

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

Governing Board Agenda  
 ITEM NUMBER

ITEM TITLE

Meeting Date: 12/9/08  
 RESPONSIBLE AGENTS

Budget Analysis Report  
 Fund 1: General Unrestricted Fund  
 For the Five Months Ending 11/30/2008

Ms. Debra Thompson  
 Ms. Kim Granio

Expenditure Summary: \$202.7M (year to date)

- Projected expenditure at year end: \$559.4M
- 33.8% of expenditures have been recognized year to date (versus 35.1% in 07/08 and 35.3% in 06/07).
- 30.9% of the budget remains unexpended or unencumbered (versus 29.3% last year).

Revenue Summary: \$332.0M (year to date)

- Projected revenue at year end: \$560.0M
- 55.3% of the budget has been recognized year to date (versus 56.7% in 07/08 and 56.3% in 06/07).

Fund Balance and Financial Stability Requirements

- Projections are for the Fund 1 balance to increase by ~\$0.6M (from \$101.9M to \$102.5M) 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 \$44.8M. The remaining fund balance of \$57.7M 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 \$0.7M.

Items of Particular Interest: Substantial Deviations from Budget or Expectations

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

MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT  
 BUDGET ANALYSIS REPORT  
 FUND 1 - CURRENT UNRESTRICTED FUND  
 November 2008

EXPENDITURE ANALYSIS

<b>By Function:</b>	<b>Budget (a)</b>	<b>Amount Expended</b>	<b>Percent Expended 08-09</b>	<b>Percent Expended 07-08</b>	<b>Percent Expended 06-07</b>	<b>Amount Encumbered</b>	<b>Unencumbered Balance Available</b>	<b>Percent of Budget Available</b>
INSTRUCTION	257,156,714	90,379,930	35.1	36.5	36.7	101,846,507	64,930,276	25.2
PUBLIC SERVICE	705,566	449,654	63.7	65.4	71.9	212,712	43,201	6.1
ACADEMIC SUPPORT	63,375,681	21,547,297	34.0	34.6	33.9	25,231,371	16,597,014	26.2
STUDENT SERVICES	46,953,318	18,083,678	38.5	38.7	39.7	18,223,350	10,646,289	22.7
GENERAL INSTITUTIONAL	87,546,453	22,613,315	25.8	30.8	34.2	15,149,695	49,783,443	56.9
ADMINISTRATION	85,460,064	33,778,455	39.5	39.8	39.8	32,478,394	19,203,216	22.5
PHYSICAL PLANT	37,439,008	15,888,595	42.4	41.5	40.9	18,880,217	2,670,196	7.1
CONTINGENCIES:								
COLLEGE CARRYFORWARD	14,215,193	0	0.0	0.0	0.0	0	14,215,193	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
<b>TOTAL OPERATIONAL</b>	<b>600,390,296</b>	<b>202,740,923</b>	<b>33.8</b>	<b>35.1</b>	<b>35.3</b>	<b>212,022,246</b>	<b>185,627,127</b>	<b>30.9</b>
<b>By Object:</b>								
PERSONAL SERVICES	331,193,763	120,606,611	36.4	36.9	37.7	157,963,176	52,623,977	15.9
EMPLOYEE BENEFITS	90,267,574	30,897,833	34.2	35.0	35.5	27,317,926	32,051,815	35.5
CONTRACTUAL SERVICES	41,862,057	17,988,040	43.0	42.0	44.7	12,897,041	10,976,976	26.2
SUPPLIES, MATERIALS, PARTS	10,212,286	3,245,441	31.8	30.4	32.8	2,908,216	4,058,629	39.7
CURRENT FIXED CHARGES	7,764,879	3,516,279	45.3	71.2	54.0	1,813,061	2,435,540	31.4
COMMUNICATIONS AND UTILITIES	15,682,544	6,515,295	41.5	41.6	41.2	8,817,758	349,492	2.2
TRAVEL	2,525,581	972,723	38.5	35.1	44.9	89,936	1,462,922	57.9
STUDENT AID AND MISCELLANEOUS	7,816,152	1,690,574	21.6	19.8	26.2	215,132	5,910,446	75.6
TRANSFERS-INTRAFUND	48,442,269	0	0.0	0.0	0.0	0	48,442,269	100.0
TRANSFERS TO OTHER FUNDS	22,869,697	17,308,129	75.7	72.7	76.4	0	5,561,568	24.3
CONTINGENCIES:								
COLLEGE CARRYFORWARD	14,215,193	0	0.0	0.0	0.0	0	14,215,193	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
<b>TOTAL OPERATIONAL</b>	<b>600,390,296</b>	<b>202,740,923</b>	<b>33.8</b>	<b>35.1</b>	<b>35.3</b>	<b>212,022,246</b>	<b>185,627,127</b>	<b>30.9</b>

(a) Represents budget as amended by approved transfers.

MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT  
 BUDGET ANALYSIS REPORT  
 FUND 1 - CURRENT UNRESTRICTED FUND  
 November 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	174,943,452	50.3	51.3	51.0	341,266,870	-6,638,300	Projected, see (a)
STATE AID	57,528,300	27,708,050	48.2	50.0	50.0	55,416,100	-2,112,200	Per State Budget
IN LIEU TAX, SALT RIVER PROJECT	4,418,036	2,149,030	48.6	49.2	49.3	4,418,036	0	Based on budget
GENERAL TUITION	132,720,915	82,347,677	62.0	62.9	61.9	132,720,915	0	Based on budget
OUT-OF-STATE TUITION	12,184,050	10,923,919	89.7	94.0	71.3	12,184,050	0	Based on budget
OUT-OF-COUNTY TUITION	426,707	74,786	17.5	10.5	13.7	426,707	0	Based on budget
OTHER FEES AND CHARGES	5,974,060	3,313,939	55.5	54.0	57.3	5,974,060	0	Based on budget
INVESTMENT INCOME	3,850,000	632,203	16.4	45.3	54.9	3,850,000	0	Based on budget
MISCELLANEOUS AND OTHER	925,750	221,545	23.9	25.8	16.4	925,750	0	Based on budget
TRANSFERS IN	4,778,300	0	0.0	0.0	0.6	2,778,300	-2,000,000	Based on budget
COLLEGE CARRYFORWARD	29,679,008	29,679,008	100.0	100.0	100.0	29,679,008	0	Based on budget
<b>TOTAL</b>	<b>600,390,296</b>	<b>331,993,608</b>	<b>55.3</b>	<b>56.7</b>	<b>56.3</b>	<b>589,639,796</b>	<b>-10,750,500</b>	
<b>FINANCIAL CONDITION ANALYSIS</b>								
						-29,679,008		
						559,960,788		
						-559,383,639		
						577,149		
						101,925,510		
						102,502,659		18%
						12,507,520		
						5,171,488		
						12,000,000		
						29,679,008		
						12,664,662		
						42,343,670		
						44,796,863		8%
						8,400,000		
						3,800,000		
						2,500,000		
						662,126		

(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**  
November 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.

Current Fixed Charges

Decrease due to timing of invoices paid for facilities/rentals. Some rental fees were paid in FY 08 but have not yet been paid in FY09. Also, there was a \$250,000 lawsuit settlement claim payment made in FY08 which will not be paid in FY09.

**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.

State Aid

The decrease of \$2M is due to the budgeted state aid operating cut.

Out-of-County Tuition

An increase in the amount recognized combined with a decrease in the FY 09 budget results in a higher percentage recognized for FY 09 than in FY 08.

Investment Income

Unprecedented market conditions resulted in less than expected investment income.