

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

Governing Board Agenda  
 ITEM NUMBER

Meeting Date: 04/29/08  
 RESPONSIBLE AGENTS

ITEM TITLE  
 Budget Analysis Report  
 Fund 1: General Unrestricted Fund  
 For the Nine Months Ending 3/31/2008

Ms. Debra Thompson  
 Ms. Kim Granio

Expenditure Summary: \$357.1M (year to date)

- Projected expenditure at year end: \$522.0M
- 64.3% of expenditures have been recognized year to date (versus 64.7% in 06/07 and 68.8% in 05/06).
- 18.2% of the budget remains unexpended or unencumbered (versus 18.4% last year).

Revenue Summary: \$405.8M (year to date)

- Projected revenue at year end: \$522.6M
- 73.1% of the budget has been recognized year to date (versus 71.6% in 06/07 and 72.0% 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.

<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/ITS _____</p> <p>College President _____</p>

**MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT  
BUDGET ANALYSIS REPORT  
March 2008**

**Fund 1: March 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	248,413,966	173,695,408	69.9	70.6	73.0	46,676,849	28,041,710	11.3
PUBLIC SERVICE	321,135	230,922	71.9	82.2	84.3	41,740	48,473	15.1
ACADEMIC SUPPORT	63,750,172	39,732,952	62.3	63.9	63.9	12,263,681	11,753,538	18.4
STUDENT SERVICES	38,204,970	26,972,556	70.6	73.1	72.6	7,592,236	3,640,178	9.5
GENERAL INSTITUTIONAL	64,716,486	33,229,768	51.3	55.0	54.5	7,227,839	24,258,879	37.5
ADMINISTRATION	81,846,432	56,302,249	68.8	67.6	79.0	14,269,090	11,275,092	13.8
PHYSICAL PLANT	36,414,666	26,896,261	73.9	72.5	70.4	9,158,391	360,014	1.0
CONTINGENCIES:								
COLLEGE CARRYFORWARD	17,459,856	0	0.0	0.0	1.0	0	17,459,856	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
<b>TOTAL OPERATIONAL</b>	<b>555,286,039</b>	<b>357,060,115</b>	<b>64.3</b>	<b>64.7</b>	<b>68.8</b>	<b>97,229,827</b>	<b>100,996,097</b>	<b>18.2</b>
 <b>By Object:</b>								
PERSONAL SERVICES	318,141,314	228,054,022	71.7	73.4	74.5	66,897,910	23,189,382	7.3
EMPLOYEE BENEFITS	81,100,225	56,003,766	69.1	69.9	73.5	13,494,876	11,601,583	14.3
CONTRACTUAL SERVICES	37,220,350	25,280,182	67.9	71.0	69.7	7,604,936	4,335,231	11.6
SUPPLIES, MATERIALS, PARTS	9,722,965	5,632,475	57.9	59.8	61.6	2,442,329	1,648,161	17.0
CURRENT FIXED CHARGES	7,673,170	6,384,275	83.2	68.9	68.8	1,144,501	144,394	1.9
COMMUNICATIONS AND UTILITIES	15,348,889	10,778,428	70.2	67.8	65.8	4,541,802	28,659	0.2
TRAVEL	3,275,112	1,576,854	48.1	64.9	62.0	168,657	1,529,600	46.7
STUDENT AID AND MISCELLANEOUS	9,769,761	3,789,563	38.8	41.3	35.2	7,240	5,972,958	61.1
TRANSFERS-INTRAFUND	27,562,429	0	0.0	0.0	11.8	777,575	26,784,854	97.2
TRANSFERS TO OTHER FUNDS	23,853,612	19,560,549	82.0	84.2	103.3	150,000	4,143,063	17.4
CONTINGENCIES:								
COLLEGE CARRYFORWARD	17,459,856	0	0.0	0.0	0.3	0	17,459,856	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
<b>TOTAL OPERATIONAL</b>	<b>555,286,039</b>	<b>357,060,115</b>	<b>64.3</b>	<b>64.7</b>	<b>68.8</b>	<b>97,229,827</b>	<b>100,996,097</b>	<b>18.2</b>

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

**MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT  
BUDGET ANALYSIS REPORT  
March 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	203,238,355	63.3	62.7	63.4	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	101,340,418	87.2	82.9	84.4	116,216,100	0	Based on budget
OUT-OF-STATE TUITION	11,074,650	13,690,892	123.6	93.5	92.3	11,074,650	0	Based on budget
OUT-OF-COUNTY TUITION	492,045	219,063	44.5	58.2	106.4	492,045	0	Based on budget
OTHER FEES AND CHARGES	5,974,060	4,777,416	80.0	82.0	79.8	5,974,060	0	Based on budget
INVESTMENT INCOME	3,500,000	4,282,298	122.4	154.4	150.3	4,300,000	800,000	Based on budget
MISCELLANEOUS AND OTHER	910,000	611,233	67.2	128.1	122.8	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
<b>TOTAL</b>	<b>555,286,039</b>	<b>405,844,503</b>	<b>73.1</b>	<b>71.6</b>	<b>72.0</b>	<b>552,750,092</b>	<b>-2,535,947</b>	
<b>FINANCIAL CONDITION ANALYSIS</b>								
						-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  
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March 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.
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.
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.
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.
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.