

MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT  
 BUDGET ANALYSIS REPORT  
 FUND 1 - CURRENT UNRESTRICTED FUND  
 June 2009  
 \*\*\*PRELIMINARY\*\*\*

**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>Percent Expended 05-06</b>	<b>Amount Encumbered</b>	<b>Unencumbered Balance Available</b>	<b>Percent of Budget Available</b>
INSTRUCTION	263,667,447	244,585,597	92.8	95.0	93.1	94.9	0	19,081,850	7.2
PUBLIC SERVICE	736,650	627,811	85.2	94.8	96.5	96.8	0	108,839	14.8
ACADEMIC SUPPORT	66,334,274	56,453,307	85.1	85.6	87.4	87.7	0	9,880,967	14.9
STUDENT SERVICES	49,559,641	45,750,683	92.3	96.2	96.9	97.1	0	3,808,958	7.7
GENERAL INSTITUTIONAL	74,549,135	47,109,789	63.2	89.2	89.2	80.6	0	27,439,346	36.8
ADMINISTRATION	84,202,709	72,214,994	85.8	97.8	95.9	98.1	0	11,987,715	14.2
PHYSICAL PLANT	40,061,893	39,762,019	99.3	98.6	98.0	95.3	0	299,874	0.7
CONTINGENCIES	21,278,549	0	0.0	2.5	-22.7	103.7	0	21,278,549	
<b>TOTAL OPERATIONAL</b>	<b>600,390,298</b>	<b>506,504,200</b>	<b>84.4</b>	<b>91.0</b>	<b>88.8</b>	<b>91.7</b>	<b>0</b>	<b>93,886,098</b>	<b>15.6</b>
<b>By Object:</b>									
PERSONAL SERVICES	332,169,638	323,822,836	97.5	98.1	98.1	99.4	0	8,346,802	2.5
EMPLOYEE BENEFITS	90,418,101	83,818,123	92.7	96.9	98.2	99.1	0	6,599,978	7.3
CONTRACTUAL SERVICES	42,168,878	37,149,557	88.1	99.3	97.3	95.4	0	5,019,321	11.9
SUPPLIES, MATERIALS, PARTS	9,436,560	8,326,573	88.2	97.9	90.9	96.6	0	1,109,987	11.8
CURRENT FIXED CHARGES	8,007,307	6,911,808	86.3	98.3	89.7	84.0	0	1,095,499	13.7
COMMUNICATIONS AND UTILITIES	15,721,940	14,723,915	93.7	98.0	95.6	92.4	0	998,025	6.3
TRAVEL	3,073,544	2,481,836	80.7	80.5	88.0	91.5	0	591,708	19.3
STUDENT AID AND MISCELLANEOUS	8,793,649	5,736,386	65.2	50.6	71.9	57.1	0	3,057,263	34.8
TRANSFERS-INTRAFUND	44,351,369	0	0.0	0.0	0.7	10.6	0	44,351,369	100.0
TRANSFERS TO OTHER FUNDS	24,970,763	23,533,166	94.2	106.8	96.7	112.1	0	1,437,597	5.8
CONTINGENCIES	21,278,549	0	0.0	2.5	-22.7	103.7	0	21,278,549	
<b>TOTAL OPERATIONAL</b>	<b>600,390,298</b>	<b>506,504,200</b>	<b>84.4</b>	<b>91.0</b>	<b>88.8</b>	<b>91.7</b>	<b>0</b>	<b>93,886,098</b>	<b>15.6</b>

(a) Represents budget as amended by approved transfers.

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REVENUE ANALYSIS ( a )	Budget ( b )	Recognized	Percent Recognized 08-09	Percent Recognized 07-08	Percent Recognized 06-07	Percent Recognized 05-06	Projected Revenue	Projected Variance Over/(Under) Budget	Comments
PROPERTY TAX	347,905,170	339,716,335	97.6	99.5	98.5	98.4	339,716,335	-8,188,835	Projected, see (a)
STATE AID	57,528,300	51,127,990	88.9	100.0	100.0	100.0	51,127,990	-6,400,310	Per State Budget
IN LIEU TAX, SALT RIVER PROJECT	4,418,036	4,298,059	97.3	98.4	98.6	96.9	4,298,059	-119,977	Based on budget
GENERAL TUITION	132,720,915	126,023,076	95.0	94.9	89.8	90.8	126,023,076	-6,697,839	Based on budget
OUT-OF-STATE TUITION	12,184,050	11,056,683	90.7	125.1	92.3	87.7	11,056,683	-1,127,367	Based on budget
OUT-OF-COUNTY TUITION	426,709	561,826	131.7	86.3	100.2	198.9	561,826	135,117	Based on budget
OTHER FEES AND CHARGES	5,974,060	5,663,898	94.8	92.8	93.9	94.3	5,663,898	-310,162	Based on budget
INVESTMENT INCOME	3,850,000	1,286,855	33.4	165.8	256.6	219.6	1,286,855	-2,563,145	Based on budget
MISCELLANEOUS AND OTHER	925,750	1,240,742	134.0	101.2	195.2	169.6	1,240,742	314,992	Based on budget
TRANSFERS IN	4,778,300	0	0.0	0.0	1.0	62.8	0	-4,778,300	Based on budget
COLLEGE CARRYFORWARD	29,679,008	29,679,008	100.0	100.0	100.0	100.0	29,679,008	0	Based on budget
<b>TOTAL</b>	<b>600,390,298</b>	<b>570,654,472</b>	<b>95.0</b>	<b>98.8</b>	<b>96.6</b>	<b>96.7</b>	<b>570,654,472</b>	<b>-29,735,826</b>	

**FINANCIAL CONDITION ANALYSIS**

Less college carryforward	-29,679,008	
Total projected revenues	540,975,464	
Less total projected expenditures ( c )	-540,849,301	
Projected increase / (decrease) in fund balance	126,163	
<b>Beginning fund balance (audited)</b>	<b>101,925,510</b>	
Projected ending fund balance 6/30/09	102,051,673	19%
Less projected designations for future operations		
3.5% college carryforward	17,213,426	
Enrollment Growth Funding	2,055,450	
Additional carryforward allocations	10,410,132	
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 )	43,278,037	8%
<b>Less minimum financial condition measure for future years</b>	<b>12,019,798</b>	
Projected undesignated balance	4,410,168	

(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 continuous

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**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. The budget amount increased from FY 08 to FY 09 resulting in a smaller percentage recognized.
Public Service	Includes expenditures for activities established primarily to provide non-instructional services beneficial to individuals and groups external to the District. The budgeted amount increased from FY 08 to FY 09 resulting in a smaller percentage recognized
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. The budget amount increased from FY 08 to FY 09 resulting in a smaller percentage recognized.
General Institutional	Includes activities that provide safety, security, printing, travel, marketing, and insurance. The budget amount increased from FY 08 to FY 09 resulting in a smaller percentage recognized year to date.
Administration	Includes activities relating to management, business and human resources operations, and planning. A decrease in the amount transferred to other funds from FY 08 to FY 09 results in a smaller percentage recognized year to date.
Physical Plant	Amount recognized is consistent with prior year.
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. The budget amount increased from FY 08 to FY 09 resulting in a smaller percentage recognized.
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. Decrease in general supplies results in a smaller percent recognized year to date.
Current Fixed Charges	Includes expenditures for facilities rentals, liability and property insurance, subscriptions, etc. An increase in the budgeted amount coupled with slightly lower expenses results in a smaller percentage recognized year to date.
Communications and Utilities	Includes all costs relating to telephone, postage, electricity, water, sewer, etc. An increase in the budget coupled with a decrease in utilities expenses results in a smaller percent recognized year to date.
Travel	Includes mileage, in and out of state travel, international travel, registration, hotel, airfare, etc. Percent recognized is consistent with prior year.
Student Aid and Miscellaneous	Includes statutory waivers, employee and dependent waivers, non-capital equipment, bad debt expense relating to student accounts, etc. An increase in the amount recognized combined with a decrease in the FY 09 budget results in a higher 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 09.

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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. A decrease in the transfer to the Endowment fund for flex benefits and to the Auxiliary fund for grant overhead results in a smaller percent recognized year to date.

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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 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 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 \$6.3M is due to the state aid operating cut of \$2.1M made in June 2008 and \$4.3M made in January 2009 for FY08-09.
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. Percent recognized is consistent with previous 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. An increase in the FY 09 budget amount combined with a smaller amount recognized year to date results in a lower percentage recognized year to date.
Out-of-County Tuition	Counties that do not have a community college district provide monies for operations to the districts where their students attend. 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.
Other Fees and Charges	Includes funds received from students for various fees such as registration, transcripts, evaluation by examination registration fees, music lessons, etc. Increase due to an increase in amount recognized for Registration Fees, Music Lesson Fees, and Transcript Fees while the budgeted amount remained 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. Unprecedented market conditions resulted in less than expected investment income. LGIP notified the District of a potential loss of approximately \$2.04M due to Lehman Brothers corporate bonds that were held by the pool. Some recovery is likely as bankruptcy hearings conclude, but this could take a couple or more years. The Fund 1 portion of the loss (\$439,634) was written off against investment income in April 2009.
Miscellaneous and Other	Includes funds recovered from previously written off student debts as well as other small types of revenues. Increase due to larger rebates received in FY 09 compared to FY 08.
Transfers In	Includes funds set aside for FTSE growth in the Auxiliary Fund. No transfers were made in FY 08 or FY 09.
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.