

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

Governing Board Agenda
 ITEM NUMBER

ITEM TITLE

Meeting Date: 07/22/08
 RESPONSIBLE AGENTS

Budget Analysis Report
 Fund 1: General Unrestricted Fund
 For the One Month Ending 7/31/2008

Ms. Debra Thompson
 Ms. Kim Granio

Expenditure Summary: \$29.0M (year to date)

- Projected expenditure at year end: \$561.4M
- 4.8% of expenditures have been recognized year to date (versus 7.9% in 07/08 and 5.3% in 06/07).
- 46.6% of the budget remains unexpended or unencumbered (versus 43.3% last year).

Revenue Summary: \$91.9M (year to date)

- Projected revenue at year end: \$562.0M
- 15.3% of the budget has been recognized year to date (versus 14.8% in 07/08 and 14.9% in 06/07).

Fund Balance and Financial Stability Requirements

- Projections are for the Fund 1 balance to increase by ~\$0.6M (from \$98.9M to \$99.5M) in FY 08-09.
- MCCCDC is required to maintain a financial stability balance equal to 8% of the annual projected revenue. This currently equates to \$45.0M. The remaining fund balance of \$54.5M 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 \$1.8M.

Items of Particular Interest: Substantial Deviations from Budget or Expectations

- The large difference between the percentage of expenditures recognized year to date between the current and previous year is due to the timing of the transfer to the Auxiliary Fund for Meet & Confer. Last year the transfer was completed in July, while this year the transfer will be completed in August.

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 & 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
 FUND 1 - CURRENT UNRESTRICTED FUND
 July 1, 2008 through July 31, 2008

EXPENDITURE ANALYSIS

By Function:	Budget (a)	Amount Expended	Percent Expended 08-09	Percent Expended 07-08	Percent Expended 06-07	Amount Encumbered	Unencumbered Balance Available	Percent of Budget Available
INSTRUCTION	247,676,067	12,282,670	5.0	4.9	5.1	133,950,843	101,442,554	41.0
PUBLIC SERVICE	658,628	111,788	17.0	34.7	2.8	157,942	388,897	59.0
ACADEMIC SUPPORT	62,115,718	3,733,284	6.0	6.6	6.5	36,692,814	21,689,620	34.9
STUDENT SERVICES	45,146,472	2,431,544	5.4	7.9	8.2	26,496,139	16,218,789	35.9
GENERAL INSTITUTIONAL	89,458,742	3,089,582	3.5	10.7	4.7	19,733,635	66,635,525	74.5
ADMINISTRATION	82,941,990	5,385,678	6.5	18.1	6.5	45,637,732	31,918,581	38.5
PHYSICAL PLANT	35,932,931	1,962,153	5.5	7.9	6.5	28,736,391	5,234,387	14.6
CONTINGENCIES:								
COLLEGE CARRYFORWARD	28,921,448	0	0.0	0.0	0.0	0	28,921,448	100.0
TAX LEVY: UNCOLLECTED	4,701,113	0	0.0	0.0	0.0	0	4,701,113	100.0
TAX LEVY: QWEST JUDGMENT	1,937,187	0	0.0	0.0	0.0	0	1,937,187	100.0
BASIC	900,000	0	0.0	0.0	0.0	0	900,000	100.0
TOTAL OPERATIONAL	600,390,296	28,996,699	4.8	7.9	5.3	291,405,497	279,988,101	46.6
By Object:								
PERSONAL SERVICES	331,142,870	18,875,005	5.7	5.9	5.9	218,528,118	93,739,747	28.3
EMPLOYEE BENEFITS	90,775,488	4,158,342	4.6	6.0	6.0	36,956,177	49,660,969	54.7
CONTRACTUAL SERVICES	38,532,933	2,474,169	6.4	3.9	6.7	16,057,892	20,000,871	51.9
SUPPLIES, MATERIALS, PARTS	9,212,152	227,206	2.5	3.5	2.2	3,527,595	5,457,351	59.2
CURRENT FIXED CHARGES	7,632,742	1,090,612	14.3	19.6	17.5	1,744,168	4,797,963	62.9
COMMUNICATIONS AND UTILITIES	15,076,143	718,510	4.8	5.6	4.0	14,355,399	2,235	0.0
TRAVEL	1,822,767	216,120	11.9	10.6	18.3	153,133	1,453,513	79.7
STUDENT AID AND MISCELLANEOUS	4,459,229	83,816	1.9	9.5	17.4	83,015	4,292,397	96.3
TRANSFERS-INTRAFUND	42,487,195	0	0.0	0.0	0.0	0	42,487,195	100.0
TRANSFERS TO OTHER FUNDS	22,789,029	1,152,919	5.1	72.8	5.0	0	21,636,110	94.9
CONTINGENCIES:								
COLLEGE CARRYFORWARD	28,921,448	0	0.0	0.0	0.0	0	28,921,448	100.0
TAX LEVY: UNCOLLECTED	4,701,113	0	0.0	0.0	0.0	0	4,701,113	100.0
TAX LEVY: QWEST JUDGMENT	1,937,187	0	0.0	0.0	0.0	0	1,937,187	100.0
BASIC	900,000	0	0.0	0.0	0.0	0	900,000	100.0
TOTAL OPERATIONAL	600,390,296	28,996,699	4.8	7.9	5.3	291,405,497	279,988,101	46.6

(a) Represents budget as amended by approved transfers.

MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT
BUDGET ANALYSIS REPORT
FUND 1 - CURRENT UNRESTRICTED FUND
July 1, 2008 through July 31, 2008

REVENUE ANALYSIS (a)	Budget (b)	Recognized	Percent Recognized 08-09	Percent Recognized 07-08	Percent Recognized 06-07	Projected Revenue	Projected Variance Over/(Under) Budget	Comments
PROPERTY TAX	347,905,170	1,851,074	0.5	0.5	0.3	341,266,870	-6,638,300	Projected, see (a)
STATE AID	57,528,300	13,854,025	24.1	25.0	25.0	55,416,100	-2,112,200	Per State Budget
IN LIEU TAX, SALT RIVER PROJECT	4,418,036	0	0.0	0.0	0.0	4,418,036	0	Based on budget
GENERAL TUITION	132,720,915	37,859,650	28.5	29.6	29.2	132,720,915	0	Based on budget
OUT-OF-STATE TUITION	12,184,050	7,148,693	58.7	75.6	38.3	12,184,050	0	Based on budget
OUT-OF-COUNTY TUITION	426,707	50,029	11.7	11.6	25.7	426,707	0	Based on budget
OTHER FEES AND CHARGES	5,974,060	1,363,039	22.8	23.0	24.1	5,974,060	0	Based on budget
INVESTMENT INCOME	3,850,000	0	0.0	0.0	0.0	3,850,000	0	Based on budget
MISCELLANEOUS AND OTHER	925,750	45,714	4.9	4.3	4.9	925,750	0	Based on budget
TRANSFERS IN	4,778,300	0	0.0	0.0	0.0	4,778,300	0	Based on budget
COLLEGE CARRYFORWARD	29,679,008	29,679,008	100.0	71.8	71.2	29,679,008	0	Based on budget
TOTAL	600,390,296	91,851,231	15.3	14.8	14.9	591,639,796	-8,750,500	
FINANCIAL CONDITION ANALYSIS								
						-29,679,008		
						561,960,788		
						-561,364,927		
						595,861		
						98,877,957		
						99,473,818		18%
						12,507,520		
						5,171,488		
						12,000,000		
						29,679,008		
						12,664,662		
						42,343,670		
						44,956,863		8%
						8,400,000		
						2,000,000		
						1,773,285		

(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
FUND 1 - CURRENT UNRESTRICTED FUND
July 1, 2008 through July 31, 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	The budgeted amount increased \$360,885 from FY 08 to FY 09 resulting in a smaller percentage expended year to date.
General Institutional	Each year a transfer to the Auxiliary Fund for Meet & Confer occurs in October. In FY 08 the transfer occurred in July, resulting in a lower percent expended year to date versus previous year.
Administration	Each year a transfer to the Auxiliary Fund for Meet & Confer occurs. In FY 08 the transfer occurred in July, in FY 09 the transfer will occur in August, which results in a lower percent expended year to date versus previous year.
Current Fixed Charges	Decrease due to timing of invoices paid for facilities/rentals, subscriptions, and organizational dues. Some prepaids dues, subscriptions, and rental fees were paid in July FY 08 but have not yet been paid in FY09.
Student Aid & Misc	Decrease due to the FY 08 bad debt accrual posted in June and reversed in July.
Transfers to Other Funds	Each year a transfer to the Auxiliary Fund for Meet & Confer occurs in October. In FY 08 the transfer occurred in July, resulting in a lower percent expended year to date versus previous year.

REVENUE COMMENTS

Property Tax	The projected variance under budget of \$6,638,300 is made up of the usual uncollected tax levy of \$4,701,113 and the Qwest judgment of \$1,937,187. The Qwest judgment increased the budgeted property tax revenue by the \$1,937,187. Likewise, the budgeted expenses were increased by the same amount, creating a net effect of \$0.
Out-of-State Tuition	A 10% increase in the budget along with declining enrolment results in a smaller amount recognized year to date.
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.