

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

Governing Board Agenda  
 ITEM NUMBER

ITEM TITLE

Meeting Date: 11/25/08  
 RESPONSIBLE AGENTS

Budget Analysis Report  
 Fund 1: General Unrestricted Fund  
 For the Four Months Ending 10/31/2008

Ms. Debra Thompson  
 Ms. Kim Granio

Expenditure Summary: \$160.9M (year to date)

- Projected expenditure at year end: \$559.4M
- 26.7% of expenditures have been recognized year to date (versus 27.6% in 07/08 and 27.7% in 06/07).
- 33.5% of the budget remains unexpended or unencumbered (versus 31.7% last year).

Revenue Summary: \$250.4M (year to date)

- Projected revenue at year end: \$560.0M
- 41.7% of the budget has been recognized year to date (versus 46.1% in 07/08 and 46.1% 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  
 October 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	255,881,586	67,959,812	26.6	27.6	27.8	116,565,871	71,355,903	27.9
PUBLIC SERVICE	704,341	422,972	60.1	63.1	67.7	236,061	45,308	6.4
ACADEMIC SUPPORT	63,738,176	16,892,546	26.5	27.4	27.2	28,187,655	18,657,975	29.3
STUDENT SERVICES	46,654,208	14,728,176	31.6	31.1	32.1	20,409,902	11,516,129	24.7
GENERAL INSTITUTIONAL	88,885,355	19,019,603	21.4	23.6	26.4	16,232,433	53,633,318	60.3
ADMINISTRATION	85,789,571	28,876,363	33.7	34.1	34.0	36,064,120	20,849,089	24.3
PHYSICAL PLANT	36,983,567	12,957,724	35.0	33.7	33.0	21,118,755	2,907,088	7.9
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>160,857,196</b>	<b>26.8</b>	<b>27.6</b>	<b>27.7</b>	<b>238,814,797</b>	<b>200,718,303</b>	<b>33.4</b>
<b>By Object:</b>								
PERSONAL SERVICES	330,531,957	92,701,522	28.0	28.6	29.2	179,626,341	58,204,093	17.6
EMPLOYEE BENEFITS	90,312,867	23,760,006	26.3	27.1	27.5	30,553,815	35,999,045	39.9
CONTRACTUAL SERVICES	42,286,343	14,983,537	35.4	33.6	35.5	13,486,564	13,816,242	32.7
SUPPLIES, MATERIALS, PARTS	9,853,924	2,740,851	27.8	23.6	26.8	3,185,651	3,927,422	39.9
CURRENT FIXED CHARGES	7,743,261	2,105,222	27.2	36.6	30.0	1,772,846	3,865,193	49.9
COMMUNICATIONS AND UTILITIES	15,442,910	5,307,088	34.4	33.8	32.2	9,996,358	139,464	0.9
TRAVEL	2,457,280	785,498	32.0	26.9	36.4	94,696	1,577,086	64.2
STUDENT AID AND MISCELLANEOUS	9,598,726	1,302,078	13.6	15.0	18.9	98,525	8,198,124	85.4
TRANSFERS-INTRAFUND	47,554,838	0	0.0	0.0	0.0	0	47,554,838	100.0
TRANSFERS TO OTHER FUNDS	22,854,697	17,171,395	75.1	70.4	74.7	0	5,683,302	24.9
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>160,857,196</b>	<b>26.8</b>	<b>27.6</b>	<b>27.7</b>	<b>238,814,797</b>	<b>200,718,303</b>	<b>33.4</b>

(a) Represents budget as amended by approved transfers.

MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT  
BUDGET ANALYSIS REPORT  
FUND 1 - CURRENT UNRESTRICTED FUND  
October 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	110,166,202	31.7	38.2	37.9	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	0	0.0	0.0	0.0	4,418,036	0	Based on budget
GENERAL TUITION	132,720,915	70,463,750	53.1	52.9	52.3	132,720,915	0	Based on budget
OUT-OF-STATE TUITION	12,184,050	8,836,126	72.5	78.6	57.4	12,184,050	0	Based on budget
OUT-OF-COUNTY TUITION	426,707	45,430	10.6	8.3	12.4	426,707	0	Based on budget
OTHER FEES AND CHARGES	5,974,060	2,863,395	47.9	46.4	48.9	5,974,060	0	Based on budget
INVESTMENT INCOME	3,850,000	440,550	11.4	33.0	44.4	3,850,000	0	Based on budget
MISCELLANEOUS AND OTHER	925,750	184,462	19.9	22.4	15.3	925,750	0	Based on budget
TRANSFERS IN	4,778,300	0	0.0	0.0	0.0	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>250,386,972</b>	<b>41.7</b>	<b>46.1</b>	<b>46.1</b>	<b>589,639,796</b>	<b>-10,750,500</b>	
<b>FINANCIAL CONDITION ANALYSIS</b>								
						-29,679,008		
Less college carryforward						559,960,788		
Total projected revenues						-559,383,639		
Less total projected expenditures ( c )						577,149		
Projected increase / (decrease) in fund balance						101,925,510		
Beginning fund balance (preliminary and unaudited)						102,502,659		
Projected ending fund balance 6/30/09								18%
Less projected designations for future operations								
3% college carryforward					12,507,520			
Enrollment Growth Funding					5,171,488			
Additional carryforward allocations					12,000,000			
Total budgeted designations:					29,679,008			
Operating costs (impact of capital development)					12,664,662			
Total other designations:						42,343,670		
Less minimum financial condition measure ( d )						44,796,863		8%
Less minimum financial condition measure for future years						8,400,000		
Less reserve for retirement incentive						3,800,000		
Less additional funding for medical insurance reserve						2,500,000		
Projected undesignated balance						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  
October 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.

Travel    An increase in out-of-state and international travel results in a larger percentage recognized year to date.

**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.

Property Tax                                      An increase in the budget amount from FY 08 to FY 09 along with a decrease in property tax levy collections results in a lower percent recognized year to date.

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

Out-of-State Tuition                              An increase in the budget from FY 08 to FY 09 caused a lower percentage recognized year to date.

Investment Income                              Unprecedented market conditions resulted in less than expected investment income.