

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

Governing Board Agenda

Meeting Date: 12/11/18

Item Number	Item Title	Responsible Agents
	Budget Analysis Report	Mr. Elliott Hibbs
	Fund 1: General Unrestricted Fund	
	For the Five Months Ending 11/30/2018	

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: \$254.7M year to date; projected expenditure at year-end: \$686.8M

- 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.
- 37.1% of projected expenditures have been recognized year to date

Revenue Summary: \$423.9M year to date; projected revenue at year-end: \$708.6M

- 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.
- 59.8% of projected revenue has been recognized year to date

Fund Balance and Financial Stability Requirements

- Projections are for the Fund 1 balance to increase by \$21.8M (from \$180.3M to \$202.2M) 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 \$67.5M. The remaining fund balance of \$134.7M 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 \$97.8M.
- While the projected undesignated fund balance is expected to be more than \$97M, 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 11/30/18 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



Five months ending November 30, 2018

	Current Month			Year-To-Date			Full Year	
	Budget (a)	Actuals	Variance	Budget (a)	Actuals	Variance	Budget (a)	Estimated Actuals
REVENUE ANALYSIS								
Property taxes	69,767,346	50,824,817	(18,942,529)	244,201,276	251,410,887	7,209,611	467,211,721	474,421,332
State aid	-	-	-	-	-	-	-	-
In lieu taxes - Salt River	2,610,058	4,249,302	1,639,244	4,312,396	4,281,806	(30,590)	8,624,792	8,594,202
General tuition	17,020,826	13,839,452	(3,181,374)	130,797,677	117,878,662	(12,919,015)	182,700,000	169,780,985
Out of state tuition	2,126,966	1,422,274	(704,692)	13,639,942	10,566,328	(3,073,615)	15,160,346	12,086,732
Out of county tuition	11,607	14,882	3,275	39,070	24,994	(14,076)	256,525	242,449
Other fees and charges	357,350	359,326	1,976	2,873,560	2,880,199	6,639	4,593,130	4,599,769
Investment income	8,610	769,893	761,283	283,800	2,218,833	1,935,033	1,000,000	2,935,033
Miscellaneous and other	171,936	830,880	658,944	1,302,994	1,351,619	48,625	2,664,893	2,713,518
Transfers from other funds	-	600	600	33,245,964	33,252,487	6,523	33,245,964	33,252,487
Subtotal Revenues	92,074,699	72,311,425	(19,763,274)	430,696,679	423,865,815	(6,830,864)	715,457,371	708,626,507
Budgeted use of fund balance	-	-	-	-	-	-	179,715,023	179,715,023
Total Sources	92,074,699	72,311,425	(19,763,274)	430,696,679	423,865,815	(6,830,864)	895,172,394	888,341,530
EXPENDITURE ANALYSIS								
By Function								
Instruction	30,520,425	26,762,034	3,758,392	114,712,439	100,266,943	14,445,496	279,220,909	264,775,413
Public service	202,328	145,970	56,358	949,531	726,872	222,659	2,345,828	2,123,169
Academic support	6,001,416	5,946,653	54,763	31,224,273	28,628,063	2,596,210	81,572,142	78,975,932
Student services	8,118,250	6,013,604	2,104,645	34,404,055	30,215,297	4,188,758	84,692,093	80,503,336
Institutional support	15,436,618	4,159,595	11,277,022	70,134,084	62,863,345	7,270,739	182,994,710	175,723,971
Operation and maintenance of plant	5,113,785	4,355,984	757,801	29,951,290	23,620,249	6,331,041	71,120,620	64,789,579
Student financial assistance	420,016	335,117	84,899	8,996,168	8,406,179	589,990	20,480,676	19,890,687
Contingency	792,534	-	792,534	(2,637,469)	-	(2,637,469)	11,299,267	13,936,736
Total Operational by Function	66,605,372	47,718,959	18,886,413	287,734,370	254,726,947	33,007,423	733,726,244	700,718,821
By Account								
Personal services	39,536,305	35,393,221	4,143,084	160,885,615	144,945,912	15,939,703	403,725,840	387,786,137
Employee benefits	11,276,099	9,413,675	1,862,424	47,911,552	43,302,552	4,609,000	121,181,585	116,572,585
Contractual services	6,506,550	5,844,257	662,293	29,493,531	30,189,676	(696,145)	69,954,341	70,650,486
Supplies, materials, parts	907,184	651,851	255,333	5,048,626	3,380,157	1,668,469	11,478,418	9,809,949
Current fixed charges	882,537	543,271	339,266	4,363,272	6,884,107	(2,520,835)	10,374,439	12,895,274
Communications and utilities	1,696,724	832,144	864,580	7,412,163	6,623,424	788,739	20,915,897	20,127,158
Travel operating expenses	647,489	514,193	133,296	3,345,303	2,095,458	1,249,846	6,368,878	5,119,033
Student aid and miscellaneous	1,300,440	(5,491,410)	6,791,849	16,183,579	11,725,703	4,457,876	34,959,264	30,501,388
Intrafund transfers	1,750,977	-	1,750,977	4,553,166	-	4,553,166	23,985,651	19,432,485
Transfers to other funds	1,308,534	17,758	1,290,776	11,175,032	5,579,958	5,595,074	19,482,664	13,887,590
Contingencies	792,534	-	792,534	(2,637,469)	-	(2,637,469)	11,299,267	13,936,736
Total Operational by Account	66,605,372	47,718,959	18,886,413	287,734,370	254,726,947	33,007,423	733,726,244	700,718,821

Maricopa County Community College District

Budget to Actual

All Business Units

FUND: 110 - General Fund



Five months ending November 30, 2018

	Current Month			Year-To-Date			Full Year	
	Budget (a)	Actuals	Variance	Budget (a)	Actuals	Variance	Budget (a)	Estimated Actuals
FINANCIAL CONDITION ANALYSIS								
Total projected revenues							708,626,507	
Less total projected expenditures (b)							(686,782,085)	
Projected increase / (decrease) in fund balance							21,844,421	
Beginning fund balance (unaudited)							180,349,216	
Projected ending fund balance 6/30/19							202,193,638	
Less projected designations for future operations:								
3.5% college carry forward							23,940,574	
Less minimum financial condition measure (c)							67,537,402	
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							104,355,957	
Projected undesignated balance							97,837,681	

(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



Five months ending November 30, 2018

	Current Month			Year-To-Date			Full Year	
	Budget (a)	Actuals	Variance	Budget (a)	Actuals	Variance	Budget (a)	Estimated Actuals
REVENUE DESCRIPTIONS								
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



Five months ending November 30, 2018

	Current Month			Year-To-Date			Full Year	
	Budget (a)	Actuals	Variance	Budget (a)	Actuals	Variance	Budget (a)	Estimated Actuals
EXPENDITURE DESCRIPTIONS								
<u>By Function</u>								
Instruction								Includes expenditures directly related to instruction including credit courses and vocational and technical courses.
Public Service								Includes expenditures for activities established primarily to provide non-instructional services beneficial to individuals and groups external to the District.
Academic Support								Includes activities to support the District's primary mission, such as student computing and library services.
Student Services								Includes activities that contribute to the students' emotional and physical well being; to promote intellectual, cultural, and social development outside the context of the formal 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, security, printing, travel, marketing, insurance, management, business and human resource operations, and planning.
Operation/Maintenance of Plant								Includes expenditures allocated for the operation and maintenance of the physical plant, such as utility costs and staff responsible for the maintenance of buildings and grounds for all units.
Student Financial Assistance								Maricopa funded scholarships such as the President's scholarship, and honors awards.
Contingencies								Includes amounts carried from one fiscal year to the next by the colleges and district office units and basic contingency for unexpected needs as prioritized by the Governing Board.
<u>By Account</u>								
Personnel Services								Includes salaries and wages for all employees in all types of positions such as full-time, part-time, temporary, permanent, all employee 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 such as funding for professional services, advertising, marketing, etc.
Supplies, Materials, Parts								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 insurance, subscriptions, etc.
Communications and Utilities								Includes all costs relating to telephone, postage, electricity, water, sewer, etc.
Travel								Includes mileage, in and out of state travel, international travel, registration, hotel, airfare, etc.
Student Aid and Miscellaneous								Includes statutory waivers, employee and dependent waivers, non-capital equipment, bad debt expense relating to student accounts, etc.
Transfers-Intrafund								Includes allocations for enrollment growth funding (reserved to help fund additional courses for increased student enrollment), funds for incremental costs from capital development facilities, etc.
Transfers to Other Funds								Includes transfers for programs accounted for in other funds of the district, such as the Maricopa and Southwest Skill Centers, mandatory match associated with federal programs (financial aid and Small Business Development Center), etc.
Contingencies								Includes amounts carried from one fiscal year to the next by the colleges and district office units and basic contingency for unexpected needs as prioritized by the Governing Board.