Expenditure Summary: $655.0M (year to date)
- Typically evenly spread across each month, as the majority is payroll and benefits which are recorded every two weeks.
- 89.3% of expenditures have been recognized year to date (versus 89.3% in 15/16, 84.7% in 14/15, and 89.5% in 13/14).
- 10.7% of the budget remains unexpended or unencumbered (versus 10.7% in 15/16, 15.3% in 14/15, and 10.5% in 13/14).

Revenue Summary: $659.3M (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.
- 95.6% of the budgeted revenue has been recognized year to date (versus 95.7% in 15/16, 95.4% in 14/15, and 96.2% in 13/14).

Fund Balance and Financial Stability Requirements
- The Fund 1 balance increased by ~$4.3M (from $173.6M to $177.9M) in FY 16/17.
- MCCCD is required to maintain a financial stability balance equal to 8% of the annual projected revenue. This currently equates to $52.7M. The remaining fund balance of $125.2M is comprised of college carryforward, designations for future operations, minimum financial condition measure for future years, allowance for student bad debt, priority initiatives, capital master planning, reserves for potential claims/contingency, enrollment growth/retention, and an undesignated balance of $2.2M.
- 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 6/30/17 is $900,000.

Items of Particular Interest: Substantial Deviations from Budget or Expectations
None.

More information on the Budget Analysis Report access: http://www.maricopa.edu/business/reporting/reports.html
This report is also provided to the Audit & Finance Committee quarterly.
## EXPENDITURE ANALYSIS

### By Function:

<table>
<thead>
<tr>
<th>Function</th>
<th>Budget (a)</th>
<th>Amount Expended</th>
<th>Percent Expended 16-17</th>
<th>Percent Expended 15-16</th>
<th>Percent Expended 14-15</th>
<th>Percent Expended 13-14</th>
<th>Amount Encumbered</th>
<th>Percent of Budget Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>INSTRUCTION</td>
<td>294,320,865</td>
<td>274,493,287</td>
<td>93.3</td>
<td>90.0</td>
<td>94.6</td>
<td>94.7</td>
<td>0</td>
<td>19,827,578</td>
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<td>PUBLIC SERVICE</td>
<td>4,338,863</td>
<td>4,264,439</td>
<td>98.3</td>
<td>97.9</td>
<td>98.2</td>
<td>99.6</td>
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<td>74,423</td>
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<td>ACADEMIC SUPPORT</td>
<td>82,372,760</td>
<td>73,781,417</td>
<td>98.6</td>
<td>93.0</td>
<td>91.5</td>
<td>90.9</td>
<td>0</td>
<td>8,591,343</td>
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<tr>
<td>STUDENT SERVICES</td>
<td>81,185,532</td>
<td>70,426,814</td>
<td>86.7</td>
<td>95.6</td>
<td>90.0</td>
<td>90.7</td>
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<td>10,758,718</td>
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<td>INSTITUTIONAL SUPPORT</td>
<td>152,032,022</td>
<td>139,434,628</td>
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<td>86.4</td>
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<td>OPERATION/MAINTENANCE OF PLANT</td>
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<td>76,902,938</td>
<td>99.4</td>
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<td>94.1</td>
<td>94.6</td>
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<td>429,096</td>
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<td>STUDENT FINANCIAL ASSISTANCE</td>
<td>17,537,821</td>
<td>15,721,678</td>
<td>89.6</td>
<td>80.8</td>
<td>82.5</td>
<td>82.9</td>
<td>0</td>
<td>1,816,144</td>
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<tr>
<td>CONTINGENCIES</td>
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<td>0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0</td>
<td>24,535,375</td>
</tr>
</tbody>
</table>

**TOTAL OPERATIONAL**

|                | 733,655,272 | 655,025,201     | 89.3                   | 89.3                   | 84.7                   | 89.5                   | 0                | 78,630,071                | 10.7                      |

### By Account:

<table>
<thead>
<tr>
<th>Account</th>
<th>Budget (a)</th>
<th>Amount Expended</th>
<th>Percent Expended 16-17</th>
<th>Percent Expended 15-16</th>
<th>Percent Expended 14-15</th>
<th>Percent Expended 13-14</th>
<th>Amount Encumbered</th>
<th>Percent of Budget Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERSONNEL SERVICES</td>
<td>385,323,765</td>
<td>374,071,882</td>
<td>97.1</td>
<td>97.1</td>
<td>98.1</td>
<td>97.5</td>
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<td>11,251,883</td>
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<td>EMPLOYEE BENEFITS</td>
<td>117,053,907</td>
<td>112,864,116</td>
<td>96.4</td>
<td>99.4</td>
<td>99.4</td>
<td>97.4</td>
<td>0</td>
<td>4,189,792</td>
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<td>CONTRACTUAL SERVICES</td>
<td>64,520,286</td>
<td>63,958,473</td>
<td>99.1</td>
<td>100.0</td>
<td>92.8</td>
<td>95.1</td>
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<td>561,812</td>
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<td>SUPPLIES, MATERIALS, PARTS</td>
<td>10,168,602</td>
<td>8,787,900</td>
<td>86.4</td>
<td>94.2</td>
<td>89.1</td>
<td>92.9</td>
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<td>1,380,702</td>
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<td>CURRENT FIXED CHARGES</td>
<td>9,182,653</td>
<td>8,819,494</td>
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<td>100.0</td>
<td>90.8</td>
<td>94.2</td>
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<td>363,159</td>
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<td>COMMUNICATIONS AND UTILITIES</td>
<td>21,017,579</td>
<td>16,975,446</td>
<td>80.8</td>
<td>78.9</td>
<td>80.1</td>
<td>84.9</td>
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<td>4,042,133</td>
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<tr>
<td>TRAVEL</td>
<td>5,131,373</td>
<td>4,879,026</td>
<td>95.1</td>
<td>99.9</td>
<td>96.3</td>
<td>95.7</td>
<td>0</td>
<td>252,346</td>
</tr>
<tr>
<td>STUDENT AID AND MISCELLANEOUS</td>
<td>30,402,705</td>
<td>29,991,137</td>
<td>98.6</td>
<td>62.6</td>
<td>64.1</td>
<td>82.3</td>
<td>0</td>
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<td>TRANSFERS-INTRAFUND</td>
<td>30,280,639</td>
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<td>0.0</td>
<td>2.2</td>
<td>0</td>
<td>30,280,639</td>
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<tr>
<td>TRANSFERS TO OTHER FUNDS</td>
<td>36,038,388</td>
<td>34,677,727</td>
<td>96.2</td>
<td>100.0</td>
<td>109.0</td>
<td>82.1</td>
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<td>1,360,661</td>
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<tr>
<td>CONTINGENCIES</td>
<td>24,535,375</td>
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<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0</td>
<td>24,535,375</td>
</tr>
</tbody>
</table>

**TOTAL OPERATIONAL**

|                | 733,655,272 | 655,025,201     | 89.3                   | 89.3                   | 84.7                   | 89.5                   | 0                | 78,630,071                | 10.7                      |

(a) Represents budget as amended by approved transfers.
### MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT

**BUDGET ANALYSIS REPORT**

**FUND 1 - CURRENT UNRESTRICTED FUND**

*June 2017 FINAL*

#### REVENUE ANALYSIS (a)

<table>
<thead>
<tr>
<th></th>
<th>Budget (b)</th>
<th>Recognized</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>16-17</td>
</tr>
<tr>
<td><strong>PROPERTY TAX</strong></td>
<td>447,212,880</td>
<td>444,234,119</td>
</tr>
<tr>
<td><strong>STATE AID</strong></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>IN LIEU TAX, SALT RIVER PROJECT</strong></td>
<td>9,092,464</td>
<td>9,042,392</td>
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<tr>
<td><strong>GENERAL TUITION</strong></td>
<td>210,067,384</td>
<td>186,297,056</td>
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<tr>
<td><strong>OUT-OF-STATE TUITION</strong></td>
<td>15,160,346</td>
<td>11,625,036</td>
</tr>
<tr>
<td><strong>OUT-OF-COUNTY TUITION</strong></td>
<td>505,000</td>
<td>1,031,417</td>
</tr>
<tr>
<td><strong>INVESTMENT INCOME</strong></td>
<td>281,790</td>
<td>283,193</td>
</tr>
<tr>
<td><strong>MISCELLANEOUS AND OTHER</strong></td>
<td>4,593,128</td>
<td>5,018,056</td>
</tr>
<tr>
<td><strong>SUBTOTAL REVENUES</strong></td>
<td>689,453,580</td>
<td>659,329,405</td>
</tr>
<tr>
<td><strong>BUDGETED USE OF FUND BALANCE</strong></td>
<td>44,201,692</td>
<td>0</td>
</tr>
</tbody>
</table>

#### FINANCIAL CONDITION ANALYSIS

- Total revenues: 659,329,405
- Less total expenditures: -655,025,201
- Increase in fund balance: 4,304,204
- % of Revenues: 27%
- Beginning fund balance (audited): 173,637,520
- Ending fund balance 6/30/17 (unaudited): 177,941,724
- Less designations for future operations: 37,034,207
- 3.5% college carry forward: 18,684,821
- Additional allocations: 18,349,386
- Total budgeted designations: 37,034,207
- Less minimum financial condition measure (c): 52,746,352
- Less minimum financial condition measure for future years: 5,078,125
- Less allowance for student bad debt: 3,000,000
- Less priority initiatives (Transformation): 31,000,000
- Less capital master planning: 5,000,000
- Less life without bond transfers: 6,000,000
- Less reserves for potential claims/contingency: 18,848,518
- Less enrollment growth/retention: 17,062,300
- Undesignated balance: 2,172,222

(a) See specific revenue analysis by type on page 4
(b) Represents adopted budget, as amended by approved budget transfers.
(c) The financial condition measure represents that portion of the undesignated general fund balance equal to 8% 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.
EXPENDITURE COMMENTS

Expenditures have been selected for comment (1) if the percent of budget expended varies from the prior year by at least five percentage points or (2) if transactions or activities during the month are unusual. Some of these variations result from fluctuations in budget amounts allocated from year to year. Others are the result of timing differences for annually recurring expenditures.

By Function

Instruction Includes expenditures directly related to instruction including credit courses and vocational and technical courses. Percent recognized is consistent with prior year.

Public Service Includes expenditures for activities established primarily to provide non-instructional services beneficial to individuals and groups external to the District. Percent recognized is consistent with prior year.

Academic Support Includes activities to support the District's primary mission, such as student computing and library services. Percent recognized is consistent with prior year.

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. Decrease in percent recognized is due to coding issues in FY16 related to benefits.

Institutional Support Includes activities that provide safety, security, printing, travel, marketing, insurance, management, business and human resource operations, and planning. Increase in percent recognized is due to an increase in expenditures for bad debt and judgements.

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. Percent recognized is consistent with prior year.

Student Financial Assistance Maricopa funded scholarships such as the President's scholarship, and honors awards. Increase in percent recognized is due to the budgets for academic scholarships and waivers decreasing, while actual expenditures remained consistent with the prior year.

Contingencies Includes amounts carried from one fiscal year to the next by the colleges and district office units, amount of property tax levied but not collected, basic contingency for unexpected needs as prioritized by the Governing Board.

By Account

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. Percent recognized is consistent with prior year.

Employee Benefits Includes all employer paid costs of employee health insurance, retirement contributions, social security and Medicare, life insurance, workers compensation, unemployment, etc. Percent recognized is consistent with prior year.

Contractual Services Includes expenditures such as funding for professional services, advertising, marketing, etc. Percent recognized is consistent with prior year.

Supplies, Materials, Parts Includes the cost of classroom and office supplies and materials, software, audiovisual aids, etc. Decrease in percent recognized from FY16 to FY17 is due to coding issues for expenditures in FY16.

Current Fixed Charges Includes expenditures for facilities rentals, liability and property insurance, subscriptions, etc. Percent recognized is consistent with prior year.

Communications and Utilities Includes all costs relating to telephone, postage, electricity, water, sewer, etc. Percent recognized is consistent with prior year.
### Travel
- Includes mileage, in and out of state travel, international travel, registration, hotel, airfare, etc. Percent recognized is consistent with prior year.

### Student Aid and Miscellaneous
- Includes statutory waivers, employee and dependent waivers, non-capital equipment, bad debt expense relating to student accounts, etc. Increase in percent recognized is due to the budget decreasing for scholarships, waivers, contingency, and carryforward, while the expenditures increased for construction, bad debt, and judgements.

### 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), funds for Meet and Confer, etc. Percent recognized is consistent with prior year.

### Contingencies
- Includes amounts carried from one fiscal year to the next by the colleges and district office units, amount of property tax levied but not collected, basic contingency for unexpected needs as prioritized by the Governing Board.

### REVENUE COMMENTS

#### Property Tax
- Primary property taxes levied and collected for use in current operations without restrictions. The projected variance under budget is made up of the estimated uncollected tax levy of $3,916,502. Percent recognized is consistent with prior year.

#### State Aid
- Effective in FY 16, the State of Arizona no longer provides financial 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. Percent recognized is consistent with prior year.

#### General Tuition
- Tuition and fees received from students whether directly or from a third party. Percent recognized is consistent with prior year.

#### 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. Decrease in percent recognized is due to a timing difference in recording Educational Service Partnership adjustment for FY16.

#### Out-of-County Tuition
- Counties that do not have a community college district provide monies for operations to the districts where their students attend. Percent recognized is consistent with prior year.

#### Other Fees and Charges
- Includes funds received from students for various fees such as registration, transcripts, evaluation by examination registration fees, music lessons, etc. Percent recognized is consistent with prior year.

#### 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.

#### Miscellaneous and Other
- Includes funds recovered from previously written off student debts as well as other small types of revenues. Percent recognized is consistent with prior year.

#### 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. In prior years, 100% of the budgeted amount was recognized for reporting purposes; however, beginning with the Dec-14 Report, fund balance will not be recognized as a source until used. Therefore, the percent recognized from prior years will not be relevant to the current year’s calculation.