

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

Governing Board Agenda

Meeting Date: 4/23/19

Item Number	Item Title	Responsible Agents
	Budget Analysis Report Fund 1: General Unrestricted Fund For the Nine Months Ending 3/31/2019	Mr. Elliott Hibbs

REPORT FORMAT CHANGE: Beginning with FY2019, the Budget Analysis Report for Fund 1 presents the District's financial information in a monthly budget format and includes budget to actual variances, year-to-date actuals, and annual estimated actuals. The analysis and reporting of variances will continue to be refined over the next several months as more data become available.

Expenditure Summary: \$502.2M year to date; projected expenditure at year-end: \$713.5M

- 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.
- 70.4% of projected expenditures have been recognized year to date.
- Contingencies of \$6.0M included in the Expenditure Analysis line items in the attached report are not expected to be expended.

Revenue Summary: \$545.2M year to date; projected revenue at year-end: \$709.8M

- 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.
- 76.8% 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 \$3.6M (from \$180.3M to \$176.7M) in FY 18/19.
- MCCCCD is required to maintain a financial stability balance equal to 10% of the annual projected revenue. This currently equates to \$67.7M. The remaining fund balance of \$109.0M is comprised of college/DO division carryforward, allowance for student bad debt, potential uncollected tax levy, reserves for potential claims, Campus Works investment, and a projected undesignated balance of \$72.2M.
- While the projected undesignated fund balance is expected to be more than \$72M, 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 3/31/19 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 quarterly.

Funding

Source
Account Information

Maricopa County Community College District

Budget to Actual

All Business Units

FUND: 110 - General Fund



Nine months ending March 31, 2019

	Current Month			Year-To-Date			Full Year	
	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Estimated Actuals
REVENUE ANALYSIS								
Property taxes	22,267,925	21,438,609	(829,316)	321,106,070	319,126,660	(1,979,410)	467,211,721	465,232,311
State aid	-	-	-	-	-	-	-	-
In lieu taxes - Salt River	-	-	-	4,312,396	4,281,806	(30,590)	8,624,792	8,594,202
General tuition	7,522,494	7,626,616	104,122	170,241,067	162,372,664	(7,868,403)	182,700,000	174,831,597
Out of state tuition	721,861	757,011	35,150	15,020,278	15,035,538	15,260	15,160,346	15,175,606
Out of county tuition	44,487	4,740	(39,747)	141,567	150,787	9,220	256,525	265,745
Other fees and charges	270,753	307,180	36,427	4,018,656	4,367,921	349,265	4,593,130	4,942,395
Investment income	148,911	793,607	644,696	758,260	5,054,801	4,296,541	1,000,000	5,296,541
Miscellaneous and other	358,836	30,736	(328,100)	2,020,515	1,568,120	(452,395)	2,664,893	2,212,498
Transfers from other funds	-	(4,000)	(4,000)	33,245,964	33,248,487	2,523	33,245,964	33,248,487
Subtotal Revenues	31,335,267	30,954,498	(380,769)	550,864,773	545,206,784	(5,657,989)	715,457,371	709,799,382
Budgeted use of fund balance	-	-	-	-	-	-	179,715,023	179,715,023
Total Sources	31,335,267	30,954,498	(380,769)	550,864,773	545,206,784	(5,657,989)	895,172,394	889,514,405
EXPENDITURE ANALYSIS								
By Function								
Instruction	28,322,684	25,061,072	3,261,612	212,179,373	211,758,212	421,160	283,963,907	283,542,747
Public service	213,507	729,240	(515,733)	1,784,349	2,035,610	(251,261)	2,443,550	2,694,811
Academic support	7,479,887	4,207,189	3,272,698	60,301,491	53,491,912	6,809,579	81,671,833	74,862,255
Student services	5,365,675	6,005,618	(639,944)	59,960,988	58,768,575	1,192,414	83,561,962	82,369,549
Institutional support	16,287,692	14,438,405	1,849,287	115,917,704	114,827,947	1,089,757	182,809,061	181,719,304
Operation and maintenance of plant	4,866,224	6,614,490	(1,748,266)	43,216,362	46,753,062	(3,536,701)	66,204,382	69,741,082
Student financial assistance	173,945	579,233	(405,289)	14,555,183	14,580,470	(25,288)	18,501,713	18,527,000
Contingency	1,995,048	-	1,995,048	8,608,341	-	8,608,341	14,580,485	5,972,144
Total Operational by Function	64,704,661	57,635,248	7,069,413	516,523,790	502,215,789	14,308,001	733,736,893	719,428,892
By Account								
Personal services	37,388,625	33,652,612	3,736,014	290,136,659	293,251,006	(3,114,347)	407,654,869	410,769,217
Employee benefits	11,091,067	9,264,710	1,826,356	85,507,016	84,867,049	639,966	121,338,836	120,698,869
Contractual services	6,015,073	6,295,947	(280,873)	46,123,648	53,248,917	(7,125,269)	67,889,445	75,014,714
Supplies, materials, parts	951,321	711,893	239,429	8,105,353	6,267,405	1,837,948	11,496,697	9,658,749
Current fixed charges	809,208	239,841	569,367	7,283,237	8,390,249	(1,107,012)	10,447,610	11,554,622
Communications and utilities	1,476,164	1,214,565	261,599	13,319,211	11,449,247	1,869,964	20,836,892	18,966,928
Travel operating expenses	655,766	563,548	92,218	5,546,149	3,708,257	1,837,892	7,121,074	5,283,182
Student aid and miscellaneous	1,846,678	5,730,001	(3,883,323)	27,327,049	27,357,501	(30,452)	35,288,933	35,319,385
Intrafund transfers	2,133,182	(4,000)	2,137,182	9,648,182	(3,721)	9,651,903	20,205,238	10,553,335
Transfers to other funds	342,528	(33,869)	376,397	14,918,946	13,679,878	1,239,068	16,876,815	15,637,747
Contingencies	1,995,048	-	1,995,048	8,608,341	-	8,608,341	14,580,485	5,972,144
Total Operational by Account	64,704,661	57,635,248	7,069,413	516,523,790	502,215,789	14,308,001	733,736,893	719,428,892

Nine months ending March 31, 2019

	Current Month			Year-To-Date			Full Year	
	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Estimated Actuals
FINANCIAL CONDITION ANALYSIS								
Total projected revenues								709,799,382
Less total projected expenditures (b)								(713,456,748)
Projected increase / (decrease) in fund balance								(3,657,366)
Beginning fund balance (audited)								180,349,216
Projected ending fund balance 6/30/19								176,691,850
Less projected designations for future operations:								
3.5% college carry forward							23,940,574	
Less minimum financial condition measure (c)							67,655,089	
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							1,000,000	
Total Designations								104,473,644
Projected undesignated balance								72,218,206

(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



Nine months ending March 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



Nine months ending March 31, 2019

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								
Contingencies								
<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								
Contingencies								