

Numbers!

PCC's Finance Newsletter

September 2014



Welcome to **Numbers!** The Newsletter about the College's Finances! Our goal is to inform and educate the College community with useful and timely finance and budget information that impacts PCC. Enjoy!

News

- The Board of Governors Finance and Audit Committee has been meeting regularly and you can find more information about this Board Committee on the [Finance and Audit Committee webpage](#).
- PCC's monthly financial reports that are part of each regular Board of Governors meeting packet are now also available as standalone documents on the College's [Financial Reports](#) webpage.
- A Budget Planning committee will be formed to review the budget and encourage projects and programs in support of the College's priorities and [Strategic Plan](#).
- *Did you know* that extensive College financial data, including presentations and the detailed [FY 2015 General Fund Budget](#), may be viewed on these College webpages: [Finance](#), [Financial Reports](#), and [College Budget](#)?

Fiscal Year 2014 – ended June 30, 2014

- The [preliminary fiscal year results](#) indicate that PCC is concluding the fiscal year with a decrease in net position which is principally the result of increases in expenditures for the new NW Campus building combined with a decrease in tuition and fees revenues due to a decline in enrollment.
- Staff members from the Office of the Auditor General for the State of Arizona are already working onsite on the financial audit and will be conducting field work through November with the goal of a signed opinion in December. The FY 2014 Comprehensive Annual Financial Report should be finalized shortly thereafter.
- Results from other FY 2014 audits prepared by the Auditor General are expected in early 2015.

Fiscal Year 2015 – started July 1, 2014

- The \$266.2 million total [FY 2015 budget](#) supports the College's priorities and is aligned with the [Strategic Plan](#).
- *Did you know* that the combined Maricopa and Pima Community Colleges provide education for 76% of the full-time student equivalents in AZ, but receive only 24% of the total State appropriations for community colleges?

State of Arizona Budget and Outlook

- Each month a financial report is prepared for the Arizona Legislature by [Joint Legislative Budget Committee](#) staff and the [latest report from August 2014](#) shows that while the FY 2014 ending balance is expected to be positive, it is still projected to be under budget. The state also faces significant shortfalls of \$-282 million in the current fiscal year and \$-765 million in FY 2016.
- The impact of the recent ruling in the K-12 inflation litigation could require the state to increase its K-12 spending by \$317 million in FY 2015. This funding would "reset" the per pupil amount to adjust for foregone inflation in prior years. The Court did not rule on the issue regarding back payments.
- Given the large decline in State appropriations to PCC, as the College prepares budget models for future years, the College is prudently planning for future State funding decreases. Combined with continued 'soft' student enrollment, the FY 2016 budget will experience a number of funding challenges.