

MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT
 BUDGET ANALYSIS REPORT
 FUND 1 - CURRENT UNRESTRICTED FUND
 August 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	260,144,936	33,245,432	12.8	9.9	10.6	10.8	124,390,268	102,509,236	39.4
PUBLIC SERVICE	1,139,743	160,225	14.1	52.3	58.1	7.5	606,229	373,289	32.8
ACADEMIC SUPPORT	61,390,696	8,019,007	13.1	13.0	13.5	13.7	33,989,313	19,382,376	31.6
STUDENT SERVICES	52,030,187	6,761,817	13.0	14.7	15.6	16.4	29,464,673	15,803,697	30.4
GENERAL INSTITUTIONAL	94,478,230	8,551,513	9.1	8.9	16.2	9.1	20,615,020	65,311,697	69.1
ADMINISTRATION	64,462,918	8,476,754	13.1	21.4	24.6	14.8	42,754,251	13,231,913	20.5
PHYSICAL PLANT	39,385,407	6,601,045	16.8	15.3	16.8	16.4	28,499,777	4,284,585	10.9
SCHOLARSHIPS	15,797,814	6,245,900	39.5	N/A	N/A	N/A	0	9,551,914	60.5
CONTINGENCIES	46,085,156	0					0	46,085,156	
TOTAL OPERATIONAL	634,915,087	78,061,693	12.3	11.8	13.8	11.4	280,319,531	276,533,863	43.6
<u>By Object:</u>									
PERSONAL SERVICES	334,424,825	38,637,188	11.6	11.6	12.2	12.3	209,164,015	86,623,622	25.9
EMPLOYEE BENEFITS	92,029,390	9,881,403	10.7	10.7	11.1	12.7	35,635,197	46,512,790	50.5
CONTRACTUAL SERVICES	40,052,638	5,374,895	13.4	18.2	17.5	17.1	16,415,733	18,262,010	45.6
SUPPLIES, MATERIALS, PARTS	11,666,002	1,126,436	9.7	10.3	10.3	10.0	3,685,800	6,853,766	58.7
CURRENT FIXED CHARGES	8,559,261	1,655,406	19.3	18.5	25.1	27.8	1,696,654	5,207,201	60.8
COMMUNICATIONS AND UTILITIES	15,945,001	2,194,160	13.8	15.4	15.3	14.0	13,324,197	426,644	2.7
TRAVEL	2,952,084	110,522	3.7	20.7	16.9	27.4	157,690	2,683,872	90.9
STUDENT AID AND MISCELLANEOUS	8,213,337	1,176,597	14.3	12.9	19.1	28.2	240,245	6,796,495	82.7
TRANSFERS-INTRAFUND	44,537,019	0	0.0	0.0	0.0	0.0	0	44,537,019	100.0
TRANSFERS TO OTHER FUNDS	30,450,374	17,905,086	58.8	43.6	77.0	12.9	0	12,545,288	41.2
CONTINGENCIES	46,085,156	0					0	46,085,156	
TOTAL OPERATIONAL	634,915,087	78,061,693	12.3	11.8	13.8	11.4	280,319,531	276,533,863	43.6

(a) Represents budget as amended by approved transfers.

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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	3,202,392	0.9	0.8	0.7	0.6	352,606,476	-7,335,677	Projected, see (a)
STATE AID	51,128,000	11,331,850	22.2	24.1	25.0	25.0	45,293,500	-5,834,500	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	72,346,883	45.6	38.9	40.4	39.5	158,516,175	0	Based on budget
OUT-OF-STATE TUITION	13,523,310	7,097,860	52.5	54.0	66.8	45.8	13,523,310	0	Based on budget
OUT-OF-COUNTY TUITION	470,852	10,673	2.3	5.8	5.2	11.3	470,852	0	Based on budget
OTHER FEES AND CHARGES	5,974,060	2,213,687	37.1	33.4	34.1	35.9	5,974,060	0	Based on budget
INVESTMENT INCOME	1,925,000	25,721	1.3	11.7	10.0	15.5	1,925,000	0	Based on budget
MISCELLANEOUS AND OTHER	1,091,200	141,390	13.0	8.8	10.1	8.1	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	134,056,379	21.1	17.9	17.1	19.5	621,744,910	-13,170,177	

FINANCIAL CONDITION ANALYSIS

Less college carryforward	-37,685,923	
Total projected revenues	584,058,987	
Less total projected expenditures (c)	-583,486,965	
Projected increase / (decrease) in fund balance	572,022	
Beginning fund balance (unaudited)	102,051,673	
Projected ending fund balance 6/30/10	102,623,695	18%
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)	46,724,719	8%
Less minimum financial condition measure for future years	8,584,674	
Less additional funding for medical insurance reserve	2,500,000	
Projected undesignated balance	2,470,632	

(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.

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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. 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 increase by aboutn \$400,000 due to the combination of funds 110 and 210. A decrease in the amount recognized combined with an increase in the budgeted amount results 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. Decrease is due to two reasons. First, the combination of fund 110 and 210, and second, the reclass of expenses to properly state functions.
Physical Plant	Increase in percentage recognized due to a timing difference of a transfer to the Auxiliary fund. 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. 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. An increase in the budget combined with a decrease in expenditures results in a lower percentage recognized year to date.

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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. Increase due to the accrual reversal of bad debt expense.

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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 in addition to students enrolling earlier than in previous years. Over time we will determine if this trend will continue.
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 previous 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 previous 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. IPercent 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 resulted in less than expected investment income.
Miscellaneous and Other	Includes funds recovered from previously written off student debts as well as other small types of revenues. Percent recognized consistent with previous year.
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.