

Maricopa County Community College District

Phoenix, Arizona

Chandler-Gilbert

Estrella Mountain

GateWay

Glendale

Maricopa
Corporate College

Mesa

Paradise Valley

Phoenix

Rio Salado

Scottsdale

South Mountain



GateWay Community College

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2014





Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2014

**Maricopa County Community College District
Phoenix, Arizona**

Prepared by
Division of Business Services



Maricopa County Community College District Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2014

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Introductory Section

December 16, 2014

To the Citizens of Maricopa County:

At the Maricopa Community Colleges, we take great pride in our financial performance, so I am happy to be able to share with you our Comprehensive Annual Financial Report for the fiscal year ending June 30, 2014.

For yet another year District finances remained solid, with the three major national bond rating agencies reaffirming in 2013 the District's "triple A" ratings for our general obligation bonds. We have held those ratings since 2007, which means that whenever we issue bonds to borrow money, we pay less interest than if our ratings were lower.

We continue to spend the remainder of the \$951 million raised in our 2004 bond initiative, bringing to completion projects designed to improve the learning environment for students on all our campuses. We expect construction projects financed by the bond program to continue through the 2016 fiscal year.

During the year, we opened the Maricopa Corporate College (MCOR), which is designed to provide customized workforce training solutions and strategic consulting to employers and professional organizations. The Maricopa Corporate College already is providing training solutions to a number of Maricopa County employers. Because it is aligned with the Global Corporate College, it can offer workforce training to companies based locally, and locations throughout the country. We envision MCOR as a way that the Maricopa Community Colleges, already the premier provider of workforce development in Maricopa County, can become an even more valuable partner to Arizona employers.

Enrollment declined slightly during the 2013-14 fiscal year. This was not surprising because community college enrollment often drops when the economy improves, as people who otherwise would be enrolling in classes find they have more available work opportunities.

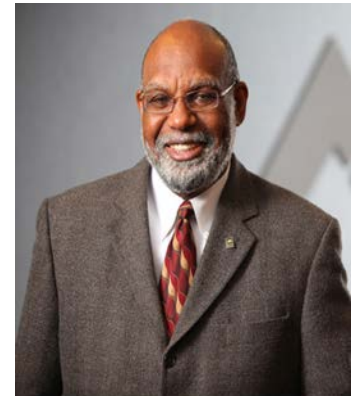
We continue to work on initiatives designed to improve student outcomes, with a major focus on helping students who have enrolled stay in college until they reach their educational goals. A major focus of our efforts is in the area of developmental education, courses that students who are not ready for college-level work must successfully complete before they can truly begin their college careers.

Approximately 60% of incoming students need developmental courses in English, reading, mathematics, or some combination of the three. Several of our colleges have begun developmental education initiatives, with promising results. We look forward to the time when we can report that successful new programs around the District are allowing more students to move more quickly into regular college courses.

This financial report attests to our commitment to quality educational services and effective use of taxpayers' funds. Please take the time to read it. I believe you will conclude that we have continued to provide strong educational value while contributing to the growth of the economy of Maricopa County. If you have questions about the District's financial management, please call us for more information.

Sincerely,

Rufus Glasper, Ph.D.
Chancellor



December 16, 2014

To the Residents of the Maricopa County Community College District:

We are pleased to provide you with the Comprehensive Annual Financial Report (CAFR) of the Maricopa County Community College District (MCCCD; the District) for the fiscal year ended June 30, 2014 (FY 2014).

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the District. Disclosures necessary to enable the reader to gain an understanding of the District's financial status and activities have been included.

Management is responsible for establishing and maintaining internal controls, which ensure that assets are protected from loss, theft, or misuse, and ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Because the cost of internal control should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Audit services are provided to the MCCCD by the State of Arizona Office of the Auditor General. Arizona Revised Statutes require an annual audit of the District's financial statements. This requirement has been complied with and the Independent Auditors' Report is included in this document. The auditors' opinion is unqualified.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Reporting Entity

The District is an independent reporting entity within the criteria established by generally accepted accounting principles (GAAP) and the Governmental Accounting Standards Board (GASB). According to GASB Statement No. 14, the financial reporting entity consists of "a primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete." MCCCD is a primary government because it is "a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments". Although the District shares the same geographic boundaries with Maricopa County, financial accountability for all activities related to public community college education in Maricopa County is exercised solely by the District. In accordance with GASB Statement No. 39, the financial activity of the Maricopa County Community College District Foundation is presented as a component unit of the District. The District is not included in any other governmental financial reporting entity.

Profile of Maricopa County Community College District

As a political subdivision of the State of Arizona, the MCCCDC is subject to the oversight of the District's Governing Board (the Board), which is comprised of five elected members, representing each of the five precincts in the county. Board member's terms are staggered. Some of the current board members are serving a six year term, while others are serving a four year term reflective of a statutory change that reduced term length. The Board is granted full authority from the Arizona Revised Statutes to oversee the business and educational needs of the District.

The District serves the educational needs of Maricopa County through ten accredited colleges, two skill centers, and the Maricopa Corporate College. The colleges and skill centers are managed by eleven college presidents and two directors. District-wide administrative and support services are centralized and administered by the Chancellor and five Vice Chancellors: Executive Vice Chancellor and Provost, Vice Chancellor for Business Services, Vice Chancellor for Human Resources, Vice Chancellor for Information Technology Services, and Vice Chancellor for Resource Development & Community Relations.

History

The District was established in 1962 under the provisions of legislation enacted by the Arizona State Legislature in 1960. This legislation created the Arizona State Junior College System and provided for the formation of junior college districts on a county basis throughout the state. At that time there was one college in the system, Phoenix [Junior] College, founded in 1920. Today the District consists of ten regionally accredited colleges, comprising one of the nation's largest multi-college community college systems.

Geography/Population

Located in the south-central portion of the State of Arizona, Maricopa County (the County) qualifies as the major economic, political, and population center in the State. The area includes the Greater Phoenix Metropolitan Area, which is comprised of Phoenix, Glendale, Mesa, Scottsdale, Paradise Valley, Tempe, Peoria, Chandler, Gilbert, and other smaller cities and towns in addition to all the unincorporated areas of the County. Encompassing over 9,200 square miles, Maricopa County is the fourteenth largest county in land area in the continental U.S. and larger than seven states.

Maricopa County continues to have one of the fastest growing populations in the United States. According to the U.S. Census Bureau Population Division, the County's population increased by 24% in the 10-year period between the official census dates of April 2000 and April 2010. As of July 2013, the Office of Employment and Population Statistics of the Arizona Department of Administration estimated the County's population to be 3,944,859, making it the fourth most populated county in the nation.

Maricopa County has slightly less than 60% of the State's total population and 63% of the total labor force. A majority of the County's labor force (82%) is employed in the service markets. These include trade, transportation and utilities; professional and business services; educational and health services; government; leisure and hospitality; and financial activities.

Types of Services

The District is the largest single provider of post-secondary education in Arizona – offering affordable education to more than 226,000 individuals year-round in credit classes and 15,000 individuals in special-interest/non-credit classes.

Profile of Maricopa County Community College District (continued)

The District offers a wide range of quality academic, career and technical, and personal interest programs to meet the needs of students throughout Maricopa County. Students planning to transfer may first complete the 35-credit hour Arizona General Education Curriculum core and/or an associate degree. The District offers the following associate degrees: Associate in Arts (including specialized degrees in Elementary Education and Fine Arts), Associate in Business, Associate in Science, Associate in General Studies, and Associate in Applied Sciences. Numerous Associate of Applied Science degrees and Certificates of Completion are available for students seeking technical expertise or upgrading skills in a specific career area. Non-credit personal interest courses are available in many areas including the arts, computer technology, personal development, and financial management. As indicated by racial category, the student enrollment data mirrors the population of Maricopa County: 50% Anglo, 25% Hispanic, 8% African American, 5% Asian, 3% Native American and 9% other.

The District is a major part of the community and continues to be a pipeline for the State's four-year universities, primarily Arizona State University (ASU). In academic year 2013-14, approximately 31,000 undergraduates enrolled at the three state universities had transferred 12 or more credits from MCCCDC.

The District also provides a variety of direct services to the community. These include: KJZZ-FM Public Radio-91.5 (news/jazz); KBAQ-FM Public Radio-89.5 (classical); Sun Sounds Radio Reading Service (for the visually-impaired); the Small Business Development Center state-wide network; and two charter high schools with accelerated, career-focused programs offering concurrent college courses at central city college campuses.

State and Local Economy

The District is the largest provider of workforce training in Arizona, with programs in areas such as nursing and allied health, information technologies, business, construction and manufacturing, public services (police and fire science), and design fields. Through its Center for Workforce Development, the District has become well known both locally and nationally as the largest provider of job training in Arizona for new and expanding companies and enjoys ongoing success in forging partnerships with business and industry. The District, the State's other community college districts and public universities, and private colleges, universities and technical institutes, play a key role in providing the necessary workforce development and job training offerings to meet the needs of the state's employment markets. This solid infrastructure of educational institutions significantly contributes to the dynamic performance of the Arizona workforce and its economy.

According to the Office of Employment and Population Statistics within the Arizona Department of Administration, Arizona's economy is forecasted to experience gradual gains in nonfarm employment for the calendar years 2014-2015 (CY 2014 – CY 2015). Specifically, Arizona's nonfarm jobs are projected to increase by 2.1% in CY 2014 and 2.4% in CY 2015. This translates into an estimated gain of 114,000 nonfarm jobs over the two-year period. The overall employment situation in Arizona continues to improve. This suggests that the positive signs of economic improvement outweigh the risks associated with any uncertainties. As of September 2014, Arizona's seasonally adjusted unemployment rate was 6.9%.

Long-term Financial and Operational Planning

The District engages in an annual financial planning cycle that involves all levels of the organization. This planning process provides a framework to advance the District's vision, mission and goals in order to meet the needs of the students and community.

Budget and financial policies, approved by the Board, provide guidance for sufficient planning of resources, appropriate divisions between operational and capital activity, and adequate reserve levels for revenue shortfalls or expenditure needs. Fiscal integrity is the cornerstone upon which the District plans, monitors, and reports its financial activities and resources. Particular emphasis is placed on maintaining the financial stability of the District and the annual budget is developed with this objective. Goals for financial stability enable the District to manage revenue shortfalls and cash flows to ensure continued operations and to provide for unforeseen contingencies without impairing the quality of service needed to respond to its customers.

This planning process and policy guidance support the development of the District's long-term operational planning which is finalized each year in the "Maricopa Financial Plan". This 15-year plan helps the District align its key components of strategic and financial planning with estimated trends in funding as well as linking long-term strategic directions with estimated long-term budget resources.

Budget Process

The District's elected Governing Board establishes policy and sets goals and priorities through the strategic planning process. The Financial Advisory Council (FAC), which has broad-based membership representing executive leadership, faculty, employee group representatives, and college vice presidents, is responsible for the supervision and coordination of the district-wide budget process. The FAC thoroughly reviews program needs and available resources before making budget recommendations to the Chancellor's Executive Council (CEC). The CEC in turn makes recommendations to the Chancellor who ultimately presents a fiscally stable and balanced budget to the Governing Board. At a public meeting in April, the Governing Board adopts a preliminary budget with final budget adoption occurring in May or June.

Financial Reporting

An automated financial accounting system captures all financial transactions and provides data for the preparation of this CAFR, including the audited financial statements. These statements present information on the financial position of the District and confirm that resources were adequate to cover the costs of providing services during the reporting period. The District's award-winning CAFR is distributed to the Board, executive management, the state legislature, federal and state agencies, bonding agencies, financial institutions and the general public. Internal management reports, customized to meet the information and decision-making needs at all levels of the organization, aid in the management of financial resources. The District also routinely monitors and reports on revenue collections and actual expenses compared to budget at each college. It carefully reviews fluctuations and implements strategies to remedy variances throughout the year.

Major Initiatives

The Governing Board adopted a goal to increase student completion rates by 50% by the year 2020; this is complemented by the Chancellor's three pillars for the District to focus on: Student Success, One Maricopa, and Public Stewardship. As a community of colleges serving a large and diverse metropolitan area, collaboration and cooperation for the benefit of students is a primary objective. Moreover, we continue to strive for a "Maricopa experience" that reflects common values and service standards at every college. We are committed to ensuring that students have full access to the learning opportunities they seek and that they are successful in their endeavors, regardless of the college(s) they attend. Described here are a few of the initiatives undertaken to achieve those objectives.

Seamless Student Experience

The Seamless Student Experience (SSE) project will eventually provide students a single point of access/process for admissions, registration, financial aid, and related student services across all MCCCDC colleges. SSE will allow students to seamlessly move from one MCCCDC college to another without repeating or duplicating the processes of admission, financial aid, academic transcript, payment of fees, etc. From a service point of view, students would access the "One Maricopa" system (online and face-to-face) just once with the information applicable universally at any of the colleges. SSE will yield the following: student access is improved to all of the Maricopa colleges; student movement from one MCCCDC College to another becomes seamless and transparent; consistency of the student experience is achieved – same experience regardless of College location; and degree/certificate completion is enhanced with a single transcript.

Student Success Initiative

Through the Student Success Initiative, MCCCDC will develop, implement and sustain a system-wide effort to positively impact student retention, persistence and goal completion. The project engages a broad spectrum of recognized best practices. New procedures and expanded services include mandatory new student orientation and placement testing, academic advising, college success course, and opportunities for service learning. The next steps include support for enrollment services and connecting career services to new undecided students.

Residential/Adjunct Faculty Ratio

The District has initiated a plan that calls for 60% of the instructional load at each college to be taught by residential faculty. By implementing the 60:40 ratio, the District will support student success and retention through increased workforce stability, enhanced learning environments, and improved student engagement. To achieve this goal, the District plans to add about 300 new residential faculty to the colleges over the next 8 to 10 years.

Public University Partnerships

Maricopa is committed to supporting and enhancing transfer partnerships with Arizona State University (ASU), Northern Arizona University (NAU), and the University of Arizona (UA). These partnerships are intended to increase the number of students who complete associate and bachelor's degrees. Along with clear curriculum pathways, the transfer programs provide students with dedicated advising, scholarship opportunities, and support services. The Maricopa/ASU Alliance has grown steadily with over 200 university majors outlined through degree-to-degree pathways, which are tracked with a customized

Major Initiatives (continued)

degree audit tool. The NAU Connection partnership offers Connect2NAU Joint Admission, and a variety of Bachelor's degree programs, online or on-site at the Maricopa Community Colleges. The UA Bridge program includes prescribed program pathways as well as local advisement and events for UA-bound transfer students.

Maricopa Priorities

Maricopa Priorities began in Fall 2013 and is intended to align the District's efforts and resources to focus on maintaining, improving, and building programs and centers of excellence that will substantially contribute to student success. To achieve this goal, the District will examine and assess all current instructional and support programs and services, explore their origins and how they have evolved over time, determine how they serve the community's changing educational needs, and evaluate whether they are positioned to meet the current and future educational requirements of our communities.

2004 Capital Development Program

As a result of a referendum approved by 76% of Maricopa County voters in November 2004, the District embarked on a \$951 million capital program financed by General Obligation bonds. The Capital Development Program provides the physical environment, occupational and instructional equipment, and technology to support education and job training and to meet the needs of current and future community college students through new and improved institutional facilities, support spaces, equipment, and technology. The bond reaches all colleges and skill centers in the District and funds improvements in educational and institutional technologies as well as student and community safety and security. However, inflation rates in the construction industry, which had been at historically high rates from 2004 through early 2008, altered our ability to deliver this program as planned. Project size/scope reductions or cancellations during the early portion of the program cannot be recovered fully. The major impact has been that many construction projects were reduced in size or modified in scope, with some projects planned for late in the bond being substantially reduced or canceled in order to fund early, higher priority projects. Parallel to the collapse of the local economy, the construction industry saw prices drop back to near 2007 levels during late 2010 and 2011. Since the beginning of 2011, construction prices are rising again, and accelerated slightly in 2012 through 2013 as the national and global economy recovered and both materials and labor shortages were becoming more common. Local construction cost increases have remained moderate as the Arizona economy continues its slow recovery. As the local and world economy continues to recover through 2014-15, higher inflation rates and construction costs are expected. With the low construction inflation rates since 2010, a number of projects started during this period were constructed close to their originally planned size and scope. The District also benefited by the collapse of the local real estate market, enabling the purchase and remodeling of existing properties for less than the cost to construct an equal amount of new space. To date, 1,815,000 square feet of new space has been constructed or purchased and 992,000 square feet has been remodeled, including some of the purchased buildings. District and College capital plans continue to be revised and updated to optimize the use of remaining bond funds and serve current instructional needs.

Since the inception of the 2004 Capital Development Program, eleven new or substantially remodeled science instruction buildings, totaling 427,000 square feet have been completed. Ten new or substantially remodeled health care occupations instructional buildings totaling 199,000 square feet have been completed. The purchase of fifteen existing buildings added 561,000 square feet of space. There is one project currently in progress or scheduled to start construction that will add or remodel 23,000 square feet of building space. Another six projects, which are currently in project development, initiation, consultant

Major Initiatives (continued)

selection, or design, will add or remodel 165,000 square feet of space in the next few years. For future growth, the District purchased six parcels of undeveloped land adding 232 acres. In addition to the construction and remodeling, the District continues significant maintenance and energy conservation work across all existing locations.

The District also continues to foster and develop partnerships. Funds from the 2004 General Obligation (G.O.) Bond Funds constructed the Communiversi@Surprise on property owned by the City of Surprise and the Rio Communiversi in Queen Creek using a similar partnership with the town of Queen Creek. Four Maricopa colleges and two universities have combined to offer more than 40 certificates of completion, Associate's, Bachelor's and Master's degree programs at the Communiversi@Surprise and the Communiversi@Queen Creek . Two additional buildings funded by the 2004 G.O. bond also host partnerships. The Paradise Valley Community College Black Mountain Center in far northern Scottsdale was completed in 2009 and operates in partnership with the Valley of the Sun YMCA and the Foothills Community Center; the South Mountain Community College Community Library Building, developed and jointly operated with the City of Phoenix, Arizona opened in June 2011.

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Maricopa County Community College District for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the 23rd consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal regulations.

A Certificate of Achievement is valid for a period of one year only. We believe that the current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgment

We wish to thank the members of the Board for their guidance and support in planning and conducting the financial operations of the District in a highly responsible and progressive manner. The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Division of Business Services and the College Business Offices. Appreciation is expressed to the State of Arizona Office of the Auditor General for timely completion of the audit.

Respectfully submitted,

Debra Thompson
Vice Chancellor for Business Services

Kimberly Brainard Granio, CPA
Associate Vice Chancellor for Business Services
and Controller



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

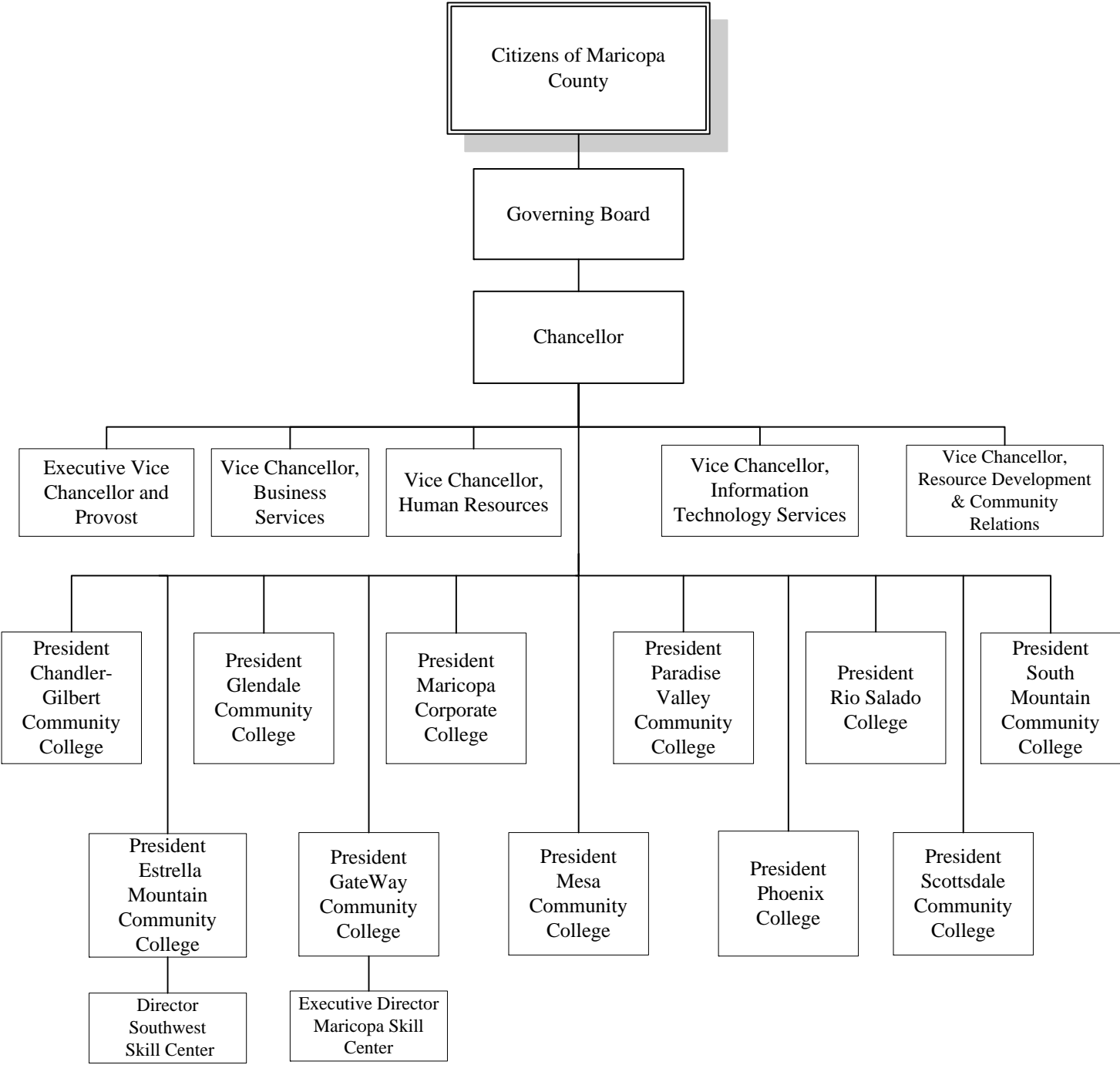
**Maricopa County
Community College District
Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

Maricopa County Community College District Organizational Chart



Maricopa County Community College District

Principal Officers

Governing Board

Mr. Dana G. Saar, *President*
Mr. Randolph Elias Lumm, *Secretary*
Mr. Doyle Burke
Mrs. Debra Pearson
Mr. Alfredo Gutierrez

Administration

Dr. Rufus Glasper, *Chancellor*
Dr. Maria Harper-Marinick, *Executive Vice Chancellor and Provost*
Ms. Debra Thompson, *Vice Chancellor, Business Services*
Ms. LaCoya Shelton-Johnson, *Vice Chancellor, Human Resources*
Mr. Edward Kelty, *Acting Chief Information Officer (effective 9/1/14)*
Dr. Steven Helfgot, *Vice Chancellor, Resource Development & Community Relations*

College Presidents and Directors

Dr. Linda Lujan, *President, Chandler-Gilbert Community College*
Dr. Ernie Lara, *President, Estrella Mountain Community College*
Dr. Steven R. Gonzales, *President, GateWay Community College*
Dr. Irene Kovala, *President, Glendale Community College*
Dr. Eugene Giovannini, *President, Maricopa Corporate College*
Dr. Shouan Pan, *President, Mesa Community College*
Dr. Paul Dale, *President, Paradise Valley Community College*
Dr. Anna Solley, *President, Phoenix College*
Dr. Chris Bustamante, *President, Rio Salado College*
Dr. Jan L. Gehler, *President, Scottsdale Community College*
Dr. Shari L. Olson, *President, South Mountain Community College*
Mr. Alan D. Larson, *Executive Director, Maricopa Skill Center*
Mr. Thomas Cotner, *Director, Southwest Skill Center*



Vision, Mission & Values

Vision

A Community of Colleges...Colleges for the Community

... working collectively and responsibly to meet the life-long learning needs of our diverse students and communities.

Mission

The Maricopa Community Colleges provide access to higher education for diverse students and communities.

We Focus On Learning Through:

- ▲▲ University Transfer Education
- ▲▲ General Education
- ▲▲ Developmental Education
- ▲▲ Community Education
- ▲▲ Workforce Development
- ▲▲ Student Development Services
- ▲▲ Continuing Education
- ▲▲ Civic Responsibility
- ▲▲ Global Engagement

As amended December 14, 2004 and December 13, 2005 by the Maricopa County Community College District Governing Board

Statement of Values

The Maricopa Community Colleges are committed to:

Community

We value all people – our students, our employees, their families, and the communities in which they live and work. We value our global community of which we are an integral part.

Excellence

We value excellence and encourage our internal and external communities to strive for their academic, professional and personal best.

Honesty and integrity

We value academic and personal honesty and integrity and believe these elements are essential in our learning environment. We strive to treat each other with respect, civility and fairness.

Inclusiveness

We value inclusiveness and respect for one another. We believe that team work is critical, that each team member is important and we depend on each other to accomplish our mission.

Innovation

We value and embrace an innovative and risk-taking approach so that we remain at the forefront of global educational excellence.

Learning

We value lifelong learning opportunities that respond to the needs of our communities and are accessible, affordable, and of the highest quality. We encourage dialogue and the freedom to have an open exchange of ideas for the common good.

Responsibility

We value responsibility and believe that we are each accountable for our personal and professional actions. We are responsible for making our learning experiences significant and meaningful.

Stewardship

We value stewardship and honor the trust placed in us by the community. We are accountable to our communities for the efficient and effective use of resources as we prepare our students for their role as productive world citizens.

As amended December 13, 2005 by the Maricopa County Community College District Governing Board



Financial Section



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent Auditors' Report

Members of the Arizona State Legislature

The Governing Board of
Maricopa County Community College District

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of the Maricopa County Community College District as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the discretely presented component unit were not audited by the other auditors in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of Maricopa County Community College District as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 17 through 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Schedule of Revenues, Expenses, and Changes in Net Position by College/Center and the introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Schedule of Revenues, Expenses, and Changes in Net Position by College/Center is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the Schedule of Revenues, Expenses, and Changes in Net Position by College/Center is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will issue our report on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters at a future date. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Debbie Davenport
Auditor General

December 16, 2014

**Maricopa County Community College District
Management's Discussion and Analysis
For the Year Ended June 30, 2014**

Our discussion and analysis introduces the basic financial statements and provides an overview of the District's financial activities for the year ended June 30, 2014. It should be read in conjunction with the transmittal letter, which precedes this section, and the financial statements, which immediately follow.

Basic Financial Statements

The District's financial statements are presented in accordance with pronouncements issued by the Governmental Accounting Standards Board (GASB), the authoritative body for establishing generally accepted accounting principles (GAAP) for state and local governments, including public institutions of higher education. These pronouncements permit public colleges and universities to use the guidance for special-purpose governments, engaged only in business-type activities, in their separately issued financial statements. As such, the reader will observe that the presentation format is a consolidated, single-column, entity-wide format, similar to the type of financial statements one might encounter from a typical business enterprise or a not-for-profit organization. The basic financial statements consist of the following:

The *Statement of Net Position* reflects the financial position of the District as of June 30, 2014. It shows the assets owned or controlled, related liabilities and other obligations, and the categories of net position. Net position is an accounting concept defined as total assets and deferred outflows less total liabilities and deferred inflows. As such, it represents the residual of all other elements presented in the Statement of Net Position of the District.

The *Statement of Revenues, Expenses, and Changes in Net Position* reflects the results of operations and other changes for the year ended June 30, 2014. It shows revenues and expenses, both operating and nonoperating, and reconciles the beginning net position amount to the ending net position amount, which is shown on the *Statement of Net Position* described above.

The *Statement of Cash Flows* reflects the inflows and outflows of cash and cash equivalents for the year ended June 30, 2014. It shows the cash activities by type and reconciles the beginning cash and cash equivalents amount to the ending cash and cash equivalents amount, which is shown on the *Statement of Net Position*, described above. In addition, this statement reconciles cash flows from operating activities to operating loss on the *Statement of Revenues, Expenses, and Changes in Net Position* described above.

Although the primary focus of this document is on the results and activity for fiscal year 2013-14 (FY 2014), comparative data is presented for the previous fiscal year, 2012-13 (FY 2013). This Management's Discussion and Analysis (MD&A) uses the prior fiscal year as a reference point in illustrating issues and trends for determining whether the institution's financial health may have improved or deteriorated.

Basic Financial Statements (continued)**Condensed Financial Information**

<i>Statement of Net Position</i>	<i>As of June 30, 2014</i>	<i>As of June 30, 2013</i>
Assets		
Current assets	\$550,769,701	\$533,567,374
Noncurrent assets, other than capital assets	297,278,469	369,935,312
Capital assets, net	819,938,596	790,260,982
Total assets	1,667,986,766	1,693,763,668
Deferred Outflows of Resources	4,404,477	5,330,657
Liabilities		
Other liabilities	91,421,930	82,549,187
Long-term liabilities	765,427,381	821,364,747
Total liabilities	856,849,311	903,913,934
Deferred Inflows of Resources	106,118	118,168
Net position		
Net investment in capital assets	272,856,692	259,717,401
Restricted net position	105,759,811	106,905,467
Unrestricted net position	436,819,311	428,439,355
Total net position	815,435,814	\$795,062,223

Basic Financial Statements (continued)*Statement of Revenues, Expenses, and Changes in Net Position*

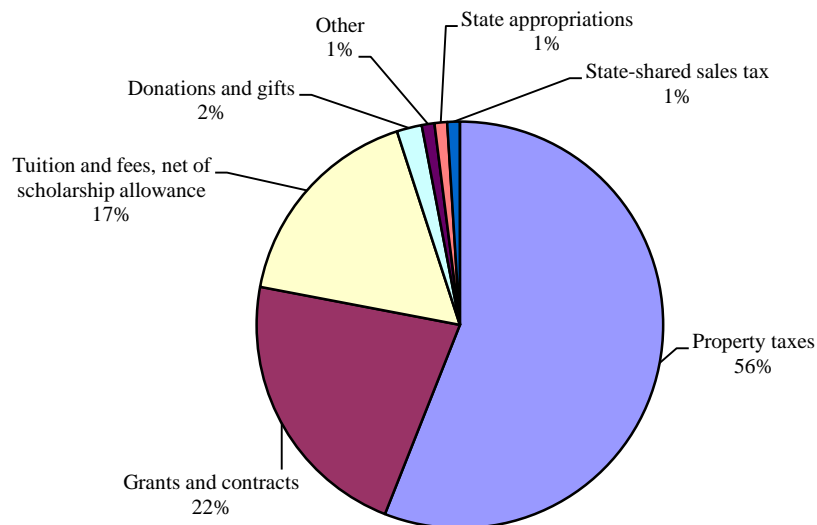
	<i>For the Year Ended June 30, 2014</i>	<i>For the Year Ended June 30, 2013</i>
Operating revenues	\$164,790,760	\$163,692,957
Operating expenses:		
Educational and general	749,245,204	768,150,929
Auxiliary enterprises	48,479,933	53,760,290
Depreciation	48,271,401	43,892,890
Other	340,066	2,380,209
Total operating expenses	<u>846,336,604</u>	<u>868,184,318</u>
Operating loss	<u>(681,545,844)</u>	<u>(704,491,361)</u>
Nonoperating revenues and expenses	<u>701,511,528</u>	<u>691,880,610</u>
Income/(loss) before other revenues, expenses, gains, or losses	19,965,684	(12,610,751)
Other revenues, expenses, gains, or losses	<u>407,907</u>	<u>539,411</u>
Change in net position	20,373,591	(12,071,340)
Net position, beginning of year	<u>795,062,223</u>	<u>807,133,563</u>
Net position, end of year	<u><u>\$815,435,814</u></u>	<u><u>\$795,062,223</u></u>

Basic Financial Statements (continued)

The following schedule presents a summary and comparison of revenues for the fiscal years ended June 30, 2014, and June 30, 2013.

<i>Revenues by Source</i>	FY 2014		FY 2013		Increase/(Decrease)	
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Change</u>
<u>Operating revenues</u>						
Tuition and fees, net of scholarship allowance	\$153,195,205	17%	\$149,177,779	17%	\$4,017,426	3%
Other	11,595,555	1	14,515,178	2	(2,919,623)	(20)
Total operating revenues	<u>164,790,760</u>	<u>18</u>	<u>163,692,957</u>	<u>19</u>	<u>1,097,803</u>	<u>1</u>
<u>Nonoperating revenues</u>						
Property taxes	497,465,876	56	475,438,987	54	22,026,889	5
State appropriations	7,913,300	1	8,315,700	1	(402,400)	(5)
State-shared sales tax	8,928,285	1	7,452,160	1	1,476,125	20
Grants and contracts	197,623,492	22	210,972,682	24	(13,349,190)	(6)
Donations and gifts	14,029,098	2	10,567,357	1	3,461,741	33
Investment earnings, net of investment expense	<u>2,727,869</u>	<u>-</u>	<u>1,488,524</u>	<u>-</u>	<u>1,239,345</u>	<u>83</u>
Total nonoperating revenues	<u>728,687,920</u>	<u>82</u>	<u>714,235,410</u>	<u>81</u>	<u>14,452,510</u>	<u>2</u>
Capital grants and gifts	<u>407,907</u>	<u>-</u>	<u>539,411</u>	<u>-</u>	<u>(131,504)</u>	<u>(24)</u>
Total revenues	<u>\$893,886,587</u>	<u>100%</u>	<u>\$878,467,778</u>	<u>100%</u>	<u>\$15,418,809</u>	<u>2%</u>

Revenues by Source FY 2014

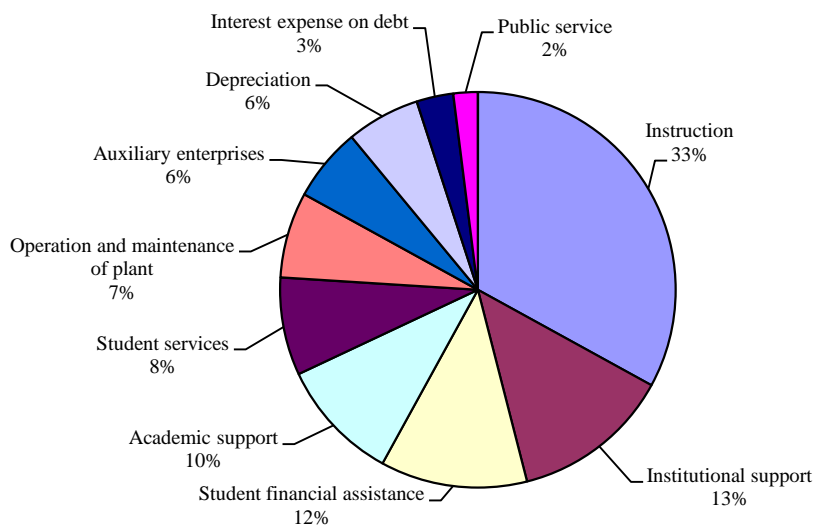


Basic Financial Statements (continued)

The following schedule presents a summary and comparison of expenses for the fiscal years ended June 30, 2014, and June 30, 2013.

<i>Expenses by Function</i>	FY 2014		FY 2013		Increase/(Decrease)	
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Change</u>
<u>Operating expenses</u>						
Educational and general						
Instruction	\$284,651,808	33%	\$286,661,576	32%	(\$2,009,768)	(1%)
Public service	16,810,929	2	16,796,983	2	13,946	-
Academic support	86,963,188	10	81,346,794	9	5,616,394	7
Student services	72,056,007	8	70,304,677	8	1,751,330	2
Institutional support	116,375,711	13	133,258,803	15	(16,883,092)	(13)
Operation and maintenance of plant	69,429,885	7	67,244,364	7	2,185,521	3
Student financial assistance	102,957,676	12	112,537,732	13	(9,580,056)	(9)
Auxiliary enterprises	48,479,933	6	53,760,290	6	(5,280,357)	(10)
Depreciation	48,271,401	6	43,892,890	5	4,378,511	10
Other	340,066	-	2,380,209	-	(2,040,143)	(86)
Total operating expenses	<u>846,336,604</u>	<u>97</u>	<u>868,184,318</u>	<u>97</u>	<u>(21,847,714)</u>	<u>(3)</u>
<u>Nonoperating expenses</u>						
Interest expense on debt	24,779,363	3	22,274,929	3	2,504,434	11
Loss on sale or disposal of capital assets	<u>2,397,029</u>	<u>-</u>	<u>79,871</u>	<u>-</u>	<u>2,317,158</u>	<u>2,901</u>
Total nonoperating expenses	<u>27,176,392</u>	<u>3</u>	<u>22,354,800</u>	<u>3</u>	<u>4,821,592</u>	<u>22</u>
Total expenses	<u>\$873,512,996</u>	<u>100%</u>	<u>\$890,539,118</u>	<u>100%</u>	<u>(\$17,026,122)</u>	<u>(2%)</u>

Expenses by Function FY 2014



Financial Highlights and Analysis

Statement of Net Position

The District's overall financial position increased slightly in FY 2014 as the total net position for the District increased by nearly \$20.4 million from FY 2013 to FY 2014. Noncurrent assets other than capital assets experienced a net decrease of \$72.7 million while capital assets increased by \$29.7 million. Long-term liabilities decreased by \$55.9 million and other liabilities rose by \$8.9 million. The net decreases in noncurrent assets and long-term liabilities are primarily due to annual debt service payments on the District's outstanding General Obligation bonds. Capital assets increased as cash or investments were converted to capital assets. Increases in other liabilities result from the shift from long-term to current in two liability lines, interest payable and long-term liabilities – current portion, due to debt service payments for July 1, 2014, and a larger dollar value in invoices received after June 30, 2014, applicable to the reported fiscal year.

Total net position is comprised of the following sub-categories: net investment in capital assets, restricted, and unrestricted. These sub-categories experienced changes reflecting both increases and decreases for the year with the sum resulting in an overall increase in net position.

Net investment in capital assets increased by \$13.1 million, primarily due to continued spending for acquisition and remodeling of facilities and paying debt service that is associated with our capital development/General Obligation bond program approved by voters in 2004. Overall restricted net position remained fairly constant with relatively small increases and decreases within the category. Unrestricted net position in FY 2014 experienced a small increase over FY 2013 primarily due to revenues outpacing expenses and the District, as an entity and its colleges, continuing to set aside relatively small amounts of resources to plan for capital needs when the current capital bond program is completed, which is projected to be in 2016.

Statement of Revenues, Expenses, and Changes in Net Position

The District has three major revenue sources: property taxes, grants and contracts, and tuition and fees. Total revenue for the District increased by nearly \$15.4 million as a result of increases and decreases in these major categories. Property tax revenue rose due to an increase in the operational tax levy approved by the District's Governing Board and new construction added to the tax rolls. The decrease in grants and contracts revenue is related to lower financial aid activity resulting from fewer students participating in Federal financial aid programs coupled with an increase in Federal Trade Adjustment Act grant awards of nearly \$3 million. Although the amount of Federal awards declined, the average per student Federal Pell Grant award increased slightly in FY 2014. The District's Governing Board also approved a \$5 per credit hour increase in tuition that increased revenues, however; a 3% decline in enrollment resulted in total tuition and fees remaining fairly constant from the prior to current year. In addition, other operating revenues declined substantially due to one-time settlements and recoveries recognized in FY 2013 that were not at the same level in FY 2014. State-shared sales tax, donations and gifts, and investment earnings are generally tied to economic conditions and, as such, these

Statement of Revenues, Expenses, and Changes in Net Position (continued)

revenues experienced increases in FY 2014 as Arizona's economy continued to show improvement.

An overall decrease of 2% or \$17.0 million was noted for expenses with the most significant changes in the following categories. Student financial assistance expenses declined nearly \$9.6 million due to fewer students participating in Federal financial aid programs, as noted previously for changes in revenue activities. The majority of the decrease in institutional support (\$16.9 million) resulted from the recognition of contingent liabilities in FY 2013 that significantly exceeded the amount recognized in FY 2014. Depreciation increased by approximately \$4.4 million as assets were completed and reclassified during the year from construction in progress to depreciable assets. Once an asset is completed, it begins the depreciation process to expense the cost of the asset as of the date it was placed in service. See Notes to Financial Statements – Note 4 for more information. Finally, other expenses decreased \$2.0 million primarily due to the sale of bonds and expensing bond issue costs which occurred in FY 2013, but not in FY 2014.

Capital Assets and Debt Administration

The District's capital assets as of June 30, 2014, totaled \$819.9 million (net of accumulated depreciation). Capital assets include land, construction in progress, buildings, equipment, intangibles, improvements other than buildings, and library books. The change in the District's capital assets for the current year was an increase of 3.8%, primarily attributed to increased investment in buildings, construction, technology, and equipment. The District has about \$73.0 million in construction in progress, with an estimated cost to complete of approximately \$93.6 million. Additional information on capital assets can be found in Notes to Financial Statements – Note 4.

The District has issued 100% of the \$951.4 million in General Obligation (GO) bonds that were approved by voters in November 2004. Information on all of the District's bond issues is presented in greater detail in Notes to Financial Statements – Note 5.

In May 2013, the District's general obligation bond debt issue ratings were reaffirmed as Aaa by Moody's Investors Service, AAA by Fitch, and AAA by Standard & Poor's. Reasons cited for the high ratings were strong financial policies and prudent management practices; multiyear planning efforts; diverse revenue streams which help mitigate cuts in State funding, economic downturns, or enrollment declines; continued exceptionally strong and stable financial performance, as evidenced by ongoing operating surpluses and rising fund balances; relatively modest debt levels; and rapid retirement of debt. See Transmittal Letter, State and Local Economy, for additional information on the State's economy.

At year-end, the District's financial position remains strong, with adequate resources and reserves to meet all current obligations.

Current Factors Having Probable Future Financial Significance

As the 2004 Bond Program continues, buildings open and new technology is acquired to serve the community, the District must continue to ensure that there are sufficient resources and budget capacity to operate the buildings and support the technology. As of FY 2014, the District has set aside \$28 million in budget capacity for this purpose and will continue to increase this capacity as the Bond Program progresses.

Requests for Information

This discussion and analysis is designed to provide a general overview of the Maricopa County Community College District's finances for all those with an interest in such matters. Questions concerning any of the information provided in this Comprehensive Annual Financial Report or requests for additional financial information should be addressed to the Office of Financial Services and Controller; The Maricopa Community Colleges; 2411 W. 14th Street; Tempe, AZ 85281.

**Maricopa County Community College District
Statement of Net Position – Primary Government
June 30, 2014**

	Business-Type Activities
Assets	
Current assets:	
Cash and cash equivalents	\$ 275,276,207
Investments	231,050,869
Receivables (net of allowance of \$45,513,036)	41,904,201
Other	2,538,424
Total current assets	550,769,701
Noncurrent assets:	
Receivables (net of allowance of \$372,315)	180,594
Other	4,885,507
Restricted assets:	
Cash and cash equivalents	94,994,692
Investments	195,298,385
Receivables (net of allowance of \$556,411)	1,755,885
Other	163,406
Capital assets, not being depreciated	148,336,163
Depreciable capital assets, net of depreciation	671,602,433
Total noncurrent assets	1,117,217,065
Total assets	1,667,986,766
 Deferred Outflows of Resources	
Deferred charges on refunded bonds	4,404,477
 Liabilities	
Current liabilities:	
Accounts payable	17,100,498
Accrued liabilities	54,846,857
Deposits held in custody for others	1,391,699
Interest payable	13,095,881
Unrealized revenues	4,986,995
Long-term liabilities - current portion	62,957,898
Total current liabilities	154,379,828
Noncurrent liabilities:	
Total liabilities	702,469,483
Total liabilities	856,849,311
 Deferred Inflows of Resources	
Deferred grant receipts	106,118
 Net Position	
Net investment in capital assets	272,856,692
Restricted:	
Nonexpendable:	
Endowments	213,931
Student loans	355,313
Expendable:	
Scholarships	1,471,538
Grants and contracts	13,715,971
Student loans	68,246
Debt service	55,551,523
Capital projects	34,383,289
Unrestricted	436,819,311
Total net position	\$ 815,435,814

See accompanying notes to financial statements.

Maricopa County Community College District
Statement of Financial Position – Component Unit
June 30, 2014

	Maricopa County Community College District Foundation
Assets	
Cash and cash equivalents	\$ 560,660
Pledges receivable, net of discount and allowance	1,728,535
Investments	28,596,646
Investments held for others	6,122,561
Cash held for endowment purposes	1,302,758
Cash surrender value of life insurance	480,526
Other assets	2,800
Total assets	\$ 38,794,486
Liabilities and Net Assets	
Charitable gift annuity liability	\$ 207,526
Investments held for others	6,122,561
Total liabilities	6,330,087
Net assets:	
Unrestricted	1,291,372
Temporarily restricted	11,899,149
Permanently restricted	19,273,878
Total net assets	32,464,399
Total liabilities and net assets	\$ 38,794,486

See accompanying notes to financial statements.

Maricopa County Community College District
Statement of Revenues, Expenses, and Changes in Net Position –
Primary Government
For the Year Ended June 30, 2014

	<u>Business-Type Activities</u>
Operating revenues:	
Tuition and fees (net of scholarship allowance of \$91,535,673)	\$ 153,195,205
Other	11,595,555
Total operating revenues	<u>164,790,760</u>
Operating expenses:	
Educational and general:	
Instruction	284,651,808
Public service	16,810,929
Academic support	86,963,188
Student services	72,056,007
Institutional support	116,375,711
Operation and maintenance of plant	69,429,885
Student financial assistance	102,957,676
Auxiliary enterprises	48,479,933
Depreciation	48,271,401
Other	340,066
Total operating expenses	<u>846,336,604</u>
Operating loss	<u>(681,545,844)</u>
Nonoperating revenues (expenses):	
Property taxes	497,465,876
State appropriations	7,913,300
State-shared sales tax	8,928,285
Government grants and contracts	195,169,290
Private grants and contracts	2,454,202
Private gifts	14,029,098
Investment earnings, net of investment expense	2,727,869
Interest expense on debt	(24,779,363)
Loss on sale/disposal of capital assets	(2,397,029)
Total nonoperating revenues	<u>701,511,528</u>
Income before other revenues, expenses, gains, or losses	19,965,684
Capital grants and gifts	407,907
Change in net position	<u>20,373,591</u>
Total net position, July 1, 2013	<u>795,062,223</u>
Total net position, June 30, 2014	<u><u>\$ 815,435,814</u></u>

See accompanying notes to financial statements.

Maricopa County Community College District
Statement of Activities – Component Unit
For the Year Ended June 30, 2014

Maricopa County Community College District Foundation

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and revenue:				
Contributions	\$ 61,554	\$ 2,847,175	\$ 1,976,846	\$ 4,885,575
Contributed services	1,643,466	-	-	1,643,466
Investment return	444,999	2,698,590	-	3,143,589
Decrease in cash surrender value of life insurance	-	-	(16,019)	(16,019)
Other Revenues	1,529	-	-	1,529
Total support and revenue before special events and net assets released from restrictions	<u>2,151,548</u>	<u>5,545,765</u>	<u>1,960,827</u>	<u>9,658,140</u>
Special events revenue	-	279,300	-	279,300
Less cost of direct donor benefits	-	(133,500)	-	(133,500)
Gross profit from special events	<u>-</u>	<u>145,800</u>	<u>-</u>	<u>145,800</u>
Net assets released from restrictions	<u>3,378,314</u>	<u>(3,378,314)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>5,529,862</u>	<u>2,313,251</u>	<u>1,960,827</u>	<u>9,803,940</u>
Expenses and (gains) losses:				
Program expenses				
Scholarships and program support	2,813,986	-	-	2,813,986
Supporting services				
Fundraising	116,033	-	-	116,033
General and administrative	2,121,216	-	-	2,121,216
(Gain) loss from uncollectable pledges	<u>-</u>	<u>(31,278)</u>	<u>58,701</u>	<u>27,423</u>
Total expenses and (gains) losses	<u>5,051,235</u>	<u>(31,278)</u>	<u>58,701</u>	<u>5,078,658</u>
Change in net assets	478,627	2,344,529	1,902,126	4,725,282
Net assets, beginning of year	<u>812,745</u>	<u>9,554,620</u>	<u>17,371,752</u>	<u>27,739,117</u>
Net assets, end of year	<u><u>\$ 1,291,372</u></u>	<u><u>\$ 11,899,149</u></u>	<u><u>\$ 19,273,878</u></u>	<u><u>\$ 32,464,399</u></u>

See accompanying notes to financial statements.

**Maricopa County Community College District
Statement of Cash Flows – Primary Government
For the Year Ended June 30, 2014**

CASH FLOWS FROM OPERATING ACTIVITIES	Business-Type Activities
Tuition and fees	\$ 153,430,998
Payments for employee wages and benefits	(524,163,567)
Payments to providers of goods and services	(155,980,592)
Payments to students for grants and scholarships	(109,510,007)
Other receipts	11,417,543
Net cash used for operating activities	(624,805,625)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Property taxes	499,106,154
State appropriations	7,913,300
State-shared sales tax	8,465,919
Grants and contracts	197,575,966
Federal student loans received	147,442,959
Federal student loans disbursed	(147,442,959)
Deposits held by others received	1,354,006
Deposits held by others disbursed	(1,544,374)
Gifts received for other than operating or capital purposes	14,029,099
Net cash provided by noncapital financing activities	726,900,070
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from sale of capital assets	119,570
Purchase of capital assets	(80,191,645)
Principal paid on capital debt and leases	(53,783,981)
Interest paid on capital debt and leases	(25,174,937)
Net cash used for capital and related financing activities	(159,030,993)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(34,046,617)
Interest received on investments	6,128,229
Net cash used by investing activities	(27,918,388)
Net decrease in cash and cash equivalents	(84,854,936)
Cash and cash equivalents - beginning of year	455,125,835
Cash and cash equivalents - end of year	\$ 370,270,899

(continued)

See accompanying notes to financial statements.

Statement of Cash Flows (continued)

Reconciliation of operating loss to net cash used for operating activities:

Operating loss	\$ (681,545,844)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation expense	48,271,401
Expenses (related to revenue) for donations of non-capitalized items	133,939
Changes in assets and liabilities:	
Increase in:	
Receivables	(325,507)
Other assets	(89,420)
Accounts payable	6,625,131
Accrued liabilities	1,441,234
Long-term liabilities - Compensated absences	404,381
Unrealized revenues	235,793
Decrease in:	
Student loans receivable	43,267
Net cash used for operating activities	<u><u>\$ (624,805,625)</u></u>

Noncash transactions:

Decrease in fair value of investments. The fair value of investments decreased by \$3,404,262.

Items retired from CIP. \$2,208,701 of costs originally captured in CIP failed to meet the District's standards for capitalization and were converted to expense.

Gifts of depreciable and non-depreciable assets. The District recorded the receipt of gifts of depreciable and non-depreciable assets of \$407,907.

Amortization of premium on bonds and deferred charges. The District amortized \$2,557,767 of bond premiums and (\$926,180) of deferred charges.

See accompanying notes to financial statements.

Maricopa County Community College District
Notes to Financial Statements
For the Year Ended June 30, 2014

NOTE 1 - Summary of Significant Accounting Policies

The accounting policies of the Maricopa County Community College District (the District) conform to generally accepted accounting principles applicable to public institutions engaged only in business-type activities adopted by the Governmental Accounting Standards Board (GASB).

Reporting Entity - The District is a special-purpose government that is governed by a separately elected governing body (the Board). It is legally separate and fiscally independent of other state and local governments. The District is not included in any other governmental reporting entity. The accompanying financial statements present the activities of the District (the primary government) and its discretely presented component unit, the Maricopa County Community College District Foundation (the Foundation).

The Foundation is a legally separate, tax-exempt organization. It acts primarily as a fund-raising organization that receives gifts and bequests, administers those resources, and disburses payments to or on behalf of the District for scholarships and programs. Although the District does not control the timing or amount of receipts from the Foundation, the Foundation's restricted resources can only be used by, or for the benefit of, the District or its constituents. Consequently, the Foundation is considered a component unit of the District and is discretely presented in the District's financial statements.

For financial reporting purposes, the Foundation follows Financial Accounting Standards Board (FASB) statements for not-for-profit organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information included in the District's financial report. Accordingly, those financial statements have been reported on separate pages following the respective counterpart financial statements of the District. For financial reporting purposes, only the Foundation's statements of financial position and activities are included in the District's financial statements as required by generally accepted accounting principles for public colleges and universities. The Foundation has a June 30 year-end.

During the year ended June 30, 2014, the Foundation distributed \$2,813,986 to the District for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from the Foundation Office at 2419 W. 14th Street, Tempe, AZ 85281.

Basis of Presentation and Accounting - The financial statements include a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; and a Statement of Cash Flows.

The Statement of Net Position provides information about the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at the end of the year.

NOTE 1 - Summary of Significant Accounting Policies (continued)

Assets and liabilities are classified as either current or noncurrent. Net position is classified according to external donor restrictions or availability of assets to satisfy the District's obligations. Net investment in capital assets represents the value of capital assets, net of accumulated depreciation, less any outstanding debt incurred to acquire or construct the assets. Nonexpendable restricted net position includes gifts that have been received for endowment purposes and federal contributions for the Federal Perkins Loan Program, the corpus of which cannot be expended. Expendable restricted net position represents grants, contracts, gifts, and other resources that have been externally restricted for specific purposes. Unrestricted net position consists of all other resources, including those that have been designated by management to be used for other than general operating purposes. When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first. Internal transactions and activities, such as transfers between funds, revenues and expenses recorded for internal service activities, and certain internal revenues and expenses recorded for grant activity, have been eliminated for financial statement purposes.

The Statement of Revenues, Expenses, and Changes in Net Position provides information about the District's financial activities during the year. Revenues and expenses are classified as either operating or nonoperating, and all changes in net position are reported, including capital contributions and additions to endowments. Operating revenues and expenses generally result from exchange transactions. Accordingly, revenues, such as tuition and sales of auxiliary services, are considered to be operating revenues. Other revenues, such as property taxes, state appropriations, and educational grants, are not generated from exchange transactions and are considered to be nonoperating revenues. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Other expenses, such as interest expense on debt, are considered to be nonoperating expenses.

The Statement of Cash Flows provides information about the District's sources and uses of cash and cash equivalents during the year. Increases and decreases in cash and cash equivalents are classified as either operating, noncapital financing, capital and related financing, or investing.

The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. State appropriations are recognized as revenue in the year in which the appropriation is first made available for use. Grants and donations are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Cash and Cash Equivalents - For the Statement of Cash Flows, cash and cash equivalents include cash on hand, cash in the bank, cash and investments held by the County Treasurer, investments in the State Treasurer's Local Government Investment Pool, and investments purchased on behalf of the District by its investment manager. Cash equivalents are defined as investments with maturities of three months or less from the date of acquisition by the District.

NOTE 1 - Summary of Significant Accounting Policies (continued)

Investments - Investments are reported at fair value at fiscal year-end.

Capital Assets - Capital assets of the District consist of land, buildings, improvements other than buildings, equipment, intangibles, and library books. Capital assets are stated at cost at date of acquisition, or fair market value at date of donation in the case of gifts. Major outlays for assets or improvements to assets are capitalized as projects are constructed. These are categorized as construction in progress until completed, at which time they are reclassified to the appropriate asset type. Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the financial statements are as follows:

<u>Asset Category</u>	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	All	Not applicable	Not applicable
Buildings	\$100,000	Straight-line	40 years
Improvements other than buildings	\$5,000	Straight-line	20 years
Equipment	\$5,000	Straight-line	4-10 years
Intangibles (software)	\$5,000	Straight-line	4-10 years
Library books	All	Straight-line	10 years

Compensated Absences - Compensated absences consists of vacation and sick leave earned by employees based on services already rendered. Employees may accumulate vacation balances depending on the years of service, but any vacation hours in excess of the maximum amount that are unused at calendar year-end are forfeited. Sick leave benefits provide for ordinary sick pay and are cumulative. Sick leave balances are paid to a maximum amount at retirement or death for employees having at least 10 years of service. Accordingly, these benefits are accrued as a liability in the financial statements.

Deferred Charges - For advanced refundings resulting in defeasance of debt, the difference between the reacquisition price and net carrying amount of the old debt is deferred and amortized as a component of interest expense over the life of the refunded debt or the refunding debt, whichever is shorter. This deferred amount is reported as a deferred outflow of resources on the Statement of Net Position.

Scholarship Allowances - Scholarship allowances represent the difference between the stated charge for goods and services provided by the District and the amount that is paid by the student or third parties making payments on behalf of the student. Accordingly, some types of student financial aid, such as Pell grants and scholarships awarded by the District, are considered to be scholarship allowances. These allowances are netted against tuition and fees revenues in addition to student financial assistance and auxiliary enterprises expenses in the Statement of Revenues, Expenses, and Changes in Net Position.

Investment Earnings - Investment earnings are composed of interest, dividends, and net changes in the fair value of applicable investments.

NOTE 2 - Deposits and Investments

Arizona Revised Statutes (A.R.S.) require certain public monies to be collected by and deposited with the Maricopa County Treasurer. Such monies are the special tax levy for the District's maintenance and operation and secondary levy collections for the District's principal and interest payments on general obligation bonded indebtedness.

The statutes do not require the District to deposit other public monies with the County Treasurer; however, the District must act as a prudent person dealing with the property of another by following the statutory guidelines for investment decisions. The District invests in U.S. government securities, the State Treasurer's Local Government Investment Pool, repurchase agreements, commercial paper, corporate bonds, local government bonds, insured or collateralized deposits, certificates of deposit, and money market mutual funds. Equity mutual funds held by the District are the result of donations by third parties. The statutes do not include any requirements for credit risk, custodial credit risk, interest rate risk, concentration of credit risk, or foreign currency risk for the District's investments.

Deposits

At June 30, 2014, total cash on hand was \$224,880. The carrying amount of bank deposits on the District's accounting system was \$23,224,037. At June 30, 2014, the District's bank balance was \$28,330,285; \$27,589,152 was uninsured with collateral held by the pledging financial institution's trust department or agent, but not in the District's name. The District does not have a formal policy with respect to custodial credit risk.

Investments

The District's investments at June 30, 2014, consist of the following:

<u>Investment Type</u>	<u>Amount</u>
State Treasurer's investment pool 7	\$291,042,281
State Treasurer's investment pool 700	372,505
County Treasurer's investment pools	5,018,131
U.S. agency securities	292,368,834
U.S. Treasury securities	111,596,698
Commercial paper	20,493,870
Corporate bonds	35,192,823
Repurchase agreements	10,245,000
Local government bonds	6,652,722
Mutual funds - equity	103,165
Money market mutual fund	85,207
Total	<u>\$773,171,236</u>

NOTE 2 - Deposits and Investments (continued)

The State Board of Investment provides oversight for the State Treasurer's pools. The fair value of a participant's position in the pool approximates the value of that participant's pool shares and the participant's shares are not identified with specific investments. No comparable oversight is provided for the Maricopa County Treasurer's investment pool and the pool's structure does not provide for shares.

Credit Risk - The District does not have a formal policy with respect to credit risk. At June 30, 2014, credit risk for the District's investments was as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Amount</u>
State Treasurer's investment pool 7	Unrated	Not applicable	\$291,042,281
State Treasurer's investment pool 700	Unrated	Not applicable	372,505
County Treasurer's investment pool	Unrated	Not applicable	5,018,131
U.S. agency securities	Aaa	Moody's	292,368,834
Commercial paper	Aaa	Moody's	3,500,000
Commercial paper	P-1	Moody's	16,993,870
Corporate bonds	Aaa	Moody's	6,310,925
Corporate bonds	Aa1	Moody's	1,746,273
Corporate bonds	Aa2	Moody's	6,885,146
Corporate bonds	Aa3	Moody's	16,718,506
Corporate bonds	A1	Moody's	533,203
Corporate bonds	P-1	Moody's	2,998,770
Repurchase agreements	Aaa	Moody's	10,245,000
Local government bonds	Unrated	Moody's	1,014,255
Local government bonds	Aa1	Moody's	4,200,588
Local government bonds	Aa2	Moody's	548,512
Local government bonds	Aa3	Moody's	889,367
Money market mutual fund	Aaa	Moody's	85,207
Total			<u>\$661,471,373</u>

Concentration of Credit Risk - The District does not have a formal policy with respect to concentration of credit risk. The District had investments at June 30, 2014, of 5 percent or more in Federal Home Loan Bank, Federal Home Loan Mortgage Corp., and Federal National Mortgage Association. These investments were 9 percent, 10 percent, and 15 percent, respectively, of the District's total investments.

Interest Rate Risk - The District's policy states maturities shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. At June 30, 2014, the District had the following investments in debt securities:

NOTE 2 - Deposits and Investments (continued)

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity (Months)</u>
State Treasurer's investment pool 7	\$291,042,281	.63
State Treasurer's investment pool 700	372,505	26.52
County Treasurer's investment pool	5,018,131	12.47
U.S. agency securities	292,368,834	10.31
U.S. Treasury securities	111,596,698	17.67
Commercial paper	20,493,870	1.76
Corporate bonds	35,192,823	13.64
Repurchase agreements	10,245,000	.03
Local government bonds	6,652,722	3.60
Money market mutual fund	85,207	.03
Total	<u>\$773,068,071</u>	

The District's portfolio weighted average maturity is 7.48 months.

A reconciliation of cash, deposits, and investments to amounts shown on the Statement of Net Position follows:

Cash, deposits, and investments:		Statement of Net Position:	
Cash on hand	\$ 224,880	Cash and cash equivalents	\$275,276,207
Deposits	23,224,037	Investments	231,050,869
Investments	773,171,236	Restricted assets:	
		Cash and cash equivalents	94,994,692
		Investments	195,298,385
Total	<u>\$796,620,153</u>	Total	<u>\$796,620,153</u>

NOTE 3 - Current Receivables

A schedule of the District's current receivables by type, shown net of related allowances, follows:

Property taxes (net of allowance of \$3,198,064)	\$ 6,074,196
Government grants	15,999,576
Private grants and contracts (net of allowance of \$115,581)	2,831,995
Student accounts (net of allowance of \$42,107,826)	16,205,657
Other (net of allowance of \$91,565)	792,777
Total current receivables	<u>\$ 41,904,201</u>

Property taxes - The Maricopa County Treasurer is responsible for the collection of property taxes for all governmental entities within the county. The property taxes due the District are levied in August by the County and are payable in two equal installments. The first installment

NOTE 3 - Current Receivables (continued)

is due on October first and becomes delinquent after the first business day of November. The second installment is due on March first of the following year and becomes delinquent after the first business day in May. A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy. Property taxes receivable consist of uncollected property taxes as determined from the records of the Maricopa County Treasurer's Office.

NOTE 4 - Capital Assets

The following is a summary of changes in capital assets during the fiscal year:

	<u>Balance July 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2014</u>
Capital assets not being depreciated:				
Land	\$ 73,927,999	\$ 1,456,905	\$ -	\$ 75,384,904
Construction in progress	58,730,312	70,938,891	56,717,944	72,951,259
Total capital assets not being depreciated	<u>132,658,311</u>	<u>72,395,796</u>	<u>56,717,944</u>	<u>148,336,163</u>
Capital assets being depreciated:				
Buildings	820,378,753	43,743,409	-	864,122,162
Equipment	142,690,848	6,431,130	2,920,634	146,201,344
Intangibles (software)	14,293,091	4,696,890	-	18,989,981
Improvements other than buildings	134,463,972	6,960,740	-	141,424,712
Library books	13,371,614	857,001	697,950	13,530,665
Total capital assets being depreciated	<u>1,125,198,278</u>	<u>62,689,170</u>	<u>3,618,584</u>	<u>1,184,268,864</u>
Less accumulated depreciation for:				
Buildings	300,299,520	26,737,459	-	327,036,979
Equipment	96,050,694	11,970,099	2,752,293	105,268,500
Intangibles (software)	8,842,782	1,871,244	-	10,714,026
Improvements other than buildings	54,022,996	6,548,028	-	60,571,024
Library books	8,379,615	1,144,571	448,284	9,075,902
Total accumulated depreciation	<u>467,595,607</u>	<u>48,271,401</u>	<u>3,200,577</u>	<u>512,666,431</u>
Total capital assets being depreciated, net	<u>657,602,671</u>	<u>14,417,769</u>	<u>418,007</u>	<u>671,602,433</u>
Capital assets, net	<u>\$ 790,260,982</u>	<u>\$ 86,813,565</u>	<u>\$ 57,135,951</u>	<u>\$ 819,938,596</u>

The District has active construction projects with a remaining contractual commitment at June 30, 2014, of \$31,773,924. These projects are funded primarily through bond proceeds.

NOTE 5 - Long-term Liabilities

The following schedule details the long-term liability activity for the year ended June 30, 2014.

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2014</u>	<u>Due within one year</u>
Bonds payable:					
General obligation bonds	\$ 766,085,000	\$ -	\$ 53,350,000	\$ 712,735,000	\$ 58,545,000
Revenue bonds	410,000	-	410,000	-	-
Premium on general obligation bonds	21,481,866	-	2,552,234	18,929,632	2,552,234
Premium on revenue bonds	5,533	-	5,533	-	-
Capital leases	48,980	-	23,980	25,000	23,981
Compensated absences	33,333,368	2,363,339	1,958,958	33,737,749	1,836,683
Total long-term liabilities	<u>\$ 821,364,747</u>	<u>\$ 2,363,339</u>	<u>\$ 58,300,705</u>	<u>\$ 765,427,381</u>	<u>\$ 62,957,898</u>

Bonds Payable

The District's bonded debt consists of various issues of general obligation bonds. Bond proceeds primarily pay for improving, acquiring or constructing capital assets. Bonds have also been issued to advance refund previously issued bonds. Of the total general obligation bonds originally authorized in 1994 and 2004, \$3,000 remain unissued. Federal arbitrage regulations are applicable to all of the District's bond issues. Interest payments are due on a semi-annual basis. Bonds outstanding at June 30, 2014, were as follows:

<u>Description</u>	<u>Original Amount</u>	<u>Maturity Ranges</u>	<u>Interest Rates</u>	<u>Outstanding Principal</u>
General obligation bonds				
Project of 2004, Series A (2005)	190,270,000	7/01/2014	4.00%	12,335,000
Project of 2004, Series B (2007)	240,000,000	7/01/2014-21	3.00-4.50%	135,120,000
Project of 2004, Series C (2009)	220,000,000	7/01/2014-23	3.00-5.00%	177,765,000
Refunding 1994, Series C (2010)	31,280,000	7/01/2014-15	2.00-3.00%	20,290,000
Project of 2004, Series D (2011)	150,000,000	7/01/2014-25	2.00-4.75%	147,000,000
Refunding 2004, Series A (2012)	69,135,000	7/01/2015-19	2.00-4.00%	69,135,000
Series 2013	151,090,000	7/01/2014-27	2.00-3.50%	151,090,000
			Total	<u>\$ 712,735,000</u>

NOTE 5 - Long-term Liabilities (continued)

The following schedule details debt service requirements to maturity for the District's bonds payable at June 30, 2014.

Year Ending June 30:	General Obligation Bonds		Total Debt Service Requirements
	Principal	Interest	
2015	\$ 58,545,000	\$ 25,164,212	\$ 83,709,212
2016	60,370,000	23,165,644	83,535,644
2017	59,595,000	21,108,563	80,703,563
2018	63,860,000	18,775,550	82,635,550
2019	66,745,000	16,199,475	82,944,475
2020-2024	309,545,000	43,744,913	353,289,913
2025-2028	94,075,000	5,437,888	99,512,888
Total	\$ 712,735,000	\$ 153,596,245	\$ 866,331,245

Description of Issues

General Obligation Refunding Bonds, Project of 1994, Series C (2010)

In April 2010, the District issued \$31,280,000 of general obligation refunding bonds to advance refund \$31,280,000 of G.O. Bonds, Series C (1999). The net proceeds were placed in an irrevocable trust fund with an escrow agent to provide debt service on the old bonds. In accordance with the refunding plan, the trustee retired the remaining liability for the defeased bonds of \$31,280,000 on April 22, 2010. This issue of refunding bonds is not subject to early redemption.

General Obligation Refunding Bonds, Project of 2004, Series A (2012)

In May 2012, the District issued \$69,135,000 of general obligation refunding bonds to refund \$69,135,000 of G.O. Bonds, Series A (2005). The General Obligation Refunding Bonds of 2012 are not subject to early redemption prior to their stated maturity dates. On May 31, 2012, the net proceeds were placed in the Depository Trust Fund to be used to refund the bonds being refunded. As a result, the refunded debt liability as of June 30, 2012, for those refunded bonds of \$69,135,000 is considered to be defeased, and the liability for those bonds is not included in the financial statements.

General Obligation Bonds, Project of 2004, Series A (2005)

In March 2005, the District issued \$190,270,000 of general obligation bonds. These bonds were issued to make certain improvements to the District's educational facilities and to finance land and equipment purchases. Bonds maturing on or before July 1, 2014, are noncallable. At June 30, 2014, \$69,135,000 remains outstanding.

NOTE 5 - Long-term Liabilities (continued)

General Obligation Bonds, Project of 2004, Series B (2007)

In April 2007, the District issued \$240,000,000 of general obligation bonds. These bonds were issued to make certain improvements to the District's educational facilities and to finance land and equipment purchases. Bonds maturing on or before July 1, 2017, are noncallable. Bonds maturing on or after July 1, 2018, are subject to early redemption.

General Obligation Bonds, Project of 2004, Series C (2009)

In April 2009, the District issued \$220,000,000 of general obligation bonds. These bonds were issued to make certain improvements to the District's educational facilities and to finance land and equipment purchases. Bonds maturing on or before July 1, 2019, are noncallable. Bonds maturing on or after July 1, 2020, are subject to early redemption.

General Obligation Bonds, Project of 2004, Series D (2011)

In May 2011, the District issued \$150,000,000 of general obligation bonds. These bonds were issued to make certain improvements to the District's educational facilities and to finance land and equipment purchases. Bonds maturing on or before July 1, 2021, are noncallable. Bonds maturing on or after July 1, 2022, are subject to early redemption.

General Obligation Bonds, Series 2013

In June of 2013, the District issued \$151,090,000 of general obligation bonds. These bonds were issued to make certain improvements to the district's educational facilities, purchase equipment, and pay costs relating to the issuance of the bonds. Bonds maturing before July 1, 2023, are non-callable. Bonds maturing on or after July 1, 2024, are subject to early redemption.

NOTE 6 - Operating Expenses

The District's operating expenses are presented by functional classification in the Statement of Revenues, Expenses, and Changes in Net Position – Primary Government. The operating expenses can also be classified into the following:

Salaries and benefits	\$ 533,596,680
Financial aid	110,663,668
Contract services	64,117,696
Depreciation	48,271,401
Noncapitalized equipment	20,065,125
Communications, utilities, and travel	23,310,114
Supplies and materials	21,099,681
Subscriptions, dues, insurance, and rentals	10,339,317
Other expenses	14,872,922
Total operating expenses	<u>\$ 846,336,604</u>

NOTE 6 - Operating Expenses (continued)

The District uses credit cards to pay certain vendors for goods and services. The District did not receive any reward, discount, incentive or other financial consideration resulting from credit card payments for the year ended June 30, 2014.

NOTE 7 - Pension and Other Postemployment Benefits

Plan Description - The District contributes to a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined benefit health insurance premium plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan, all of which are administered by the Arizona State Retirement System. The Arizona State Retirement System (through its Retirement Fund) provides retirement (i.e., pension), death, and survivor benefits; the Health Benefit Supplement Fund provides health insurance premium benefits (i.e., a monthly subsidy); and the Long-Term Disability Fund provides long-term disability benefits. Benefits are established by state statute. The System is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

The System issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report is available on its website at www.azasrs.gov, by writing the Arizona State Retirement System, 3300 North Central Avenue, P.O. Box 33910, Phoenix, AZ 85067-3910, or by calling (602) 240-2000 or (800) 621-3778.

Funding Policy - The Arizona State Legislature establishes and may amend active plan members' and the District's contribution rates. For the year ended June 30, 2014, active plan members were required by statute to contribute at the actuarially determined rate of 11.54 percent (11.30 percent for retirement and 0.24 percent for long-term disability) of the members' annual covered payroll and the District was required by statute to contribute at the actuarially determined rate of 11.54 percent (10.70 percent for retirement, 0.60 percent for health insurance premium benefit, and 0.24 percent for long-term disability) of the members' annual covered payroll.

The District's contributions for the current and two preceding years, all of which were equal to the required contributions, were as follows:

	<u>Retirement Fund</u>	<u>Health Benefit Supplement Fund</u>	<u>Long-Term Disability Fund</u>
Years ended June 30,			
2014	\$ 36,299,589	\$ 2,035,491	\$ 814,196
2013	34,271,871	2,173,338	802,463
2012	30,197,903	1,927,526	734,296

NOTE 8 - Risk Management

The District is exposed to various risks of loss related to legal liability, property, errors and omissions, and injuries to employees. The District carries commercial insurance for all such risks

NOTE 8 - Risk Management (continued)

of loss. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

The District finances uninsured risks of loss for certain health benefits to eligible employees and their dependents. The healthcare plan provides coverage for amounts up to \$350,000 per claim. The District purchases commercial insurance for claims in excess of this limit and utilizes a consultant to determine the required annual funding based upon anticipated utilization, cost trends, and benefit levels. Independent administrators provide claim and recordkeeping services for each self-insured plan. The District self-insures workers' compensation claims up to \$450,000 and purchases commercial insurance for claims exceeding \$450,000. Settled claims for workers' compensation and health benefits have not exceeded the District's commercial insurance coverage in any of the past three fiscal years.

The insurance claims payable of \$14,339,825 at June 30, 2014, includes the amounts payable for both health benefits and workers' compensation. This amount has been recognized as an expense and is included in accrued liabilities in the Statement of Net Position. It is the estimated cost of settling claims that have been reported but not settled and claims that have been incurred but not reported and is based on actuarial valuations. The District's claims payable for the fiscal years ended June 30, 2013, and June 30, 2014, are as follows:

<u>Health Benefits:</u>	<u>2013</u>	<u>2014</u>
Claims payable, beginning of year	\$ 7,290,559	\$ 9,460,887
Current year actual and estimated claims	46,986,524	52,631,614
Less: Claim payments	<u>(44,816,196)</u>	<u>(48,465,949)</u>
Claims payable, end of year	<u>\$ 9,460,887</u>	<u>\$ 13,626,552</u>
<u>Workers' Compensation:</u>	<u>2013</u>	<u>2014</u>
Claims payable, beginning of year	\$ 1,050,251	\$ 721,724
Current year actual and estimated claims	496,840	598,784
Less: Claim payments	<u>(825,367)</u>	<u>(607,235)</u>
Claims payable, end of year	<u>\$ 721,724</u>	<u>\$ 713,273</u>

NOTE 9 - Contingencies and Litigation

The District is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of business. A reasonable estimate of the probable losses based on information currently available is \$5.1 million. This amount has been recognized as an expense and is included in accrued liabilities in the Statement of Net Position. Other reasonably possible claims have been estimated to be \$100,000. Management through legal counsel will seek denial of the claims. Management believes that the loss, if any, resulting from these claims will not have a

NOTE 9 - Contingencies and Litigation (continued)

material impact on the District's financial position, results of operations, or cash flows in future years.

In May 2013, a network security incident of suspected hacker activity was identified. An internal investigation was initiated and subsequently an independent forensic vendor was retained through outside counsel to further investigate the situation. Network intrusion was found and based on advice of counsel, the District notified regulators and impacted individuals. The known of estimable remaining expenses relating to fees for legal analysis and advice; forensic investigation; notification of regulators and impacted individuals as well as provision of appropriate services to impacted individuals; and, expenses for network security repair and remediation have been estimated to be \$6.9 million and have also been recognized as an expense and is included in the accrued liabilities in the Statement of Net Position. Three class action lawsuits have been filed against the District. Litigation expenses relating to defending the District in these lawsuits are estimated to be \$5.3 million and have also been recognized as an expense and included in the accrued liabilities in the Statement of Net Position. The District has requested an order dismissing two of these lawsuits; however, it is reasonably likely additional liability lawsuits may be filed against the District as a result of the above described event. Litigation is in an early stage and we do not have an estimate of the total eventual cost of defending or resolving the lawsuits. Liability and property insurers have been notified of the known claims and damages. A relatively small recovery has been received to date, but there is potential for additional recovery. In addition, state and federal regulators have initiated investigations. These are at such an early stage that their likely course and outcomes are uncertain. It is reasonably possible that regulators may seek to assess fines or penalties or require specific corrective actions that add to the District's costs. We do not have an estimated amount for such potential losses, fines, penalties, or the additional legal fees that will be needed to defend the District in regulatory investigations, due to the above uncertainty. These costs are not insured.

NOTE 10 - Discretely Presented Component Unit Disclosures

The District's discretely presented component unit is comprised of the Maricopa County Community College District Foundation.

NOTE 10 a - Organization Operations and Summary of Significant Accounting Policies

The significant accounting policies followed by the Foundation are as follows:

Basis of presentation - The financial statements are presented in accordance with FASB ASC 958-205, Not-for-Profit Entities – Presentation of Financial Statements. Under FASB ASC 958-205, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

NOTE 10 a - Organization Operations and Summary of Significant Accounting Policies (continued)

Contributions - The Foundation accounts for contributions in accordance with FASB ASC 958-605, Not- for-Profit Entities – Revenue Recognition. In accordance with FASB ASC 958-605, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Unrestricted contributions are distributed as scholarships, as designated by the Board of Directors of the Foundation, or used to further the objectives of the Foundation and to secure current or future endowments through fundraising activities and programs. Temporarily restricted contributions are distributed according to donor specification, generally as scholarships to attendees of Maricopa County Community Colleges or to support programs and projects to advance these colleges. Permanently restricted contributions require the principal be invested in perpetuity; the distributable income from the related investments is reflected as temporarily restricted in the statement of activities as specified by the donor.

Unconditional promises to give that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are initially recorded at the fair value of their estimated future cash flows as of the date of the promise to give through the use of a present value discount technique. In periods subsequent to initial recognition, unconditional promises to give are reported at the amount management expects to collect and are discounted over the collection period using the same discount rate as determined at the time of initial recognition. The discount rate determined at the initial recognition of the unconditional promise to give is based upon management's assessment of many factors, including when the receivable is expected to be collected, the creditworthiness of the other parties, the organization's past collection experience and its policies concerning the enforcement of promises to give, expectations about possible variations in the amount or timing, or both, of the cash flows, and other factors concerning the receivable's collectability. Amortization of the discounts is included in support from contributions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Administration Fees - The Foundation charges an administration fee to defray part of the cost of managing restricted accounts held by the Foundation. A fee is charged on all new gifts, except endowment gifts. Effective July 1, 2013, the Foundation increased the new gift fee from 1% to 2%. On January 1st of each year, an investment management fee is charged on all accounts. Effective July 1, 2013, the Foundation increased the investment management fee from 75 basis points to 200 basis points. This fee is not charged to endowment funds, if doing so would reduce the fund below its corpus. Total fees charged by

NOTE 10 a - Organization Operations and Summary of Significant Accounting Policies (continued)

the Foundation were \$507,270 and \$176,026, for the years ended June 30, 2014, and 2013, respectively. A total of \$507,270 and \$176,026 were included in net assets released from restrictions for the years ended June 30, 2014, and 2013, respectively.

Investments - The Foundation accounts for its investments in accordance with FASB ASC 958-320, Not-for-Profit Entities – Investments – Debt and Equity Securities and FASB ASC 958-325, Not-for-Profit Entities – Investments – Other. In accordance with FASB ASC 958-320, the Foundation carries its investments in equity securities that have readily determinable fair values, and all investments in debt securities, at fair value. In accordance with FASB ASC 958-325, the Foundation has elected to carry its other investments at fair value.

The combined individual funds participate in a common equity investment pool (the Pool) by contributing their investable assets and receiving an ownership interest in the Pool. The ownership interest in the Pool is based on the ratio of the market value of the individual fund's investable assets to the total market value of the Pool. The ratio is used to allocate earnings activities among individual general and endowment funds.

Income tax status - The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the Code) and, therefore, there is no provision for income taxes for the entity. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170 of the Code and has been deemed not to be a private foundation. Income determined to be unrelated business taxable income (UBTI) would be taxable. Management believes that none of the income in 2014 and 2013 is unrelated business taxable income.

NOTE 10 b – Pledges Receivable

Pledges receivable consist of the following at June 30:

	<u>2014</u>	<u>2013</u>
Pledges receivable:		
Receivable in less than one year	\$ 530,544	\$ 257,491
Receivable in one to five years	1,236,145	491,929
Receivable in more than five years	<u>144,000</u>	<u>31,000</u>
Total pledges receivable	1,910,689	780,420
Less discounts to net present value	(143,940)	(55,117)
Less allowance for uncollectable pledges	<u>(38,214)</u>	<u>(14,375)</u>
Net pledges receivable	<u>\$ 1,728,535</u>	<u>\$ 710,928</u>

Pledges receivable that are expected to be collected in more than one year have been discounted to their present value using a discount rate of 5%.

NOTE 10 c - Investments

Investments consist of the following at June 30, 2014:

Equity funds:

Common stock funds - United States	\$ 7,621,658
Common stock funds - emerging markets	1,899,633
Common stock funds - International	4,793,388
Exchange traded funds – global region	1,048,621

Fixed Income funds:

Government agencies - United States	12,129,988
Government bonds	171,368
Corporate bonds - United States	2,588,022

Real estate funds:

Real estate - United States	379,378
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Hedge funds:

Hedge equity funds - United States	3,045,854
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Commodity funds:

Commodity funds – United States and global	<u>1,041,297</u>
Total investments	<u>\$ 34,719,207</u>

The following summarizes investment return included in the statement of activities for the year ended June 30, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Interest and dividends	\$ 146,027	\$ 515,951	\$ -	\$ 661,978
Net realized and unrealized gains (losses)	331,986	2,314,979	-	2,646,965
Brokerages fees	<u>(33,014)</u>	<u>(132,340)</u>	<u>-</u>	<u>(165,354)</u>
Total	<u>\$ 444,999</u>	<u>\$ 2,698,590</u>	<u>\$ -</u>	<u>\$ 3,143,589</u>

NOTE 10 d - Restricted Net Assets

Temporarily restricted net assets are available primarily for scholarship awards.

Permanently restricted net assets are to provide a permanent endowment, with the investment income restricted primarily for scholarship awards (see Note 10h – Endowments).

NOTE 10 e - Contributed Services

The District provides administration services consisting of office space and administrative salaries to the Foundation without charge. The fair value of the contributed use of office space totaled \$114,342 and \$96,288 for the years ended June 30, 2014, and 2013, respectively. Effective for the year ended June 30, 2014, the contributed services received

NOTE 10 e - Contributed Services (continued)

by the Foundation were measured at the cost recognized by the District for the personnel providing the administrative services, which totaled \$1,529,124 for the year ending June 30, 2014. For the year ended June 30, 2013, the Foundation had not yet adopted the provisions of FASB ASU 2013-06 and the specialized services provided by District personnel were measured at their fair value, which totaled \$622,281 for the year ended June 30, 2013. These amounts are reflected in the statement of activities as contributed services and administrative expenses.

NOTE 10 f – Investments Held for Others

FASB ASC 958-605 establishes standards for transactions in which a not-for-profit organization accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets, or both, to another entity that is specified by the donor. FASB ASC 958-605 specifically requires that if a not-for-profit organization establishes a fund at another not-for-profit organization with its own funds and specifies itself as the beneficiary of that fund, the recipient not-for-profit organization must account for the transfer of such assets as a liability.

Included in investments held for other are assets held in an investment for the benefit of Friends of Public Radio Arizona (“FPRAZ”), a 501(c) (3) not-for-profit organization, under a Funds Administration agreement. FPRAZ is the named beneficiary of the fund with purpose of the fund to support FPRAZ’s mission on behalf of KJZZ/KBAQ Radio at Rio Salado College, a Maricopa Community College. The Foundation has invested the funds into the Pool with earnings activity being allocated to the investments held for others using the same allocation method as all of the other funds invested in the Pool. The Foundation charges an administrative service fee of 0.50% to all new gifts into the fund. Under the Funds Administration agreement, the Foundation has waived the customary 2.00% administration fee charged against all funds under management. In accordance with FASB ASC 958-605, a liability has been established equivalent to the fair value of the assets.

Both the liability and the assets are measured at fair value. The inputs used to determine the fair value of the invested assets are based upon the nature of the assets held within the Pool. The inputs used to determine the fair value of the liability are based upon the fair value of the assets of the Pool and the agency fund’s ownership interest in the Pool. Since the fair value of the liability is based primarily upon the observable inputs used during the valuation of the assets but not based upon identical inputs for identical agency liabilities, a Level 2 classification has been assigned for the inputs used to determine the fair value of the assets held for other liability.

NOTE 10 f – Investments Held for Others (continued)

The activity for the agency fund is summarized as follows:

	<u>2014</u>	<u>2013</u>
Agency fund, beginning of year	\$ 5,419,431	\$ 2,803,995
Contributions	-	2,400,000
Interest and dividends, net of brokerage fees	97,420	62,874
Realized and unrealized investment gains, net	605,710	164,562
Management fees	-	(12,000)
Agency fund, end of year	<u>\$ 6,122,561</u>	<u>\$ 5,419,431</u>

NOTE 10 g - Fair Value Measurements

FASB ASC 820, Fair Value Measurements, establishes a common definition for fair value to be applied under accounting principles generally accepted in the United States of America requiring the use of fair value, establishes a framework for measuring fair value, and expands disclosures about such fair value measurements. FASB ASC 820 also establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values by requiring that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

- Level 1: Unadjusted quoted market prices in active markets for identical assets or liabilities.
- Level 2: Unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability. Assets reported at net asset value (NAV) using the practical expedient provisions are considered Level 2 when the Foundation has the ability to redeem its investment at net assets value or its equivalent at the measurement date or within a reasonably short period of time subsequent to the measurement date.
- Level 3: Unobservable inputs for the asset or liability. Assets reported at NAV using the practical expedient provisions are considered Level 3 when the investments will never have the ability to be redeemed at the net asset value or the redemption period is long-term in nature.

The following table summarizes the valuation of the Foundation's assets and liabilities subject to measurements at fair value by the above FASB ASC 820 categories as of June 30, 2014:

NOTE 10 g - Fair Value Measurements (continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity funds:				
Common stock funds - emerging markets	\$ -	\$ 1,899,633	\$ -	\$ 1,899,633
Common stock funds - International	-	4,793,388	-	4,793,388
Common stock funds - United States	661,056	6,960,602	-	7,621,658
Exchange traded funds – global region	1,048,621	-	-	1,048,621
Fixed Income funds:				
Government agencies - United States	1,481,766	10,648,222	-	12,129,988
Government bonds	171,368	-	-	171,368
Corporate bond - United States	2,588,022	-	-	2,588,022
Real estate funds:				
Real estate - United States	379,378	-	-	379,378
Hedge funds:				
Hedge equity funds - United States	-	-	3,045,854	3,045,854
Commodity funds:				
Commodity funds - United States and global	<u>1,041,297</u>	<u>-</u>	<u>-</u>	<u>1,041,297</u>
Total Investments	7,371,508	24,301,845	3,045,854	34,719,207
Investments held for other liability	<u>-</u>	<u>(6,122,561)</u>	<u>-</u>	<u>(6,122,561)</u>
	<u>\$ 7,371,508</u>	<u>\$ 18,179,284</u>	<u>\$ 3,045,854</u>	<u>\$ 28,596,646</u>

The table below sets forth a summary of changes in the fair value of the Foundation's assets measured using Level 3 inputs for the year ended June 30, 2014:

Balance, beginning of year	\$ 2,739,949
Purchases	-
Unrealized gains	<u>305,905</u>
Balance, end of year	<u>\$ 3,045,854</u>

The Foundation has no other assets or liabilities subject to fair value measurement other than at initial recognition.

NOTE 10 h – Endowments

The Foundation's endowments include only donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

NOTE 10 h - Endowments (continued)

In September 2008, the State of Arizona enacted A.R.S.§10-11801 et seq Management of Charitable Funds Act (MCFA). The Board of Directors of the Foundation has interpreted MCFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by MCFA. In accordance with MCFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation

The changes in endowment net assets for the year ended June 30, 2014, are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, July 1, 2013	\$ (52,727)	\$ 4,426,969	\$ 16,623,135	\$ 20,997,377
Contributions and pledge Collections	-	-	1,250,403	1,250,403
Investment return:				
Interest and dividends, net of fees	-	383,611	-	383,611
Realized and unrealized gains	33,457	2,314,979	-	2,348,436
Appropriation of endowment assets for expenditure	-	(1,054,939)	-	(1,054,939)
Endowment net assets, June 30, 2014	<u>\$ (19,270)</u>	<u>\$ 6,070,620</u>	<u>\$ 17,873,538</u>	<u>\$ 23,924,888</u>

NOTE 10 h - Endowments (continued)

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or MCFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were \$19,270 as of June 30, 2014. These deficiencies resulted primarily from unfavorable market fluctuations.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Under this policy, and with assistance of professional investment advisors, the endowment assets are invested in a manner that is intended to produce results while assuming a moderate level of investment risk.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that consists of equity-securities, corporate bonds, and government securities.

The Foundation's policy is to distribute, for the stated purpose of each fund, 5% of a three-year average of the market value of each endowed fund that is above the original contributed amount as calculated at the end of each year. For funds that are below the original contributed amount, 3% of the three-year average at the end of the year will be eligible for disbursement. Actual investment earnings, in excess of (or less than) distribution, are added to (subtracted from) the endowment principal and available for future disbursements. If these amounts are not fully disbursed within a one-year period, the remaining amounts are transferred back to the endowment funds. For the years ended June 30, 2014, and 2013, earnings of \$938,790 and \$855,760, respectively, were eligible to be distributed. For the years ended June 30, 2014, and 2013, \$682,860 and \$539,534, respectively, was distributed and is included in appropriation of endowment assets for expenditure above. The unused funds of \$255,930 and \$316,226 were maintained in the endowment funds to be used for future disbursements.

Supplemental Information

Maricopa County Community College District
Schedule of Revenues, Expenses, and Changes in Net Position
By College/Center
For the Year Ended June 30, 2014

	<u>Phoenix College</u>	<u>Glendale Community College</u>	<u>GateWay Community College</u>	<u>Mesa Community College</u>	<u>Scottsdale Community College</u>
Operating revenues:					
Tuition and fees, net of scholarship allowance	\$ 10,378,854	\$ 18,446,774	\$ 9,886,343	\$ 27,180,857	\$ 12,899,120
Other	752,533	654,679	469,567	1,035,510	1,267,131
Total operating revenues	<u>11,131,387</u>	<u>19,101,453</u>	<u>10,355,910</u>	<u>28,216,367</u>	<u>14,166,251</u>
Operating expenses:					
Educational and general:					
Instruction	28,169,229	47,845,810	19,028,684	55,651,861	30,137,185
Public service	639,078	177,725	206,896	275,764	92,328
Academic support	8,805,003	10,908,374	3,798,088	11,321,828	5,331,202
Student services	7,688,538	10,664,946	5,598,916	11,053,909	6,452,160
Institutional support	5,516,846	4,995,475	5,892,828	11,555,673	4,233,821
Operation and maintenance of plant	9,315,591	11,168,516	3,962,637	10,485,159	6,886,345
Student financial assistance	14,063,977	19,834,970	4,888,562	18,682,468	5,138,450
Auxiliary enterprises	3,192,544	2,351,300	10,000,159	4,200,070	3,310,804
Depreciation	4,184,908	5,266,611	4,606,685	5,827,859	4,448,661
Other	9,798	21,263	13,987	42,050	26,599
Total operating expenses	<u>81,585,512</u>	<u>113,234,990</u>	<u>57,997,442</u>	<u>129,096,641</u>	<u>66,057,555</u>
Operating loss	(70,454,125)	(94,133,537)	(47,641,532)	(100,880,274)	(51,891,304)
Nonoperating revenues (expenses):					
Property taxes	43,368,255	60,463,055	33,761,616	66,656,512	39,582,737
State appropriations	703,738	1,249,723	438,563	1,400,619	567,066
State-shared sales tax	32,327	-	119,517	-	-
Government grants and contracts	25,226,600	32,682,136	13,075,849	33,688,760	10,882,421
Private grants and contracts	161,995	393,729	(14,093)	85,063	212,602
Private gifts	958,414	877,922	306,954	1,451,256	643,014
Investment earnings, net of investment expense	19,178	951	41	1,015	43
Interest expense on debt	-	-	-	-	(2,081)
Gain (loss) on sale/disposal of capital assets	(45,180)	(57,939)	(78,066)	(126,516)	(21,097)
Total nonoperating revenues and expenses	<u>70,425,327</u>	<u>95,609,577</u>	<u>47,610,381</u>	<u>103,156,709</u>	<u>51,864,705</u>
Income (loss) before other revenues, expenses, gains, or losses	(28,798)	1,476,040	(31,151)	2,276,435	(26,599)
Capital grants and gifts	28,798	109,068	31,151	42,050	26,599
Change in net position	<u>-</u>	<u>1,585,108</u>	<u>-</u>	<u>2,318,485</u>	<u>-</u>

See accompanying notes to supplemental information.

<u>Rio Salado College</u>	<u>South Mountain Community College</u>	<u>Chandler- Gilbert Community College</u>	<u>Paradise Valley Community College</u>	<u>Estrella Mountain Community College</u>	<u>District Support Services Center</u>	<u>Total Colleges/ Centers</u>
\$ 37,908,421	\$ 2,538,356	\$ 15,137,870	\$ 9,585,179	\$ 8,345,013	\$ 888,418	\$ 153,195,205
<u>1,449,796</u>	<u>190,685</u>	<u>310,774</u>	<u>336,423</u>	<u>219,570</u>	<u>4,908,887</u>	<u>11,595,555</u>
<u>39,358,217</u>	<u>2,729,041</u>	<u>15,448,644</u>	<u>9,921,602</u>	<u>8,564,583</u>	<u>5,797,305</u>	<u>164,790,760</u>
28,252,719	11,602,638	24,668,450	21,698,543	17,398,704	197,985	284,651,808
8,771,928	193,750	210,478	21,239	337,487	5,884,256	16,810,929
16,179,258	4,146,344	7,628,831	4,566,533	6,857,317	7,420,410	86,963,188
5,478,184	3,950,064	4,286,245	5,283,202	4,495,642	7,104,201	72,056,007
11,707,717	3,364,037	5,681,510	3,913,209	3,857,940	55,656,655	116,375,711
2,912,089	3,925,930	8,273,035	4,845,866	4,535,598	3,119,119	69,429,885
11,944,112	6,462,001	7,174,867	5,099,799	8,925,695	742,775	102,957,676
15,787,837	590,021	884,330	806,914	4,653,809	2,702,145	48,479,933
3,162,190	2,565,062	4,322,372	4,163,992	3,593,949	6,129,112	48,271,401
44	-	12,057	-	27,673	186,595	340,066
<u>104,196,078</u>	<u>36,799,847</u>	<u>63,142,175</u>	<u>50,399,297</u>	<u>54,683,814</u>	<u>89,143,253</u>	<u>846,336,604</u>
(64,837,861)	(34,070,806)	(47,693,531)	(40,477,695)	(46,119,231)	(83,345,948)	(681,545,844)
45,119,667	21,310,059	36,122,057	30,282,006	26,689,081	94,110,831	497,465,876
1,403,644	260,838	800,468	515,322	573,319	-	7,913,300
-	-	-	-	-	8,776,441	8,928,285
22,730,237	11,376,321	12,319,176	9,507,641	19,653,058	4,027,091	195,169,290
1,067,962	24,035	40,168	8,528	3,517	470,696	2,454,202
7,533,636	1,095,586	694,338	173,791	294,187	-	14,029,098
1,781	3,967	-	-	-	2,700,893	2,727,869
-	-	-	-	-	(24,777,282)	(24,779,363)
<u>(80,719)</u>	<u>-</u>	<u>(3,783)</u>	<u>(9,593)</u>	<u>(11,414)</u>	<u>(1,962,722)</u>	<u>(2,397,029)</u>
<u>77,776,208</u>	<u>34,070,806</u>	<u>49,972,424</u>	<u>40,477,695</u>	<u>47,201,748</u>	<u>83,345,948</u>	<u>701,511,528</u>
12,938,347	-	2,278,893	-	1,082,517	-	19,965,684
44	-	12,057	-	158,140	-	407,907
<u>12,938,391</u>	<u>-</u>	<u>2,290,950</u>	<u>-</u>	<u>1,240,657</u>	<u>-</u>	<u>20,373,591</u>
Total net position - July 1, 2013						<u>795,062,223</u>
Total net position - June 30, 2014						<u>\$ 815,435,814</u>

Maricopa County Community College District
Notes to Supplemental Information
For the Year Ended June 30, 2014

NOTE 1 - Statement of Purpose

The Maricopa County Community College District Statement of Revenues, Expenses, and Changes in Net Position by College/Center for the Year Ended June 30, 2014, is required by the terms of a Memorandum of Understanding (MOU) between the Maricopa County Community College District (the District) and the Higher Learning Commission (HLC), a commission of the North Central Association of Colleges and Schools (NCA). The MOU outlines an appropriate pattern of evidence to be made available by the District for purposes of meeting certain NCA Criteria for Accreditation related to financial resources/uses and other assurances. This schedule presents revenues and expenses for each college/center within the District.

NOTE 2 - Basis of Allocation

The District receives and records property taxes and state appropriations revenues on behalf of the colleges. For the purpose of this schedule, these revenues are allocated to the colleges on the basis of full-time student equivalents and a distribution of District Support Services Center costs. Maricopa Skill Center is included with GateWay Community College and Southwest Skill Center is included with Estrella Mountain Community College.



Statistical Section

The Maricopa County Community College District (the District) implemented the provisions of Governmental Accounting Standards Board Statement No. 44, *Economic Condition Reporting: The Statistical Section*.

This section of the Maricopa County Community College District's comprehensive annual financial report presents detailed information as a context for further understanding of the information in the financial statements, note disclosures, and supplementary information.

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service and capital asset data to help the reader understand how the information in the District's financial report relates to the services the government provides and the activities it performs.

Maricopa County Community College District
Schedule of Net Position by Component
Last Ten Fiscal Years
(Dollars in Thousands)

	Fiscal Year				
	2013-14	2012-13	2011-12	2010-11	2009-10
Net investment in capital assets	\$ 272,857	\$ 259,717	\$ 246,511	\$ 208,096	\$ 175,468
Restricted – nonexpendable	569	654	606	561	553
Restricted – expendable	105,191	106,252	134,913	157,455	161,236
Unrestricted	436,819	428,439	429,800	397,492	322,796
Total net position	\$ 815,436	\$ 795,062	\$ 811,830	\$ 763,604	\$ 660,053

	Fiscal Year				
	2008-09	2007-08	2006-07	2005-06	2004-05
Invested in capital assets, net of related debt	\$ 150,334	\$ 129,637	\$ 109,963	\$ 103,429	\$ 102,171
Restricted – nonexpendable	580	669	921	1,040	1,002
Restricted – expendable	173,756	169,006	147,832	115,033	91,755
Unrestricted	256,120	199,401	159,161	135,415	119,194
Total net position	\$ 580,790	\$ 498,713	\$ 417,877	\$ 354,917	\$ 314,122

Source: Comprehensive Annual Financial Reports for years presented.

**Maricopa County Community College District
Schedule of Expenses by Identifiable Activity
Last Ten Fiscal Years
(Dollars in Thousands)**

	Fiscal Year				
	2013-14	2012-13	2011-12	2010-11	2009-10
Instruction	\$ 284,652	\$ 286,661	\$ 274,682	\$ 266,455	\$ 259,910
Public service	16,811	16,797	16,239	15,979	16,409
Academic support	86,963	81,347	74,342	69,546	61,932
Student services	72,056	70,305	63,909	63,399 (2)	128,365 (1)
Institutional support	116,376	133,259	106,910	102,214	109,509 (1)
Operation and maintenance of plant	69,430	67,244	66,863	59,185	66,907 (1)
Student financial assistance	102,958	112,538	120,209	111,598 (2)	4,060 (1)
Auxiliary enterprises	48,480	53,760	50,419	43,124	50,056 (1)
Depreciation	48,271	43,893	39,048	36,744	36,330
Other	340	2,380	1,119	1,215	1,013
Total operating expenses	<u>846,337</u>	<u>868,184</u>	<u>813,740</u>	<u>769,459</u>	<u>734,491</u>
Interest expense on debt	24,779	22,275	23,378	24,192	26,309
Loss on sale/disposal of capital assets	2,397	80	564	109	8
Total nonoperating expenses	<u>27,176</u>	<u>22,355</u>	<u>23,942</u>	<u>24,301</u>	<u>26,317</u>
Total expenses	<u>\$ 873,513</u>	<u>\$ 890,539</u>	<u>\$ 837,682</u>	<u>\$ 793,760</u>	<u>\$ 760,808</u>

	Fiscal Year				
	2008-09	2007-08	2006-07	2005-06	2004-05
Instruction	\$ 262,226	\$ 252,671	\$ 252,772	\$ 237,735	\$ 216,254
Public service	15,180	13,776	13,269	13,552	14,729
Academic support	63,594	60,482	58,273	54,342	48,265
Student services	79,002	66,436	62,432	62,467	63,960
Institutional support	112,944	107,202	102,096	91,872	87,193
Operation and maintenance of plant	53,450	49,394	42,245	37,664	28,740
Student financial assistance	3,184	3,531	3,147	2,901	3,467
Auxiliary enterprises	64,611	58,990	63,643	63,601	59,790
Depreciation	30,751	28,821	28,166	22,470	25,047
Other	948	601	585	602	4,233
Total operating expenses	<u>685,890</u>	<u>641,904</u>	<u>626,628</u>	<u>587,206</u>	<u>551,678</u>
Interest expense on debt	23,364	23,825	18,040	17,365	13,709
Loss on sale/disposal of capital assets	-	181	-	-	326
Total nonoperating expenses	<u>23,364</u>	<u>24,006</u>	<u>18,040</u>	<u>17,365</u>	<u>14,035</u>
Total expenses	<u>\$ 709,254</u>	<u>\$ 665,910</u>	<u>\$ 644,668</u>	<u>\$ 604,571</u>	<u>\$ 565,713</u>

Source: Comprehensive Annual Financial Reports for years presented.

(1) As adjusted in fiscal year 2011.

(2) As adjusted in fiscal year 2012.

Maricopa County Community College District
Schedule of Expenses by Use
Last Ten Fiscal Years
(Dollars in Thousands)

	Fiscal Year				
	2013-14	2012-13	2011-12	2010-11	2009-10
Salaries and benefits	\$ 533,597	\$ 527,939	\$ 503,016	\$ 485,559	\$ 477,348
Contract services	64,118	66,826	57,597	51,583	48,031
Financial aid	110,664	120,046	127,529	118,305	97,300
Depreciation	48,271	43,893	39,048	36,744	36,330
Communications, utilities, and travel	23,310	24,897	24,512	22,562	21,258
Noncapitalized equipment	20,065	24,522	24,843	17,088	29,294
Supplies and materials	21,100	20,754	21,099	19,585	19,700
Subscriptions, dues, insurance, and rentals	10,339	9,508	10,391	9,477	9,421
Other expenses	14,873	29,799	5,705	8,556	8,380
Total operating expenses	<u>846,337</u>	<u>868,184</u>	<u>813,740</u>	<u>769,459</u>	<u>747,062</u>
Interest expense on debt	24,779	22,275	23,378	24,192	26,309
Loss on sale/disposal of capital assets	2,397	80	564	109	8
Total nonoperating expenses	<u>27,176</u>	<u>22,355</u>	<u>23,942</u>	<u>24,301</u>	<u>26,317</u>
Total expenses	<u>\$ 873,513</u>	<u>\$ 890,539</u>	<u>\$ 837,682</u>	<u>\$ 793,760</u>	<u>\$ 773,379</u>

	Fiscal Year				
	2008-09	2007-08	2006-07	2005-06	2004-05
Salaries and benefits	\$ 476,551	\$ 448,083	\$ 440,052	\$ 410,438	\$ 382,588
Contract services	51,283	52,067	53,373	48,746	44,639
Financial aid	44,665	36,330	36,565	37,481	41,981
Depreciation	30,751	28,821	28,166	22,470	25,047
Communications, utilities, and travel	20,827	20,979	19,762	19,431	18,505
Noncapitalized equipment	29,393	24,102	18,493	19,208	11,117
Supplies and materials	16,673	18,497	16,575	18,422	17,824
Subscriptions, dues, insurance, and rentals	9,802	9,698	9,441	8,511	7,225
Other expenses	5,945	3,327	4,201	2,499	2,752
Total operating expenses	<u>685,890</u>	<u>641,904</u>	<u>626,628</u>	<u>587,206</u>	<u>551,678</u>
Interest expense on debt	23,364	23,825	18,040	17,365	13,709
Loss on sale/disposal of capital assets	-	181	-	-	326
Total nonoperating expenses	<u>23,364</u>	<u>24,006</u>	<u>18,040</u>	<u>17,365</u>	<u>14,035</u>
Total expenses	<u>\$ 709,254</u>	<u>\$ 665,910</u>	<u>\$ 644,668</u>	<u>\$ 604,571</u>	<u>\$ 565,713</u>

Source: Comprehensive Annual Financial Reports for years presented.

**Maricopa County Community College District
Schedule of Revenues by Source
Last Ten Fiscal Years
(Dollars in Thousands)**

	Fiscal Year				
	2013-14	2012-13	2011-12	2010-11	2009-10
Tuition and fees, net of scholarship allowance	\$ 153,195	\$ 149,178	\$ 150,443	\$ 145,711	\$ 146,804 (1)
Other	11,596	14,515	14,144	16,621	14,874
Total operating revenues	<u>164,791</u>	<u>163,693</u>	<u>164,587</u>	<u>162,332</u>	<u>161,678</u>
Property taxes	497,466	475,439	466,813	460,519	453,615
State appropriations	7,914	8,316	6,891	45,327	45,327
State-shared sales tax	8,928	7,452	7,712	7,365	7,117
Government grants and contracts	195,169	208,101	222,604	205,301	156,707
Private grants and contracts	2,454	2,872	3,601	3,892	3,602
Private gifts	14,029	10,567	10,280	10,997	10,056
Investment income, net of investment expense	2,728	1,488	2,644	1,228	1,444
Gain on sale/disposal of capital assets	-	-	-	-	-
Total nonoperating revenues	<u>728,688</u>	<u>714,235</u>	<u>720,545</u>	<u>734,629</u>	<u>677,868</u>
Total revenues	<u>\$ 893,479</u>	<u>\$ 877,928</u>	<u>\$ 885,132</u>	<u>\$ 896,961</u>	<u>\$ 839,546</u>

	Fiscal Year				
	2008-09	2007-08	2006-07	2005-06	2004-05
Tuition and fees, net of scholarship allowance	\$ 151,219	\$ 141,086	\$ 141,232	\$ 127,543	\$ 116,027
Other	12,538	12,860	13,645	15,028	11,590
Total operating revenues	<u>163,757</u>	<u>153,946</u>	<u>154,877</u>	<u>142,571</u>	<u>127,617</u>
Property taxes	443,029	399,567	364,536	324,593	296,179
State appropriations	51,128	57,529	57,528	54,863	51,291
State-shared sales tax	7,233	8,946	10,255	8,436	7,712
Government grants and contracts	99,708	74,690	70,062	72,199	77,387
Private grants and contracts	3,842	3,749	4,566	4,052	3,202
Private gifts	13,726	13,272	12,386	9,962	10,504
Investment income, net of investment expense	8,194	23,089	21,267	16,947	7,127
Gain on sale/disposal of capital assets	474	-	69	207	-
Total nonoperating revenues	<u>627,334</u>	<u>580,842</u>	<u>540,669</u>	<u>491,259</u>	<u>453,402</u>
Total revenues	<u>\$ 791,091</u>	<u>\$ 734,788</u>	<u>\$ 695,546</u>	<u>\$ 633,830</u>	<u>\$ 581,019</u>

Source: Comprehensive Annual Financial Reports for years presented.

Note: Beginning in fiscal year 2008, government and private grants were reclassified from operating revenue to nonoperating revenue. Prior years have been reclassified for comparison purposes.

(1) As adjusted in fiscal year 2011.

Maricopa County Community College District
Schedule of Other Changes in Net Position
Last Ten Fiscal Years
(Dollars in Thousands)

	Fiscal Year				
	2013-14	2012-13	2011-12	2010-11	2009-10
Income (loss) before other changes in net position	\$ 19,966	\$ (12,611)	\$ 47,450	\$ 103,201	\$ 78,737
Capital appropriations	-	-	-	-	-
Capital grants and gifts	408	540	776	351	526
Total change in net position	<u>\$ 20,374</u>	<u>\$ (12,071)</u>	<u>\$ 48,226</u>	<u>\$ 103,552</u>	<u>\$ 79,263</u>

	Fiscal Year				
	2008-09	2007-08	2006-07	2005-06	2004-05
Income (loss) before other changes in net position	\$ 81,838	\$ 68,878	\$ 50,878	\$ 29,259	\$ 15,307
Capital appropriations	-	11,204	11,422	10,978	10,372
Capital grants and gifts	238	754	659	558	272
Total change in net position	<u>\$ 82,076</u>	<u>\$ 80,836</u>	<u>\$ 62,959</u>	<u>\$ 40,795</u>	<u>\$ 25,951</u>

Source: Comprehensive Annual Financial Reports for years presented.

Maricopa County Community College District
Assessed Value and Estimated Market Value of Taxable Property
Last Ten Fiscal Years
(Dollars in Thousands)

Fiscal Year	Property Values Assessed			Total Direct Tax Rate	Total Secured and Unsecured Estimated Market Value	Total Secondary Assessed Value as a Percent of Total Market Value
	Secured	Unsecured	Total			
2013-14	\$ 30,817,627	\$ 1,411,380 (1)	\$ 32,229,007	\$ 1.5340	\$ 310,300,015	10.4 %
2012-13	33,136,394	1,264,062	34,400,456	1.3778	321,960,274	10.7
2011-12	37,474,985	1,285,312	38,760,297	1.2082	359,682,346	10.8
2010-11	48,247,443	1,415,100	49,662,543	0.9728	444,097,352	11.2
2009-10	56,523,957	1,460,095	57,984,052	0.8844	516,184,657	11.2
2008-09	56,831,715	1,471,920	58,303,635	0.9386	516,677,465	11.3
2007-08	48,136,309	1,398,265	49,534,574	0.9760	431,682,163	11.5
2006-07	34,922,001	1,372,693	36,294,694	1.0646	301,474,323	12.0
2005-06	31,886,842	1,310,376	33,197,218	1.0315	273,817,028	12.1
2004-05	28,811,532	1,255,455	30,066,987	1.0372	245,835,672	12.2

Source: Maricopa County Department of Finance and the Maricopa County Assessor.

Note: Primary assessed values are used to determine primary levy for maintenance and operations; secondary assessed values are used to determine secondary levy for general obligation bond debt service.

Secured includes centrally valued property, real property, and secured personal property. Unsecured is unsecured personal property.

(1) The Levy Worksheets have been modified for Tax Year 2013 to combine unsecured and secured Personal Property into a single net assessed valuations for the Current Property Subject to Taxation in Prior Year, Current Net Assessed Valuations, and Prior Year Net Assessed Valuations.

**Maricopa County Community College District
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(Per \$100 Assessed Valuation)**

Fiscal Year	Maricopa County Community College District Direct Rate			Overlapping Rates					
	Primary Levy	Secondary Levy	Total	Maricopa County	Education Equalization	Central Arizona Water Conservation District	Other Special Districts	School Districts	Cities
2013-14	\$ 1.2896	\$ 0.2444	\$ 1.5340	\$ 1.46	\$.51	\$.14	\$ 0 - 5.30	\$.75 - 10.22	\$ 0 - 4.04
2012-13	1.1563	0.2215	1.3778	1.47	.47	.10	0 - 6.15	.77 - 10.45	0 - 3.89
2011-12	1.0123	0.1959	1.2082	1.47	.43	.10	0 - 4.05	.76 - 10.80	0 - 2.91
2010-11	0.7926	0.1802	0.9728	1.24	.36	.10	0 - 3.30	.71 - 10.80	0 - 2.44
2009-10	0.7246	0.1598	0.8844	1.16	.33	.10	0 - 3.30	.78 - 10.84	0 - 2.51
2008-09	0.7752	0.1634	0.9386	1.20	.00	.10	0 - 3.30	.69 - 12.72	0 - 2.30
2007-08	0.8246	0.1514	0.9760	1.30 (1)	.00	.10	0 - 3.86	.94 - 8.76	0 - 2.67
2006-07	0.8815	0.1831	1.0646	1.43 (1)	.00	.12	0 - 3.86	.88 - 14.72	0 - 2.97
2005-06	0.8936	0.1379	1.0315	1.46 (1)	.44	.12	0 - 3.86	1.02 - 14.33	0 - 2.43
2004-05	0.9211	0.1161	1.0372	1.47	.46	.12	1 - 3.86	1.09 - 14.35	0 - 2.41

Source: District records and Maricopa County Department of Finance.

Note: Tax rates for overlapping governments are rounded to the nearest cent.

(1) Data updated in fiscal year 2009.

**Maricopa County Community College District
Principal Taxpayers
Current Year and Nine Years Ago**

Taxpayer	Fiscal Year 2013-14			Fiscal Year 2004-05		
	2013-2014 Secondary Assessed Value	Rank	Percentage of 2013-2014 Secondary Assessed Value	2004-2005 Secondary Assessed Value	Rank	Percentage of 2004-2005 Secondary Assessed Value
Arizona Public Service Company	\$ 1,083,144,495	1	3.36 %	\$ 887,921,756	1	2.95 %
Qwest Corporation / US West	153,665,296	2	0.48	439,123,801	2	1.46
Southwest Gas Corporation	147,481,461	3	0.46	139,471,538	4	0.46
Southern California Edison Co.	128,749,055	4	0.40	168,191,472	3	0.56
El Paso Electric Co.	124,582,571	5	0.39	137,145,470	5	0.46
Wal-Mart Stores Inc.	81,668,598	6	0.25	*		
Mesquite Power LLC	79,950,000	7	0.25	*		
Sundevil Power Holdings, LLC	73,220,160	8	0.23	*		
Public Service Company of New Mexico	72,976,296	9	0.23	78,310,568	8	0.26
Verizon Wireless	67,380,641	10	0.21	*		
Intel Corporation	*			92,812,134	6	0.31
Freescale Semiconductor Inc.	*			79,622,513	7	0.26
AT&T / Wireless Service	*			74,003,744	9	0.25
Cox Communications	*			72,306,968	10	0.24
Total Principal Taxpayers	\$ 2,012,818,573		6.26 %	\$ 2,168,909,964		7.21 %
Countywide Secondary Valuation	\$32,229,006,810			\$30,066,986,670		

* Taxpayers did not fall within the top 10 for the year identified.

Source: Maricopa County Treasurer's Office.

Note: Salt River Project, a local utility, pays an in-lieu tax based on an estimated assessed valuation. The net assessed valuation for tax year 2013 is \$671,847,721.

**Maricopa County Community College District
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Taxes Levied for the Fiscal Year			Collected within the Fiscal Year of the Levy			Total Collections to Date		
	(Original Levy)	Adjustments	Total Adjusted Levy	Amount	Percentage of Original Levy	Collections in Subsequent Years	Amount	Percentage of Adjusted Levy	
2013-14	\$ 412,859,522	\$ (1,637,020)	\$ 411,222,502	\$ 404,645,803	98.01 %	\$ -	\$ 404,645,803	98.40 %	
2012-13	396,785,236	(3,734,981)	393,050,255	386,059,866	97.30	6,680,055	392,739,921	99.92	
2011-12	389,873,218	(5,109,623)	384,763,595	377,344,288	96.79	7,145,267	384,489,555	99.93	
2010-11	370,496,996	(6,522,566)	363,974,430	356,210,394	96.14	7,476,751	363,687,145	99.92	
2009-10	360,956,407	(4,332,759)	356,623,647	345,601,360	95.75	10,725,064	356,326,424	99.92	
2008-09	348,288,338	(2,864,073)	345,424,265	334,032,370	95.91	11,162,189	345,194,559	99.93	
2007-08	322,620,948	(2,745,353)	319,875,596	311,374,459	96.51	8,365,990	319,740,449	99.96	
2006-07	298,843,188	(3,398,445)	295,444,743	289,283,824	96.80	6,043,982	295,327,806	99.96	
2005-06	277,063,231	(3,230,392)	273,832,839	268,737,564	97.00	4,956,902	273,694,466	99.95	
2004-05	258,792,496	(2,949,928)	255,842,568	251,769,652	97.29	3,939,123	255,708,775	99.95	

Sources: Maricopa County Treasurer and District records.

Notes: Pursuant to Arizona Revised Statutes, the amount of total primary property taxes levied is limited. Starting in fiscal year 1997-98, the District was required to publish notice of its interest to raise taxes to the levy limit and also to hold a public hearing on this proposal. The levy can grow by 2% each year.

The amounts above represent collections relative to the tax levy period, and will not match amounts presented in the financial statements.

**Maricopa County Community College District
Historic Tuition and Fees
Last Ten Fiscal Years**

District Historic Tuition and Fees

Fiscal Year	Per Credit Hour			Annual Cost Per Full-time Student	Increase	
	General Tuition	Fees	Combined Total		Dollars	Percent
2013-14	\$ 79.00	\$ 2.00	\$ 81.00	\$ 2,430.00	\$ 150.00	6.58 %
2012-13	74.00	2.00	76.00	2,280.00	0.00	-
2011-12	74.00	2.00	76.00	2,280.00	150.00	7.04
2010-11	69.00	2.00	71.00	2,130.00	0.00	-
2009-10	69.00	2.00	71.00	2,130.00	0.00	-
2008-09	69.00	2.00	71.00	2,130.00	180.00	9.23
2007-08	63.50	1.50	65.00	1,950.00	0.00	-
2006-07	63.50	1.50	65.00	1,950.00	150.00	8.33
2005-06	58.50	1.50	60.00	1,800.00	150.00	9.09
2004-05	53.50	1.50	55.00	1,650.00	120.00	7.84

**National and Statewide Comparisons
(Based on Full-time Enrollment for the Academic Year)**

Fiscal Year	Maricopa District		National Community College Average (1)		Arizona Universities Average (3)	
	Annual Cost	Percent Change	Annual Cost	Percent Change	Annual Cost	Percent Change
2013-14	\$ 2,430.00	6.58 %	\$ 3,313.00 (2)	18.66 %	\$ 10,044.00	3.81 %
2012-13	2,280.00	-	2,792.00	5.28	9,675.00	1.57
2011-12	2,280.00	7.04	2,652.00	8.73	9,525.00	28.53
2010-11	2,130.00	-	2,439.00	6.74	7,411.00	16.27
2009-10	2,130.00	-	2,285.00	6.98	6,374.00	14.95
2008-09	2,130.00	9.23	2,136.00	3.64	5,545.00	12.04
2007-08	1,950.00	-	2,061.00	2.13	4,949.00	6.16
2006-07	1,950.00	8.33	2,018.00	4.29	4,662.00	5.28
2005-06	1,800.00	9.09	1,935.00	4.65	4,428.00	8.69
2004-05	1,650.00	7.84	1,849.00	8.64	4,074.00	13.39

Source: District records.

Note 1: U.S. Department of Education, National Center for Education Statistics, 2011-12 and 2012-13 Integrated Postsecondary Education Data System (IPEDS).

Note 2: Estimates provided by U.S. Department of Education and District Budget Office.

Note 3: Arizona Board of Regents, Tuition History.

Maricopa County Community College District
Schedule of Ratios of Outstanding Debt
Last Ten Fiscal Years
(Dollars in Thousands, except for per capita, per student and per FTSE)

	For the Fiscal Year Ended June 30				
	2014	2013	2012	2011	2010
General Bonded Debt					
General obligation bonds	\$ 712,735	\$ 766,085	\$ 671,250	\$ 737,930	\$ 653,040
Per capita	\$ 180.67	\$ 197.21	\$ 174.65	\$ 192.97	\$ 162.31
Per student	\$ 3,148.41	\$ 3,219.56	\$ 2,726.84	\$ 2,891.03	\$ 2,682.55
Per FTSE	\$ 9,084.75	\$ 9,432.45	\$ 8,085.01	\$ 8,728.35	\$ 8,356.34
Other Debt					
Revenue bonds	\$ -	\$ 410	\$ 1,240	\$ 12,585	\$ 14,000
Capital lease obligations	25	49	72	94	115
Total outstanding debt	<u>\$ 712,760</u>	<u>\$ 766,544</u>	<u>\$ 672,562</u>	<u>\$ 750,609</u>	<u>\$ 667,155</u>
Per capita	\$ 180.68	\$ 197.32	\$ 174.99	\$ 196.29	\$ 165.82
Per student	\$ 3,148.53	\$ 3,221.49	\$ 2,732.17	\$ 2,940.70	\$ 2,740.53
Per FTSE	\$ 9,085.07	\$ 9,438.10	\$ 8,100.81	\$ 8,878.32	\$ 8,536.96

	For the Fiscal Year Ended June 30				
	2009	2008	2007	2006	2005
General Bonded Debt					
General obligation bonds	\$ 727,390	\$ 557,390	\$ 609,320	\$ 399,805	\$ 424,710
Per capita	\$ 182.40	\$ 142.65	\$ 160.66	\$ 109.58	\$ 120.51
Per student	\$ 3,147.51	\$ 2,432.59	\$ 2,598.11	\$ 1,677.33	\$ 1,774.70
Per FTSE	\$ 10,376.61	\$ 8,190.29	\$ 8,759.44	\$ 5,709.46	\$ 5,949.40
Other Debt					
Revenue bonds	\$ 15,905	\$ 18,300	\$ 20,605	\$ 23,360	\$ 25,975
Capital lease obligations	136	211	419	556	692
Total outstanding debt	<u>\$ 743,431</u>	<u>\$ 575,901</u>	<u>\$ 630,344</u>	<u>\$ 423,721</u>	<u>\$ 451,377</u>
Per capita	\$ 186.42	\$ 147.38	\$ 166.20	\$ 116.13	\$ 128.08
Per student	\$ 3,216.92	\$ 2,513.38	\$ 2,687.76	\$ 1,777.67	\$ 1,886.13
Per FTSE	\$ 10,605.44	\$ 8,462.29	\$ 9,061.68	\$ 6,051.00	\$ 6,322.96

Source: Comprehensive Annual Financial Reports for years presented, Office of Employment and Population Statistics, and District records.

**Maricopa County Community College District
Revenue Bond Coverage
Last Ten Fiscal Years**

Fiscal Year	Gross Revenues (1)	Debt Service Requirements			Coverage Ratio
		Principal	Interest	Total	
2013-14	\$ 259,054,302	\$ -	\$ -	\$ -	0.0
2012-13	262,851,300	410,000	8,200	418,200	628.5
2011-12	272,839,165	830,000	33,000	863,000	316.2
2010-11	256,779,951	795,000	533,980	1,328,980	193.2
2009-10	236,571,816	1,415,000	580,081	1,995,081	118.6
2008-09	216,932,185	1,905,000	649,415	2,554,415	84.9
2007-08	215,355,081	2,395,000	728,534	3,123,534	68.9
2006-07	209,985,122	2,305,000	806,652	3,111,652	67.5
2005-06	192,425,062	2,755,000	899,566	3,654,566	52.7
2004-05	167,403,439	2,615,000	1,017,282	3,632,282	46.1

Source: District records.

Note: Repayment of revenue bond debt is secured by a pledge of a portion of the District's gross revenues as defined by the bond indentures.

The final revenue bond principal and interest payments were made in fiscal year 2014.

(1) Gross revenues were restated in fiscal year 2012 to reflect a more comprehensive interpretation of the term as defined by the bond indentures.

**Maricopa County Community College District
Computation of Legal Debt Margin
Last Ten Fiscal Years**

	Fiscal Year				
	2013-14	2012-13	2011-12	2010-11	2009-10
Debt Limit	\$4,834,351,022	\$5,160,068,357	\$5,814,044,507	\$7,449,381,543	\$ 8,697,607,758
Total net debt applicable to limit	<u>654,215,000</u>	<u>712,783,980</u>	<u>615,066,983</u>	<u>671,250,000</u>	<u>587,930,000</u>
Legal debt margin	<u>\$4,180,136,022</u>	<u>\$4,447,284,377</u>	<u>\$5,198,977,524</u>	<u>\$6,778,131,543</u>	<u>\$ 8,109,677,758</u>
Total net debt applicable to the limit as a percentage of debt limit	13.53%	13.81%	10.58%	9.01%	6.76%

	Fiscal Year				
	2008-09 (1)	2007-08	2006-07	2005-06	2004-05
Debt Limit	\$8,745,545,293	\$7,430,186,075	\$5,444,204,040	\$4,979,582,760	\$ 4,510,048,001
Total net debt applicable to limit	<u>653,040,000</u>	<u>507,390,000</u>	<u>557,390,000</u>	<u>369,320,000</u>	<u>399,805,000</u>
Legal debt margin	<u>\$8,092,505,293</u>	<u>\$6,922,796,075</u>	<u>\$4,886,814,040</u>	<u>\$4,610,262,760</u>	<u>\$ 4,110,243,001</u>
Total net debt applicable to the limit as a percentage of debt limit	7.47%	6.83%	10.24%	7.42%	8.86%

Legal Debt Margin Calculation for Fiscal Year 2013-14

Secondary Assessed Value of Real and Personal Property	\$ 32,229,006,810
Debt Limit, 15% of Secondary Assessed Value	<u>4,834,351,022</u>
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonded Debt	712,735,000
Capital Leases	25,000
Amount Available for Debt Repayment	<u>(58,545,000)</u>
Total Debt Applicable to Debt Limit	<u>654,215,000</u>
Legal Debt Margin	<u>\$ 4,180,136,022</u>

Note: The Arizona Constitution, Article 9, Section 8, states that a county or school district may become indebted for an amount not to exceed fifteen percent of taxable property. For fiscal year 2013-14, the District was at 2.03%.

(1) Data corrected in fiscal year 2010.

**Maricopa County Community College District
Schedule of Demographic and Economic Statistics
Last Ten Fiscal Years**

<u>Year</u>	<u>County Population</u>	<u>County Personal Income (In Thousands)</u>	<u>County Income per Capita</u>	<u>Phoenix Metro Area Unemployment Rate – June</u>
2014	3,944,859	Not Available (1)	Not Available (1)	6.5 %
2013	3,884,705	Not Available (1)	Not Available (1)	7.3
2012	3,843,370	\$ 154,926,697 (2)	\$ 39,300 (2)	7.7
2011	3,824,058	147,724,392	38,071	9.2
2010	4,023,331	140,351,646	36,695	9.8
2009	3,987,942	137,970,508	36,272	9.6
2008	3,907,492	148,462,926	39,369	5.2
2007	3,792,675	145,880,680	37,666	3.1
2006	3,648,545	139,069,591	36,829	3.7
2005	3,638,481	126,010,741	34,551	4.2

Source: Arizona Department of Administration, Office of Employment and Population Statistics at www.azstats.gov, Bureau of Labor Statistics, and Bureau of Economic Analysis.

Notes: All information given for Maricopa County unless otherwise indicated.

Population figures are estimates as of July 1 of each fiscal year.

Amounts obtained are based on estimates which are periodically updated. The numbers provided reflect the most accurate estimates.

(1) Information not available at date of report. Future data will be added as it becomes available.

(2) Beginning with 2012, data is taken from Bureau of Economic Analysis.

**Maricopa County Community College District
Top 10 Employers in Maricopa County
(Ranked by the number of full-time equivalent employees in Arizona)
Current Year and Nine Years Ago**

Employer	Fiscal Year 2013-14			Fiscal Year 2004-05		
	Number of Full-Time Equivalent Employees in Arizona	Rank	Percentage of Total MSA Employment	Number of Full-Time Equivalent Employees in Arizona	Rank	Percentage of Total MSA Employment
State of Arizona	48,910	1	2.52 %	49,147	1	2.67 %
Wal-Mart Stores, Inc.	32,438	2	1.67	19,510	2	1.06
Banner Health System	30,266	3	1.56	14,447	4	0.78
City of Phoenix	14,875	4	0.76	13,617	5	0.74
Wells Fargo & Company	14,126	5	0.73	11,000	8	0.60
Maricopa County	13,341	6	0.69	15,218	3	0.83
Arizona State University	12,229	7	0.63	10,530	9	0.57
Intel Corp.	11,700	8	0.60	*		
Scottsdale Lincoln Health Network	10,500	9	0.54	*		
Honeywell Aerospace	10,000	10	0.51	12,000	6	0.65
Raytheon Co.	*			10,300	10	0.56
US Postal Service - AZ District	*			11,406	7	0.62
Total Principal Employers	198,385		10.21 %	167,175		9.08 %
Total Employment in Phoenix-Mesa-Glendale, AZ, Metropolitan Statistical Area as of June 30	1,944,698			1,842,995		

* Employers did not fall within the top 10 for the year identified.

Source: The Business Journal, Book of Lists.

Bureau of Labor Statistics for Phoenix-Mesa-Glendale, AZ, Metropolitan Statistical Area.

**Maricopa County Community College District
Employee Statistics
Last Ten Fiscal Years**

	For the Fiscal Year Ended June 30				
	2014	2013	2012	2011	2010
Faculty					
Part-time	6,801	6,288	5,967	5,104	5,764
Full-time	1,374	1,374	1,361	1,349	1,354
Administrative & support staff	2,961	2,954	3,026	3,024	3,012
Total employees	11,136	10,616	10,354	9,477	10,130
Students per faculty member	28	31	34	40	34
Students per staff member	76	81	81	84	81
Average class size	21	21	22	22	22

	For the Fiscal Year Ended June 30				
	2009	2008	2007	2006	2005
Faculty					
Part-time	5,424	4,995	6,061	6,131	4,886
Full-time	1,340	1,373	1,376	1,386	1,307
Administrative & support staff	3,050	3,064	2,914	2,942	2,861
Total employees	9,814	9,432	10,351	10,459	9,054
Students per faculty member	34	36	32	32	39
Students per staff member	76	75	80	81	84
Average class size	22	22	21	22	19

Source: Comprehensive Annual Financial Reports for years presented and District records.

**Maricopa County Community College District
Enrollment and Degree Statistics
Last Ten Fiscal Years**

Historic Headcount

<u>College/Center</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
Phoenix	19,008	19,476	19,525	21,392	20,247	18,874	18,709	20,275	20,927	20,872
Glendale	30,926	31,666	32,854	32,962	32,378	29,840	29,936	30,767	32,201	33,694
GateWay	10,444	10,962	11,674	13,266	14,159	13,549	14,350	15,633	16,063	15,947
Mesa	36,054	38,602	40,070	41,836	41,759	39,605	39,860	41,594	43,371	45,098
Scottsdale	15,384	16,527	17,474	17,702	17,492	17,343	17,618	17,866	18,719	19,000
Rio Salado	48,333	52,685	56,031	57,746	52,634	50,784	49,806	48,761	46,806	44,203
South Mountain	6,801	7,338	8,027	10,186	9,490	8,905	7,799	7,212	7,534	7,308
Chandler-Gilbert	19,297	19,791	19,611	17,938	16,388	15,696	15,101	14,033	13,240	12,707
Paradise Valley	14,198	14,380	15,246	16,046	15,673	14,633	14,159	14,006	13,958	13,640
Estrella Mountain	13,009	12,475	12,508	12,612	11,636	10,551	10,026	9,938	9,886	9,705
Skill Centers	1,681	1,748	2,016	2,298	2,471	2,097	1,527	1,815	1,757	1,791
Adult Basic Education	11,244	12,297	11,128	11,264	9,113	9,223	10,243	12,624	13,896	15,349
Total	<u>226,379</u>	<u>237,947</u>	<u>246,164</u>	<u>255,248</u>	<u>243,440</u>	<u>231,100</u>	<u>229,134</u>	<u>234,524</u>	<u>238,358</u>	<u>239,314</u>

Historic FTSE

<u>College/Center</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
Phoenix	6,977	7,001	7,137	7,576	6,821	5,911	5,848	6,253	6,546	6,847
Glendale	12,390	12,473	12,728	12,777	11,959	10,428	10,023	10,248	10,566	11,242
GateWay	3,482	3,415	3,567	3,897	3,823	3,661	3,677	3,805	3,847	3,728
Mesa	13,886	14,709	15,363	16,097	15,501	13,792	13,653	14,432	14,999	15,804
Scottsdale	5,622	6,030	6,350	6,397	6,312	5,896	5,949	5,926	6,006	6,359
Rio Salado	12,584	13,815	14,263	14,378	12,220	11,937	12,230	12,127	11,620	10,949
South Mountain	2,586	2,737	2,778	2,954	2,746	2,251	2,086	2,052	2,067	2,094
Chandler-Gilbert	7,936	8,047	7,830	7,206	6,465	5,677	5,326	4,803	4,501	4,432
Paradise Valley	5,109	5,260	5,503	5,715	5,505	4,826	4,368	4,451	4,378	4,288
Estrella Mountain	5,330	4,932	4,709	4,739	4,184	3,416	3,087	3,045	2,887	2,986
Skill Center	1,220	1,171	1,187	1,471	1,530	1,309	629	727	780	897
Adult Basic Education	1,332	1,628	1,609	1,337	1,083	995	1,179	1,692	1,828	1,761
Total	<u>78,454</u>	<u>81,218</u>	<u>83,024</u>	<u>84,544</u>	<u>78,149</u>	<u>70,099</u>	<u>68,055</u>	<u>69,561</u>	<u>70,025</u>	<u>71,387</u>

Degrees and Certificates Awarded

	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
Associate of Arts	4,947	4,486	4,360	4,007	3,173	2,853	2,505	2,330	1,897	1,481
Associate of Applied Science	3,429	3,115	3,049	2,900	2,838	2,708	2,505	2,331	2,233	2,056
Associate of Business	833	723	732	562	526	408	336	293	244	179
Associate of General Studies	690	685	604	601	651	692	740	896	1,042	1,326
Associate in Science	825	696	630	524	418	395	307	292	237	169
Associate of Transfer Partnership	-	0	11	12	68	189	322	426	512	569
Academic Certificate	196	121	72	41	30	20	6	13	-	-
Certificates of Completion in Occupational Programs	9,128	8,550	8,589	7,467	5,768	7,166	7,814	8,123	11,107	9,330
Arizona General Education Certificate	6,812	6,073	5,900	5,276	4,312	3,762	2,833	4,650 (1)		

Source: District records.

Notes: (1) Fiscal year 2007 was the first year the Arizona General Education Certificate is being reported as a separate item. In previous years, this number was included in the Certificates of Completion in Occupational Programs number.

FTSE refers to Full-Time Student Equivalent which is calculated by dividing total enrollment credit hours per semester by 15 credit hours (the number of hours considered to be a full-time student).

The calculation used to determine the number of degrees and certificates awarded changed for fiscal year 2007. All previous years numbers shown using the old calculation.

**Maricopa County Community College District
Student Enrollment Demographic Statistics
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Attendance</u>		<u>Enrollment Status</u>			<u>Residency</u>		
	<u>FT</u>	<u>PT</u>	<u>Continuing</u>	<u>New</u>	<u>Former</u>	<u>Resident</u>	<u>Out of County</u>	<u>Out of State</u>
2013-14	28 %	72 %	46 %	39 %	15 %	92 %	3 %	5 %
2012-13	28	72	45	40	15	92	3	5
2011-12	29	71	45	41	14	91	3	6
2010-11	28	72	43	42	15	89	3	8
2009-10	28	72	41	43	16	89	3	8
2008-09	25	75	41	42	17	88	2	10
2007-08	25	75	46	39	15	88	2	10
2006-07	24	76	46	39	15	92	3	5
2005-06	24	76	47	38	15	92	3	5
2004-05	25	75	47	38	15	92	3	5

<u>Fiscal Year</u>	<u>Gender</u>		<u>Ethnic Background</u>						<u>Median Age</u>
	<u>M</u>	<u>F</u>	<u>Native American</u>	<u>Asian</u>	<u>African American</u>	<u>Hispanic</u>	<u>Anglo</u>	<u>Other</u>	
2013-14	44 %	56 %	3 %	5 %	8 %	25 %	50 %	9 %	22
2012-13	44	56	3	5	9	23	51	9	22
2011-12	43	57	3	5	9	22	53	8	23
2010-11	43	57	3	4	8	21	55	9	22
2009-10	43	57	3	4	7	20	55	11	22
2008-09	43	57	3	4	6	20	58	9	22
2007-08	43	57	3	4	6	19	58	10	22
2006-07	42	58	3	4	5	20	58	10	23
2005-06	43	57	3	4	5	19	58	11	23
2004-05	43	57	3	3	5	18	59	12	23

Source: District records.

**Maricopa County Community College District
Schedule of Capital Asset Information
Last Nine Fiscal Years**

Location	Fiscal Year								
	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
Phoenix									
Total Square Footage	753,589	763,792	699,830	643,816	609,814	609,814	595,300	575,500	575,500
Total Acreage	65.7	65.7	65.7	63.8	61.5	61.5	61.5	61.5	61.8
Glendale									
Total Square Footage	809,889	820,986	820,986	820,986	820,986	820,986	735,100	735,100	652,200
Total Acreage	314.0	314.0	314.0	314.0	314.0	314.0	314.0	314.0	223.0
GateWay									
Total Square Footage	532,697	532,697	406,074	373,426	373,426	373,426	373,200	373,200	373,200
Total Acreage	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	41.8
Mesa									
Total Square Footage	998,333	998,333	997,758	997,758	961,956	982,072	911,219	834,519	820,100
Total Acreage	248.9	248.9	248.9	248.9	248.3	248.8	248.3	243.3	243.0
Scottsdale									
Total Square Footage	570,943	566,167	566,167	566,926	559,058	562,058	511,900	510,600	505,300
Total Acreage	168.0	168.0	168.0	168.0	162.0	162.0	162.0	162.0	162.2
Rio Salado									
Total Square Footage	465,521	439,909	445,084	409,365	357,028	284,562	445,770	244,285	154,600
Total Acreage	31.0	31.0	31.0	29.0	19.0	15.0	15.0	15.0	10.0
South Mountain									
Total Square Footage	302,010	301,490	301,490	301,490	249,885	249,885	247,000	246,700	243,000
Total Acreage	148.8	148.8	148.8	148.8	148.8	148.8	148.8	148.8	99.9
Chandler-Gilbert									
Total Square Footage	654,380	580,329	580,329	580,329	562,434	504,988	450,000	446,000	439,200
Total Acreage	189.3	185.3	173.3	173.3	174.3	174.3	174.3	174.3	173.9
Paradise Valley									
Total Square Footage	440,203	428,356	424,311	424,311	420,566	420,566	371,900	371,900	21,900
Total Acreage	171.0	171.0	171.0	171.0	171.0	159.0	159.0	165.0	157.0
Estrella Mountain									
Total Square Footage	333,229	281,973	281,973	281,973	281,973	250,388	250,000	250,000	251,000
Total Acreage	216.0	216.0	216.0	216.0	216.0	216.0	216.0	216.0	216.1
District Services Support Center									
Total Square Footage	296,483	296,483	291,299	291,299	291,299	291,299	280,705	240,066	190,400
Total Acreage	12.1	12.1	9.8	9.8	9.8	9.8	9.8	7.6	5.7
Totals for District:									
Total Square Footage	6,157,277	6,010,515	5,815,301	5,691,679	5,488,425	5,350,044	5,172,094	4,827,870	4,226,400
Total Acreage	1,606.8	1,602.8	1,588.5	1,584.6	1,566.7	1,551.2	1,550.7	1,549.5	1,394.4

Source: District records.

Notes: Information is displayed since the implementation of GASB 44 in FY 2005-06. Additional information for future years will be displayed as it becomes available.



M A R I C O P A
C O M M U N I T Y
C O L L E G E S



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