

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

Governing Board Agenda
 ITEM NUMBER

ITEM TITLE

Meeting Date: 11/27/07
 RESPONSIBLE AGENTS

Budget Analysis Report
 Fund 1: General Unrestricted Fund
 For the Fourth Month Ending 10/31/2007

Ms. Debra Thompson
 Ms. Kim Granio

Expenditure Summary: \$153.0M (year to date)

- Projected expenditure at year end: \$521.4M
- 27.6% of expenditures have been recognized year to date (versus 27.7% in 06/07 and 28.6% in 05/06).
- 31.7% of the budget remains unexpended or unencumbered (versus 31.7% last year).

Revenue Summary: \$256.1M (year to date)

- Projected revenue at year end: \$521.9M
- 46.1% of the budget has been recognized year to date (versus 46.1% in 06/07 and 45.9% 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.
- MCCCCD 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 _____</p> <p>College President _____</p>

**MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT
BUDGET ANALYSIS REPORT
October 2007**

**Fund 1: October 2007
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	240,317,387	66,428,718	27.6	27.8	28.1	112,406,587	61,482,081	25.6
PUBLIC SERVICE	310,174	195,689	63.1	67.7	26.9	61,414	53,071	17.1
ACADEMIC SUPPORT	61,442,097	16,840,127	27.4	27.2	27.5	28,173,541	16,428,428	26.7
STUDENT SERVICES	36,617,885	11,385,559	31.1	32.1	32.1	19,146,494	6,085,832	16.6
GENERAL INSTITUTIONAL	76,899,516	18,140,957	23.6	26.4	24.7	13,211,422	45,547,138	59.2
ADMINISTRATION	82,698,506	28,187,678	34.1	34.0	36.2	33,196,577	21,314,250	25.8
PHYSICAL PLANT	35,177,491	11,849,681	33.7	33.0	32.0	19,874,071	3,453,738	9.8
CONTINGENCIES:								
COLLEGE CARRYFORWARD	17,664,627	0	0.0	0.0	0.3	0	17,664,627	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	153,028,409	27.6	27.7	28.6	226,070,107	176,187,523	31.7
By Object:								
PERSONAL SERVICES	316,417,673	90,491,800	28.6	29.2	29.6	171,247,065	54,678,808	17.3
EMPLOYEE BENEFITS	81,067,403	21,954,847	27.1	27.5	28.6	29,442,101	29,670,455	36.6
CONTRACTUAL SERVICES	36,250,071	12,174,150	33.6	35.5	31.8	10,689,629	13,386,292	36.9
SUPPLIES, MATERIALS, PARTS	10,296,771	2,428,106	23.6	26.8	26.1	2,920,391	4,948,273	48.1
CURRENT FIXED CHARGES	7,400,076	2,705,161	36.6	30.0	26.7	2,100,951	2,593,964	35.1
COMMUNICATIONS AND UTILITIES	14,837,410	5,018,305	33.8	32.2	31.7	9,416,045	403,061	2.7
TRAVEL	2,397,330	645,626	26.9	36.4	33.9	115,915	1,635,788	68.2
STUDENT AID AND MISCELLANEOUS	11,408,828	1,705,670	15.0	18.9	19.6	138,010	9,565,148	83.8
TRANSFERS-INTRAFUND	30,796,846	0	0.0	0.0	0.0	0	30,796,846	100.0
TRANSFERS TO OTHER FUNDS	22,590,649	15,904,744	70.4	74.7	86.2	0	6,685,905	29.6
CONTINGENCIES:								
COLLEGE CARRYFORWARD	17,664,627	0	0.0	0.0	0.3	0	17,664,627	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	153,028,409	27.6	27.7	28.6	226,070,107	176,187,523	31.7

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

**MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT
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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	122,772,349	38.2	37.9	39.3	317,760,630	-3,258,356	Projected, see (a)
STATE AID	57,528,300	28,764,150	50.0	50.0	48.2	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	61,512,776	52.9	52.3	52.1	116,216,100	0	Based on budget
OUT-OF-STATE TUITION	11,074,650	8,701,614	78.6	57.4	59.0	11,074,650	0	Based on budget
OUT-OF-COUNTY TUITION	492,045	41,030	8.3	12.4	20.5	492,045	0	Based on budget
OTHER FEES AND CHARGES	5,974,060	2,773,009	46.4	48.9	43.3	5,974,060	0	Based on budget
INVESTMENT INCOME	3,500,000	1,155,316	33.0	44.4	31.0	3,500,000	0	Based on budget
MISCELLANEOUS AND OTHER	910,000	203,894	22.4	15.3	44.3	910,000	0	Based on budget
TRANSFERS IN	3,586,200	0	0.0	0.0	22.7	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	256,093,236	46.1	46.1	45.9	552,027,683	-3,258,356	
FINANCIAL CONDITION ANALYSIS								
Less college carryforward						-30,169,100		
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 (unaudited)						88,539,448		
Projected ending fund balance 6/30/08						88,984,440		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			
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						1,063,041		

(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.

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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

Current Fixed Charges	Timing of Facilities / Rentals payments results in higher percent year to date.
Travel	A decrease in expenditures for international travel results in a lower percent expended year to date.
REVENUE COMMENTS	
Property Tax	Projections are based on preliminary maximum primary levy estimates from the Maricopa County Finance Department, adjusted down by approximately 1% for uncollectibles.
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 (+27%) coupled with a decrease in out of country revenue received year to date (-15%) results in a lower percent recognized versus the prior year.
Misc. Income and Other	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 - the higher percent recognized to date is primarily due to the timing of the write-off.
Investment Income	Represents earnings on operating funds held by the State and County Treasurers. Earnings were allocated monthly and quarterly, respectively. Projected revenues are based on market and general economic conditions, both of which have improved in recent years. The variance is primarily due to the increase in budgeted amounts in anticipation of a continued improving market environment.