MONITORING REPORT

CHANCELLOR LIMITATIONS

FINANCIAL CONDITION AND ACTIVITIES; FINANCIAL PLANNING AND BUDGETING

Governing Board Agenda	Meeting Date: <u>10/16/18</u>

Item NumberItem TitleResponsible Agents

Mr. Elliott Hibbs

Budget Analysis Report Fund 1: General Unrestricted Fund For the Three Months Ending 9/30/2018

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: \$140.8M year to date; projected expenditure at year end: \$721.6M

- 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.
- 19.5% of projected expenditures have been recognized year to date

Revenue Summary: \$156.8M year to date; projected revenue at year end: \$715.5M

- 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.
- 21.9% 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 \$6.1M (from \$176.9M to \$170.8M) in FY 18/19.
- MCCCD is required to maintain a financial stability balance equal to 10% of the annual projected revenue. This currently equates to \$68.2M. The remaining fund balance of \$102.6M 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 \$65.7M.
- While the projected undesignated fund balance is expected to be more than \$65M, 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 9/30/18 is \$900,000.

<u>Items of Particular Interest: Abnormal Deviations from Budget or Expectations</u> None.

More information on the Budget Analysis Report access: https://district.maricopa.edu/data-reports/finances/reports

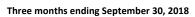
This report is also provided to the Audit & Finance Committee quarterly.

	Funding	
Source		
Account Information		

Maricopa County Community College District Budget to Actual

All Business Units

FUND: 110 - General Fund





		Current Month			Year-To-Date		Full Year		
	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Estimated Actua	
REVENUE ANALYSIS									
Property taxes	36,634,044	22,260,445	(14,373,599)	40,020,076	28,986,795	(11,033,281)	467,211,721	467,211,72	
State aid	=	-	-	-	-	-	-		
In lieu taxes - Salt River	=	-	-	-	=	-	8,624,792	8,624,79	
General tuition	8,006,017	7,540,052	(465,965)	87,614,585	83,530,754	(4,083,831)	182,700,000	182,700,00	
Out of state tuition	226,659	202,200	(24,459)	8,434,445	7,645,425	(789,020)	15,160,346	15,160,34	
Out of county tuition	-	6,320	6,320	27,000	21,172	(5,828)	256,525	256,52	
Other fees and charges	272,015	298,015	26,000	1,984,023	2,006,518	22,495	4,593,130	4,593,13	
Investment income	78,129	231,798	153,669	219,096	1,097,444	878,348	1,000,000	1,000,00	
Miscellaneous and other	51,965	7,351	(44,614)	126,494	253,112	126,618	2,664,893	2,664,89	
Transfers from other funds	-	-	-	33,245,964	33,251,887	5,923	33,245,964	33,245,96	
Subtotal Revenues	45,268,829	30,546,182	(14,722,647)	171,671,683	156,793,108	(14,878,575)	715,457,371	715,457,37	
Budgeted use of fund balance	, ,	, , , <u>-</u>	-	, , , <u>-</u>	, ,	-	179,715,023	179,715,02	
Total Sources	45,268,829	30,546,182	(14,722,647)	171,671,683	156,793,108	(14,878,575)	895,172,394	895,172,39	
XPENDITURE ANALYSIS									
y Function									
Instruction	24,862,293	24,818,726	43,567	55,376,331	46,217,897	9,158,434	279,473,406	279,473,40	
Public service	183,231	135,872	47,359	459,312	433,636	25,676	2,336,224	2,336,22	
Academic support	6,415,863	5,823,225	592,638	16,823,891	16,583,680	240,211	82,571,541	82,571,54	
Student services	7,672,472	5,933,677	1,738,795	18,148,980	18,024,985	123,995	83,307,322	83,307,32	
Institutional support	17,034,843	10,608,435	6,426,408	36,780,035	39,189,036	(2,409,000)	175,777,485	175,777,48	
Operation and maintenance of plant	5,349,885	5,277,583	72,302	26,406,729	13,361,618	13,045,111	77,635,098	77,635,09	
Student financial assistance	4,634,380	2,279,356	2,355,024	7,310,019	6,954,703	355,316	20,480,676	20,480,67	
Contingency	(2,408,555)	-	(2,408,555)	(5,584,082)	=	(5,584,082)	12,135,193	12,135,19	
Total Operational by Function	63,744,412	54,876,873	8,867,538	155,721,215	140,765,554	14,955,660	733,716,945	733,716,94	
y Account									
Personal services	34,023,167	33,981,524	41,643	83,098,554	74,664,972	8,433,582	402,592,728	402,592,72	
Employee benefits	10,115,391	9,130,135	985,256	25,576,797	24,499,782	1,077,016	121,430,999	121,430,99	
Contractual services	6,691,525	4,361,597	2,329,928	15,766,824	16,504,734	(737,910)	66,918,477	66,918,47	
Supplies, materials, parts	1,354,745	757,481	597,264	3,265,676	1,938,071	1,327,605	11,461,335	11,461,33	
Current fixed charges	931,524	300,626	630,898	2,422,018	3,700,740	(1,278,722)	10,016,631	10,016,63	
Communications and utilities	1,572,866	1,674,191	(101,325)	3,827,960	3,623,480	204,480	20,610,834	20,610,83	
Travel operating expenses	537,730	312,711	225,019	1,622,249	956,020	666,230	5,442,046	5,442,04	
Student aid and miscellaneous	7,125,375	4,037,818	3,087,557	10,958,769	10,652,074	306,695	33,187,567	33,187,56	
Intrafund transfers	2,628,936	-	2,628,936	(2,411)	-	(2,411)	24,282,334	24,282,33	
Transfers to other funds	1,171,707	320,791	850,917	14,768,860	4,225,683	10,543,178	25,638,801	25,638,80	
Contingencies	(2,408,555)	_	(2,408,555)	(5,584,082)	-	(5,584,082)	12,135,193	12,135,19	
Total Operational by Account	63,744,412	54,876,873	8,867,538	155,721,215	140,765,554	14,955,660	733,716,945	733,716,94	

Maricopa County Community College District Budget to Actual

All Business Units

FUND: 110 - General Fund



Three months ending September 30, 2018

	Current Month			Year-To-Date		Full	Year	
	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Estimated Actuals
FINANCIAL CONDITION ANA	LYSIS							
	Total projected re	evenues						715,457,371
	Less total projecte	ed expenditures (b)						(721,581,752)
	Projected increase	e / (decrease) in fund	balance					(6,124,381)
	Beginning fund ba	lance (unaudited)						176,897,885
	Projected ending	fund balance 6/30/19						170,773,504
	Less projected de	signations for future o	perations:					
	3.5% college car	ry forward					23,940,574	
	Less minimum fin	ancial condition meas	ure (c)				68,221,141	
	Less allowance fo	r student bad debt					3,000,000	
	Less uncollected t	ax levy					3,877,981	
	Less reserves for	potential claims					5,000,000	
	Less Campus Wor	ks investment					1,000,000	
	Total Designat	ions						105,039,696
	Projected undesig	nated balance						65,733,808

⁽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

MARICOPA COMMUNITY COLLEGES

FUND: 110 - General Fund

Three months ending September 30, 2018

	Current Month				Year-To-Date	Full Year		
	Budget Actuals Variance Budget Actuals Variance					Budget	Estimated Actuals	
REVENUE DESCRIPTIONS								
Property Tax	Primary property taxes	levied and collected	for use in current op	erations without restri	ictions. The projecte	d variance under bu	dget is made up of t	he estimated
State Aid	Effective in FY 16, the S	State of Arizona no lo	nger provides financi	ial support to the Mari	copa County Commu	nity College District.		
In Lieu Tax, Salt River Project	Monies paid to the Dis	Monies paid to the District by SRP for use in current operations as a substitution for property taxes.						
General Tuition	Tuition and fees receiv	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							
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							

Maricopa County Community College District Budget to Actual

All Business Units

FUND: 110 - General Fund



Three months ending September 30, 2018

	Current Month			Year-To-Date	Full Year			
	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Estimated Actuals
EXPENDITURE DESCRIPTIONS								
By Function								
Instruction	Includes expenditures	directly related to in:	struction including cre	edit courses and voca	tional and technical o	courses.		
Public Service	Includes expenditures	for activities establis	hed primarily to provi	ide non-instructional	services beneficial to	individuals and group	s external to the D	istrict.
Academic Support	Includes activities to s	upport the District's	orimary mission, such	as student computing	g and library services			
Student Services	Includes activities that	t contribute to the stu	udents' emotional and	d physical well being;	to promote intellectu	ual, cultural, and socia	development out	side the context of the
Institutional Support	Includes activities that	t provide safety, secu	rity, printing, travel, n	narketing, insurance,	management, busine	ss and human resourc	e operations, and	planning.
Operation/Maintenance of Plant	Includes expenditures	allocated for the ope	ration and maintenar	nce of the physical pla	int, such as utility cos	sts and staff responsib	le for the mainten	ance of buildings and
Student Financial Assistance	Maricopa funded scho	larships such as the F	resident's scholarship	p, and honors awards				
Contingencies	Includes amounts carr	ried from one fiscal ye	ear to the next by the	colleges and district of	office units and basic	contingency for unexp	ected needs as pr	ioritized by the
By Account								
Personnel Services	Includes salaries and v	wages for all employe	es in all types of posit	tions such as full-time	, part-time, tempora	ry, permanent, all emp	oloyee groups, etc	
Employee Benefits	Includes all employer	paid costs of employe	ee health insurance, re	etirement contribution	ns, social security an	d Medicare, life insura	nce, workers com	pensation,
Contractual Services	Includes expenditures	such as funding for p	rofessional services, a	advertising, marketing	g, etc.			
Supplies, Materials, Parts	Includes the cost of cla	assroom and office su	ipplies and materials,	software, audiovisua	l aids, etc.			
Current Fixed Charges	Includes expenditures	for facilities rentals,	liability and property	insurance, subscription	ons, etc.			
Communications and Utilities	Includes all costs relat	ing to telephone, pos	tage, electricity, wate	er, sewer, etc.				
Travel	Includes mileage, in ar	nd out of state travel,	international travel,	registration, hotel, ai	rfare, etc.			
Student Aid and Miscellaneous	Includes statutory wai	ivers, employee and o	lependent waivers, no	on-capital equipment,	bad debt expense re	elating to student acco	unts, etc.	
Transfers-Intrafund	Includes allocations fo	or enrollment growth	funding (reserved to I	help fund additional o	ourses for increased	student enrollment),	funds for incremer	ntal costs from capital
Transfers to Other Funds	Includes transfers for	programs accounted	for in other funds of t	he district, such as th	e Maricopa and Sout	hwest Skill Centers, m	andatory match a	ssociated with federal
Contingencies	Includes amounts carr	ried from one fiscal ye	ear to the next by the	colleges and district of	office units and basic	contingency for unexp	ected needs as pr	ioritized by the