

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

Governing Board Agenda
 ITEM NUMBER

ITEM TITLE

Meeting Date: 11/24/09
 RESPONSIBLE AGENTS

Budget Analysis Report
 Fund 1: General Unrestricted Fund
 For the Four Months Ending 10/31/2009

Ms. Debra Thompson
 Ms. Kim Granio

Expenditure Summary: \$162.4M (year to date)

- Projected expenditure at year end: \$583.5M
- 25.6% of expenditures have been recognized year to date (versus 26.8 % in 08/09, 27.6% in 07/08, and 27.7% in 06/07).
- 35.9% of the budget remains unexpended or unencumbered (versus 33.4% last year).

Revenue Summary: \$296.7M (year to date)

- Projected revenue at year end: \$584.1M
- 46.7% of the budget has been recognized year to date (versus 41.7% in 08/09, 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 ~\$.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 \$7.0M.

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.

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

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

EXPENDITURE ANALYSIS

By Function:	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	267,562,302	75,633,706	28.3	26.6	27.6	27.8	116,267,120	75,661,476	28.3
PUBLIC SERVICE	2,164,477	487,240	22.5	60.1	63.1	67.7	907,918	769,319	35.5
ACADEMIC SUPPORT	63,200,983	16,854,109	26.7	26.5	27.4	27.2	28,199,196	18,147,678	28.7
STUDENT SERVICES	53,157,039	15,935,572	30.0	31.6	31.1	32.1	24,803,497	12,417,970	23.4
GENERAL INSTITUTIONAL	96,827,641	15,073,429	15.6	21.4	23.6	26.4	16,962,577	64,791,635	66.9
ADMINISTRATION	66,475,807	18,366,557	27.6	33.7	34.1	34.0	34,187,669	13,921,581	20.9
PHYSICAL PLANT	40,627,698	13,674,472	33.7	35.0	33.7	33.0	22,976,867	3,976,359	9.8
SCHOLARSHIPS	15,542,393	6,413,600	41.3	N/A	N/A	N/A	0	9,128,793	58.7
CONTINGENCIES	29,356,747	0					0	29,356,747	
TOTAL OPERATIONAL	634,915,087	162,438,685	25.6	26.8	27.6	27.7	244,304,844	228,171,558	35.9
By Object:									
PERSONNEL SERVICES	336,190,397	94,869,737	28.2	28.0	28.6	29.2	183,070,393	58,250,267	17.3
EMPLOYEE BENEFITS	92,202,420	24,339,959	26.4	26.3	27.1	27.5	31,617,571	36,244,890	39.3
CONTRACTUAL SERVICES	42,431,901	11,791,616	27.8	35.4	33.6	35.5	14,028,928	16,611,357	39.1
SUPPLIES, MATERIALS, PARTS	11,543,767	2,828,317	24.5	27.8	23.6	26.8	3,322,304	5,393,146	46.7
CURRENT FIXED CHARGES	8,860,943	2,697,784	30.4	27.2	36.6	30.0	1,472,660	4,690,499	52.9
COMMUNICATIONS AND UTILITIES	16,724,610	5,197,773	31.1	34.4	33.8	32.2	10,315,006	1,211,831	7.2
TRAVEL	3,188,861	524,373	16.4	32.0	26.9	36.4	167,221	2,497,267	78.3
STUDENT AID AND MISCELLANEOUS	16,956,868	1,451,601	8.6	13.6	15.0	18.9	310,760	15,194,507	89.6
TRANSFERS-INTRAFUND	47,160,144	422,592	0.9	0.0	0.0	0.0	0	46,737,552	99.1
TRANSFERS TO OTHER FUNDS	30,298,429	18,314,933	60.4	75.1	70.4	74.7	0	11,983,496	39.6
CONTINGENCIES	29,356,747	0					0	29,356,747	
TOTAL OPERATIONAL	634,915,087	162,438,685	25.6	26.8	27.6	27.7	244,304,843	228,171,559	35.9

(a) Represents budget as amended by approved transfers.

MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT
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FUND 1 - CURRENT UNRESTRICTED FUND
October 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	122,345,264	34.0	31.7	38.2	37.9	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	0	0.0	0.0	0.0	0.0	4,658,414	0	Based on budget
GENERAL TUITION	158,516,175	100,802,574	63.6	53.1	52.9	52.3	158,516,175	0	Based on budget
OUT-OF-STATE TUITION	13,523,310	9,643,946	71.3	72.5	78.6	57.4	13,523,310	0	Based on budget
OUT-OF-COUNTY TUITION	470,852	37,454	8.0	10.6	8.3	12.4	470,852	0	Based on budget
OTHER FEES AND CHARGES	5,974,060	3,147,820	52.7	47.9	46.4	48.9	5,974,060	0	Based on budget
INVESTMENT INCOME	1,925,000	69,680	3.6	11.4	33.0	44.4	1,925,000	0	Based on budget
MISCELLANEOUS AND OTHER	1,091,200	342,675	31.4	19.9	22.4	15.3	1,091,200	0	Based on budget
TRANSFERS IN	0	0	0.0	0.0	0.0	0.0	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
TOTAL	634,915,087	296,739,036	46.7	41.7	46.1	46.1	621,778,810	-13,136,277	

FINANCIAL CONDITION ANALYSIS

Less college carryforward	-37,685,923	
Total projected revenues	584,092,887	
Less total projected expenditures (c)	-583,486,965	
Projected increase / (decrease) in fund balance	605,922	
Beginning fund balance (unaudited)	122,163,899	
Projected ending fund balance 6/30/10	122,769,821	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%
Less minimum financial condition measure for future years	8,584,674	
Stimulus funds received for FY 08-09	15,093,592	
Less additional funding for medical insurance reserve	3,000,000	
Projected undesignated balance	7,020,454	

(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
October 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. Amount recognized is consistent with prior year.
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 \$1,400,000 due to the combination of funds 110 and 210, while expenditures remained 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. An increase in the budget combined with a decrease in expenditures results in a lower percentage recognized year to date.
Administration	Includes activities relating to management, business and human resources operations, and planning. Decrease is due to the combination of funds 110 and 210. This resulted in a reduction of transfers to the auxiliary fund.
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. Percent recognized is consistent with prior year.
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.
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.

MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT
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FUND 1 - CURRENT UNRESTRICTED FUND
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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.
REVENUE COMMENTS	
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 previous 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. Percent recognized is consistent with previous year.
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 October 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.