

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

Governing Board Agenda

Meeting Date: 10/28/07

ITEM NUMBER	ITEM TITLE	RESPONSIBLE AGENTS
	Budget Analysis Report Fund 1: General Unrestricted Fund For Twelve Months Ending 6/30/08 - Final	Ms. Debra Thompson Ms. Kim Granio

Expenditure Summary: \$ 505.0M

- 91.0% of expenditures were recognized this year (versus 88.8.7% in 06/07 and 91.7% in 05/06).
- 9.0% of the budget remained unexpended or unencumbered at year end (versus 11.2% last year).

Revenue Summary: \$ 548.6M

- 98.8% of the budget was recognized this year (versus 96.6% in 06/07 and 96.7% in 05/06).

Fund Balance and Financial Stability Requirements

- The Fund 1 balance increased by \$13.4M (from \$88.5M to \$101.9M) in FY 07-08.
- MCCCCD is required to maintain a financial stability balance equal to 8% of the annual projected revenue. This equated to \$45.7M. The remaining fund balance of \$56.2M is comprised of college carryforward, enrollment growth funding, additional carryforward allocations, minimum financial condition measure for future years, and a projected undesignated balance of \$1.3M.

Items of Particular Interest: Substantial Deviations from Budget or Expectations

- The transfer to other funds line shows an unencumbered balance available of (2,169,944). This is the additional transfer to the Medical Insurance Claim Reserve, approved by the Governing Board at its June 10, 2008 meeting.

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 & Student Affairs _____</p> <p>Business Services _____</p> <p>Human Resources _____</p> <p>Res Dev & Com Affairs _____ ITS _____</p> <p>College President _____</p>

MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT
 BUDGET ANALYSIS REPORT
 July 1, 2007 through June 30, 2008
 Final

Fund 1: June 2008

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	250,095,090	237,567,116	95.0	93.1	94.9	0	12,527,974	5.0
PUBLIC SERVICE	428,408	406,138	94.8	96.5	96.8	0	22,270	5.2
ACADEMIC SUPPORT	64,869,883	55,556,763	85.6	87.4	87.7	0	9,313,120	14.4
STUDENT SERVICES	40,253,040	38,706,452	96.2	96.9	97.1	0	1,546,587	3.8
GENERAL INSTITUTIONAL	55,387,652	49,422,142	89.2	89.2	80.6	0	5,965,510	10.8
ADMINISTRATION	81,546,639	79,757,145	97.8	95.9	98.1	0	1,789,494	2.2
PHYSICAL PLANT	44,176,866	43,547,446	98.6	98.0	95.3	0	629,419	1.4
CONTINGENCIES:								
COLLEGE CARRYFORWARD	14,370,105	0	0.0	-31.0	3.7	0	14,370,105	100.0
UNCOLLECTED TAX LEVY	3,258,356	81,975	2.5	8.3	0.0	0	3,176,381	97.5
BASIC	900,000	0	0.0	0.0	100.0	0	900,000	100.0
TOTAL OPERATIONAL	555,286,039	505,045,178	91.0	88.8	91.7	0	50,240,861	9.0
 <u>By Object:</u>								
PERSONAL SERVICES	319,457,301	313,364,781	98.1	98.1	99.4	0	6,092,521	1.9
EMPLOYEE BENEFITS	80,417,138	77,929,074	96.9	98.2	99.1	0	2,488,065	3.1
CONTRACTUAL SERVICES	39,085,580	38,828,108	99.3	97.3	95.4	0	257,472	0.7
SUPPLIES, MATERIALS, PARTS	10,970,983	10,742,958	97.9	90.9	96.6	0	228,025	2.1
CURRENT FIXED CHARGES	7,420,746	7,293,155	98.3	89.7	84.0	0	127,592	1.7
COMMUNICATIONS AND UTILITIES	15,495,488	15,188,117	98.0	95.6	92.4	0	307,371	2.0
TRAVEL	3,339,787	2,689,759	80.5	88.0	91.5	0	650,028	19.5
STUDENT AID AND MISCELLANEOUS	9,232,585	4,671,222	50.6	71.9	57.1	0	4,561,362	49.4
TRANSFERS-INTRAFUND	19,251,884	0	0.0	0.7	10.6	0	19,251,884	100.0
TRANSFERS TO OTHER FUNDS	32,086,085	34,256,029	106.8	96.7	112.1	0	-2,169,944	(6.8)
CONTINGENCIES:								
COLLEGE CARRYFORWARD	14,370,105	0	0.0	-31.0	3.7	0	14,370,105	100.0
UNCOLLECTED TAX LEVY	3,258,356	81,975	2.5	8.3	0.0	0	3,176,381	97.5
BASIC	900,000	0	0.0	0.0	100.0	0	900,000	100.0
TOTAL OPERATIONAL	555,286,039	505,045,178	91.0	88.8	91.7	0	50,240,861	9.0

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

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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	319,353,423	99.5	98.5	98.4	319,353,423	-1,665,563	Projected, see (a)
STATE AID	57,528,300	57,528,300	100.0	100.0	100.0	57,528,300	0	Per State Budget
IN LIEU TAX, SALT RIVER PROJECT	4,816,598	4,741,676	98.4	98.6	96.9	4,741,676	-74,922	Based on budget
GENERAL TUITION	116,216,100	110,266,981	94.9	89.8	90.8	110,266,981	-5,949,119	Based on budget
OUT-OF-STATE TUITION	11,074,650	13,849,902	125.1	92.3	87.7	13,849,902	2,775,252	Based on budget
OUT-OF-COUNTY TUITION	492,045	424,683	86.3	100.2	198.9	424,683	-67,362	Based on budget
OTHER FEES AND CHARGES	5,974,060	5,543,467	92.8	93.9	94.3	5,543,467	-430,593	Based on budget
INVESTMENT INCOME	3,500,000	5,802,071	165.8	256.6	219.6	5,802,071	2,302,071	Based on budget
MISCELLANEOUS AND OTHER	910,000	920,737	101.2	195.2	169.6	920,737	10,737	Based on budget
TRANSFERS IN	3,586,200	0	0.0	1.0	62.8	0	-3,586,200	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	548,600,340	98.8	96.6	96.7	548,600,340	-6,685,699	

FINANCIAL CONDITION ANALYSIS			% of Projected Revenues
Less college carryforward		-30,169,100	
Total projected revenues		518,431,240	
Less total projected expenditures (c)		-505,045,178	
Projected increase / (decrease) in fund balance		13,386,062	
Beginning fund balance (audited)		88,539,448	
Projected ending fund balance 6/30/08		101,925,510	20%
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)		45,656,903	
Less minimum financial condition measure for future years		8,400,000	
Less reserve for retirement incentive		3,800,000	
Less additional funding for medical insurance reserve		2,500,000	
Projected undesignated balance		1,256,563	

(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.

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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.

Supplies, Materials, Parts	Increase due to additional transfers from other funds in FY08 compared to FY07.
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 during FY08.
Student Aid and Misc.	The lower percentage recognized in FY08 is due to a reduction in the contingent liability for FY08.
Transfer to Other Funds	Increase due to a larger meet and confer transfer, additional transfers from fund 110 to 230, and a transfer of additional funds to the self insurance reserve in FY08.

REVENUE COMMENTS

General Tuition	A decrease in the budgeted amount for FY08 along with an increase in amount recognized in FY08 results in a higher percent recognized in FY08.
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.
Out-of-County Tuition	An increase in the budgeted Out-of-County tuition (+27%) results in lower Out of County tuition percent recognized during FY08.
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.
Misc. Income and Other	A lower percent has been recognized during FY08 due to rent payments and a lease buyout payment that were received in FY07 for the Emerald Point building.