

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

**Governing Board Agenda**

**Meeting Date:** 12/12/2023

<b>Item Number</b>	<b>Item Title</b>	<b>Responsible Agents</b>
	Budget Analysis Report Fund 1: General Unrestricted Fund For the Twelve Months Ending 6/30/2023 FINAL	Kim Granio, Vice Chancellor, Business Services

Revenue Summary: \$717.8M

- 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.
- 100.3% of budgeted revenue was recognized in FY 2023.

Expenditure Summary: \$716.0M

- 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.
- 93.8% of budgeted expenditures were recognized in FY 2023.
- Contingencies of \$5.8M included in the Expenditure Analysis line items in the attached report were not expended.

Fund Balance and Financial Stability Requirements

- The Fund 1 balance increased by \$1.8M (from \$233.8M to \$235.6M) in FY 2023.
- MCCCDC is required to maintain a financial stability balance equal to 10% of the annual projected revenue. This currently equates to \$71.3M. An additional \$42.8M 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 MCCCDC system. After these reserves and designations for college carryforward and system-wide strategic efforts of \$60.9M, an undesignated balance of \$60.7M remains.
- While the projected undesignated fund balance is expected to be just over \$60M, 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 6/30/2023 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*



**Twelve months ending June 30, 2023 - FINAL (Unaudited)**

	Current Month			Year-To-Date			Full Year	
	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Actuals
<b>REVENUE ANALYSIS</b>								
Property taxes	3,528,631	3,574,469	45,838	524,068,789	524,150,563	81,774	524,068,789	524,150,563
State aid	-	-	-	-	-	-	-	-
In lieu taxes	-	(224)	(224)	8,990,505	8,888,983	(101,522)	8,990,505	8,888,983
General tuition	1,189,139	679,649	(509,490)	146,755,873	143,157,935	(3,597,938)	146,755,873	143,157,935
Out of state tuition	1,127,542	(1,443,231)	(2,570,773)	13,530,515	13,609,491	78,976	13,530,515	13,609,491
Out of county tuition	22,841	(11,623)	(34,464)	274,100	178,811	(95,289)	274,100	178,811
Other fees and charges	305,281	374,902	69,621	3,663,378	4,170,482	507,104	3,663,378	4,170,482
Investment income	25,000	156,486	131,486	300,000	5,676,444	5,376,444	300,000	5,676,444
Miscellaneous and other	5,588,663	12,250,376	6,661,713	12,544,669	12,788,402	243,733	12,544,669	12,788,402
Transfers from other funds	-	500,000	500,000	5,219,511	5,219,511	-	5,219,511	5,219,511
<b>Subtotal Revenues</b>	<b>11,787,097</b>	<b>16,080,803</b>	<b>4,293,706</b>	<b>715,347,340</b>	<b>717,840,622</b>	<b>2,493,282</b>	<b>715,347,340</b>	<b>717,840,622</b>
Fund balance carryforward	233,021,052	-	(233,021,052)	233,021,052	-	(233,021,052)	233,021,052	-
<b>Total Sources</b>	<b>244,808,149</b>	<b>16,080,803</b>	<b>(228,727,346)</b>	<b>948,368,392</b>	<b>717,840,622</b>	<b>(230,527,770)</b>	<b>948,368,392</b>	<b>717,840,622</b>
<b>EXPENDITURE ANALYSIS</b>								
<b>By Function</b>								
Instruction	9,097,589	11,027,853	(1,930,264)	256,800,375	264,595,912	(7,795,536)	256,800,375	264,595,912
Public service	358,990	390,808	(31,818)	2,928,330	3,350,879	(422,549)	2,928,330	3,350,879
Academic support	8,161,791	9,794,349	(1,632,559)	88,185,516	90,517,560	(2,332,043)	88,185,516	90,517,560
Student services	9,230,645	8,577,885	652,760	85,461,411	76,352,985	9,108,426	85,461,411	76,352,985
Institutional support	26,233,772	20,250,163	5,983,609	228,737,789	190,756,649	37,981,140	228,737,789	190,756,649
Operation and maintenance of plant	9,270,301	10,879,031	(1,608,730)	76,376,408	73,714,952	2,661,456	76,376,408	73,714,952
Student financial assistance	2,884,522	2,524,678	359,844	19,350,655	16,703,076	2,647,579	19,350,655	16,703,076
Unused carryforward and contingency	(556,357)	-	(556,357)	5,794,528	-	5,794,528	5,794,528	-
<b>Total Operational by Function</b>	<b>64,681,253</b>	<b>63,444,767</b>	<b>1,236,486</b>	<b>763,635,012</b>	<b>715,992,012</b>	<b>47,643,000</b>	<b>763,635,012</b>	<b>715,992,012</b>
<b>By Account</b>								
Personal services	31,779,374	31,510,978	268,396	442,735,834	424,813,266	17,922,567	442,735,834	424,813,266
Employee benefits	9,047,892	11,359,773	(2,311,881)	132,020,075	129,101,144	2,918,931	132,020,075	129,101,144
Contractual services	9,680,751	9,323,129	357,622	77,281,821	78,088,175	(806,354)	77,281,821	78,088,175
Supplies, materials, parts	554,084	1,564,932	(1,010,848)	11,561,619	9,409,193	2,152,426	11,561,619	9,409,193
Current fixed charges	1,002,338	534,072	468,266	14,282,872	14,312,972	(30,100)	14,282,872	14,312,972
Communications and utilities	1,421,467	2,282,012	(860,545)	17,971,110	16,726,399	1,244,711	17,971,110	16,726,399
Travel operating expenses	1,775,068	737,462	1,037,605	6,890,307	4,886,084	2,004,223	6,890,307	4,886,084
Student aid and miscellaneous	9,150,269	3,758,491	5,391,779	48,002,916	32,090,796	15,912,119	48,002,916	32,090,796
Intrafund transfers	253,794	-	253,794	1,757,686	-	1,757,686	1,757,686	-
Transfers to other funds	572,573	2,373,919	(1,801,346)	5,336,245	6,563,982	(1,227,737)	5,336,245	6,563,982
Unused carryforward and contingency	(556,357)	-	(556,357)	5,794,528	-	5,794,528	5,794,528	-
<b>Total Operational by Account</b>	<b>64,681,253</b>	<b>63,444,767</b>	<b>1,236,486</b>	<b>763,635,012</b>	<b>715,992,012</b>	<b>47,643,000</b>	<b>763,635,012</b>	<b>715,992,012</b>

Twelve months ending June 30, 2023 - FINAL (Unaudited)

	Current Month			Year-To-Date			Full Year	
	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Actuals
<b>FINANCIAL CONDITION ANALYSIS</b>								
Total revenues								717,840,622
Less total expenditures								(715,992,012)
Increase in fund balance								1,848,609
Beginning fund balance (audited)								233,800,338
Ending fund balance 6/30/23 (unaudited)								<u>235,648,947</u>
Less designations for future operations:								
3.5% college carry forward							22,660,788	
Less minimum financial condition measure (c)							71,262,111	
Less additional reserves (d)							42,757,267	
Less designations for system-wide strategic efforts (e)							38,237,644	
Total Designations								174,917,810
Undesignated balance								<u>60,731,137</u>

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

(b) - Not used.

(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.

**Twelve months ending June 30, 2023 - FINAL (Unaudited)**

REVENUE DESCRIPTIONS	Current Month			Year-To-Date			Full Year	
	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	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*



**Twelve months ending June 30, 2023 - FINAL (Unaudited)**

EXPENDITURE DESCRIPTIONS	Current Month			Year-To-Date			Full Year	
	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Actuals
<b><u>By Function</u></b>								
Instruction								
Public Service								
Academic Support								
Student Services								
Institutional Support								
Operation/Maintenance of Plant								
Student Financial Assistance								
Unused carryforward and contingency								
<b><u>By Account</u></b>								
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								