

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

Governing Board Agenda
 ITEM NUMBER

ITEM TITLE

Meeting Date: 10/23/07
 RESPONSIBLE AGENTS

Budget Analysis Report
 Fund 1: General Unrestricted Fund
 For the Third Month Ending 9/30/2007

Ms. Debra Thompson
 Ms. Kim Granio

Expenditure Summary: \$114.8M (year to date)

- Projected expenditure at year end: \$521.4M
- 20.7% of expenditures have been recognized year to date (versus 18.4% in 06/07 and 21.2% in 05/06).
- 33.4% of the budget remains unexpended or unencumbered (versus 39.3% last year).

Revenue Summary: \$115.7M (year to date)

- Projected revenue at year end: \$521.9M
- 20.8% of the budget has been recognized year to date (versus 22.1% in 06/07 and 22.0% 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.
- MCCCCD is required to maintain a financial stability balance equal to 8% of the annual projected revenue. This currently equates to \$41.7M. The remaining fund balance of \$47.3M 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 \$4.9M.

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
September 2007**

**Fund 1: September 2007
EXPENDITURE ANALYSIS**

By Function:	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	237,221,339	44,799,280	18.9	19.0	19.5	127,945,509	64,476,550	27.2
PUBLIC SERVICE	309,965	188,837	60.9	42.2	25.4	67,909	53,218	17.2
ACADEMIC SUPPORT	60,133,376	12,601,584	21.0	20.1	20.7	31,321,436	16,210,356	27.0
STUDENT SERVICES	36,164,834	8,511,551	23.5	24.3	24.2	21,573,948	6,079,335	16.8
GENERAL INSTITUTIONAL	73,844,856	15,135,209	20.5	12.9	19.2	14,412,422	44,297,226	60.0
ADMINISTRATION	79,411,364	24,810,329	31.2	20.7	30.4	37,158,368	17,442,668	22.0
PHYSICAL PLANT	34,462,381	8,742,979	25.4	24.4	23.4	22,459,480	3,259,922	9.5
CONTINGENCIES:								
COLLEGE CARRYFORWARD	29,579,568	0	0.0	0.0	0.3	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
TOTAL OPERATIONAL	555,286,039	114,789,768	20.7	18.4	21.2	254,939,072	185,557,199	33.4
By Object:								
PERSONAL SERVICES	315,245,335	64,122,838	20.3	20.5	21.1	194,801,683	56,320,815	17.9
EMPLOYEE BENEFITS	82,255,221	15,520,742	18.9	19.5	20.5	33,278,213	33,456,266	40.7
CONTRACTUAL SERVICES	34,971,816	8,865,984	25.4	23.4	25.9	10,599,091	15,506,741	44.3
SUPPLIES, MATERIALS, PARTS	9,178,903	1,565,999	17.1	18.1	17.5	3,125,650	4,487,254	48.9
CURRENT FIXED CHARGES	7,356,463	2,346,844	31.9	25.5	22.8	2,053,629	2,955,990	40.2
COMMUNICATIONS AND UTILITIES	14,547,689	3,591,696	24.7	23.6	22.4	10,823,063	132,930	0.9
TRAVEL	2,332,098	471,667	20.2	29.8	30.5	127,528	1,732,903	74.3
STUDENT AID AND MISCELLANEOUS	5,766,555	1,608,579	27.9	22.0	11.7	130,214	4,027,762	69.8
TRANSFERS-INTRAFUND	28,591,830	0	0.0	0.0	0.0	0	28,591,830	100.0
TRANSFERS TO OTHER FUNDS	21,302,205	16,695,421	78.4	19.9	83.8	0	4,606,784	21.6
CONTINGENCIES:								
COLLEGE CARRYFORWARD	29,579,568	0	0.0	0.0	0.3	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
TOTAL OPERATIONAL	555,286,039	114,789,768	20.7	18.4	21.2	254,939,072	185,557,199	33.4

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

**MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT
BUDGET ANALYSIS REPORT
September 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	17,406,193	5.4	3.3	5.7	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	51,592,260	44.4	43.9	43.7	116,216,100	0	Based on budget
OUT-OF-STATE TUITION	11,074,650	7,251,131	65.5	46.9	48.8	11,074,650	0	Based on budget
OUT-OF-COUNTY TUITION	492,045	11,832	2.4	7.8	6.6	492,045	0	Based on budget
OTHER FEES AND CHARGES	5,974,060	2,348,739	39.3	41.6	36.3	5,974,060	0	Based on budget
INVESTMENT INCOME	3,500,000	869,953	24.9	32.1	17.0	3,500,000	0	Based on budget
MISCELLANEOUS AND OTHER	910,000	170,695	18.8	19.4	17.2	910,000	0	Based on budget
TRANSFERS IN	3,586,200	0	0.0	0.0	15.6	3,586,200	0	Based on budget
COLLEGE CARRYFORWARD	30,169,100	21,667,000	71.8	100.0	100.0	21,667,000	-8,502,100	Revised 8-13-07
TOTAL	555,286,039	115,699,876	20.8	22.1	22.0	543,525,583	-11,760,456	
FINANCIAL CONDITION ANALYSIS								
						-21,667,000		
Less college carryforward						521,858,583		
Total projected revenues						-521,413,591		
Less total projected expenditures (c)						444,992		
Projected increase / (decrease) in fund balance						88,539,448		
Beginning fund balance (unaudited)						88,984,440		
Projected ending fund balance 6/30/08								17%
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						4,904,091		

(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
BUDGET ANALYSIS REPORT
September 2007

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.
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.
Student Aid & Misc	In preparation for the implementation of the new Student Information System, the colleges completed a partial bad debt write-off in September. Historically, the colleges complete a full write-off in March resulting in a higher percent expended year to date versus previous years
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

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 (-61%) results in a lower percent recognized versus the prior year.