

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

**Governing Board Agenda**

**Meeting Date:** 10/16/18

<u>Item Number</u>	<u>Item Title</u>	<u>Responsible Agents</u>
	Budget Analysis Report Fund 1: General Unrestricted Fund For the Three Months Ending 9/30/2018	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: \$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.
- MCCCCD 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.

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**

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**Source**  
**Account Information**

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

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
<b>FINANCIAL CONDITION ANALYSIS</b>								
Total projected revenues								715,457,371
Less total projected expenditures (b)								(721,581,752)
Projected increase / (decrease) in fund balance								(6,124,381)
Beginning fund balance (unaudited)								176,897,885
Projected ending fund balance 6/30/19								<u>170,773,504</u>
Less projected designations for future operations:								
3.5% college carry forward							23,940,574	
Less minimum financial condition measure (c)							68,221,141	
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								105,039,696
Projected undesignated balance								<u>65,733,808</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

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**Budget to Actual**  
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	Budget	Actuals	Variance	Budget	Actuals	Variance	Budget	Estimated Actuals
<b>REVENUE DESCRIPTIONS</b>								
Property Tax								
State Aid								
In Lieu Tax, Salt River Project								
General Tuition								
Out-of-State Tuition								
Out-of-County Tuition								
Other Fees and Charges								
Investment Income								
Miscellaneous and Other								
Budgeted Use of Fund Balance								

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
<b>EXPENDITURE DESCRIPTIONS</b>								
<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								