

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

Governing Board Agenda  
 ITEM NUMBER

Meeting Date: 12/8/09  
 RESPONSIBLE AGENTS

ITEM TITLE  
 Budget Analysis Report  
 Fund 1: General Unrestricted Fund  
 For the Five Months Ending 11/30/2009

Ms. Debra Thompson  
 Ms. Kim Granio

Expenditure Summary: \$226.4M (year to date)

- Projected expenditure at year end: \$583.5M
- 35.7% of expenditures have been recognized year to date (versus 33.8 % in 08/09, 35.1% in 07/08, and 35.3% in 06/07).
- 32.8% of the budget remains unexpended or unencumbered (versus 30.9% last year).

Revenue Summary: \$379.3M (year to date)

- Projected revenue at year end: \$584.1M
- 59.7% of the budget has been recognized year to date (versus 55.3% in 08/09, 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 ~\$.6M (from \$122.2M to \$122.8M) in FY 09-10.
- MCCCDC is required to maintain a financial stability balance equal to 8% of the annual projected revenue. This currently equates to \$46.7M. The remaining fund balance of \$76.1M is comprised of college carryforward, designations for future operations, minimum financial condition measure for future years, medical insurance reserve, stimulus funds received, and a projected undesignated balance of \$4.0M.

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 _____ ITS _____</p> <p>Res Dev &amp; Com Relations _____</p> <p>College President _____</p>

MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT  
 BUDGET ANALYSIS REPORT  
 FUND 1 - CURRENT UNRESTRICTED FUND  
 November 2009

**EXPENDITURE ANALYSIS**

<u>By Function:</u>	Budget (a)	Amount Expended	Percent Expended 09-10	Percent Expended 08-09	Percent Expended 07-08	Percent Expended 06-07	Amount Encumbered	Unencumbered Balance Available	Percent of Budget Available
INSTRUCTION	268,925,290	107,991,138	40.2	35.1	36.5	36.7	90,442,822	70,491,330	26.2
PUBLIC SERVICE	2,266,289	918,250	40.5	63.7	65.4	71.9	764,252	583,787	25.8
ACADEMIC SUPPORT	64,144,000	23,315,827	36.3	34.0	34.6	33.9	24,433,262	16,394,911	25.6
STUDENT SERVICES	54,156,758	22,083,327	40.8	38.5	38.7	39.7	20,891,938	11,181,493	20.6
GENERAL INSTITUTIONAL ADMINISTRATION	92,173,536	20,925,983	22.7	25.8	30.8	34.2	15,355,751	55,891,802	60.6
PHYSICAL PLANT	41,576,275	17,720,050	42.6	42.4	41.5	40.9	19,896,503	3,959,722	9.5
SCHOLARSHIPS	15,399,237	8,189,146	53.2	N/A	N/A	N/A	0	7,210,091	46.8
CONTINGENCIES	29,240,017	0					0	29,240,017	
<b>TOTAL OPERATIONAL</b>	<b>634,915,088</b>	<b>226,362,741</b>	<b>35.7</b>	<b>33.8</b>	<b>35.1</b>	<b>35.3</b>	<b>200,246,557</b>	<b>208,305,790</b>	<b>32.8</b>
<b><u>By Object:</u></b>									
PERSONNEL SERVICES	337,574,049	137,805,418	40.8	36.4	36.9	37.7	146,035,796	53,732,835	15.9
EMPLOYEE BENEFITS	92,207,616	35,429,307	38.4	34.2	35.0	35.5	25,924,433	30,853,876	33.5
CONTRACTUAL SERVICES	43,182,571	14,579,778	33.8	43.0	42.0	44.7	13,237,232	15,365,561	35.6
SUPPLIES, MATERIALS, PARTS	11,256,924	3,496,400	31.1	31.8	30.4	32.8	3,223,927	4,536,597	40.3
CURRENT FIXED CHARGES	9,009,266	4,594,896	51.0	45.3	71.2	54.0	1,519,094	2,895,276	32.1
COMMUNICATIONS AND UTILITIES	16,935,613	6,516,425	38.5	41.5	41.6	41.2	8,988,577	1,430,611	8.4
TRAVEL	3,231,863	827,195	25.6	38.5	35.1	44.9	143,082	2,261,586	70.0
STUDENT AID AND MISCELLANEOUS	15,649,049	1,876,379	12.0	21.6	19.8	26.2	340,630	13,432,040	85.8
TRANSFERS-INTRAFUND	45,596,732	0	0.9	0.0	0.0	0.0	833,786	44,762,946	98.2
TRANSFERS TO OTHER FUNDS	31,031,388	21,236,943	67.1	75.7	72.7	76.4	0	9,794,445	31.6
CONTINGENCIES	29,240,017	0					0	29,240,017	
<b>TOTAL OPERATIONAL</b>	<b>634,915,088</b>	<b>226,362,741</b>	<b>35.7</b>	<b>33.8</b>	<b>35.1</b>	<b>35.3</b>	<b>200,246,557</b>	<b>208,305,790</b>	<b>32.8</b>

(a) Represents budget as amended by approved transfers.

MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT  
BUDGET ANALYSIS REPORT  
FUND 1 - CURRENT UNRESTRICTED FUND  
November 2009

REVENUE ANALYSIS ( a )	Budget ( b )	Recognized	Percent Recognized 09-10	Percent Recognized 08-09	Percent Recognized 07-08	Percent Recognized 05-06	Projected Revenue	Projected Variance Over/(Under) Budget	Comments
PROPERTY TAX	359,942,153	181,569,716	50.4	50.3	51.3	51.0	352,606,476	-7,335,677	Projected, see (a)
STATE AID	51,128,000	22,663,700	44.3	48.2	50.0	50.0	45,327,400	-5,800,600	Per State Budget
IN LIEU TAX, SALT RIVER PROJECT	4,658,414	2,319,586	49.8	48.6	49.2	49.3	4,658,414	0	Based on budget
GENERAL TUITION	158,516,175	118,552,295	74.8	62.0	62.9	61.9	158,516,175	0	Based on budget
OUT-OF-STATE TUITION	13,523,310	12,283,296	90.8	89.7	94.0	71.3	13,523,310	0	Based on budget
OUT-OF-COUNTY TUITION	470,852	79,638	16.9	17.5	10.5	13.7	470,852	0	Based on budget
OTHER FEES AND CHARGES	5,974,060	3,645,210	61.0	55.5	54.0	57.3	5,974,060	0	Based on budget
INVESTMENT INCOME	1,925,000	78,777	4.1	16.4	45.3	54.9	1,925,000	0	Based on budget
MISCELLANEOUS AND OTHER	1,091,200	387,944	35.6	23.9	25.8	16.4	1,091,200	0	Based on budget
TRANSFERS IN	0	0	0.0	0.0	0.0	0.6	0	0	Based on budget
COLLEGE CARRYFORWARD	37,685,923	37,685,923	100.0	100.0	100.0	100.0	37,685,923	0	Based on budget
<b>TOTAL</b>	<b>634,915,087</b>	<b>379,266,085</b>	<b>59.7</b>	<b>55.3</b>	<b>56.7</b>	<b>56.3</b>	<b>621,778,810</b>	<b>-13,136,277</b>	

**FINANCIAL CONDITION ANALYSIS**

Less college carryforward	-37,685,923	
Total projected revenues	584,092,887	
Less total projected expenditures ( c )	-583,486,966	
Projected increase / (decrease) in fund balance	605,921	
<b>Beginning fund balance</b>	<b>122,163,899</b>	
Projected ending fund balance 6/30/10	122,769,820	21%
Less projected designations for future operations		
3.5% college carryforward	14,839,854	
Enrollment Growth Funding	3,733,145	
Additional carryforward allocations	19,112,924	
Total budgeted designations:	37,685,923	
Operating costs (impact of capital development)	4,657,747	
Total other designations:	42,343,670	
Less minimum financial condition measure ( d )	46,727,431	8%
<b>Less minimum financial condition measure for future years</b>	<b>11,584,674</b>	
<b>Stimulus funds received for FY 08-09</b>	<b>15,093,592</b>	
<b>Less additional funding for medical insurance reserve</b>	<b>3,000,000</b>	
Projected undesignated balance	4,020,453	

(a) See specific revenue analysis by type on page 4

(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 2009

**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.

**By Function**

Instruction	Includes expenditures directly related to instruction including credit courses and vocational and technical courses. Increase is due to Nov. 09 having three pay periods compared to two pay periods in Nov. 08.
Public Service	Includes expenditures for activities established primarily to provide non-instructional services beneficial to individuals and groups external to the District. The budget increased by about \$1.6M due to the combination of funds 110 and 210, while expenditures remained relatively consistent with the prior year. This resulted in a lower percentage recognized year to date.
Academic Support	Includes activities to support the District's primary mission. Amount recognized is consistent with prior year.
Student Services	Includes activities that contribute to the students' emotional and physical well being; to promote intellectual, cultural, and social development outside the context of the formal classroom; and to facilitate student enrollment in courses. Examples are Admissions and Records, student activities, financial aid, counseling, etc. Amount recognized is consistent with prior year.
General Institutional	Includes activities that provide safety, security, printing, travel, marketing, and insurance. Amount recognized is consistent with prior year.
Administration	Includes activities relating to management, business and human resources operations, and planning. Amount recognized is consistent with prior year.
Physical Plant	Amount recognized is consistent with prior year.
Scholarships	Scholarships is a new line item for FY 10 and includes all transfers from fund 1 to fund 2 for scholarships such as the President's scholarship, honors awards and employee waivers.
Contingencies	Includes amounts carried from one fiscal year to the next by the colleges and district office units, amount of property tax levied but not collected, basic contingency for unexpected needs as prioritized by the Governing Board.

**By Object**

Personal Services	Includes salaries and wages for all employees in all types of positions such as full-time, part-time, temporary, permanent, all employee groups, etc. Percent recognized is consistent with prior year.
Employee Benefits	Includes all employer paid costs of employee health insurance, retirement contributions, social security and Medicare, life insurance, workers compensation, unemployment, etc. Percent recognized is consistent with prior year.
Contractual Services	Includes expenditures such as funding for professional services, advertising, marketing, etc. An increase in the budget amount coupled with a decrease in contractual services for Rio results in a smaller percent recognized year to date.
Supplies, Materials, Parts	Includes the cost of classroom and office supplies and materials, software, audiovisual aids, etc. Percent recognized is consistent with prior year.
Current Fixed Charges	Includes expenditures for facilities rentals, liability and property insurance, subscriptions, etc. Increase is due to an overall increase in rental expense combined with student insurance now being recorded in fund 110 rather than fund 210.
Communications and Utilities	Includes all costs relating to telephone, postage, electricity, water, sewer, etc. Percent recognized is consistent with prior year.
Travel	Includes mileage, in and out of state travel, international travel, registration, hotel, airfare, etc. An increase in the budget combined with a decrease in expenditures results in a lower percentage recognized year to date. A decrease is expected for the fiscal year as professional growth was reduced by almost half.

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Student Aid and Miscellaneous	Includes statutory waivers, employee and dependent waivers, non-capital equipment, bad debt expense relating to student accounts, etc. The budget amount increased from FY 09 to FY 10 resulting in a smaller percentage recognized year to date.
Transfers-Intrafund	Includes allocations for enrollment growth funding (reserved to help fund additional courses for increased student enrollment), funds for incremental costs from capital development facilities, etc. Transfers will be made near the end of FY 10.
Transfers to Other Funds	Includes transfers for programs accounted for in other funds of the district, such as the Maricopa and Southwest Skill Centers, mandatory match associated with federal programs (financial aid and Small Business Development Center), funds for Meet and Confer, etc. Decrease in percentage recognized is due to the combination of funds 110 and 210.
Contingencies	Includes amounts carried from one fiscal year to the next by the colleges and district office units, amount of property tax levied but not collected, basic contingency for unexpected needs as prioritized by the Governing Board.
<b>REVENUE COMMENTS</b>	
Property Tax	Primary property taxes levied and collected for use in current operations without restrictions. The projected variance under budget is made up of the usual uncollected tax levy of \$7,335,677.
State Aid	The State of Arizona provides financial support to community college districts based on formulas that are set in statute and this support is largely based on enrollment levels. State aid is provided for enrollment growth that occurred two years before the fiscal year being developed. The decrease of \$5.8M is due to a reduction in state aid operating funds for fiscal year 09-10.
In Lieu Tax, Salt River Project	Monies paid to the District by SRP for use in current operations as a substitution for property taxes. Percent recognized is consistent with prior year.
General Tuition	Tuition and fees received from students whether directly or from a third party. The increase is due to an increase in student enrollment.
Out-of-State Tuition	Tuition and fees received from students who do not reside within the state or are not otherwise eligible for in-state tuition, whether directly or from a third party. Percent recognized is consistent with prior year.
Out-of-County Tuition	Counties that do not have a community college district provide monies for operations to the districts where their students attend. Percent recognized is consistent with prior year.
Other Fees and Charges	Includes funds received from students for various fees such as registration, transcripts, evaluation by examination registration fees, music lessons, etc. The increase is due to an increase in student enrollment.
Investment Income	Idle monies of the District are invested per Governing Board policy and the income is available for operating purposes. Unprecedented market conditions have caused us to rethink our investment strategies and move to less risky investment pools.
Miscellaneous and Other	Includes funds recovered from previously written off student debts as well as other small types of revenues. Increase is due to additional bad debt recovery and larger government lease tax payments received through November of FY 10 compared to FY 09.
Transfers In	Includes funds set aside for FTSE growth in the Auxiliary Fund. No transfers have been made in FY 10.
College Carryforward	Includes funds to allow colleges and district office to carryforward up to 3.5% of operating budgets from one fiscal year to the next per Governing Board policy and enrollment growth funding for the colleges. 100% of the budgeted amount has been recognized as in previous years.