

MONITORING REPORT
CHANCELLOR LIMITATIONS
FINANCIAL CONDITION AND ACTIVITIES; FINANCIAL PLANNING AND BUDGETING

Governing Board Agenda

Meeting Date: 8/23/2022

Item Number	Item Title	Responsible Agents
	Budget Analysis Report Fund 1: General Unrestricted Fund For the One Month Ending 7/31/2022	Kim Granio, Chief Financial Officer

Revenue Summary: \$53.0M year to date; projected revenue at year end: \$715.3M

- The two major revenues, property taxes and tuition, are collected in cycles. Tuition revenue is generally collected at the beginning of each semester while property tax revenue is mostly collected in the fall and spring when semi-annual payments are due from property owners.
- 7.4% of projected revenue have been recognized year to date.

Expenditure Summary: \$30.2M year to date; projected expenditure at year end: \$737.9M

- Expenses for Personal Services and Employee Benefits are generally consistent throughout the academic year (August through May) as faculty expenses are primarily recognized during this period. Expenses in July and June of each fiscal year are typically lower.
- 4.1% of projected expenditures have been recognized year to date.
- Contingencies of \$25.7M included in the Expenditure Analysis line items in the attached report are not expected to be expended.

Fund Balance and Financial Stability Requirements

- Projections are for the Fund 1 balance to decrease by \$22.5M (from \$238.9M to \$216.4M) in FY 22/23.
- MCCCCD is required to maintain a financial stability balance equal to 10% of the annual projected revenue. This currently equates to \$71.0M. An additional \$42.6M in fund balance has been reserved to provide another layer of financial protection and provide financial flexibility in uncertain times, such as unforeseen drops in enrollment, uncollected tax levy, unexpected increases in uncollectible student debt, unplanned/unavoidable expenses, etc. The combination of these two reserves provides approximately two months of expenses for the MCCCCD system. After these reserves and designations for college carryforward and system-wide strategic efforts of \$61.4M, a projected undesignated balance of \$41.4M remains.
- While the projected undesignated fund balance is expected to be just over \$41M, there may be unforeseen changes in revenues and/or expenditures which may potentially impact these balances.
- Financial activities of the District comply with the Governing Board Policies, Chancellor Interpretations 2.4 and 2.6, though Restricted Fund revenue collection often lags behind expenditures given that the nature of grants and financial aid is one of reimbursement for expenditures and awards.
- The Governing Board contingency beginning balance is \$900,000. The remaining balance as of 7/31/2022 is \$900,000.

Items of Particular Interest: Abnormal Deviations from Budget or Expectations

- None

More information on the Budget Analysis Report access:

<https://district.maricopa.edu/budget/financial-services-controller/financial-reports>

This report is also provided to the Audit & Finance Committee semi-annually.

Funding

Source
Account Information

Maricopa County Community College District

Budget to Actual

All Business Units

FUND: 110 - General Fund



One month ending July 31, 2022

	Current Month			Year-To-Date			Full Year	
	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Estimated Actuals
REVENUE ANALYSIS								
Property taxes	1,760,157	2,126,982	366,825	1,760,157	2,126,982	366,825	524,068,789	524,068,789
State aid	-	-	-	-	-	-	-	-
In lieu taxes	-	-	-	-	-	-	8,990,505	8,990,505
General tuition	46,396,744	41,225,974	(5,170,771)	46,396,744	41,225,974	(5,170,771)	146,755,873	146,755,873
Out of state tuition	1,127,543	8,148,137	7,020,594	1,127,543	8,148,137	7,020,594	13,530,515	13,530,515
Out of county tuition	22,842	22,756	(86)	22,842	22,756	(86)	274,100	274,100
Other fees and charges	305,283	867,310	562,027	305,283	867,310	562,027	3,663,378	3,663,378
Investment income	25,000	516,131	491,131	25,000	516,131	491,131	300,000	300,000
Miscellaneous and other	1,045,390	57,747	(987,643)	1,045,390	57,747	(987,643)	12,544,669	12,544,669
Transfers from other funds	-	-	-	-	-	-	5,219,511	5,219,511
Subtotal Revenues	50,682,959	52,965,037	2,282,078	50,682,959	52,965,037	2,282,078	715,347,340	715,347,340
Fund balance carryforward	-	-	-	-	-	-	233,021,052	233,021,052
Total Sources	50,682,959	52,965,037	2,282,078	50,682,959	52,965,037	2,282,078	948,368,392	948,368,392
EXPENDITURE ANALYSIS								
By Function								
Instruction	16,664,730	7,363,992	9,300,738	16,664,730	7,363,992	9,300,738	259,075,053	259,075,053
Public service	334,359	141,768	192,591	334,359	141,768	192,591	2,686,038	2,686,038
Academic support	11,152,243	4,656,895	6,495,348	11,152,243	4,656,895	6,495,348	84,978,112	84,978,112
Student services	10,864,485	4,156,940	6,707,545	10,864,485	4,156,940	6,707,545	84,196,952	84,196,952
Institutional support	32,389,685	12,067,453	20,322,232	32,389,685	12,067,453	20,322,232	214,833,252	214,833,252
Operation and maintenance of plant	11,640,116	1,695,707	9,944,409	11,640,116	1,695,707	9,944,409	72,876,255	72,876,255
Student financial assistance	3,436,493	83,070	3,353,423	3,436,493	83,070	3,353,423	19,243,583	19,243,583
Unused carryforward and contingency	-	-	-	-	-	-	25,690,989	25,690,989
Total Operational by Function	86,482,111	30,165,825	56,316,286	86,482,111	30,165,825	56,316,286	763,580,234	763,580,234
By Account								
Personal services	33,038,276	16,246,305	16,791,971	33,038,276	16,246,305	16,791,971	442,138,077	442,138,077
Employee benefits	9,956,854	6,932,201	3,024,653	9,956,854	6,932,201	3,024,653	131,701,210	131,701,210
Contractual services	21,613,614	3,635,426	17,978,188	21,613,614	3,635,426	17,978,188	71,665,547	71,665,547
Supplies, materials, parts	3,217,747	322,255	2,895,492	3,217,747	322,255	2,895,492	11,411,211	11,411,211
Current fixed charges	3,634,925	1,377,141	2,257,784	3,634,925	1,377,141	2,257,784	13,378,450	13,378,450
Communications and utilities	3,382,879	(592,596)	3,975,475	3,382,879	(592,596)	3,975,475	18,069,491	18,069,491
Travel operating expenses	2,165,259	68,374	2,096,885	2,165,259	68,374	2,096,885	4,248,341	4,248,341
Student aid and miscellaneous	5,432,417	831,073	4,601,344	5,432,417	831,073	4,601,344	33,504,469	33,504,469
Intrafund transfers	1,693,592	-	1,693,592	1,693,592	-	1,693,592	6,308,510	6,308,510
Transfers to other funds	2,346,548	1,345,647	1,000,901	2,346,548	1,345,647	1,000,901	5,463,939	5,463,939
Unused carryforward and contingency	-	-	-	-	-	-	25,690,989	25,690,989
Total Operational by Account	86,482,111	30,165,825	56,316,286	86,482,111	30,165,825	56,316,286	763,580,234	763,580,234

One month ending July 31, 2022

	Current Month			Year-To-Date			Full Year	
	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Estimated Actuals
FINANCIAL CONDITION ANALYSIS								
Total projected revenues								715,347,340
Less total projected expenditures (b)								(737,889,245)
Projected increase / (decrease) in fund balance								(22,541,905)
Beginning fund balance (unaudited)								238,905,370
Projected ending fund balance 6/30/23								216,363,465
Less projected designations for future operations:								
3.5% college carry forward							22,736,528	
Less minimum financial condition measure (c)							71,012,783	
Less additional reserves (d)							42,607,670	
Less designations for system-wide strategic efforts (e)							38,652,658	
Total Designations								175,009,639
Projected undesignated balance								41,353,826

(a) - Represents adopted budget, as amended by approved budget transfers.

(b) - Represents budgeted expenses less contingencies.

(c) - The financial condition measure represents that portion of the undesignated general fund balance equal to 10% 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.

(d) - Additional reserves are intended to provide another layer of financial protection and provide financial flexibility in uncertain times. The intention is to have a combined reserve (minimum financial condition measure plus additional reserves) which provides two months of expenses should the district face financial uncertainties (i.e., unforeseen drops in enrollment, uncollected tax levy, unexpected increases in uncollectible student debt, unplanned/unavoidable expenses, etc.).

(e) - Funded from recoveries of lost revenue (FY21) with Higher Education Emergency Relief Funds; includes efforts such as strategic scheduling software, advising case management, scholarship software, changes to SIS and Admissions.

Maricopa County Community College District
Budget to Actual
All Business Units
FUND: 110 - General Fund



One month ending July 31, 2022

REVENUE DESCRIPTIONS	Current Month			Year-To-Date			Full Year	
	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Estimated Actuals
Property Tax	Primary property taxes levied and collected for use in current operations without restrictions.							
State Aid	Effective in FY 16, the State of Arizona no longer provides operational support to the Maricopa County Community College District.							
In Lieu Tax	Monies paid to the District by SRP for use in current operations as a substitution for property taxes.							
General Tuition	Tuition and fees received from students whether directly or from a third party.							
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.							
Out-of-County Tuition	Counties that do not have a community college district provide monies for operations to the districts where their students attend.							
Other Fees and Charges	Includes funds received from students for various fees such as registration, transcripts, evaluation by examination registration fees, music lessons, etc.							
Investment Income	Idle monies of the District are invested per Governing Board policy and the income is available for operating purposes. Based on accounting standards, the District adjusts the value of its investments monthly to that of the market and these adjustments are reflected in the investment income line. Therefore, the actual amount for this revenue line can fluctuate up and down over the course of the year. The projected revenue is what the District expects the final income amount to be at the end of the fiscal year regardless of the increases and decreases that can occur monthly.							
Miscellaneous and Other	Includes funds recovered from previously written off student debts as well as other small types of revenues.							
Fund balance carryforward	Includes budget capacity to allow colleges and district office divisions to carry forward up to 3.5% of operating budgets from one fiscal year to the next, enrollment growth funding for the colleges, and contingencies for unanticipated expenses. Fund balance will not be recognized as a source until used.							

Maricopa County Community College District
Budget to Actual
All Business Units
FUND: 110 - General Fund



One month ending July 31, 2022

EXPENDITURE DESCRIPTIONS	Current Month			Year-To-Date			Full Year	
	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Estimated Actuals
<u>By Function</u>								
Instruction								
Public Service								
Academic Support								
Student Services								
Institutional Support								
Operation/Maintenance of Plant								
Student Financial Assistance								
Unused carryforward and contingency								
<u>By Account</u>								
Personnel Services								
Employee Benefits								
Contractual Services								
Supplies, Materials, Parts								
Current Fixed Charges								
Communications and Utilities								
Travel								
Student Aid and Miscellaneous								
Transfers-Intrafund								
Transfers to Other Funds								
Unused carryforward and contingency								