Monitoring Report - Monthly
Executive Limitations Policy 2.3.1 – Budget Deviations
November 2014

The President shall not fail to promptly inform the Board of Governors when there are materially significant deviations from the budget.

**President’s Interpretation:**
The college budget is comprised of various categories (operating, capital, restricted, debt, and auxiliaries.) It is developed based on the information received from enrollment projections, state funding, local property tax projections, and estimated expenses based on Board Ends, Strategic Initiatives, and projected operating costs. The Board approves the budget in May/June for the upcoming year. As all of these projections are realized, the President will notify the Board of any material deviation of 5% or more variance for the individual funds. The college has established controls through Banner (e.g., approvals on requisitions, non-sufficient funds notifications, and fund security) to ensure early notification of any potential deviations. At all times, any budget transfers made between major funds may only be made within legal statutes and will require Board approval.

**Supporting Evidence:**

**Source:** Monthly Revenue and Expenditure Financial Reports

**General Fund**

For the five months ended November 30, 2014, the General Fund has a surplus of $3,929,000. This is primarily the result of tuition and fee revenues reflecting a significant portion of spring 2015 semester enrollments.

For the fiscal year ended June 30, 2015, General Fund revenues are projected to be below budget by $218,100 and expenditures are projected to be under budget by $793,900, resulting in a net surplus of $575,800 — a 1.4% positive variance.

**Auxiliary Fund**

For the fiscal year ended June 30, 2015, the Auxiliary fund is projected to be within budget.
Unexpended Plant Fund

For the five months ended November 30, 2014, the Unexpended Plant Fund has a deficit of $1,438,000 due to a significant amount of Equipment and Capital Improvement Projects (CIP) being encumbered for the fiscal year. The supporting revenues to cover this deficit will be received over the remaining fiscal year.

For the fiscal year ended June 30, 2015, the Unexpended Plant Fund is projected to be within budget.

Restricted Fund

The Restricted Fund, which accounts for federal, state and private monies, includes expenditures that are restricted to the amount of grants or gifts received and which do not exceed the grant award or gift received. Restricted Funds are primarily driven by federal financial aid which will fluctuate depending on the financial needs of our students. As of November 30, 2014, no significant variances from budget are expected.

Debt Service Fund

The Debt Service Fund accounts for the monies used to pay the interest and principal on the District’s long-term bonds. College debt is at fixed rates of interest—for the five months ended November 30, 2014, there were no significant variances from budget.

President’s Conclusion:

I report compliance.

Policy 2.3.1 aligns with Ends Statement No. 1 – Yavapai College exists so communities within Yavapai County are equipped with the vision and skills to create a sustainable economic environment. The College will fulfill this role at a justifiable cost.