MONITORING REPORT

CHANCELLOR LIMITATIONS

FINANCIAL CONDITION AND ACTIVITIES; FINANCIAL PLANNING AND BUDGETING

Governing Board Agenda

Item NumberItem TitleResponsible Agents

Budget Analysis Report Fund 1: General Unrestricted Fund For the Twelve Months Ending 6/30/2020 -FINAL Dr. James Moore, Interim COO

Meeting Date: 12/8/20

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 and financial reporting practices to reflect how actual expenses and revenue expect to be incurred.

Revenue Summary: \$717.3M (year to date)

- 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.
- 101.0% of budgeted revenue have been recognized year to date.
- Tuition revenue for the year exceeded the amount budgeted due to slightly higher than expected enrollment.

Expenditure Summary: \$699.1M (year to date)

- 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.
- 93.3% of budgeted expenditures have been recognized year to date.

Fund Balance and Financial Stability Requirements

- The General Fund balance to increased by \$18.2M (from \$203.2M to \$221.4M) in FY 19/20.
- MCCCD is required to maintain a financial stability balance equal to 10% of the annual projected revenue. This currently equates to \$69.7M. The remaining fund balance of \$142.4M 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 \$115.4M.
- While the projected undesignated fund balance is expected to be just over \$115M, there are ongoing expenses that may potentially impact these balances (i.e., technology, 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 6/30/20 is \$900,000.

<u>Items of Particular Interest: Abnormal Deviations from Budget or Expectations</u>

Approximately \$5.5M in eligible expenses have been reclassified from the General Fund to the Restricted Fund to be funded by colleges' CARES Act Institutional Allocations. These expenses are a direct result of the COVID-19 pandemic and would not have been incurred otherwise.

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.

Maricopa County Community College District Budget to Actual

All Business Units

FUND: 110 - General Fund

MARICOPA COMMUNITY COLLEGES

•	Current Month			Year-To-Date			Full Year	
	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Actuals
REVENUE ANALYSIS								
Description	2,000,004	C F0C CF2	2 507 060	404 220 274	400 005 040	(2.442.252)	404 220 274	400 005 040
Property taxes	3,988,684	6,586,652	2,597,968	484,338,371	480,895,019	(3,443,352)	484,338,371	480,895,019
State aid	-	-	-	- 0.002.021	0.007.453	22 522	- 0.002.021	0.07.153
In lieu taxes	1 757 471	1 751 225	-	8,663,631	8,697,153	33,522	8,663,631	8,697,153
General tuition	1,757,471	1,751,325	(6,146)	173,559,000	176,344,815	2,785,815	173,559,000	176,344,815
Out of state tuition	171,489	123,611	(47,878)	13,500,000	16,856,306	3,356,306	13,500,000	16,856,306
Out of county tuition	3,258	(6,636)	(9,894)	256,527	244,090	(12,437)	256,527	244,090
Other fees and charges	128,205	120,548	(7,657)	4,593,128	4,563,832	(29,296)	4,593,128	4,563,832
Investment income	668,865	(617,158)	(1,286,023)	3,050,000	6,614,875	3,564,875	3,050,000	6,614,875
Miscellaneous and other	218,374	(33,894)	(252,268)	1,890,588	2,980,240	1,089,652	1,890,588	2,980,240
Transfers from other funds		-	-	20,152,601	20,152,601	-	20,152,601	20,152,601
Subtotal Revenues	6,936,346	7,924,448	988,102	710,003,846	717,348,930	7,345,084	710,003,846	717,348,930
Fund balance carryforward	181,522,750	-	(181,522,750)	181,522,750	-	(181,522,750)	181,522,750	
Total Sources	188,459,096	7,924,448	(180,534,648)	891,526,596	717,348,930	(174,177,666)	891,526,596	717,348,930
EXPENDITURE ANALYSIS								
By Function								
Instruction	14,427,017	15,805,255	(1,378,238)	270,552,522	273,496,300	(2,943,778)	270,552,522	273,496,300
Public service	486,546	503,196	(16,650)	3,939,186	2,982,890	956,297	3,939,186	2,982,890
Academic support	8,477,358	9,870,599	(1,393,241)	79,572,587	79,640,050	(67,463)	79,572,587	79,640,050
Student services	9,684,864	9,926,145	(241,280)	86,386,825	74,039,364	12,347,460	86,386,825	74,039,364
Institutional support	37,890,819	24,747,056	13,143,762	217,197,891	175,056,525	42,141,367	217,197,891	175,056,525
Operation and maintenance of plant	15,951,919	16,943,367	(991,448)	70,306,609	75,978,501	(5,671,892)	70,306,609	75,978,501
Student financial assistance	1,507,242	1,993,154	(485,913)	17,622,601	17,939,585	(316,984)	17,622,601	17,939,585
Unused carryforward and contingency	4,069,927		4,069,927	4,040,545	<u> </u>	4,040,545	4,040,545	-
Total Operational by Function	92,495,692	79,788,773	12,706,919	749,618,767	699,133,215	50,485,552	749,618,767	699,133,215
By Account								
Personal services	43,685,251	37,312,581	6,372,670	416,732,942	407,129,314	9,603,628	416,732,942	407,129,314
Employee benefits	16,076,674	13,526,088	2,550,586	124,657,258	122,524,821	2,132,437	124,657,258	122,524,821
Contractual services	14,067,518	12,846,658	1,220,860	76,216,726	75,607,603	609,123	76,216,726	75,607,603
Supplies, materials, parts	1,721,467	1,340,965	380,502	11,662,418	10,380,962	1,281,456	11,662,418	10,380,962
Current fixed charges	1,728,184	317,765	1,410,420	11,274,245	8,691,250	2,582,996	11,274,245	8,691,250
Communications and utilities	2,791,650	2,023,490	768,160	17,894,931	15,795,189	2,099,742	17,894,931	15,795,189
Travel operating expenses	(513,788)	(59,696)	(454,092)	5,419,656	3,228,854	2,190,801	5,419,656	3,228,854
Student aid and miscellaneous	2,219,411	5,170,714	(2,951,303)	38,388,365	32,774,458	5,613,907	38,388,365	32,774,458
Intrafund transfers	3,786,623	-	3,786,623	23,971,473	_	23,971,473	23,971,473	. ,
Transfers to other funds	2,862,773	7,310,207	(4,447,434)	19,360,208	23,000,763	(3,640,555)	19,360,208	23,000,763
Unused carryforward and contingency	4,069,927	,,	4,069,927	4,040,545	-	4,040,545	4,040,545	-
Total Operational by Account	92,495,692	79,788,773	12,706,919	749,618,767	699,133,215	50,485,552	749,618,767	699,133,215
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Maricopa County Community College District Budget to Actual All Business Units



FUND: 110 - General Fund

	Current Month			Year-To-Date			ear	
	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Actuals
FINANCIAL CONDITION	I ANALYSIS				·			
	Total revenues							717,348,930
	Less total expend	ditures (b)						(699,133,215)
	Increase in fund	balance						18,215,715
	Beginning fund b	Beginning fund balance (audited)						
	Ending fund bala	nce 6/30/20 (unaudited	d)					221,432,597
							_	
	Less designations	s for future operations:						
	3.5% college ca	rry forward					23,940,574	
	Less minimum fir	Less minimum financial condition measure (c)					69,719,633	
	Less allowance for	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 Wo	rks investment					500,000	
	Total Designa	tions						106,038,188
	Undesignated ba	lance					_	115,394,409

⁽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.

Maricopa County Community College District Budget to Actual

All Business Units

FUND: 110 - General Fund



		Current Month			Year-To-Date			Full Year	
	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Actuals	
REVENUE DESCRIPTIONS									
Property Tax	Primary property taxes	levied and collected	I for use in current op	erations without restr	ictions.				
State Aid	Effective in FY 16, the S	State of Arizona no lo	onger provides operat	ional support to the N	Maricopa County Com	munity College Distri	ct.		
In Lieu Tax	Monies paid to the Dis	trict by SRP for use in	n current operations a	s a substitution for pr	operty taxes.				
General Tuition	Tuition and fees receiv	ed from students wh	nether directly or from	a third party.					
Out-of-State Tuition	Tuition and fees receiv	ed from students wh	no do not reside withir	n the state or are not	otherwise eligible for	in-state tuition, whe	ther directly or from a	third party.	
Out-of-County Tuition	Counties that do not h	ave a community col	lege district provide n	nonies for operations	to the districts where	e their students attend	d.		
Other Fees and Charges	Includes funds received	d from students for v	rarious fees such as re	gistration, transcripts,	evaluation by exami	nation registration fe	es, music lessons, etc.		
Investment Income	Idle monies of the Dist the value of its investm revenue line can fluctu	nents monthly to tha	t of the market and th	nese adjustments are i		01 1	Ü		
Miscellaneous and Other	Includes funds recover	ed from previously w	vritten off student dek	ots as well as other sm	all types of revenues	i.			
Fund balance carryforward	Includes budget capaci funding for the college			•			•	t, enrollment growtl	

Maricopa County Community College District Budget to Actual

All Business Units

FUND: 110 - General Fund



		Current Month			Year-To-Date			Full Year			
	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Actuals			
XPENDITURE DESCRIPTIONS by Function Instruction	Includes expenditures	directly related to in:	struction including cre	edit courses and vocat	ional and technical co	ourses.					
Public Service	Includes expenditures	for activities establis	hed primarily to provi	de non-instructional s	services beneficial to i	ndividuals and groups	s external to the Distr	ict.			
Academic Support	Includes activities to su	cludes activities to support the District's primary mission, such as student computing and library services.									
Student Services		ncludes activities that contribute to the students' emotional and physical well being; to promote intellectual, cultural, and social development outside the context of the ormal classroom; and to facilitate student enrollment in courses. Examples are Admissions and Records, student activities, financial aid, counseling, etc.									
Institutional Support	Includes activities that	provide safety, secu	rity, printing, travel, m	narketing, insurance, r	management, busines	s and human resource	e operations, and pla	nning.			
Operation/Maintenance of Plant	Includes expenditures grounds for all units.	allocated for the ope	eration and maintenar	nce of the physical pla	nt, such as utility cost	ts and staff responsibl	e for the maintenanc	e of buildings and			
Student Financial Assistance	Maricopa funded scho	larships such as the F	President's scholarship	o, and honors awards.							
Unused carryforward and contingency	Includes amounts carr needs as prioritized by			colleges and district o	ffice units (up to 3.5%	6 of adopted budget) a	and basic contingency	for unexpected			
By Account											
Personnel Services	Includes salaries and w	vages for all employe	es in all types of posit	ions such as full-time,	part-time, temporary	,, permanent, all emp	loyee groups, etc.				
Employee Benefits	Includes all employer paid costs of employee health insurance, retirement contributions, social security and Medicare, life insurance, workers compensation, unemployment, etc.										
Contractual Services	Includes expenditures	Includes expenditures such as funding for professional services, advertising, marketing, etc.									
Supplies, Materials, Parts	Includes the cost of cla	Includes the cost of classroom and office supplies and materials, software, audiovisual aids, etc.									
Current Fixed Charges	Includes expenditures	for facilities rentals,	liability and property i	insurance, subscriptio	ns, etc.						
Communications and Utilities	Includes all costs relati	ing to telephone, pos	tage, electricity, wate	r, sewer, etc.							
Travel	Includes mileage, in ar	nd out of state travel,	international travel, r	registration, hotel, air	fare, etc.						
Student Aid and Miscellaneous	Includes statutory wai	vers, employee and o	lependent waivers, no	on-capital equipment,	bad debt expense re	lating to student acco	unts, etc.				
Transfers-Intrafund	Includes allocations fo development facilities	•	funding (reserved to h	nelp fund additional c	ourses for increased s	tudent enrollment), f	unds for incremental	costs from capital			
Transfers to Other Funds	Includes transfers for programs (financial aid	•			Maricopa and South	west Skill Centers, ma	indatory match assoc	iated with federa			
Unused carryforward and contingency	Includes amounts carr	ied from one fiscal ye	•	colleges and district o	ffice units (up to 3.5%	6 of adopted budget) a	and basic contingency	for unexpected			