report  
 Fund 1: General Unrestricted Fund  
 For the First Month Ending 7/31/2007

Ms. Debra Thompson  
 Ms. Kim Granio

Expenditure Summary: \$43.7M (year to date)

- Projected expenditure at year end: \$521.4M
- 7.9% of expenditures have been recognized year to date (versus 5.3% in 06/07 and 5.6% in 05/06).
- 43.3% of the budget remains unexpended or unencumbered (versus 46.1% last year).

Revenue Summary: \$82.0M (year to date)

- Projected revenue at year end: \$521.9M
- 14.8% of the budget has been recognized year to date (versus 14.9% in 06/07 and 15.4% in 05/06).

Fund Balance and Financial Stability Requirements

- Projections are for the Fund 1 balance to increase by ~\$0.4M (from \$84.8M to \$85.2M) in FY 06-07.
- MCCCCD is required to maintain a financial stability balance equal to 8% of the annual projected revenue. This currently equates to \$41.8M. The remaining fund balance of \$43.4M 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.

<b>Funding</b>	<b>Approvals/Certifications</b>
<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 &amp; Com. Affairs _____</p> <p>College President _____</p>

**MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT**  
**BUDGET ANALYSIS REPORT**  
**FUND 1 - CURRENT UNRESTRICTED FUND**  
July 1, 2007 through July 31, 2007

**EXPENDITURE ANALYSIS**

<b>By Function:</b>	<b>Budget (a)</b>	<b>Amount Expended</b>	<b>Percent Expended 07-08</b>	<b>Percent Expended 06-07</b>	<b>Percent Expended 05-06</b>	<b>Amount Encumbered</b>	<b>Unencumbered Balance Available</b>	<b>Percent of Budget Available</b>
INSTRUCTION	236,381,171	11,607,813	4.9	5.1	5.1	124,241,136	100,532,221	42.5
PUBLIC SERVICE	297,743	103,188	34.7	2.8	0.3	81,079	113,475	38.1
ACADEMIC SUPPORT	59,695,083	3,953,753	6.6	6.5	6.9	35,909,407	19,831,923	33.2
STUDENT SERVICES	35,759,509	2,829,316	7.9	8.2	8.7	24,679,529	8,250,664	23.1
GENERAL INSTITUTIONAL	75,720,691	8,100,816	10.7	4.7	4.5	16,148,626	51,471,250	68.0
ADMINISTRATION	79,638,169	14,400,465	18.1	6.5	7.2	42,995,602	22,242,102	27.9
PHYSICAL PLANT	34,055,749	2,696,837	7.9	6.5	6.6	26,993,741	4,365,172	12.8
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
<b>TOTAL OPERATIONAL</b>	<b>555,286,039</b>	<b>43,692,189</b>	<b>7.9</b>	<b>5.3</b>	<b>5.6</b>	<b>271,049,120</b>	<b>240,544,730</b>	<b>43.3</b>
<b>By Object:</b>								
PERSONAL SERVICES	316,141,031	18,750,172	5.9	5.9	6.2	208,224,653	89,166,207	28.2
EMPLOYEE BENEFITS	82,294,143	4,905,392	6.0	6.0	7.0	35,436,283	41,952,468	51.0
CONTRACTUAL SERVICES	34,607,768	1,344,297	3.9	6.7	8.2	8,653,359	24,610,112	71.1
SUPPLIES, MATERIALS, PARTS	9,309,354	325,790	3.5	2.2	0.8	3,224,944	5,758,620	61.9
CURRENT FIXED CHARGES	7,274,832	1,428,392	19.6	17.5	8.2	2,376,719	3,469,721	47.7
COMMUNICATIONS AND UTILITIES	14,368,562	802,497	5.6	4.0	5.1	12,954,315	611,750	4.3
TRAVEL	1,834,369	194,784	10.6	18.3	11.3	111,957	1,527,627	83.3
STUDENT AID AND MISCELLANEOUS	5,131,086	488,854	9.5	17.4	12.7	66,890	4,575,342	89.2
TRANSFERS-INTRAFUND	29,365,530	0	0.0	0.0	0.0	0	29,365,530	100.0
TRANSFERS TO OTHER FUNDS	21,221,439	15,452,010	72.8	5.0	6.4	0	5,769,429	27.2
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
<b>TOTAL OPERATIONAL</b>	<b>555,286,039</b>	<b>43,692,189</b>	<b>7.9</b>	<b>5.3</b>	<b>5.6</b>	<b>271,049,120</b>	<b>240,544,730</b>	<b>43.3</b>

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

**MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT**  
**BUDGET ANALYSIS REPORT**  
**FUND 1 - CURRENT UNRESTRICTED FUND**  
July 1, 2007 through July 31, 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	1,753,419	0.5	0.3	0.5	317,760,630	-3,258,356	Projected, see (a)
STATE AID	57,528,300	14,382,075	25.0	25.0	25.0	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	34,354,663	29.6	29.2	30.1	116,216,100	0	Based on budget
OUT-OF-STATE TUITION	11,074,650	8,377,342	75.6	38.3	39.6	11,074,650	0	Based on budget
OUT-OF-COUNTY TUITION	492,045	57,245	11.6	25.7	34.2	492,045	0	Based on budget
OTHER FEES AND CHARGES	5,974,060	1,371,524	23.0	24.1	19.2	5,974,060	0	Based on budget
INVESTMENT INCOME	3,500,000	0	0.0	0.0	0.0	3,500,000	0	Based on budget
MISCELLANEOUS AND OTHER	910,000	38,690	4.3	4.9	5.7	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	71.2	100.0	21,667,000	-8,502,100	Revised 8-13-07
<b>TOTAL</b>	<b>555,286,039</b>	<b>82,001,957</b>	<b>14.8</b>	<b>14.9</b>	<b>15.4</b>	<b>543,525,583</b>	<b>-11,760,456</b>	
<b>FINANCIAL CONDITION ANALYSIS</b>								
Less college carryforward						-21,667,000		
Total projected revenues						521,858,583		
Less total projected expenditures ( c )						-521,413,591		
Projected increase / (decrease) in fund balance						444,992		
Beginning fund balance (preliminary and unaudited)						84,779,774		
Projected ending fund balance 6/30/08						85,224,766		16%
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						1,144,417		

(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 (+21%) 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.