

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

**Governing Board Agenda**

**Meeting Date:** 8/27/19

<u>Item Number</u>	<u>Item Title</u>	<u>Responsible Agents</u>
	Budget Analysis Report Fund 1: General Unrestricted Fund For the One Month Ending 7/31/2019	Mr. Elliott Hibbs

**GENERAL NOTE:** In FY2019, the Budget Analysis Report for Fund 1 was changed to present the District's financial information in a monthly budget format. Using monthly data from FY2019 and FY2020, we continue to refine budget practices to reflect how actual expenses and revenue expect to be incurred.

Expenditure Summary: \$47.3M year to date; projected expenditure at year end: \$725.5M

- 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.
- 6.5% of projected expenditures have been recognized year to date.
- Contingencies of \$23.9M included in the Expenditure Analysis line items in the attached report are not expected to be expended.

Revenue Summary: \$65.9M year to date; projected revenue at year end: \$710.0M

- 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.
- 9.3% of projected revenue has been recognized year to date.

Fund Balance and Financial Stability Requirements

- Projections are for the Fund 1 balance to decrease by \$15.5M (from \$207.3M to \$191.8M) in FY 19/20.
- MCCCCD is required to maintain a financial stability balance equal to 10% of the annual projected revenue. This currently equates to \$69.0M. The remaining fund balance of \$122.8M is comprised of college carryforward, allowance for student bad debt, potential uncollected tax levy, reserves for potential claims, Campus Works investment, and a projected undesignated balance of \$86.5M.
- While the projected undesignated fund balance is expected to be more than \$86M, there are ongoing expenses that may potentially impact these balances (i.e., capital needs, transformation, etc.).
- 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 7/31/19 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/data-reports/finances/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, 2019

	Current Month			Year-To-Date			Full Year	
	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Estimated Actuals
<b>REVENUE ANALYSIS</b>								
Property taxes	2,276,391	1,577,980	(698,411)	2,276,391	1,577,980	(698,411)	484,338,371	484,338,371
State aid	-	-	-	-	-	-	-	-
In lieu taxes - Salt River	-	-	-	-	-	-	8,663,631	8,663,631
General tuition	56,550,942	55,810,282	(740,660)	56,550,942	55,810,282	(740,660)	173,559,000	173,559,000
Out of state tuition	5,400,295	6,785,428	1,385,133	5,400,295	6,785,428	1,385,133	13,500,000	13,500,000
Out of county tuition	102,616	22,120	(80,496)	102,616	22,120	(80,496)	256,527	256,527
Other fees and charges	1,392,369	1,159,725	(232,644)	1,392,369	1,159,725	(232,644)	4,593,128	4,593,128
Investment income	179,950	414,609	234,659	179,950	414,609	234,659	3,050,000	3,050,000
Miscellaneous and other	95,118	149,863	54,745	95,118	149,863	54,745	1,890,588	1,890,588
Transfers from other funds	1,189,003	-	(1,189,003)	1,189,003	-	(1,189,003)	20,152,601	20,152,601
<b>Subtotal Revenues</b>	<b>67,186,684</b>	<b>65,920,007</b>	<b>(1,266,677)</b>	<b>67,186,684</b>	<b>65,920,007</b>	<b>(1,266,677)</b>	<b>710,003,846</b>	<b>710,003,846</b>
Budgeted use of fund balance	-	-	-	-	-	-	181,522,750	181,522,750
<b>Total Sources</b>	<b>67,186,684</b>	<b>65,920,007</b>	<b>(1,266,677)</b>	<b>67,186,684</b>	<b>65,920,007</b>	<b>(1,266,677)</b>	<b>891,526,596</b>	<b>891,526,596</b>
<b>EXPENDITURE ANALYSIS</b>								
<b>By Function</b>								
Instruction	17,106,892	15,983,151	1,123,741	17,106,892	15,983,151	1,123,741	274,914,339	274,914,339
Public service	254,658	198,615	56,043	254,658	198,615	56,043	3,817,360	3,817,360
Academic support	3,288,125	5,111,855	(1,823,730)	3,288,125	5,111,855	(1,823,730)	78,763,012	78,763,012
Student services	5,638,594	5,388,323	250,271	5,638,594	5,388,323	250,271	87,022,816	87,022,816
Institutional support	14,287,934	17,285,587	(2,997,653)	14,287,934	17,285,587	(2,997,653)	192,468,758	192,468,758
Operation and maintenance of plant	2,702,863	3,268,591	(565,728)	2,702,863	3,268,591	(565,728)	67,902,430	67,902,430
Student financial assistance	104,236	104,436	(200)	104,236	104,436	(200)	20,636,462	20,636,462
Contingency	(84,000)	-	(84,000)	(84,000)	-	(84,000)	23,887,199	23,887,199
<b>Total Operational by Function</b>	<b>43,299,302</b>	<b>47,340,559</b>	<b>(4,041,257)</b>	<b>43,299,302</b>	<b>47,340,559</b>	<b>(4,041,257)</b>	<b>749,412,376</b>	<b>749,412,376</b>
<b>By Account</b>								
Personal services	17,183,779	19,328,964	(2,145,185)	17,183,779	19,328,964	(2,145,185)	419,255,303	419,255,303
Employee benefits	7,275,541	8,279,484	(1,003,943)	7,275,541	8,279,484	(1,003,943)	126,318,648	126,318,648
Contractual services	5,156,514	9,504,813	(4,348,299)	5,156,514	9,504,813	(4,348,299)	68,376,786	68,376,786
Supplies, materials, parts	616,043	556,318	59,724	616,043	556,318	59,724	10,965,883	10,965,883
Current fixed charges	747,033	1,012,303	(265,270)	747,033	1,012,303	(265,270)	10,922,452	10,922,452
Communications and utilities	932,334	280,600	651,734	932,334	280,600	651,734	20,768,057	20,768,057
Travel operating expenses	381,502	88,662	292,840	381,502	88,662	292,840	4,941,749	4,941,749
Student aid and miscellaneous	2,040,412	824,200	1,216,212	2,040,412	824,200	1,216,212	30,541,905	30,541,905
Intrafund transfers	579,244	-	579,244	579,244	-	579,244	19,976,552	19,976,552
Transfers to other funds	8,470,900	7,465,215	1,005,685	8,470,900	7,465,215	1,005,685	13,457,842	13,457,842
Contingencies	(84,000)	-	(84,000)	(84,000)	-	(84,000)	23,887,199	23,887,199
<b>Total Operational by Account</b>	<b>43,299,302</b>	<b>47,340,559</b>	<b>(4,041,257)</b>	<b>43,299,302</b>	<b>47,340,559</b>	<b>(4,041,257)</b>	<b>749,412,376</b>	<b>749,412,376</b>

One month ending July 31, 2019

	Current Month			Year-To-Date			Full Year	
	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Estimated Actuals
<b>FINANCIAL CONDITION ANALYSIS</b>								
Total projected revenues								710,003,846
Less total projected expenditures (b)								(725,525,177)
Projected increase / (decrease) in fund balance								(15,521,331)
Beginning fund balance (unaudited)								207,279,431
Projected ending fund balance 6/30/20								<u>191,758,100</u>
Less projected designations for future operations:								
3.5% college carry forward							23,940,574	
Less minimum financial condition measure (c)							68,985,125	
Less allowance for student bad debt							3,000,000	
Less uncollected tax levy							3,877,981	
Less reserves for potential claims							5,000,000	
Less Campus Works investment							500,000	
Total Designations								105,303,680
Projected undesignated balance								<u>86,454,420</u>

(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

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



**One month ending July 31, 2019**

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, Salt River Project	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.							
Budgeted Use of Fund Balance	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, 2019**

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