



Financial Reporting and Budget Discussion

Faculty Senate

March 3, 2023

Presented by: Dr. David Bea



PimaCommunityCollege

Agenda

- FY 2022 Annual Comprehensive Financial Report
- College Budget
 - Budget Priorities
 - Three-Year Capital Project Plan





FY 2022 Annual Comprehensive Financial Report

Operating Expenses by Type

Expense Type	<u>FY 2022</u>	<u>FY 2021</u>	<u>\$ Change</u>
Employee Compensation and Benefits	\$ 117,705,639	\$ 114,241,087	\$ 3,464,552
Communication and Utilities	4,668,524	4,932,559	(264,035)
Travel	1,103,227	396,504	706,723
Contractual Services	29,109,045	25,398,085	3,710,960
Supplies and Materials	16,048,536	8,296,000	7,752,536
Student Financial Aid	29,679,226	20,493,275	9,185,951
Other Expenses	7,607,295	4,599,465	3,007,830
Depreciation	<u>6,925,594</u>	<u>6,501,698</u>	<u>423,896</u>
Total Operating Expenses	\$212,847,086	\$184,858,673	\$ 27,988,413



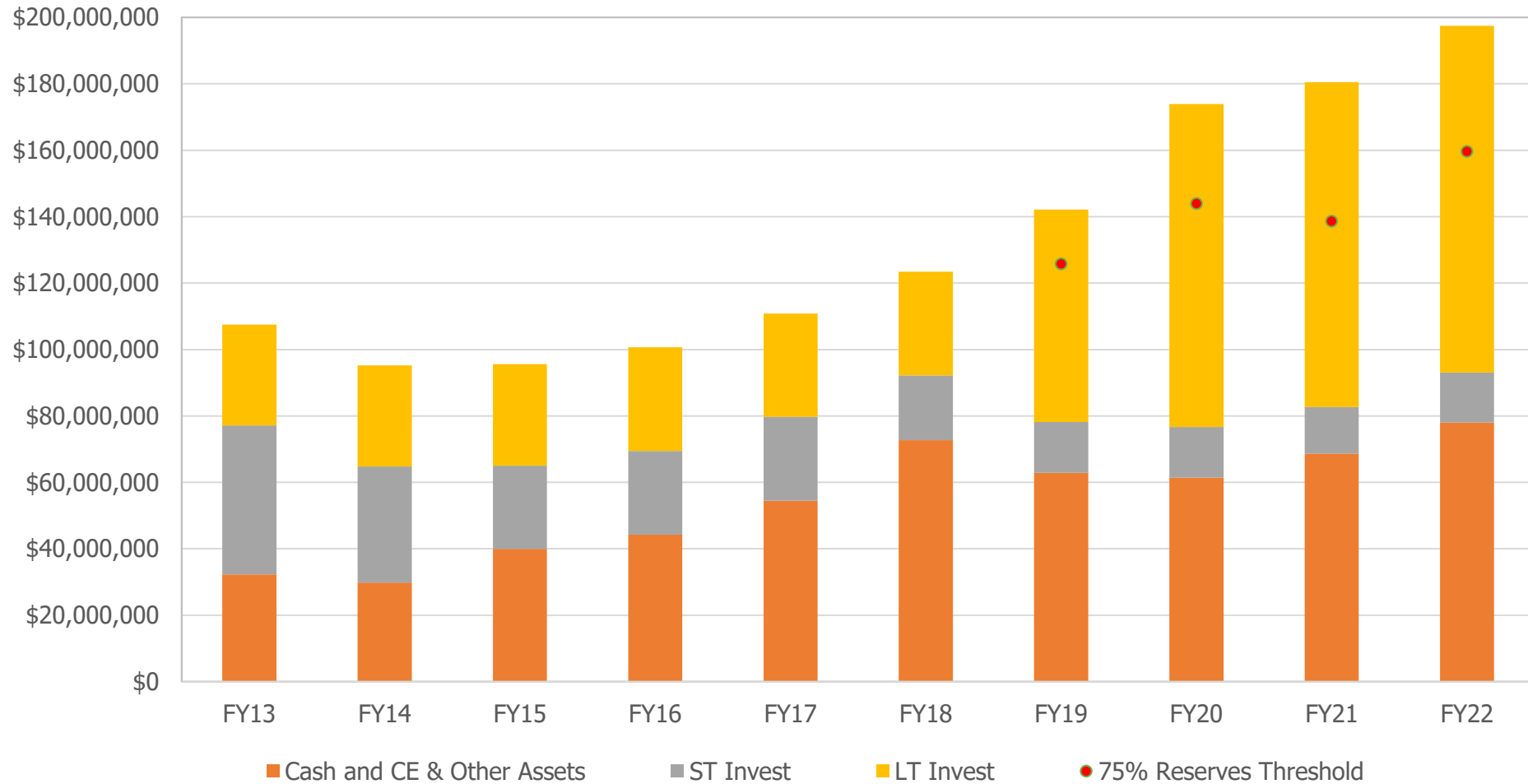
Revenues, Expenses, and Changes in Net Position

<u>Item</u>	<u>FY 2022</u>	<u>FY 2021</u>
Total Operating Revenues	\$ 28,762,186	\$ 27,224,593
Total Operating Expenses	<u>212,847,086</u>	<u>184,858,673</u>
Operating Loss	(184,084,900)	(157,634,080)
Net Non-Operating Revenues	212,184,812	182,356,014
Income before Capital Appropriations, Gifts, and Grants	28,099,912	24,721,934
Capital Gifts and Grants	<u>67,214</u>	<u>23,925</u>
Increase in Net Position	\$ 28,167,126	\$ 24,745,859

Net Position

<u>Item</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>\$ Change</u>
Cash and Cash Equivalents	\$ 77,978,489	\$ 68,646,157	\$ 9,332,332
Short + Long-term Investments	119,574,473	111,968,744	7,605,729
Restricted Cash and Investments Held by Trustee (Bonds)	26,703,075	45,187,528	(18,484,453)
Other Current + Non-Current Assets	169,599,240	151,974,617	17,624,623
Total Assets	393,855,277	377,777,046	16,078,231
Net Pension and OPEB	86,373,798	117,826,497	(31,452,699)
Bonds Payable	53,843,932	56,457,750	(2,613,818)
Other Liabilities	36,325,830	40,595,032	(4,269,202)
Total Liabilities	176,543,560	214,879,279	(38,335,719)
<u>Net Position</u>			
Invested in Capital Assets (net of related debt)	106,323,112	100,032,307	6,290,805
Restricted Net Position	65,942,454	51,522,969	14,419,485
Unrestricted Net Position	34,640,978	27,184,142	7,456,836
Total Net Position	\$ 206,906,544	\$ 178,739,418	\$ 28,167,126

Financial Reserves



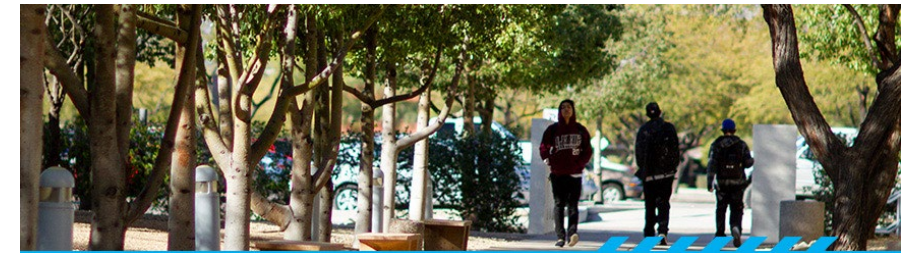
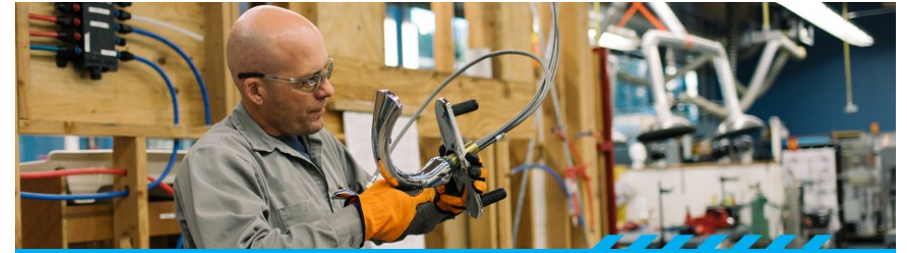
- The College's financial performance is strong
- Surplus reserves will fund existing capital projects, such as the COE for Health Professions



Fiscal Year 2024 Budget Development

Budget Priorities

- Meeting the College's mission, vision, and integrated planning framework
- Operationalizing the Centers of Excellence
 - Equipment replacement
 - Personnel costs
- Deferred maintenance
- Leveraging partnerships and opportunities to drive innovation



Three-Year Operating Budget Projection

	FY23 Adopted	FY24	FY25	FY26
Property Tax	\$130,500,000	\$132,300,000	\$134,300,000	\$136,200,000
Tuition	40,900,000	40,900,000	40,900,000	40,900,000
Other	30,300,000	31,900,000	31,900,000	31,900,000
Total Revenues	201,700,000	205,100,000	207,000,000	209,000,000
Personnel	137,900,000	141,100,000	144,500,000	147,300,000
Operating	48,300,000	49,800,000	50,700,000	51,800,000
Other	15,500,000	15,800,000	15,400,000	15,200,000
Total Expenses	201,700,000	206,700,000	210,600,000	214,300,000
Net	\$0	-\$1,600,000	-\$3,600,000	-\$5,300,000
Position equivalency		-21	-48	-71

Three-Year Capital Plan

<u>Summary Recap by Criteria</u>	<u>Ideal Budget Scenario</u>	<u>Year 1 FY23</u>	<u>Year 2 FY24</u>	<u>Year 3 FY25</u>	<u>Year 4 FY26</u>
1 Fire, Life, Health Safety Requirement	\$ 1,000,000	\$ 1,358,600	\$ 975,000	\$ 600,000	\$ 600,000
2 Replace Academic Equipment	\$ 3,500,000	\$ 2,667,000	\$ 3,359,630	\$ 2,500,000	\$ 2,500,000
3 Deferred Maintenance	\$ 7,500,000	\$ 9,726,950	\$ 7,436,400	\$ 6,563,150	\$ 6,139,650
3.1 IT Infrastructure	\$ 5,000,000	\$ 5,950,000	\$ 4,350,000	\$ 4,350,000	\$ 4,350,000
4 COE, Strategic Investments, EMP	\$ 10,000,000	\$ 23,571,440	\$ 29,935,980	\$ 22,500,000	\$ 18,700,000
5 Program Accreditation Requirement	\$ -	\$ -	\$ -	\$ -	\$ -
6 Program/Service Enhancement/Renovations	\$ 5,000,000	\$ 3,389,600	\$ 1,018,600	\$ 400,000	\$ 150,000
7 New Program / Service Development	\$ 1,000,000	\$ 275,000	\$ -	\$ -	\$ -
8 Contingencies/Out of Cycle	\$ 2,000,000	\$ 2,028,700	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Criteria Total	\$ 35,000,000	\$ 48,967,290	\$ 49,075,610	\$ 38,913,150	\$ 34,439,650



Aggressive, not sustainable.
 High Risk for Exceeding EL limits, Over committed
 Low Risk, strategic spend down of reserves.

Next Steps

- March Governing Board Meeting
 - Set tuition and service fees
 - Approve employee benefits contracts
- April Study Session
- May Governing Board Meeting
 - Presentation of the Fiscal Year 2024 Proposed Budget and three-year budget scenarios
 - Request to publish Truth in Taxation Notification and Proposed Budget
- June Public Hearing and Special Meeting
 - Set property tax rates and levies
 - Adopt the budget



Resources

- [Fiscal Year 2024 Budget Development Calendar](#)
- Strategic Initiatives
 - [Strategic Plan, 2021-2025](#)
 - [2022-2023 Chancellor's Goals, Objectives and Timelines](#)
 - [Educational Master Plan](#)
 - [Facilities Master Plan](#)
- [Dashboards](#)
 - [Audited FTSE for PCC and AZ Colleges](#)
 - [PCC Human Resources in IPEDS Categories, Ratios](#)
 - [Finance](#)





PimaCommunityCollege

/// Keep striving.