

MONITORING REPORT
POLICY TYPE: EXECUTIVE BOUNDARIES
POLICY TITLE: FINANCIAL CONDITION

Governing Board

Meeting Date: 1/22/02

ITEM NUMBER	ITEM TITLE	RESPONSIBLE AGENT
VI.A	Budget Analysis Report Summary Fund 1 - General Unrestricted Fund For the Six Months Ended December 31, 2001	Rufus Glasper Jeffrey J. West

ITEM INFORMATION

Attached is a Budget Analysis Report Summary for Fund 1, including an analysis of the District's financial stability for FY 01/02 as of December 31, 2001.

The expenditure analysis on Page 1 indicates that 44.3% of the budget has been expended so far this year as compared to 42.2% expended at this same point in time last year. Please note the following:

- ** 24.3% of budget remains unexpended or unencumbered at this point in time compared to 27.0% in the prior year.
- ** All except 6.6% of budgeted expenditures are projected to be expended.
- ** Designations of fund balance are \$35.3 million (see ATTACHMENT A).

The revenue analysis on Page 2 indicates that about 57.6% of the budget has been recognized to date.

Revenue projections reflect the General Fund (maintenance and operations) portion of the State's 4.5% budget reversion.

The financial stability analysis on Page 2 shows that the District's projected fund balance will decrease by about \$6.9 million.

- ** Projected ending fund balance for June 2002 is \$66.1 million. This equates to about 53 days of operating budget, or more than seven payrolls.
- ** The minimum financial stability threshold at \$26.0 million equates to 8% of annual General Fund projected revenues. This threshold allows the District 20 days of operating budget, or more than two payrolls.

Please note on Page 3 the comments as to specific expenditures (by object), which vary by about 5% or more from this same point in time in the prior year or which are of particular interest. Page 3 also contains comments regarding various revenues.

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

Supplementary Material

Yes X
 No

Approval Certifications

Chancellor
 Business Svcs
 Info Tech
 External Aff

Acad Aff & St Dev
 Human Resources
 College President



MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT
 BUDGET ANALYSIS REPORT
 FUND 1 - CURRENT UNRESTRICTED FUND
 July 1, 2001 through December 31, 2001

EXPENDITURE ANALYSIS By Function:	Budget *	Amount Expended	Percent Expended			Amount Encumbered	Unencumbered Balance Available	Percent of Budget Available
			01-02	00-01	99-00			
INSTRUCTION	\$155,898,699	\$78,576,067	50.4 %	44.3 %	41.7 %	\$52,070,281	\$25,252,351	16.2 %
PUBLIC SERVICE	232,053	71,936	31.0	42.0	39.8	94,141	65,976	28.4
ACADEMIC SUPPORT	38,685,366	16,871,256	43.6	42.5	40.8	13,279,634	8,534,476	22.1
STUDENT SERVICES	24,785,884	12,008,488	48.4	46.8	45.9	9,726,292	3,051,104	12.3
GENERAL INSTITUTIONAL	44,781,603	14,539,648	32.5	42.4	35.8	7,075,915	23,166,040	51.7
ADMINISTRATION	53,629,572	22,525,860	42.0	41.1	37.5	17,788,328	13,315,384	24.8
PHYSICAL PLANT	26,940,563	12,825,513	47.6	49.0	47.8	11,555,802	2,559,248	9.5
CONTINGENCIES:								
COLLEGE CARRYFORWARD	5,253,844	169,000	3.2	-	-	0	5,084,844	96.8
UNCOLLECTED TAX LEVY	4,541,613	0	-	-	-	0	4,541,613	100.0
BASIC	900,000	0	-	-	-	0	900,000	100.0
TOTAL OPERATIONAL	\$355,649,197	\$157,587,768	44.3 %	42.2 %	39.9 %	\$111,590,393	\$86,471,036	24.3 %
By Object**:								
PERSONAL SERVICES	\$222,230,150	\$107,462,506	48.4 %	47.2 %	45.0 %	\$85,763,801	\$29,003,843	13.1 %
EMPLOYEE BENEFITS	39,248,800	18,550,020	47.3	44.3	43.0	9,176,896	11,521,884	29.4
CONTRACTUAL SERVICES	28,171,020	12,040,020	42.7	43.3	37.4	7,561,490	8,569,510	30.4
SUPPLIES, MATERIALS, PARTS	8,205,908	3,022,871	36.8	40.1	33.3	1,988,205	3,194,832	38.9
CURRENT FIXED CHARGES	4,724,879	3,086,488	65.3	50.9	36.7	852,859	785,532	16.6
COMMUNICATIONS AND UTILITIES	12,043,883	5,763,358	47.9	53.3	51.8	5,980,358	300,167	2.5
TRAVEL	1,889,330	760,037	40.2	43.7	42.9	128,417	1,000,876	53.0
STUDENT AID, MISCELLANEOUS TRANSFERS	28,439,770	6,733,468	23.7	15.6	14.4	138,367	21,567,935	75.8
CONTINGENCIES:								
COLLEGE CARRYFORWARD	5,253,844	169,000	3.2	-	-	0	5,084,844	96.8
UNCOLLECTED TAX LEVY	4,541,613	0	-	-	-	0	4,541,613	100.0
BASIC	900,000	0	-	-	-	0	900,000	100.0
TOTAL OPERATIONAL	\$355,649,197	\$157,587,768	44.3 %	42.2 %	39.9 %	\$111,590,393	\$86,471,036	24.3 %

* Represents approved budget, as amended by approved budget transfers.

** See attached comments.

MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT
 BUDGET ANALYSIS REPORT
 FUND 1 - CURRENT UNRESTRICTED FUND
 July 1, 2001 through December 31, 2001

	Budget*	Percent Recognized			Projected Revenue	Projected Variance Over/(Under) Budget	Comments	
		01-02	00-01	99-00				
REVENUE ANALYSIS**								
RICT TAX LEVY	\$ 204,648,094	108,016,418	52.8 %	54.3 %	53.5 %	\$ 202,351,708	(2,296,386)	Historic average uncollected
E AID	49,973,900	24,986,950	50.0	48.5	48.4	47,712,900	(2,261,000)	Per revised state budget
EU TAX, SALT RIVER	4,468,514	2,183,190	48.9	54.6	49.8	4,366,380	(102,134)	Based on Nov-01 collections
ERAL TUITION	54,241,707	33,022,201	60.9	72.7	72.4	55,251,990	1,010,283	Historic average growth
OF-STATE TUITION	6,575,826	6,489,290	98.7	120.0	113.4	6,575,826	0	Assume full collections
OF-COUNTY TUITION	763,210	233,884	30.6	85.3	60.1	715,693	(47,517)	Per State Treasurer's Office
ER FEES AND CHARGES	1,879,733	1,364,362	72.6	70.0	67.8	1,953,057	73,324	Historic average growth
REST INCOME	3,200,000	1,054,172	32.9	37.4	25.5	3,200,000	0	Projections based on budget
ELLANEOUS AND OTHER	3,280,551	755,595	23.0	5.4	1.9	3,280,551	0	Assume full collections
LEGE CARRYFORWARD	26,617,662	26,617,662	100.0	100.0	100.0	26,617,662	0	Per actual fund balance
TOTAL	\$ 355,649,197	\$ 204,723,724	57.6 %	59.6 %	58.8 %	\$ 352,025,767	\$ (3,623,430)	

NCIAL STABILITY ANALYSIS*****

Less college carryforward	(26,617,662)	
Total projected revenues	325,408,105	
Less total projected expenditures***	(332,314,437)	% of Projected
Projected increase / (decrease) in fund balance	(6,906,332)	Revenues
Beginning fund balance 7/1/01 (audited)	73,006,390	
Projected ending fund balance 6/30/02	66,100,058	20.3%
Less projected designations for future operations****	(35,272,947)	
Less minimum financial stability standard*****	(26,032,648)	8.0%
Undesignated balance*****	\$ 4,794,463	

Represents approved budget, as amended by approved budget transfers.

See attached comments.

Projected expenditures are based on college actual and DO average spending experience as well as assumptions regarding transfer and reserve lines. Unexpended balances are estimated at 6.6% for FY01-02 compared to 8.5% for FY00-01.

Attachment A details the composition of the total estimated 6/30/02 fund balance including minimum financial stability, designated fund balance, and undesignated fund balance.

The financial stability 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 events and contingencies.

MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT
 BUDGET ANALYSIS REPORT
 FUND 1 - CURRENT UNRESTRICTED FUND
 July 1, 2001 through December 31, 2001

EXPENDITURE COMMENTS (By Object)

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.

Current Fixed Charges

Amount expended is \$902,569 more than the same point in time last year, a 41% increase. Budget is only 10% higher than prior year.

Communications and Utilities

Amount expended is \$144,725 more than the same point in time last year, a 3% increase. However, budget is 14% higher than prior year.

Student Aid, Misc. Transfers

Amount expended is \$2,606,884 more than the same point in time last year, a 63% increase. Approximately \$1.4 million of this amount is due to a one-time budgeted transfer to fund 2 for technology support. In addition, Budget is only 7% higher than prior year.

Expenditure Contingencies

Specific expenditure contingencies are identified in the adopted budget for uncollected tax levy and basic contingency. In addition, the college carryforward budget balance is shown as a contingency. These contingencies provide for a balanced budget in the event levied taxes are not fully collected, account for the college carryforward balance, add to the formula for maintaining financial stability goals, and provide for other expenditures (such as those resulting from approval of meet and confer agreements).

REVENUE COMMENTS

Property Tax Levy

Projections are based on preliminary maximum primary levy estimates from the Maricopa County Finance Department, adjusted for average amount uncollected over the previous four years.

State Aid

Projections are based on current year legislation, which reflects the State's recent 4% budget reversion; revenues are received and posted quarterly.

In Lieu Tax, SRP

Projections are based on preliminary estimates from the Maricopa County Finance Department; the final amounts are known when SRP's first-half payment is received and posted each year in November. The second-half payment is received and posted each year in May.

General Tuition and Fees

Projected revenues are based on budgeted amounts and historical averages.

Out-of-State Tuition

Projected revenues are based on budgeted amounts.

Out-of-County Tuition

Revenues are based on the State Board statutory reimbursement calculation and are payable to the District by unorganized counties. One half is due each November 15, while the other half is due each May 15. Projections are based on an estimate from the Arizona State Treasurer's Office. The District received only partial reimbursements in December; the remaining November reimbursements are expected to be received by February 2002. The State expects May 2002 reimbursements to occur on time.

Interest Income

Represents earnings on operating funds held by the State and County Treasurers. Earnings are allocated monthly and quarterly, respectively. Projected revenues are based on budgeted amounts.

Miscellaneous & Other

Budgeted revenues include a transfer of \$1,851,000 from the Auxiliary Fund for FTSE Growth Reserve, a transfer of \$443,988 from the Restricted Fund for Indirect Cost recoveries, a transfer of \$680,000 from the Quasi Endowment Fund for CIGNA Rebate, and nearly \$306,000 in miscellaneous revenues.