

SUBJECT

Acceptance of Report of Revenues and Expenditures

REASON FOR CONSIDERATION BY THE BOARD

The District Governing Board reviews the College financial report.

BACKGROUND INFORMATION

Included is the Financial Update Report, highlighting the status of several key financial indicators.

The report of Revenues and Expenditures for the eleven months of FY2004-05 ending May 31, 2005 is attached. General Fund gross revenues are slightly below expectations at 91% of budget. Tuition and Fees revenues are 87% of budget, below projections by approximately 7% for the Fall, Spring and Summer semesters due to flat FTSE for the current fiscal year. General Fund expenditures represent 80% of budget through eleven months. Currently, General Fund revenues exceed expenditures by \$1,594,108. The annual transfer to the Auxiliary and Plant Funds, in the total amount of \$4,360,978, was completed in February, 2005.

Unexpended Plant Fund revenues are also on track, with 100% of State Appropriations received. The total funds available from the 2001 Series A General Obligation Bonds have been spent. January 2004, began the spending on the second \$25 Million, 2003 Series B General Obligation Bonds. Unexpended Plant Fund expenditures represent 71% of budget through eleven months, reflecting the Master Plan spending on both the Prescott and Verde campuses. Unexpended Plant Fund revenues currently exceed expenditures by \$886,367.

STAFF RECOMMENDATIONS

Bob Lynch, Controller/Interim Vice President of Finance
Executive Leadership Team

POSSIBLE RECOMMENDATION

That the District Governing Board accept the Report of Revenues and Expenditures as presented.

YAVAPAI COLLEGE

FINANCIAL UPDATE

May, 2005

FY2003-04 Close and Audit

- The year-end close for FY2003-04 is complete and the unaudited financial statements, in the monthly "Budget" format, were available for the November Board meeting.
- The auditors completed their field work on October 27, 2004. The CAFR will be issued in mid-January in time to qualify for the Certificate of Achievement for Excellence in Financial Reporting award from the GFOA. I believe that our current CAFR continues to meet the program requirements. The CAFR was distributed to the District Governing Board members in February, 2005.

FY 2005-06 Budget

- Preliminary Budget Assumptions were presented at the November Board meeting.
- First discussion of Tuition & Fees for FY2005-06 was held at the January Board meeting. Final Tuition & Fees adoption scheduled for the April 12, 2005 Board meeting.
- First Iteration of FY 2005-06 Budget was distributed to Budget Managers in early-January, 2005, due to Business Office by February 11, 2005.
- Second Iteration of the FY 2005-06 Budget was distributed to Budget Managers on February 28, 2005, due to the Business Office by March 24, 2005.
- Request for new initiatives distributed to Budget Managers mid-January, due to Business Office February 18, 2005. Prioritization of new resources will be determined with the completion of the District-wide Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis in relation to strategic planning.
- Third Iteration of the FY 2005-06 Budget was distributed to Budget Managers on April 25, 2005 imposing mandatory reductions, due to Business Office by May 13, 2005.
- The Budget Planning Assumptions for FY 2005-06 were presented to the District Governing Board at the April 12, 2005 Board meeting.
- The Preliminary FY 2005-06 Budget was presented to the District Governing Board at the May 17, 2005 meeting.
- The Proposed FY 2005-06 Budget will be presented to the District Governing Board for adoption at the June 14, 2005 meeting.

Issuance of General Obligation Bonds

- The last in a series of General Obligation Bonds were sold on April 12, 2005, in the amount of \$19.5 million. This sale completes the issuance of \$69.5 million in General obligation Bonds to fund the Master Plan Project of 2000. The District received an average interest rate of 4.26% on this third and final issue.

Financial Organization

- Vice President for Finance & Facilities Terry Bowmaster has submitted his resignation effective October 4, 2004. Bob Lynch is serving as the Interim Vice President of Finance, until further notice.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT

REPORT OF REVENUES AND EXPENDITURES

For the Eleventh Month Ended May 31, 2005

REVENUE SOURCES	BUDGETED 2004-05	REVENUE YEAR-TO DATE	PERCENT OF BUDGETED AMOUNT	BALANCE TO RECEIVE	PERCENT OF BUDGETED AMOUNT
Current Funds - Unrestricted					
Property Taxes - Primary	\$ 24,805,216	22,738,115	92%	\$ 2,067,101	8%
State Appropriations	4,724,500	4,330,792	92%	393,708	8%
Tuition, Registration & Student Fees	5,457,564	4,758,728	87%	698,836	13%
Other Sources	<u>276,900</u>	<u>112,304</u>	41%	<u>164,596</u>	59%
Sub-Total Gross Revenues	35,264,180	31,939,938	91%	3,324,242	9%
Transfers In/Out	<u>(4,340,978)</u>	<u>(4,360,978)</u>	100%	<u>20,000</u>	0%
TOTAL NET REVENUES					
CURRENT FUNDS - UNRESTRICTED	<u>\$ 30,923,202</u>	<u>\$ 27,578,960</u>	89%	<u>\$ 3,344,242</u>	11%
Unrestricted Fund Balance Budgeted to Expend	<u>1,380,000</u>	<u>-</u>	0%	<u>1,380,000</u>	100%
TOTAL BUDGET	<u>\$ 32,303,202</u>	<u>\$ 27,578,960</u>	85%	<u>\$ 4,724,242</u>	15%

COMMENTS:

Gross Revenues slightly below projections at 91% through the eleventh month.

Tuition and Fees are below projections at 87% of budget for Fall,
Spring, Summer semesters - should be closer to 94% of budget to fulfill projections.

Annual transfer to Auxiliary Fund and Plant Fund recorded in February, 2005.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT

REPORT OF REVENUES AND EXPENDITURES

For the Eleventh Month Ended May 31, 2005

EXPENDITURE FUNCTION	BUDGETED 2004-05	EXPENDITURES YEAR-TO DATE	PERCENT OF BUDGETED AMOUNT	BALANCE TO EXPEND	PERCENT OF BUDGETED AMOUNT
Current Funds - Unrestricted					
Instruction	\$ 13,760,912	\$ 10,597,980	77%	\$ 3,162,932	23%
Public Service	117,194	100,417	86%	16,777	14%
Academic Support	3,868,869	3,232,018	84%	636,851	16%
Student Services	2,559,382	2,157,047	84%	402,335	16%
Institutional Support (Admin.)	7,782,821	7,375,200	95%	407,621	5%
Operation & Maintenance of Plant	3,214,024	2,522,190	78%	691,834	22%
Contingency	1,000,000	-	0%	1,000,000	100%
TOTAL EXPENDITURES - CURRENT FUNDS - UNRESTRICTED	\$ 32,303,202	\$ 25,984,852	80%	\$ 6,318,350	20%

**SUMMARY -
REVENUES/EXPENDITURES**

Current Funds - Unrestricted					
Revenues	\$ 32,303,202	\$ 27,578,960	85%	\$ 4,724,242	15%
Expenditures	(32,303,202)	(25,984,852)	80%	(6,318,350)	20%
Revenues over Expenditures	\$ -	\$ 1,594,108		\$ (1,594,108)	

COMMENTS:

Through the eleventh month, 80% of budget has been expended compared to 85% of total revenues received.

The Budget currently has a surplus of \$1,594,108.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT

REPORT OF REVENUES AND EXPENDITURES

For the Eleventh Month Ended May 31, 2005

REVENUE SOURCES	BUDGETED 2004-05	REVENUE YEAR-TO DATE	PERCENT OF BUDGETED AMOUNT	BALANCE TO RECEIVE	PERCENT OF BUDGETED AMOUNT
Plant Funds (equipment)					
Property Taxes - Primary	\$ 1,384,421	1,269,053	92%	\$ 115,368	8%
State	683,800	683,800	100%	-	0%
Investment Income	15,000	8,117	54%	6,883	46%
General Obligation Bonds - 2003	18,120,000	15,562,780	86%	2,557,220	14%
General Obligation Bonds - 2005	1,640,000	-	0%	1,640,000	100%
Investment Income G O Bonds	215,000	116,503	54%	98,497	46%
Other Sources	-	12,464		(12,464)	
TOTAL REVENUES	22,058,221	17,652,717	80%	4,405,504	20%
Transfers In/Out	500,000	500,000	100%	-	0%
TOTAL REVENUES AND ADDITIONS OF FUNDS	\$ 22,558,221	\$ 18,152,717	80%	\$ 4,405,504	20%
Restricted Fund Balance Budgeted to Expend	1,675,864	-	0%	1,675,864	100%
TOTAL BUDGET - PLANT FUND	\$ 24,234,085	\$ 18,152,717	75%	\$ 6,081,368	25%

COMMENTS:

Full State appropriation for fiscal year 2004-05 was received in July, 2004.

The full amount of the General Obligations Bonds, 2001 Series A proceeds has been completely expended.

The second issue of General Obligation Bonds, Series B proceeds, \$25,000,000, was received in July 2003. The District began spending the proceeds in January 2004. Of this amount, \$12,940,690 was carryforward into the current year including \$862,529 of cumulative unexpended interest income.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT

REPORT OF REVENUES AND EXPENDITURES

For the Eleventh Month Ended May 31, 2005

EXPENDITURE FUNCTION	BUDGETED 2004-05	EXPENDITURES YEAR-TO DATE	PERCENT OF BUDGETED AMOUNT	BALANCE TO EXPEND	PERCENT OF BUDGETED AMOUNT
Plant Funds					
Buildings	\$ 308,385	\$ 290,175	94%	\$ 18,210	6%
Master Plan Projects	19,720,000	14,113,146	72%	5,606,854	28%
Equipment	1,913,040	2,322,946	121%	(409,906)	-21%
Non-Capitalized	70,000	191,100	273%	(121,100)	-173%
Library Books	152,018	121,024	80%	30,994	20%
Contingency	1,898,864	-	0%	1,898,864	100%
G O Bond Issuance Costs	40,000	-	0%	40,000	100%
Principal Payments on Capital Leases	125,314	206,929	165%	(81,615)	-65%
Interest on Capital Leases	6,464	21,030	325%	(14,566)	-225%
TOTAL EXPENDITURES - PLANT FUNDS	\$ 24,234,085	\$ 17,266,350	71%	\$ 6,967,735	29%

**SUMMARY -
REVENUES/EXPENDITURES**

Plant Funds					
Revenues	\$ 24,234,085	\$ 18,152,717	75%	\$ 6,081,368	25%
Expenditures	(24,234,085)	(17,266,350)	71%	(6,967,735)	29%
Revenues over Expenditures	\$ -	\$ 886,367		\$ (886,367)	

COMMENTS:

71% of the Plant Fund Budget has been expended through the eleventh month.

Plant Fund Revenues exceed Expenditures by \$886,367 through the eleventh month.