

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

Governing Board Agenda

Meeting Date: 8/24/10

ITEM NUMBER	ITEM TITLE	RESPONSIBLE AGENTS
	Budget Analysis Report Fund 1: General Unrestricted Fund For the One Month Ending 7/31/2010	Ms. Debra Thompson Ms. Kim Granio

Expenditure Summary: \$28.5M (year to date)

- Projected expenditure at year end: \$607.4M
- 4.3% of expenditures have been recognized year to date (versus 7.2% in 09/10, 4.8% in 08/09, and 7.9% in 07/08).
- 52.0% of the budget remains unexpended or unencumbered (versus 46.2% last year).

Revenue Summary: \$83.0M (year to date)

- Projected revenue at year end: \$609.4M
- 18.5% of the budget has been recognized year to date (versus 18.0% in 09/10, 15.3% in 08/09, and 14.8% in 07/08).

Fund Balance and Financial Stability Requirements

- Projections are for the Fund 1 balance to increase by ~\$2.1M (from \$131.6M to \$133.7M) in FY 10-11.
- MCCCDC is required to maintain a financial stability balance equal to 8% of the annual projected revenue. This currently equates to \$48.8M. The remaining fund balance of \$84.9M 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 \$3.9M.

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 &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  
 July 2010

**EXPENDITURE ANALYSIS**

<u>By Function:</u>	Budget (a)	Amount Expended	Percent Expended 10-11	Percent Expended 09-10	Percent Expended 08-09	Percent Expended 07-08	Amount Encumbered	Unencumbered Balance Available	Percent of Budget Available
INSTRUCTION	269,056,718	11,856,890	4.4	8.3	5.0	4.9	120,431,035	136,768,793	50.8
PUBLIC SERVICE	2,224,333	117,346	5.3	5.1	17.0	34.7	1,310,781	796,206	35.8
ACADEMIC SUPPORT	65,751,627	3,809,778	5.8	6.2	6.0	6.6	38,270,528	23,671,321	36.0
STUDENT SERVICES	52,985,445	2,818,921	5.3	5.5	5.4	7.9	30,949,871	19,216,653	36.3
GENERAL INSTITUTIONAL	103,292,992	3,535,502	3.4	4.6	3.5	10.7	24,107,180	75,650,310	73.2
ADMINISTRATION	56,688,678	3,395,617	6.0	6.0	6.5	18.1	38,855,826	14,437,235	25.5
PHYSICAL PLANT	40,362,884	2,748,420	6.8	7.6	5.5	7.9	31,916,564	5,697,900	14.1
SCHOLARSHIPS	18,170,197	198,226	1.1	37.2	N/A	N/A	0	17,971,971	98.9
CONTINGENCIES	46,865,544	0	0.0				0	46,865,544	
<b>TOTAL OPERATIONAL</b>	<b>655,398,418</b>	<b>28,480,700</b>	<b>4.3</b>	<b>7.2</b>	<b>4.8</b>	<b>7.9</b>	<b>285,841,785</b>	<b>341,075,933</b>	<b>52.0</b>
<b><u>By Object:</u></b>									
PERSONNEL SERVICES	340,113,380	18,410,248	5.4	5.6	5.7	5.9	209,067,496	112,635,636	33.1
EMPLOYEE BENEFITS	95,036,749	3,910,806	4.1	4.4	4.6	6.0	36,911,535	54,214,408	57.0
CONTRACTUAL SERVICES	37,059,436	2,661,043	7.2	8.0	6.4	3.9	15,276,108	19,122,285	51.6
SUPPLIES, MATERIALS, PARTS	11,918,654	391,917	3.3	3.2	2.5	3.5	4,237,528	7,289,209	61.2
CURRENT FIXED CHARGES	8,404,476	957,955	11.4	14.3	14.3	19.6	2,459,485	4,987,036	59.3
COMMUNICATIONS AND UTILITIES	16,799,383	268,294	1.6	3.1	4.8	5.6	16,841,623	-310,534	(1.8)
TRAVEL	2,953,927	77,219	2.6	1.3	11.9	10.6	132,100	2,744,608	92.9
STUDENT AID AND MISCELLANEOUS	42,851,187	713,161	1.7	6.1	1.9	9.5	915,910	41,222,116	96.2
TRANSFERS-INTRAFUND	36,389,045	0	0.0	0.0	0.0	0.0	0	36,389,045	100.0
TRANSFERS TO OTHER FUNDS	17,006,637	1,090,057	6.4	56.1	5.1	72.8	0	15,916,580	93.6
CONTINGENCIES	46,865,544	0	0.0				0	46,865,544	
<b>TOTAL OPERATIONAL</b>	<b>655,398,418</b>	<b>28,480,700</b>	<b>4.3</b>	<b>7.2</b>	<b>4.8</b>	<b>7.9</b>	<b>285,841,785</b>	<b>341,075,933</b>	<b>52.0</b>

(a) Represents budget as amended by approved transfers.

MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT  
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 FUND 1 - CURRENT UNRESTRICTED FUND  
 July 2010

REVENUE ANALYSIS ( a )	Budget ( b )	Recognized	Percent Recognized 10-11	Percent Recognized 09-10	Percent Recognized 08-09	Percent Recognized 07-08	Projected Revenue	Projected Variance Over/(Under) Budget	Comments
PROPERTY TAX	371,276,183	1,681,666	0.5	0.6	0.5	0.5	363,755,202	-7,520,981	Projected, see (a)
STATE AID	45,327,400	11,331,850	25.0	22.2	24.1	25.0	45,327,400	0	Per State Budget
IN LIEU TAX, SALT RIVER PROJECT	5,182,777	0	0.0	0.0	0.0	0.0	5,182,777	0	Based on budget
GENERAL TUITION	170,035,842	59,337,572	34.9	33.4	28.5	29.6	170,035,842	0	Based on budget
OUT-OF-STATE TUITION	13,523,310	8,813,464	65.2	61.4	58.7	75.6	13,523,310	0	Based on budget
OUT-OF-COUNTY TUITION	466,852	58,712	12.6	16.5	11.7	11.6	466,852	0	Based on budget
OTHER FEES AND CHARGES	5,974,060	1,672,236	28.0	25.7	22.8	23.0	5,974,060	0	Based on budget
INVESTMENT INCOME	500,000	14,004	2.8	0.0	0.0	0.0	500,000	0	Based on budget
MISCELLANEOUS AND OTHER	4,667,431	75,652	1.6	5.9	4.9	4.3	4,667,431	0	Based on budget
COLLEGE CARRYFORWARD	38,444,563	38,444,563	100.0	100.0	100.0	71.8	38,444,563	0	Based on budget
<b>TOTAL</b>	<b>655,398,418</b>	<b>121,429,719</b>	<b>18.5</b>	<b>18.0</b>	<b>15.3</b>	<b>14.8</b>	<b>647,877,437</b>	<b>-7,520,981</b>	

**FINANCIAL CONDITION ANALYSIS**

Less college carryforward	-38,444,563	
Total projected revenues	609,432,874	
Less total projected expenditures ( c )	-607,364,199	
Projected increase / (decrease) in fund balance	2,068,675	
Beginning fund balance (unaudited)	131,611,238	
Projected ending fund balance 6/30/11	133,679,913	22%
Less projected designations for future operations		
3.5% college carryforward	17,557,000	
Enrollment Growth Funding	12,750,000	
Additional allocations	8,137,563	
Total budgeted designations:	38,444,563	
Operating costs (impact of capital development)	6,433,746	
Total other designations:	44,878,309	
Less minimum financial condition measure ( d )	48,754,630	8%
Less minimum financial condition measure for future years	11,584,674	
Stimulus funds received for FY 08-09	15,093,592	
Stimulus funds received for FY 09-10	5,461,946	
Less additional funding for medical insurance reserve	4,000,000	
Projected undesignated balance	3,906,762	

(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**  
July 2010

**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. Percent 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. Percent recognized is consistent with prior year.
Academic Support	Includes activities to support the District's primary mission. Percent 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. Percent recognized is consistent with prior year.
General Institutional	Includes activities that provide safety, security, printing, travel, marketing, and insurance. Percent recognized is consistent with prior year.
Administration	Includes activities relating to management, business and human resources operations, and planning. Percent recognized is consistent with prior year.
Physical Plant	Percent recognized is consistent with prior year.
Scholarships	Maricopa funded scholarships such as the President's scholarship, honors awards and employee waivers. Decrease in percentage recognized is primarily due to the move of scholarships from the Auxiliary Fund to the General Fund resulting in less transfers and fewer scholarship awards in July 2010 as more were awarded in May and June 2010.
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**

Personnel 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. Percent recognized is consistent with prior year.
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. Percent recognized is consistent with prior year.

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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. Percent recognized is consistent with prior year.
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 11.
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 a timing difference of a transfer to the Auxiliary Fund related to meet and confer.
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 \$7,520,981.
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. Percent recognized is consistent with prior year.
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. Percent recognized is consistent with prior year.
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 prior year.
Investment Income	Idle monies of the District are invested per Governing Board policy and the income is available for operating purposes. Percent recognized is consistent with prior year.
Miscellaneous and Other	Includes funds recovered from previously written off student debts as well as other small types of revenues. Percent recognized is consistent with prior year.
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.