

Pinal County Community College District

(Central Arizona College)

Signal Peak

Superstition Mountain

Aravaipa

Maricopa

San Tan



San Tan Campus

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2018



**Central
Arizona
College**

**Pinal County Community College District
(Central Arizona College)**

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2018



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Prepared by the Business Affairs Department

Chris Wodka, VP Business Affairs



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Pinal County Community College District
(Central Arizona College)
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2018

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**Central
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Introductory Section



January 31, 2020

The District Governing Board of Pinal County Community College District:

The Comprehensive Annual Financial Report (CAFR) of the Pinal County Community College District (the "District"), for the fiscal year ended June 30, 2018, is submitted herewith.

Responsibility for both the accuracy of the presented 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 is 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. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. Please read the management's discussion and analysis in conjunction with the Vice President of Business Affairs and Executive Director II, Accounting Services/Comptroller's transmittal letter.

This report is prepared in accordance with U.S. generally accepted accounting principles (GAAP) as prescribed by the Government Accounting Standards Board (GASB) using the guidelines as recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Management is responsible for establishing and maintaining internal controls designed to ensure that assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. Because the cost of a control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements.

The District is required to undergo an annual audit. Audit services are provided to the District by the State of Arizona Office of the Auditor General. For the year ended June 30, 2018, the State of Arizona Office of the Auditor General has issued an unmodified opinion of the District's financial statements. The independent auditors' report is displayed in the front of the financial section of these statements.

The Reporting Entity

The District is an independent reporting entity within the criteria established by the 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.” The District 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 Pinal County, financial accountability for all activities related to public community college education in Pinal County is exercised solely by the District. In accordance with GASB Statement No. 39, the financial activity of the Central Arizona College Foundation is presented as a component unit of the District. The District is not included in any other governmental financial reporting entity.

History

The District was established in 1961, when the Arizona Legislature passed a bill permitting counties with the necessary assessed valuation and potential numbers of students to form junior college districts. Groundbreaking ceremonies were held at Signal Peak on Nov. 8, 1968 and Central Arizona College opened its doors in the fall of 1969 near the base of Signal Peak Mountain.

The District began extending its accessibility throughout Pinal County, becoming an important community-building entity that still exists today.

For 50 years now, the District has been serving and educating the diverse communities of Pinal County. With a total of five campuses and three centers located strategically throughout the county, the District provides accessible, educational, economic, cultural, and personal growth opportunities for those of all ages.

Service Area

Pinal County was formed from portions of Maricopa and Pima counties on Feb. 1, 1875, in response to the petition of residents of the upper Gila River Valley, as Act #1 of the Eighth Territorial Legislature. Florence, established in 1866, was designated and has remained the county seat.

The county encompasses 5,374 square miles, of which 4.5 are water. In both economy and geography, Pinal County has two distinct regions. The eastern portion is characterized by mountains with elevations to 6,000 feet and copper mining. The western area is primarily low desert valleys and irrigated agriculture.

The county is home to many interesting attractions, including the Old West Highway 60, Casa Grande Ruins National Monument, Picacho Peak State Park, Picacho Reservoir,

Boyce Thompson Southwestern Arboretum, Oracle State Park and Columbia University's Biosphere II, McFarland State Park, Lost Dutchman State Park, Skydive Arizona, the world's largest skydiving drop-zone, and the Florence Historical District, with 120 buildings on the National Register.

Economic Outlook

According to data released in May of 2019, by the U.S. Bureau of Economic Analysis, Arizona's real gross domestic product (GDP) increased by four percent in 2018, the fourth fastest growth rate in the nation. Arizona's GDP growth outpaced that of 46 other states including California (3.5%), Florida (3.5%), and Texas (3.2%). Sectors including manufacturing, real estate and rental leasing, and construction contributed the most to Arizona's GDP growth over the last year. Forecasts made by the Economic & Business Research Center, Eller College of Management, The University of Arizona, indicate that Arizona's economic growth continues to accelerate modestly. Retail sales grew by 7 percent, which is an increase from the 5.4 percent increase in 2018, signifying continued strong growth. The strong growth rate in the state economy is anticipated to last through 2022.

U.S. Census estimates showed that since 2011 Pinal County has been steadily growing each year. Big projects like Lucid Motors and Nikola, neither of which have been built yet, are often credited for spurring more interest and development in Pinal County. Since Lucid announced in 2016 it was building a manufacturing plant in Casa Grande, the county's population has grown by about 30,000 residents, according to census estimates.

Figures from the Arizona 2019-2020 Projected Employment Report issued by the Arizona Office of Economic Opportunity projected 1.5% annualized growth of employment gains (1,993 jobs) for Pinal County.

According to realtor.com December 2019 data published, housing median list price was trending up 2.7% year by year and the median list price is up 1% in 2019 compared to 2018.

Historically, when economic conditions are improving, enrollment in community colleges decreases. The College experienced decreased enrollment of 3.8 percent for fiscal year 2018. Enrollment for the fall 2019 term was down from the prior year by 4.7 percent.

Major Program Initiatives

Major Accomplishments in 2017-2018

- Central Arizona College announced and launched a new, mobile friendly and responsive website (www.centralaz.edu).
- The College received a \$1.3 million Upward Bound Grant to assist first generation and low-income students in preparing for a college education.
- S.E.E.4VETS pledged \$13,960 to assist in funding a new Veterans Center at the Signal Peak Campus. During 2017-2018, Central Arizona College served more than 250 veteran and active military students. The Veterans Center was completed in August of 2019.
- The Welding program received a donation of equipment and machinery from Cyberwel, totaling more than \$62,000 to provide added training opportunities for students.
- Central Arizona College awarded a total of 1277 degrees and certificates during the 2017-2018 academic year.
- Central Arizona College unveiled a new mission, vision and values statement as well as the 2018-2021 Strategic Plan.
- Central Arizona College implemented the Campus Nexus CRM in spring of 2018.

Major Issues & Resolutions in 2017-2018

- Central Arizona College continued to work in partnership with Lucid Motors to offer classes in leading to an Industrial Maintenance Certificate, Production Technician Certificate, Advanced Industrial Maintenance Certificate, Advanced Production Maintenance Certificate, or an Advanced Production Technician Certificate.
- Central Arizona College began construction of a new student union building and new science building during the fiscal year ending June 30, 2018. Construction was completed and buildings opened for fall 2018.
- Central Arizona College continued with the implementation of a new enterprise resource system with continued work on the Campus Nexus Finance, HR and Payroll.
- Central Arizona College opened student food pantries at all District campuses to support students in need.
- All Computer hardware in classrooms were upgraded to improve the faculty experience.

Future Program Initiatives

Upcoming Issues for 2019-2020

- Central Arizona College is continuing work towards streamlining program and course offerings to improve student completion through Guided Pathways.
- Central Arizona College was accepted into the Campus Caring project with the Institute for Evidence-Based Change, to increase students' sense of connectedness and belonging.
- Much emphasis is being placed on shifting the culture to improve employee morale and student satisfaction.

Acknowledgements

The preparation of this report could not be accomplished without the efficient and dedicated efforts of the Business Office staff. We would like to express our appreciation to all those who assisted in, and contributed to, the preparation of this report.

Respectfully submitted,

Chris Wodka

Vice President of Business Affairs

Luisa M. Ott

Executive Director II, Accounting
Services/Comptroller



Government Finance Officers Association

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

Presented to

**Pinal County
Community College District
(Central Arizona College)**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

**Pinal County Community College District
(Central Arizona College)**

Principal Officers

June 30, 2018



District Governing Board

Gladys S. Christensen, President, District 1

Jack Yarrington, Secretary/Vice President, District 5

Richard D. Gibson, District 3

Dr. Debra L. Banks, District 2

Daniel Miller, District 4

Senior Administration

Dr. Jacquelyn Elliott, President

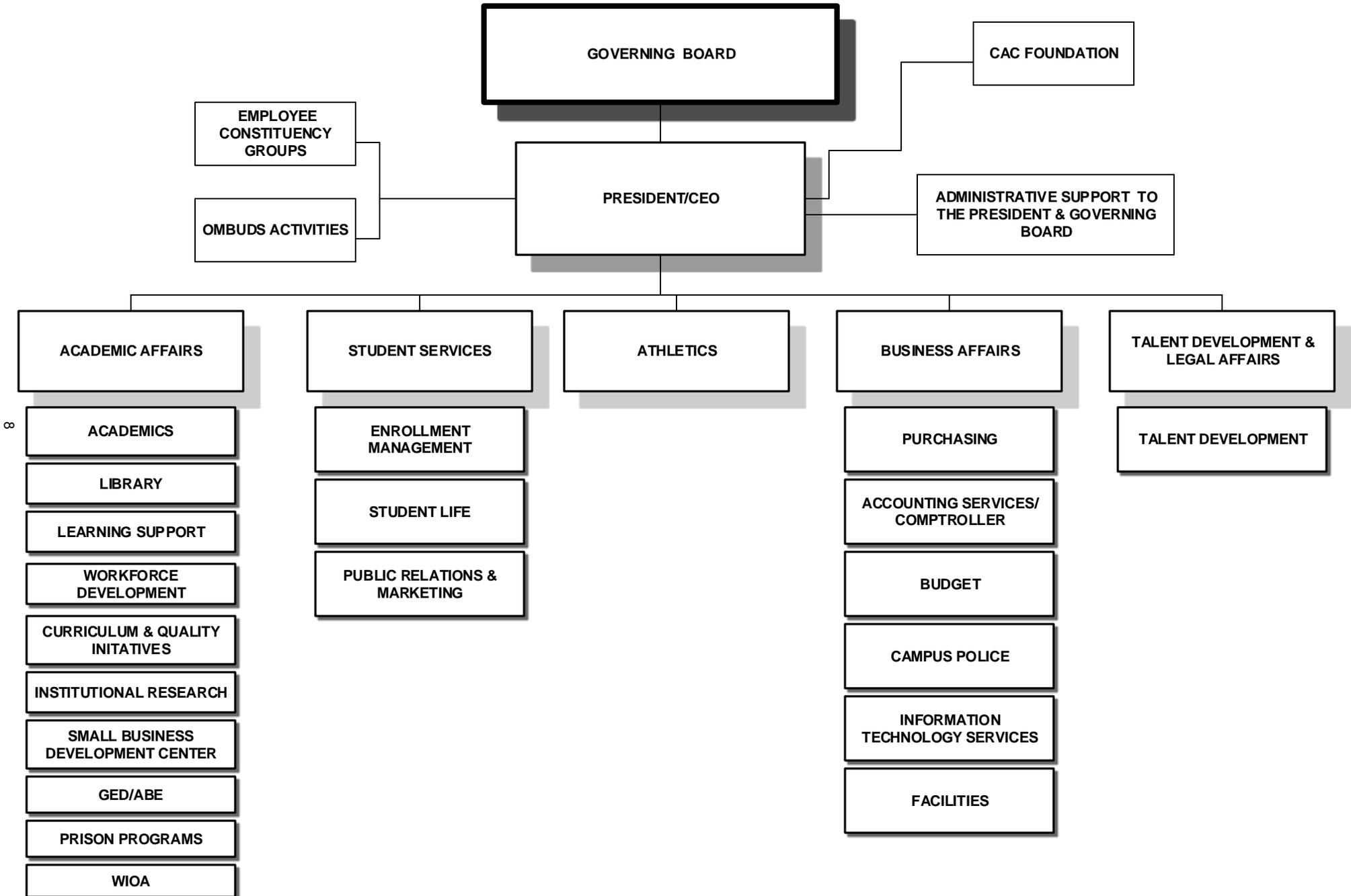
Jenni Cardenas, Interim Vice President Student Services

Chris Wodka, Vice President Business Affairs

Dr. Mary K. Gilliland, Vice President Academic Affairs

Brandi Clark, Vice President Talent Development & Legal Affairs

**Pinal County Community College District
(Central Arizona College)
Organizational Chart as of June 30, 2018**





**Central
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Financial Section



MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

ARIZONA AUDITOR GENERAL
LINDSEY A. PERRY

JOSEPH D. MOORE
DEPUTY AUDITOR GENERAL

Independent auditors' report

Members of the Arizona State Legislature

The Governing Board of
Pinal 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 Pinal County Community College District as of and for the year ended June 30, 2018, 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 other auditors' report. 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 other auditors did not audit the discretely presented component unit's financial statements 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 Pinal County Community College District as of June 30, 2018, 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 12 through 19, schedule of the District's proportionate share of the net pension liability on page 53, and schedule of District pension contributions on page 54 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 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 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 solely 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 the effectiveness of the District's 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.

Lindsey Perry, CPA, CFE
Auditor General

January 31, 2020

Pinal County Community College District
(Central Arizona College)
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2018

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the year ended June 30, 2018. Please read it in conjunction with the transmittal letter on page 1 and the District's financial statements, which immediately follow.

Basic Financial Statements

The District's annual financial statements are presented in accordance with the Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments* and Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*. These statements allow for the presentation in a consolidated, single-column, entity-wide format. This format is similar to the type of financial statements typical of a business enterprise. In accordance with GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, the District reports as a component unit those organizations that raise and hold economic resources for the direct benefit of the District. Based on GASB Statement No. 39, the District has one component unit, the Central Arizona College Foundation (Foundation). The Foundation is audited separately from the District, and its financial activity is presented in conjunction with the District's financial statements.

Information on the component unit can be found in the report in the component unit's Statement of Financial Position and Statement of Activities, as well as Note 10. Management's Discussion and Analysis focuses only on the District and does not address the component unit.

The Statement of Net Position reflects the financial position of the District at June 30, 2018. The statement shows the District's assets, deferred outflows and inflows of resources, liabilities, and net position. Net position reflects the institutional equity in the District's total assets.

The Statement of Revenues, Expenses, and Changes in Net Position reflects the results of operations and changes for the fiscal year ended June 30, 2018. This statement reports revenues and expenses, categorized as operating and nonoperating, special and extraordinary items, and the changes in net position for the year.

The Statement of Cash Flows reflects the cash and cash equivalent inflows and outflows for the year ended June 30, 2018. It shows cash flows from operating activities, noncapital financing activities, capital and related financing activities, and investing activities. It also provides for a reconciliation of beginning and ending cash and cash equivalent balances for the year and a reconciliation of the cash flows from operating activities to the operating loss as reported on the Statement of Revenues, Expenses, and Changes in Net Position.

Pinal County Community College District
(Central Arizona College)
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2018

Condensed Financial Information

<u>Net Position — Primary Government</u>		
	<u>As of June 30, 2018</u>	<u>As of June 30, 2017</u>
Assets:		
Current assets	\$ 91,175,459	\$ 73,356,299
Noncurrent assets, other than capital assets	15,852,932	37,326,781
Capital assets, net	<u>175,118,951</u>	<u>156,491,086</u>
Total assets	<u>282,147,342</u>	<u>267,174,166</u>
Deferred Outflows of Resources:		
Deferred amount on refunding	3,065,879	3,257,498
Deferred outflows related to pensions	<u>4,703,431</u>	<u>7,395,013</u>
Total deferred outflows of resources	<u>7,769,310</u>	<u>10,652,511</u>
Liabilities:		
Long-term liabilities	153,036,001	160,887,493
Other liabilities	<u>8,261,964</u>	<u>4,361,216</u>
Total liabilities	<u>161,297,965</u>	<u>165,248,709</u>
Deferred Inflows of Resources:		
Deferred inflows related to pensions	<u>2,594,091</u>	<u>4,622,720</u>
Total deferred inflows of resources	<u>2,594,091</u>	<u>4,622,720</u>
Net Position:		
Net investment in capital assets	66,762,037	63,860,469
Restricted	11,897,569	10,910,380
Unrestricted	<u>47,364,990</u>	<u>33,184,399</u>
Total net position	<u>\$ 126,024,596</u>	<u>\$ 107,955,248</u>

Financial Highlights and Analysis

Total assets increased by \$14.98 million in the fiscal year ending June 30, 2018, due largely to an increase in cash and investments, both current and noncurrent as well as an increase in accounts receivable. The increase in cash and investments classified as current was primarily from an increase in revenue. The increase in revenue was due to increases in tuition and fees, dormitory rentals and fees, other revenue and property taxes. The increase in cash and investments classified as non-current

Pinal County Community College District
(Central Arizona College)
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2018

was primarily from interest earnings on revenue bond proceeds deposited into a trust account to fund new construction. Deferred outflows related to pensions decreased by \$2.7 million primarily due to the current year effect of the difference between projected and actual investment earnings related to pensions. Total liabilities decreased by \$4.0 million primarily due to a decrease in long-term debt. Total net position increased by \$18.1 million (16 percent) in fiscal year 2018 compared with an increase of \$16.9 million (19 percent) over the previous year.

<u>Changes in Net Position — Primary Government</u>		
	<u>Year Ended June 30, 2018</u>	<u>Year Ended June 30, 2017</u>
Operating revenues	\$ 6,453,498	\$ 5,745,614
Operating expenses	<u>63,934,708</u>	<u>66,707,389</u>
Operating Loss	<u>(57,481,210)</u>	<u>(60,961,775)</u>
Nonoperating revenues less expenses	75,482,145	77,792,982
Capital grants and gifts	<u>68,413</u>	<u>112,627.00</u>
Increase in net position	<u>18,069,348</u>	<u>16,943,834</u>
Net position, beginning of year	<u>107,955,248</u>	<u>91,011,414</u>
Net position, end of year	<u>\$ 126,024,596</u>	<u>\$ 107,955,248</u>

During fiscal year 2018, there was a decrease in total revenues of \$.8 million when compared with the prior year. Property tax revenues increased by \$1.5 million due to the total assessed valuation increasing from the prior year. The primary assessed values and secondary assessed values increased around 3 percent for fiscal year 2018. Operating revenues increased by \$.7 million due mainly to increases in tuition and fee revenue. Government grant revenue decreased, as expected, by \$3.5 million due to expired grants.

State appropriations decreased by \$.1 million due to a planned cut in funding by the State of Arizona. Investment income increased by 100.1 percent due to reserve cash balances during the fiscal year.

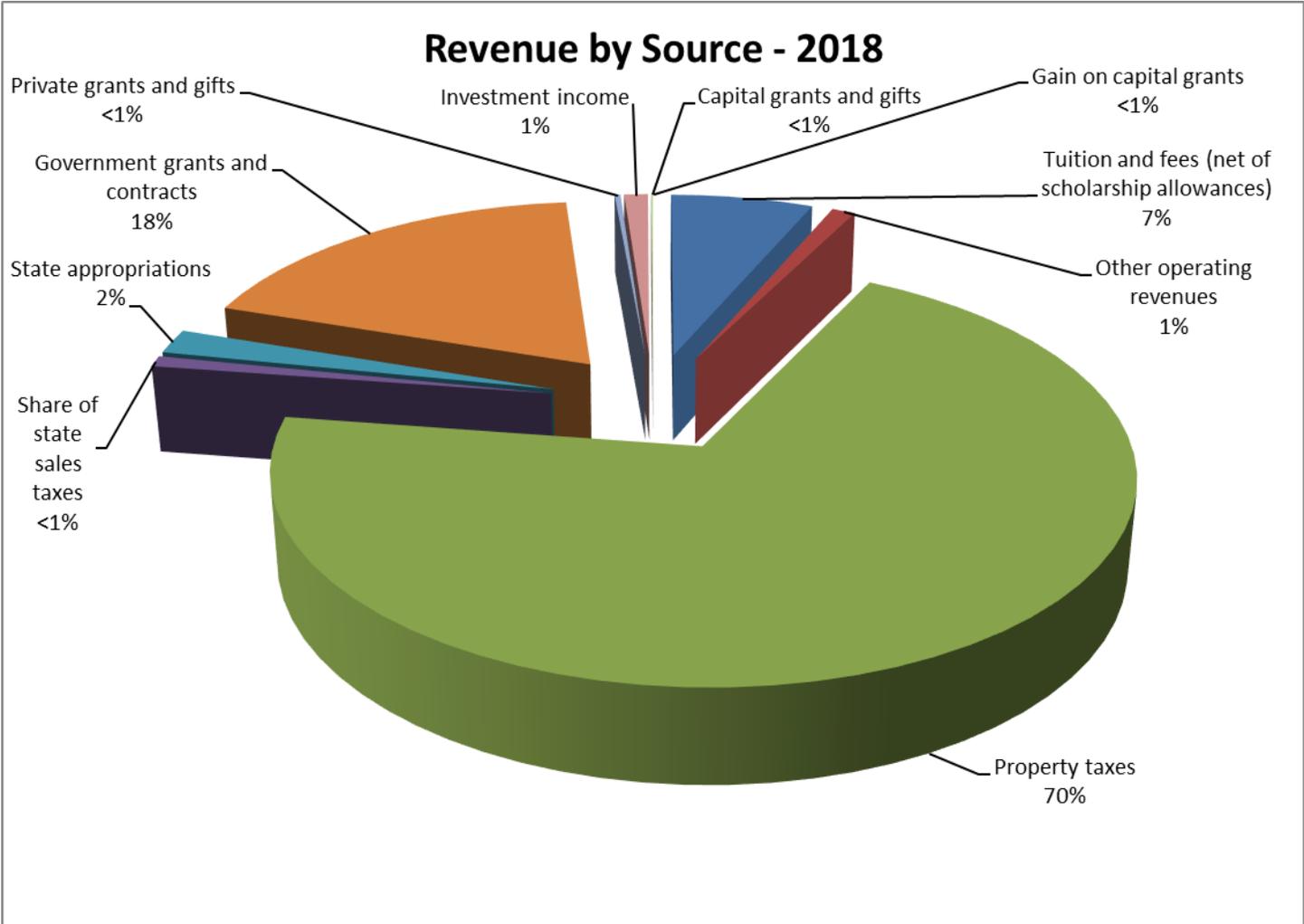
Total expenses decreased by 3 percent as compared with the prior year due primarily to a decrease in instruction, scholarships, and auxiliary expenses. The decrease in the instructional functions was due primarily to a decrease in instructional grant spending from the prior year. The District had decreases in scholarship and auxiliary expenses mostly related to budgeted decreases in spending.

Pinal County Community College District
(Central Arizona College)
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2018

The following is a summary of revenues for fiscal years ended June 30, 2018, and June 30, 2017:

Revenues by Source — Primary Government				
	Year Ended June 30, 2018		Year Ended June 30, 2017	
Operating revenues:				
Tuition and fees (net of scholarship allowances)	\$ 5,544,035	6.4%	\$ 5,218,478	6.0%
Other operating revenues	909,463	1.1%	527,136	0.6%
Total operating revenues	<u>6,453,498</u>	<u>7.5%</u>	<u>5,745,614</u>	<u>6.6%</u>
Nonoperating revenues:				
Property taxes	60,211,680	69.8%	58,663,549	67.4%
State appropriations	1,717,900	2.0%	1,821,200	2.1%
Share of state sales taxes	751,695	0.8%	748,221	0.9%
Government grants and contracts	15,877,305	18.4%	19,360,337	22.3%
Private grants and gifts	227,322	0.3%	122,261	0.1%
Investment income	921,783	1.1%	439,054	0.5%
Gain on disposal of capital assets	171	0.0%	-	0.0%
Total nonoperating revenues	<u>79,707,856</u>	<u>92.4%</u>	<u>81,154,622</u>	<u>93.3%</u>
Capital grants and gifts	<u>68,413</u>	<u>0.1%</u>	<u>112,627</u>	<u>0.1%</u>
Total revenues	<u>\$ 86,229,767</u>	<u>100.0%</u>	<u>\$ 87,012,863</u>	<u>100.0%</u>

Pinal County Community College District
(Central Arizona College)
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2018

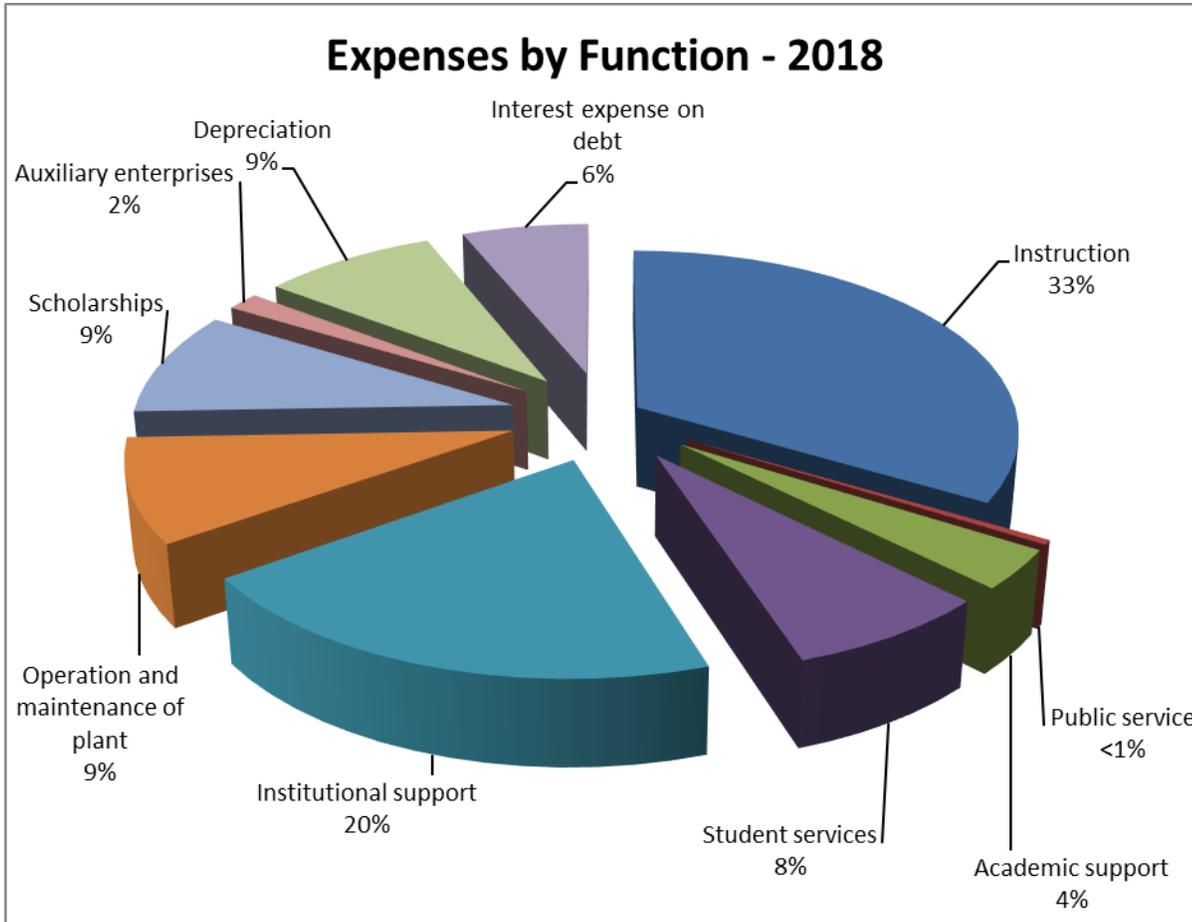


Pinal County Community College District
(Central Arizona College)
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2018

The following is a summary of expenses for fiscal years ended June 30, 2018 and June 30, 2017:

Expenses by Function — Primary Government				
	<u>Year Ended</u> <u>June 30, 2018</u>		<u>Year Ended</u> <u>June 30, 2017</u>	
Operating expenses:				
Educational and general:				
Instruction	\$ 22,810,303	33.5%	\$ 25,294,670	36.1%
Public service	281,528	0.4%	229,182	0.3%
Academic support	2,404,671	3.5%	2,395,117	3.4%
Student services	5,126,051	7.5%	4,951,129	7.1%
Institutional support	13,807,763	20.3%	13,377,377	19.1%
Operation and maintenance of plant	6,285,267	9.2%	5,981,320	8.5%
Scholarships	6,299,135	9.2%	7,215,802	10.3%
Auxiliary enterprises	1,089,901	1.6%	1,267,741	1.8%
Depreciation	5,830,089	8.6%	5,995,051	8.6%
Total operating expenses	<u>63,934,708</u>	<u>93.8%</u>	<u>66,707,389</u>	<u>95.2%</u>
Nonoperating expenses:				
Interest expense on debt	4,225,711	6.2%	3,260,098	4.7%
Loss on disposal of capital assets	-	0.0%	101,542	0.1%
Total nonoperating expenses	<u>4,225,711</u>	<u>6.2%</u>	<u>3,361,640</u>	<u>4.8%</u>
Total expenses	<u>\$ 68,160,419</u>	<u>100%</u>	<u>\$ 70,069,029</u>	<u>100%</u>

Pinal County Community College District
 (Central Arizona College)
 Management's Discussion and Analysis
 Fiscal Year Ended June 30, 2018



Capital Assets and Debt Administration

As of June 30, 2018, the District's capital assets, net of accumulated depreciation, totaled \$175.1 million, an increase of \$18.6 million from the prior year, due mainly to purchases and dispositions netting to \$24.1 million, depreciation expense of \$5.8 million as well as a reduction of accumulated depreciation in the amount of \$.3 million as a result of the disposal of mainly fully depreciated capital assets. Purchases of \$24.4 million are related to construction of two new buildings and expenses associated with the implementation of a new enterprise resource system. Capital assets include land, equipment, buildings, improvements other than buildings, library books, water rights, and construction in progress. Additional information on capital assets can be found in Note 3 to the District's financial statements.

The District issued \$40 million Series A general obligation bonds in fiscal year 2010 as a part of the \$99 million capital project initiative approved by the voters in 2008. The District issued the remaining \$59 million Series B general obligation bonds in fiscal year 2012. The District used these proceeds to fund the Superstition Mountain Campus expansion, purchase land for the new Maricopa Campus, construct

Pinal County Community College District
(Central Arizona College)
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2018

the first phase of the new Maricopa Campus, purchase land for the new San Tan Campus, construct the first phase of the new San Tan Campus, and renovate selected buildings on the Signal Peak and Aravaipa Campuses. Both bond issues have been rated Aa2 by Moody's Investment Services and AA- by Standard and Poor's. The District issued revenue refunding bonds in the amount of \$7.8 million during the fiscal year 2015. The proceeds were used to advance refund the outstanding balance of the series 2004 revenue bonds and 2004 pledged revenue obligations. The District issued general obligation bonds during the fiscal year 2017 to advance refund older, higher rate issues. The proceeds were used to purchase securities that it placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. The partially refunded debt is considered defeased, and the related liabilities are not included in the District's financial statements. The District also issued revenue bonds in the amount of \$27,535,000 during the fiscal year 2017 to fund the construction of a new student union building and a new science building on the Signal Peak Campus. As of June 30, 2018, \$6,906,791 of the bond proceeds is included in restricted net assets. The project is expected to be completed by September of 2018. Additional information on the District's long-term debt is discussed in Note 5 to the District's financial statements.

Current Factors Having Probable Future Financial Significance

For fiscal year 2019 the assessed value for property in the county increased by 5 percent. The county projected additional recovery in home prices last year and an additional 1 percent increase in home values for fiscal year 2019. For fiscal year 2019 the District reduced the secondary tax levy by 37 percent and for fiscal year 2020 reduced the secondary tax levy by an additional 25 percent in order to absorb some excess cash from prior year levies. The District is continuing to develop budgetary strategies to fund its commitment to expand access to postsecondary education for Pinal County residents.

Requests for Information

This discussion and analysis is designed to provide a general overview of the Pinal County Community College District's finances for all those with an interest in such matters. Written requests for additional financial information should be addressed to the Office of the Vice President of Business Affairs, Pinal County Community College District, 8470 N. Overfield Rd., Coolidge, AZ 85128.

Pinal County Community College District
(Central Arizona College)
Statement of Net Position — Primary Government
June 30, 2018

	Business-Type Activities
Assets	
Current assets:	
Cash and investments	\$ 79,807,469
Receivables:	
Accounts (net of allowance of \$761,643)	5,480,916
Property taxes (net of allowance of \$349,113)	3,786,409
Government grants	2,067,334
Student loans (net of allowance of \$1,861)	26,814
Other	6,517
Total current assets	91,175,459
Noncurrent assets:	
Restricted assets:	
Cash and investments held by County Treasurer	5,749,219
Cash and investments held by trustee	10,097,866
Other receivables	5,847
Capital assets, not being depreciated	55,265,650
Capital assets, being depreciated, net	119,853,301
Total noncurrent assets	190,971,883
Total assets	282,147,342
Deferred Outflows of Resources	
Deferred amount on refunding	3,065,879
Deferred outflows related to pensions	4,703,431
Total deferred outflows of resources	7,769,310
Liabilities	
Current liabilities:	
Accounts payable	3,048,098
Accrued payroll and employee benefits	2,151,267
Unearned revenue	2,713,300
Deposits held in custody for others	343,027
Insurance claims payable	6,272
Current portion of compensated absences payable	494,759
Current portion of long-term debt	6,156,360
Total current liabilities	14,913,083

(Continued)

Pinal County Community College District
(Central Arizona College)
Statement of Net Position — Primary Government
June 30, 2018
(Continued)

	Business-Type Activities
Noncurrent liabilities:	
Compensated absences payable	\$ 1,992,363
Long-term debt	110,405,886
Net pension liability	33,986,633
Total noncurrent liabilities	146,384,882
Total liabilities	161,297,965
Deferred Inflows of Resources	
Deferred inflows related to pensions	2,594,091
Total deferred inflows of resources	2,594,091
Net Position	
Net investment in capital assets	66,762,037
Restricted:	
Expendable:	
Grants and contracts	782,255
Loans	40,191
Debt service	9,248,598
Other	1,826,525
Unrestricted	47,364,990
Total net position	\$ 126,024,596

Pinal County Community College District
(Central Arizona College)
Statement of Financial Position — Component Unit
June 30, 2018

	Central Arizona College Foundation
Assets	
Current Assets	
Cash and cash equivalents	\$ 206,037
Accounts receivable	2,000
Deposit	1,125
Promises to give	7,200
Total Current Assets	<u>216,362</u>
Noncurrent assets	
Certificates of deposits	486,720
Investments	4,253,945
Total noncurrent assets	<u>4,740,665</u>
Total assets	<u><u>4,957,027</u></u>
Liabilities	
Accounts payable	<u>168,219</u>
Total liabilities	<u>168,219</u>
Net Assets	
Unrestricted	321,606
Temporarily restricted	1,151,046
Permanently restricted	3,316,156
Total net assets	<u>4,788,808</u>
	<u><u>\$ 4,957,027</u></u>
Total liabilities and net assets	

Pinal County Community College District
(Central Arizona College)
Statement of Revenues, Expenses, and Changes in Net Position — Primary Government
Year Ended June 30, 2018

	Business-Type Activities
Operating revenues:	
Tuition and fees (net of scholarship allowances of \$5,511,658)	\$ 5,544,035
Dormitory rentals and fees (net of scholarship allowances of \$325,839)	321,403
Other	588,060
Total operating revenues	6,453,498
Operating expenses:	
Educational and general:	
Instruction	22,810,303
Public service	281,528
Academic support	2,404,671
Student services	5,126,051
Institutional support	13,807,763
Operation and maintenance of plant	6,285,267
Scholarships	6,299,135
Auxiliary enterprises	1,089,901
Depreciation	5,830,089
Total operating expenses	63,934,708
Operating loss	(57,481,210)
Nonoperating revenues (expenses):	
Property taxes	60,211,680
State appropriations	1,717,900
Government grants	15,877,305
Share of state sales taxes	751,695
Private grants and gifts	227,322
Investment earnings	921,783
Interest expense on debt	(4,225,711)
Gain on disposal of capital assets	171
Total nonoperating revenues (expenses)	75,482,145
Income before other revenues, expenses, gains, or losses	18,000,935
Capital grants and gifts	68,413
Increase in net position	18,069,348
Net position, July 1, 2017	107,955,248
Net position, June 30, 2018	\$ 126,024,596

Pinal County Community College District
(Central Arizona College)
Statement of Activities — Component Unit
June 30, 2018

	Central Arizona College Foundation			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenues, gains and other support				
Contributions	\$ 19,997	\$ 136,759	\$ 1,120	\$ 157,876
Contributions - donated services, space and operating expenses	189,457	-	-	189,457
Contributions - in kind gifts, non cash	-	84,565	-	84,565
Investment Income	9,332	109,675	-	119,007
Net realized and unrealized gain on investments	22,754	223,547	-	246,301
Net assets released from restrictions	311,682	(311,682)	-	-
	<u>553,222</u>	<u>242,864</u>	<u>1,120</u>	<u>797,206</u>
Special Events				
Revenue from special events	43,620	-	-	43,620
Costs of direct donor benefits	(16,258)	-	-	(16,258)
	<u>27,362</u>	<u>-</u>	<u>-</u>	<u>27,362</u>
Total revenues, gains and other support	580,584	242,864	1,120	824,568
Expenses and Losses				
Scholarships	192,944	-	-	192,944
Program donations	114,865	-	-	114,865
Office operation expenses	190,198	-	-	190,198
Total expenses and losses	<u>498,007</u>	<u>-</u>	<u>-</u>	<u>498,007</u>
Change in net assets	82,577	242,864	1,120	326,561
Net assets, beginning of year	239,029	908,182	3,315,036	4,462,247
Net assets, end of year	<u>\$ 321,606</u>	<u>\$ 1,151,046</u>	<u>\$ 3,316,156</u>	<u>\$ 4,788,808</u>

See accompanying notes to financial statements

Pinal County Community College District
(Central Arizona College)
Statement of Cash Flows — Primary Government
Year Ended June 30, 2018

	Business-Type Activities
Cash flows from operating activities:	
Tuition and fees	\$ 2,612,788
Dormitory rentals and fees	294,612
Collection of loans to students	(26,704)
Other receipts	3,320,097
Payments to suppliers and providers of goods and services	(14,014,550)
Payments for employee wages and benefits	(37,523,508)
Payments to students for scholarships	(6,299,135)
Other payments	(989,703)
Net cash used for operating activities	<u>(52,626,103)</u>
Cash flows from noncapital financing activities:	
Property taxes	60,215,764
State appropriations	1,717,900
Grants	16,222,493
Share of state sales taxes	751,695
Noncapital endowments and gifts	68,413
Federal direct lending receipts	2,899,844
Federal direct lending disbursements	(2,899,844)
Deposits held in custody for others received	(811,947)
Deposits held in custody for others disbursed	479,296
Net cash provided by noncapital financing activities	<u>78,643,614</u>
Cash flows from capital and related financing activities:	
Proceeds from the sale of capital assets	(171)
Principal paid on capital debt	(5,525,149)
Interest paid on capital debt	(4,507,853)
Purchases of capital assets	(23,192,143)
Net cash used by capital and related financing activities	<u>(33,225,316)</u>
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	3,489,979
Interest received on investments	921,783
Purchase of investments	(3,489,979)
Net cash provided by investing activities	<u>921,783</u>
Net decrease in cash and cash equivalents	(6,286,022)
Cash and cash equivalents, July 1, 2017	<u>101,940,576</u>
Cash and cash equivalents, June 30, 2018	<u>\$ 95,654,554</u>

(Continued)

Pinal County Community College District
(Central Arizona College)
Statement of Cash Flows — Primary Government
Year Ended June 30, 2018
(Continued)

	Business-Type Activities
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	\$ (57,481,210)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	5,830,089
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Receivables, net	(2,604,629)
Accrued payroll and employee benefits	508,178
Student loans receivable	(26,704)
Compensated absences payable	145,539
Net pension liability	(1,998,123)
Accounts payable	208,232
Deferred outflows of resources related to pensions	2,691,582
Deferred revenue	2,713,300
Insurance claims payable	(583,728)
Deferred inflows of resources related to pensions	(2,028,629)
Net cash used for operating activities	\$ (52,626,103)
Noncash investing, capital, and noncapital financing activities:	
Disposal of capital assets being depreciated	\$ 287,876
Gain on disposal of capital assets, net	171
Amortization of GO bond premiums	317,583
Amortization of Revenue bond premium	156,176
Amortization of deferred amount on revenue bond refunding	191,617
Reconciliation of cash and cash equivalents, as presented on the Statement of Net Position:	
Cash and investments	79,807,469
Restricted assets:	
Cash and investments held by County Treasurer	5,749,219
Cash and investments held by trustee	10,097,866
Total cash and cash equivalents, June 30, 2018	\$ 95,654,554

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2018

Note 1 — Summary of Significant Accounting Policies

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

A. Reporting Entity

The District is a special-purpose government that is governed by a separately elected governing body. It is legally separate and fiscally independent of other state and local governments. The accompanying financial statements present the activities of the District (the primary government) and its discretely presented component unit, the Central Arizona College Foundation (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 college development activities. 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 the Financial Accounting Standards Board 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 District's respective counterpart financial statements. 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, 2018, the Foundation distributed \$223,374 to the District for restricted purposes. Complete financial statements for the Foundation can be obtained from the Central Arizona College Foundation, 8470 North Overfield Road, Coolidge, AZ 85128.

B. 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.

A 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. Assets and liabilities are classified as either current or noncurrent. Net position is classified according to

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2018

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. 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.

A 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 dormitory charges, in which each party receives and gives up essentially equal values, are considered operating revenues. Other revenues, such as property taxes, state appropriations, and government grants result from transactions in which parties do not exchange equal values and are considered 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 nonoperating expenses.

A 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 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 the provider imposed have been met. It is the District's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

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.

C. Cash and Investments

For the statement of cash flows, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, cash and investments held by the County Treasurer, and only those highly liquid investments with a maturity of 3 months or less when purchased. All investments are stated at fair value.

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2018

D. Capital Assets

Capital assets are reported at actual cost (or estimated historical cost if historical records are not available). Donated assets are reported at acquisition value.

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:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	All	N/A	N/A
Buildings	\$5,000	Straight-line	40 years
Modular buildings	5,000	Straight-line	20 years
Improvements other than buildings	5,000	Straight-line	15 years
Equipment	5,000	Straight-line	5 years
Intangibles			
Water rights	5,000	Straight-line	100 years
Software	5,000	Straight-line	5 years
Library books	All	Straight-line	10 years

Depreciation is accounted for using a half-year convention. Buildings and improvements other than buildings that are classified as construction in progress are not depreciated until completed. Upon completion, these capital assets are reclassified and reported as buildings and improvements other than buildings.

E. Deferred Outflows and Inflows of Resources

The statement of net position includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense in future periods.

Deferred inflows of resources represent an acquisition of net position that applies to future periods and will be recognized as a revenue in future periods.

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2018

F. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

G. Investment Earnings

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

H. Compensated Absences

Compensated absences payable consists of vacation leave and a calculated amount of sick leave employees earned based on services already rendered.

Employees may accumulate up to 320 hours of vacation, but they forfeit any unused vacation hours in excess of the maximum amount at fiscal year-end. Upon terminating employment, the District pays all unused and unforfeited vacation benefits to employees. Accordingly, vacation benefits are accrued as a liability in the financial statements.

Employees may accumulate up to 960 hours of sick leave. Generally, sick leave benefits provide for ordinary sick pay and are cumulative, but employees forfeit them upon terminating employment. However, for employees who have 5 or more years of service, 50 percent of the unused sick leave benefits do vest at employee termination. Sick leave benefits are accrued to the extent it is probable that the District will compensate employees through cash payments upon termination. Those amounts are accrued as a liability in the financial statements.

I. Scholarship Allowances

A scholarship allowance is the difference between the stated charge for goods and services the District provides and the amount that the student or third parties making payments on the student's behalf pays. Accordingly, some types of student financial aid, such as Pell grants and scholarships the District awards, are considered to be scholarship allowances. These allowances are netted against tuition and fees revenues in the statement of revenues, expenses, and changes in net position.

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2018

Note 2 — Deposits and Investments

Arizona Revised Statutes (A.R.S.) requires the District to deposit special tax levies for the District's maintenance or capital outlay with the County Treasurer. Although not statutorily required, the District has also chosen to deposit other public monies in its custody with the County Treasurer. A.R.S. requires collateral for deposits at 102 percent of all deposits not covered by federal depository insurance. A.R.S. does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the District's investments.

Deposits – At June 30, 2018, the carrying amount of the District's deposits was \$19,129,465 and the bank balance was \$19,504,525. The District does not have a policy with respect to custodial credit risk.

Investments – The District's investments at June 30, 2018, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

	Amount	Fair value measurement using Quoted prices in active markets for identical assets (Level 1)
Investments by fair value level		
Mutual Funds - U.S. Treasury securities	\$ 10,097,866	\$ 10,097,866
Total investments by fair value level	<u>10,097,866</u>	<u>10,097,866</u>
 External investment pools measured at fair value		
County Treasurer's investment pool	<u>66,414,785</u>	
Total external investment pools measured at fair value	<u>66,414,785</u>	
Total investments measured at fair value	<u>76,512,651</u>	
Total investments	<u>\$ 76,512,651</u>	

Investments categorized as Level 1 are valued using prices quoted in active markets for those investments. The investment in the County Treasurer's pool is valued using the District's proportionate participation in the pool because the pool's structure does not provide for shares. The County Treasurer's investment pool is not registered with the Securities and Exchange Commission as an investment company, and there is no regulatory oversight of its operations.

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2018

Credit risk - The District does not have a formal policy with respect to credit risk. At June 30, 2018, credit risk for the District's investments was as follows:

Investment Type	Rating	Rating Agency	Amount
County Treasurer's investment pool	Unrated	Not applicable	\$ 66,414,785
Mutual funds - U.S. Treasury securities	Aaa	Moody's	10,097,866
Total			<u>\$ 76,512,651</u>

Custodial credit risk - For an investment, custodial credit risk is the risk that, in the event of the counterparty's failure, the District will not be able to recover the value of its investments or collateral securities that are in an outside party's possession. The District does not have a formal policy with respect to custodial credit risk. At June 30, 2018, the District did not have any investments or collateral securities that were subject to custodial credit risk.

Interest rate risk - The District does not have a formal policy for interest rate risk. At June 30, 2018, the District had the following investments in debt securities:

Investment Type	Amount	Weighted Average Maturity
County Treasurer's investment pool	\$ 66,414,785	1.59 months
Mutual funds - U.S. Treasury securities	10,097,866	.62 months
Total	<u>\$ 76,512,651</u>	

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

Cash on hand	\$ 12,438	Cash and investments	\$ 79,807,469
Amount of deposits	19,129,465	Restricted assets:	
Amount of investments	76,512,651	Cash and investments held	
		by County Treasurer	5,749,219
		Cash and investments held	10,097,866
		by trustees	
Total	<u>\$ 95,654,554</u>	Total	<u>\$ 95,654,554</u>

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2018

Note 3 — Capital Assets

Capital asset activity for the year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
Capital assets not being depreciated:				
Land	\$ 26,013,275			\$ 26,013,275
Construction in progress	6,070,742	\$ 23,181,633		29,252,375
Total capital assets not being depreciated	<u>32,084,017</u>	<u>23,181,633</u>	<u>-</u>	<u>55,265,650</u>
Capital assets being depreciated:				
Buildings	139,665,547	464,617		140,130,164
Improvements other than buildings	29,293,242			29,293,242
Water rights	1,171,172			1,171,172
Equipment	14,526,303	684,465	164,914	15,045,854
Library books	1,895,446	127,244	122,969	1,899,721
Total capital assets being depreciated	<u>186,551,710</u>	<u>1,276,326</u>	<u>287,883</u>	<u>187,540,153</u>
Less accumulated depreciation for:				
Buildings	36,077,125	3,088,798		39,165,923
Improvements other than buildings	12,156,560	1,726,174		13,882,734
Water rights	58,558	11,711		70,269
Equipment	12,552,714	884,076	164,914	13,271,876
Library books	1,299,684	119,330	122,964	1,296,050
Total accumulated depreciation	<u>62,144,641</u>	<u>5,830,089</u>	<u>287,878</u>	<u>67,686,852</u>
Total capital assets being depreciated, net	<u>124,407,069</u>	<u>(4,553,763)</u>	<u>5</u>	<u>119,853,301</u>
Capital assets, net	<u>\$ 156,491,086</u>	<u>\$ 18,627,870</u>	<u>\$ 5</u>	<u>\$ 175,118,951</u>

Note 4 — Construction and other commitments

The District had major contractual commitments related to various capital projects at June 30, 2018, for the construction of a new student union and new science building. At June 30, 2018, the District had spent \$25,720,999 on the construction projects and had remaining contractual commitments with contractors of \$4,152,980. The construction was financed with the issuance of revenue bonds in the amount of \$27,535,000. The District also spent \$3,499,032 on the implementation of a new Enterprise Resource Planning system and had remaining contractual commitments of \$409,847. The new Enterprise Resource Planning system was funded through existing District resources. Construction and implementation of the enterprise resource planning system are scheduled to be completed by December of 2018.

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2018

Note 5 — Long-Term Liabilities

The following schedule details the District's long-term liability and obligation activity for the year ended June 30, 2018:

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Due within 1 year
Bonds payable:					
General obligation bonds	\$ 79,820,000		\$ 3,090,000	\$ 76,730,000	\$ 3,195,000
Premium	8,541,553		473,759	8,067,794	473,759
Revenue bonds	27,535,000		-	27,535,000	-
Revenue refunding bonds	4,165,000		2,065,000	2,100,000	2,100,000
Total bonds payable	120,061,553	-	5,628,759	114,432,794	5,768,759
Capital leases payable	2,499,601		370,149	2,129,452	387,601
Compensated absences payable	2,341,583	1,077,154	931,615	2,487,122	494,759
Net pension liability	35,984,756		1,998,123	33,986,633	
Total long-term liabilities	\$ 160,887,493	\$ 1,077,154	\$ 8,928,646	\$ 153,036,001	\$ 6,651,119

Bonds – The District's bonded debt consists of general obligation bonds and revenue bonds that are generally callable with interest payable semiannually. Bond proceeds primarily pay for acquiring, constructing capital facilities or refunding previously issued bonds. In fiscal year 2010, the District issued general obligation bonds totaling \$40 million to fund the purchase of land, the construction of new facilities, the renovation of existing facilities, and the purchase of equipment. In fiscal year 2012, the District issued the remaining \$59 million of voter-approved general obligation bonds to fund the remaining costs associated with these projects. During the year ended June 30, 2016, the District issued general obligation bonds with an average interest rate of 4.12 percent to advance-refund older, higher-rate issues with an average interest rate of 5.15 percent. The District realized net proceeds of \$33,032,632 after payment of \$368,060 in underwriting fees, insurance, and other issuance costs. The District used these proceeds to purchase securities that it placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. The partially refunded debt is considered defeased, and related liabilities are not included in the District's financial statements.

The District repays general obligation bonds from voter-approved property taxes. Bonds outstanding at June 30, 2018, were as follows:

Description	Original Amount Issued	Maturity Ranges	Interest Rates	Outstanding Principal
General Obligation Bonds - Series 2012B	\$58,975,000	7/1/18 - 36	2.0-4.5%	\$46,680,000
General Obligation Bonds - Series 2009A	40,000,000	7/1/18 - 34	4.0-5.0%	1,280,000
GO Refunding Bonds - Series 2016	28,895,000	7/1/18 - 34	2.0-5.0%	28,770,000

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Under Article IX of the Arizona Constitution, the total amount of indebtedness of the District may not exceed 15% of the County’s secondary property assessed valuation. As of June 30, 2018 the District’s total net debt applicable to the limit was 23.48% of the legal debt limit. The bonds are subject to federal arbitrage regulations.

The following schedule details debt service requirements to maturity for the District’s bonds payable at June 30, 2018:

Year Ending June 30	General Obligation Bonds	
	Principal	Interest
2019	\$ 3,195,000	\$ 3,120,826
2020	3,305,000	3,000,176
2021	3,395,000	2,915,176
2022	3,460,000	2,847,276
2023	3,625,000	2,684,226
2024-2028	20,850,000	10,711,530
2029-2033	26,000,000	5,784,652
2034-2036	12,900,000	940,000
Total	<u>\$ 76,730,000</u>	<u>\$ 32,003,862</u>

Pledged revenue obligations - During the year ended June 30, 2015, the District issued revenue refunding bonds with an average interest rate of 1.46 percent. The proceeds from the bonds were used to advance refund the outstanding balance of the series 2004 revenue bonds and 2004 pledged revenue obligations which at the date of refunding was \$3.42 million (average interest rate 4.25%) and \$4.305 million (average interest rate 3.97%), respectively. The District realized net proceeds of \$7.815 million and after payment of \$7.812 million to repay debt, underwriting fees, insurance, and other issuance costs the district used the remaining \$2,700 to offset related debt interest costs. During the year ended June 30, 2017, the District issued revenue bonds totaling \$27,535,000 to fund the construction of the new facilities and the purchase of equipment.

The Revenue Refunding Bonds – Series 2014 and Revenue Bonds & Series 2017 are pledged with gross revenues and are currently repaid from tuition and fees and dormitory rentals and fees. The District has committed to designate each year, from gross revenue, amounts sufficient to cover the principal and interest requirements on the District’s revenue refunding bonds. The total principal and interest remaining on the Revenue Refunding Bonds – Series 2014 is \$2,100,000 and \$15,330, respectively. The total principal and interest remaining on the Revenue Bonds – Series 2017 is \$27,535,000 and \$14,117,000 respectively, with annual requirements ranging from \$1,216,900 to \$2,265,925. Pledged gross revenues have averaged approximately \$6,659,779 over the prior 5 fiscal years and principal and interest payments on revenue bonds are expected to require 37% of gross revenues annually. For the current year, principal and interest paid by the District was \$3,243,128 and total tuition and fees and dormitory rentals and fees, net of scholarship allowances, was \$5,865,438.

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Pledged revenue obligation requirements at June 30, 2018, were as follows:

Description	Original Amount Issued	Maturity Ranges	Interest Rate	Outstanding Principal
Revenue Refunding Bonds - Series 2014	\$7,815,000	7/1/18	1.46%	\$2,100,000
Revenue Bonds - Series 2017	27,535,000	7/1/18 - 36	3.00% - 5.00%	27,535,000

The following schedule details debt service requirements to maturity for the District's revenue bonds payable at June 30, 2018:

	Revenue Refunding Bonds	
	Principal	Interest
Year Ending June 30		
2019	2,100,000	15,330
Total	<u>\$ 2,100,000</u>	<u>\$ 15,330</u>

	Revenue Bonds	
	Principal	Interest
Year ended June 30		
2019	\$ -	\$ 1,216,900
2020	1,065,000	1,200,925
2021	1,095,000	1,163,050
2022	1,140,000	1,112,650
2023	1,195,000	1,066,225
2024-2028	6,615,000	4,640,225
2029-2033	8,260,000	2,952,550
2034-2037	8,165,000	764,475
	<u>\$ 27,535,000</u>	<u>\$ 14,117,000</u>

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for these defeased bonds are not included in the District's financial statements.

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At June 30, 2018, the following outstanding bonds were considered defeased:

Description	Amount
General Obligation Bonds	\$ 29,255,000

Capital leases - The District has acquired energy-savings equipment under the provisions of a long-term lease agreement classified as a capital lease for accounting purposes because it provides for a bargain purchase option or a transfer of ownership by the end of the lease term.

The assets acquired through the capital lease are as follows:

Improvements other than buildings	\$ 2,810,296
Equipment	2,249,586
Less accumulated depreciation	<u>(4,216,793)</u>
Carrying value	<u>\$ 843,089</u>

The following schedule details debt service requirements to maturity for the District's capital lease payable at June 30, 2018:

Year ending June 30	
2019	\$ 476,063
2020	477,276
2021	478,540
2022	479,856
2023	<u>481,222</u>
Total minimum lease payments	2,392,957
Less amount representing interest	<u>(263,505)</u>
Present value of net minimum lease payments	<u>\$ 2,129,452</u>

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Note 6 — Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates with other Arizona community college districts and more than 200 Arizona school districts in the Arizona School Risk Retention Trust, Inc. (Trust), a public-entity risk pool. The Trust insures the District against liabilities arising from general liability; professional liability; property, automobile, boiler and machinery liability; and commercial crime risks. The coverage limit for general liability is \$10 million with no deductible except for employer’s liability and cyber liability, which is \$500,000 and \$5,000, respectively. The coverage limit for professional liability is \$10 million with no deductible (except for student’s clinical practicum, the coverage limit is \$3 million, no deductible). The coverage limit for property insurance is \$177.7 million with a \$1,000 deductible. The coverage limit for automobile liability is \$10 million with no deductible. The coverage limit for commercial crime is \$1.5 million with a \$100 deductible. The Trust’s operating agreement includes a provision for the member to be charged an additional assessment in the event that total claims paid by the Trust exceed the members’ contributions and reserves in any single year. The District will be charged for any such assessment in the following year.

The District also carries commercial insurance for other risks of loss, including workers’ compensation, accidental death and dismemberment for students and employees, employee travel, and extended reporting for errors and omissions. Settled claims resulting from any of these risks have not exceeded commercial insurance coverage in any of the past 3 fiscal years.

Insurance Claims – On July 1, 2017 the district switched from self-insuring for medical benefits to conventional health insurance through Blue Cross Blue Shield of Arizona.

The district has an insurance claims payable liability of \$6,272 at June 30, 2018, for the estimated ultimate cost of settling remaining claims that have been reported but not settled and claims that have been incurred but not reported. This estimate is based on historical data for health insurance claims reported during the year, prior-year claims of continuing duration, and claims incurred but not reported as of June 30, 2018. Changes in the District’s claims payable for the years ended June 30, 2018, and June 30, 2017, were as follows:

	<u>2018</u>	<u>2017</u>
Claims payable, beginning of year	\$ 590,000	\$ 879,795
Current year claims and changes in estimates	(594,797)	4,165,175
Claims payments	11,069	(4,454,970)
Claims payable, end of year	<u>\$ 6,272</u>	<u>\$ 590,000</u>

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Note 7 — Operating Leases

The District leases classroom and office space under provisions of a long-term lease agreement classified as an operating lease for accounting purposes. Rental expense under the term of the operating lease was \$520,577 for the year ended June 30, 2018. The operating lease has a remaining non-cancelable term of 3 years and provides a renewal option. The future minimum payments required under the operating lease at June 30, 2018, are as follows:

Year ending June 30	
2019	\$ 393,366
2020	409,101
2021	425,465
Total minimum lease payments	\$ 1,227,932

Note 8 — Pension and Other Postemployment Benefits

A. Arizona State Retirement System (ASRS)

Plan Descriptions – District employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing, multiple-employer, pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The net OPEB liability for ASRS has not been recorded at June 30, 2018 and no further disclosures are presented due to its relative insignificance to the District’s financial statements. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 2. The ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azasrs.gov.

The District also contributes to the Public Safety Personnel Retirement System (PSPRS), a state administered agent multiple-employer defined benefit pension plan. The net pension liability for PSPRS has not been recorded at June 30, 2018 and no further disclosures are presented due to its relative insignificance to the District’s financial statements.

Benefits Provided – The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefits terms. Retirement benefits are calculated on the basis of age, total credited service and average monthly compensation as follows:

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Retirement

Initial membership date:

	Before July 1, 2011	On or after July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equal 80 10 years, age 62 5 years, age 50* any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* any years, age 65
Final average salary based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percentage per year of service	2.1% to 2.3%	2.1% to 2.3%

* With actuarially reduced benefits.

Retirement benefits for members who joined the ASRS prior to September 13, 2013 are subject to automatic cost-of-living adjustments based on excess investment earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the retirement benefit option chosen determines the survivor benefit. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Contributions – In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2018, statute required active ASRS members to contribute at the actuarially determined rates of 11.34 percent for retirement of the members' annual covered payroll. The District was required to contribute at the actuarially determined rate of 10.9 percent for retirement of the active members' annual covered payroll.

The District was required by statute to contribute at the actuarially determined rate of 9.26 percent for retirement of annual covered payroll of retired members who returned to work in positions that an employee who contributes to the ASRS would typically fill.

The District's contributions to the pension plan for the year ending June 30, 2018 were \$2,459,513.

Liability – At June 30, 2018, the District reported a liability of \$33,986,633 for its proportionate share of the ASRS's net pension liability. The net liability was measured as of June 30, 2017. The total liability used to calculate the net liability was determined using update procedures to roll

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forward the total liability from an actuarial valuation as of June 30, 2016, to the measurement date of June 30, 2017. The total pension liability as of June 30, 2017, reflects a change in actuarial assumption related to changes in loads for future potential permanent benefit increases.

The District's proportion of the net liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The District's proportion measured as of June 30, 2017 was .218%, which was a decrease of .005% from its proportion measured as of June 30, 2016.

Pension Expense and Deferred Outflows/Inflows of Resources – For the year ended June 30, 2018 the District recognized pension expense for ASRS of \$1,101,539. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,019,107
Net difference between projected and actual earnings on pension plan investments	244,001	-
Changes in proportion and differences between district contributions and proportionate share of contributions	523,399	558,723
District contributions subsequent to the measurement date	2,459,913	-
Changes of assumptions or other inputs	1,476,118	1,016,261
Total	<u>\$ 4,703,431</u>	<u>\$ 2,594,091</u>

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The \$2,459,913 reported as deferred outflows of resources related to ASRS pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year Ending June 30	
2019	(1,194,477)
2020	1,257,942
2021	367,755
2022	(781,794)

Actuarial Assumptions – The significant actuarial assumptions used to measure the total pension liability are as follows:

Assumptions

Actuarial valuation date	June 30, 2016
Measurement date	June 30, 2017
Actuarial cost method	Entry age normal
Investment rate return	8%
Projected salary increases	3 - 6.75%
Inflation	3.0%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2012.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.7 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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Asset class	Target allocation	Long-term expected real rate of return
Equity	58%	6.73%
Fixed income	25%	3.70%
Real estate	10%	4.25%
Multi-asset	5%	3.41%
Commodities	2%	3.84%
Total	100%	

Discount Rate – The discount rate used to measure the total pension liability was 8% which is less than the long-term expected rate of return of 8.7%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the funding policy of the ASRS Board, which establishes the contractually required rate under Arizona Revised Statutes. Based on those assumptions, the plans’ fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s proportionate share of the ASRS net pension liability to changes in the discount rate – The table below presents the net pension liability of the participating employers calculated using the discount rate of 8.0%, as well as what the Districts’ proportionate share of the net pension liability would be if it were calculated using the discount rate that is 1.00% lower (7.0%) or 1.00% higher (9.0%) than the current rate:

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
District's proportionate share of the net pension liability	\$ 43,622,434	\$ 33,986,633	\$ 25,935,096

Plan Fiduciary Net Position – Detailed information about the plans’ fiduciary net position is available in the separately issued ASRS financial report.

Contributions Payable – The District’s accrued payroll and employee benefits included \$103,853 of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2018.

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Note 9 — 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:

Personal services	\$ 36,259,020
Contract services	5,457,933
Supplies and other services	6,235,676
Communications and utilities	2,460,760
Scholarships	6,299,135
Depreciation	5,830,089
Other	1,392,095
Total	\$ 63,934,708

Note 10 — Central Arizona College Foundation

Nature of Activities - The Central Arizona College Foundation (the “Foundation”) was formed in 1968 as an Arizona not-for-profit corporation. The Foundation’s mission and purpose is to support the programs and activities of Central Arizona College (the “College”). The Foundation supports student scholarships, faculty development and programs that enrich both campus and community life.

The major activities of the Foundation include providing scholarships to college students, sponsorship of community events and college development activities. Resources to fund these activities are provided mainly from investment income, contributions and grants.

Basis of Accounting and Financial Statement Presentation - The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

The Foundation reports 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. Temporarily restricted net assets are composed of assets that have been restricted by the donors and contain either time or purpose restrictions plus unspent accumulated investment income on the permanently restricted endowments.

Promises to Give - Unconditional promises to give are recognized as revenues in the period the promise is received and as assets, decreases of liabilities or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give that are to be collected within

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one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using rates as determined by management applicable to the years in which the promises are received. Amortization of the discounts is included in contribution support.

Fair Value Measurements and Investments - A framework for measuring fair value has been established by Accounting Standards and provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under Accounting Standards are as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified term (contractual term), the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement, and usually reflect the Foundation's own assumptions that market participants would use in pricing the assets (i.e. real estate valuations, broker quotes).

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

Investment income or loss (including realized and unrealized gains and losses) on endowment funds are included in the change in temporarily restricted net assets in the accompanying statement of activities. Investment income on other funds is included in the change in unrestricted net assets, unless the income or loss is restricted by donor or law. The Foundation invests most of the endowments in an investment pool which is managed by an investment advisor to the Foundation. This is a commission based account and investment fees are assessed on transaction activity.

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Risks and Uncertainty - The Foundation invests in various types of investments which are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amount reported in the statement of financial position.

Endowment Funds - The Foundation's endowment funds consist of approximately 37 funds established for a variety of purposes. The endowment funds include donor-restricted endowment funds. Net assets associated with these endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation follows the Arizona's Management of Charitable Funds Act (MCFA) and its own governing documents. MCFA requires the preservation of endowment funds. When a donor's intent is not expressed, MCFA directs the Foundation to spend an amount that is prudent and consistent with the purposes of the fund, relevant economic factors and the donor's intent that the fund continue in perpetuity.

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 various funds, (2) the purposes of the donor-restricted endowment funds, (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) the Foundation's other resources, and (7) the Foundation's investment policies.

Investment Return Objectives, Risk Parameters and Strategies - The investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. The Foundation's primary objective is to obtain the best possible return on investments with the appropriate degree of risk and to meet the priorities of the Foundation and Central Arizona College over time. Endowment assets are invested in a well-diversified asset mix that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution, while growing the funds if possible. The Foundation has contracted with an asset manager to actively manage the investment portfolio with set objectives.

Spending Policy – The Foundation has adopted a spending policy that governs the overall spending from the endowment funds. Under this policy, the amount of funds allocated for

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expenditure will typically range from 0% to 3% of the rolling prior 28 quarter average market value of the endowment funds, never to exceed 7% of that value. In establishing this practice, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation. The Foundation expects the current spending practice to allow its endowment funds to grow over time.

Contributions - Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted, 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.

Contributions of donated non-monetary assets are recorded at their fair value in the period received. Contributions of donated services are recorded if they create or enhance non-financial assets; or if they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donated services. Donated services received from personnel of the College are recognized as revenue by the Foundation at the amount of the personnel cost recognized by the College. In-kind donations during the year ended June 30, 2018 include donated services for the Foundation Director's salary and benefits of \$111,445, donated services for the Foundation Secretary's salary and benefits of \$43,995, donated services for Student Intern's salary and benefits of \$1,633, donated operating expenses of \$24,210, donated administrative costs of \$6,374 and donated facility space of \$1,800.

Scholarship Expense and Scholarships Payable - The College's Financial Aid Office is responsible for determining student eligibility and qualifications under the various scholarship funds and provides the Foundation with a detail of total scholarship funds awarded. Scholarships are expensed for financial statement purposes when the funds are committed by the College's financial aid office.

Functional Expenses - Management and general expenses include direct office operation expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

Income Taxes - The Foundation is exempt from payment of income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. In addition, the Foundation has been classified as a Foundation that is not a private foundation under Section 509(a)(3).

The Foundation recognizes uncertain tax positions in the financial statements when it is more-likely-than-not the positions will not be sustained upon examination by the tax authorities. At June 30, 2018, the Foundation had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

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The Foundation recognizes interest and penalties associated with income taxes in operating expenses. During the year ended June 30, 2018, the Foundation did not have any income tax related interest and penalty expense.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Date of Management’s Review - In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through September 18, 2018, the date the financial statements were available to be issued.

Concentration of Credit Risk - Financial instruments that subject the Foundation to potential concentrations of credit risk consist principally of cash and cash equivalent and investments. The Foundation maintains its cash in bank accounts, which at times may exceed federally insured limits. At June 30, 2018, the bank balances did not exceed the federally insured limits.

The Foundation also maintains cash in accounts with stock brokerage firms. The accounts contain cash and securities. Balances are insured up to \$500,000 (with a limit of \$250,000 for cash) by the Securities Investor Protection Corporation (SIPC). Balances over \$500,000 are insured by the brokerage firms. At June 30, 2018, balances held with the stock brokerage firms exceeded the federally insured limits although, were insured by the brokerage firm. The Foundation has not experienced any losses in such amounts and believes it is not exposed to any significant credit risk on its cash balances.

Certificates of Deposit - Certificates of deposit consisted of the following at June 30, 2018:

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u> <u>6/30/2018</u>
4/1/2020	3.55%	63,468
12/21/2021	3.00%	62,486
4/5/2022	2.80%	57,961
4/4/2023	3.05%	61,763
10/1/2024	3.15%	62,573
3/25/2025	2.95%	54,000
4/12/2025	2.90%	60,545
4/19/2027	2.80%	63,924
		<u>\$ 486,720</u>

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Investments - The following is a summary of the value of investments at June 30, 2018:

	Value on 6/30/2018
Stocks	\$ 637,656
Exchange traded and closed end funds	1,154,200
Mutual funds	2,462,089
	\$ 4,253,945

The following schedule summarizes the investment return for the year ended June 30, 2018:

	Amount 6/30/2018
Interest and dividend income	\$ 119,007
Net realized gains	(2,911)
Net unrealized gains	249,212
	\$ 365,308

Investment return is reported net of related investment expenses in the statement of activities. The amount of expense/commissions netted with income for the year ended June 30, 2018 was \$27,530.

Fair Value of Financial Instruments - Investments with readily determinable fair values are measured at fair value in the statement of financial position as determined by quoted market prices in active markets (Level 1).

The following is a summary of these fair values at June 30, 2018:

	Level 1	Level 2	Level 3	Total
Measured at fair value on a recurring basis:				
Stocks	\$ 637,656	-	-	\$ 637,656
Exchange traded and closed end funds	1,154,200	-	-	\$ 1,154,200
Mutual Funds	2,462,089	-	-	2,462,089
Total Investments	\$ 4,253,945	\$ -	\$ -	\$ 4,253,945

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Restricted Net Assets - Permanently restricted net assets are restricted to investment in perpetuity, the income from which is expendable to support services and programs to Central Arizona College and the students of Central Arizona College as designated by the donors. At June 30, 2018, the Foundation held 37 permanently restricted net assets. Temporarily restricted net assets are expendable for the purposes designated by their source. At June 30, 2018, the Foundation held 44 temporarily restricted net asset funds.

The nature of these restrictions is as follows:

	<u>As of 6/30/2018</u>
Permanently restricted net assets	
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by MCFA	<u>\$ 3,316,156</u>
Temporarily restricted net assets	
The investment income on perpetual endowment funds subject to a time restriction under MCFA	\$ 733,871
Other net assets temporarily purpose restricted:	
Scholarships (non-endowed)	<u>417,175</u>
	<u>\$ 1,151,046</u>

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2018

Endowment Funds - Endowment funds include funds restricted in perpetuity by the donors. Endowment net asset composition by type of fund as of June 30, 2018 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Funds
Permanently restricted funds	\$ -	\$ 733,871	\$ 3,316,156	\$ 4,050,027

Changes in endowment funds as of June 30, 2018 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Funds
Balance, June 30, 2017	\$ -	\$ 545,054	\$ 3,315,036	\$ 3,860,090
Contributions			1,120	\$ 1,120
Interest and dividend income		100,114		\$ 100,114
Realized and unrealized gains		206,883		\$ 206,883
Amounts appropriated for expenditure		(115,906)		\$ (115,906)
Recovery of underwater balances				\$ -
Administrative fees		(2,274)		\$ (2,274)
Transfers				\$ -
Balance, June 30, 2018	\$ -	\$ 733,871	\$ 3,316,156	\$ 4,050,027

Related Party Transactions - The staff members of the Foundation are employees of Central Arizona College. The College donated the cost of salaries and benefits for the Foundation's Director and the Foundation Secretary for the year ending June 30, 2018. In prior years the Foundation would reimburse the college for payroll and other operating expenses paid by Central Arizona College. The balance of accounts payable at June 30, 2018 is primarily made up of amounts due to the College for these expenses. Other College employees assist the Foundation and the Foundation is not charged for their services. No amounts have been recorded for these non-reimbursed payroll costs as the services are deemed to be solely for carrying out the operations of the College activities. Other College employees, by virtue of their position, provide advisory services within the Foundation. As a result, Central Arizona College has significant input regarding the operations and goals of the Foundation. The current Foundation investment advisor is also a voting member of the foundation board.



**Central
Arizona
College**

**Other Required Supplementary
Information**

Pinal County Community College District
(Central Arizona College)
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
June 30, 2018

ASRS - Pension	Reporting Fiscal Year				2014 through 2009
	(Measurement Date)				
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
District's proportion of the net pension liability	0.22%	0.22%	0.21%	0.22%	Information not available
District's proportionate share of the net pension liability	\$ 33,986,633	\$ 35,984,756	\$ 33,405,777	\$ 32,057,173	
District's covered payroll	\$ 21,150,671	\$ 20,647,346	\$ 19,528,236	\$ 19,327,742	
District's proportionate share of the net pension liability as a percentage of its covered payroll	160.69%	174.28%	171.06%	165.86%	
Plan fiduciary net position as a percentage of the total pension liability	69.92%	67.06%	68.35%	69.49%	

Pinal County Community College District
(Central Arizona College)
Required of Supplementary Information
Schedule of District Pension Contributions
June 30, 2018

ASRS - Pension	Reporting Fiscal Year					2013 through
	2018	2017	2016	2015	2014	2009
Statorily required contribution	\$ 2,459,913	\$ 2,317,219	\$ 2,311,647	\$ 2,160,799	\$ 2,089,676	Information
District's contributions in relation to the statorily required contribution	2,459,913	2,317,219	2,311,647	2,160,799	2,089,676	not available
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	
District's covered payroll	\$ 22,586,107	\$ 21,150,671	\$ 20,647,346	\$ 19,528,236	\$ 19,327,742	
District's contributions as a percentage of covered payroll	10.89%	10.96%	11.20%	11.06%	10.81%	



**Central
Arizona
College**

Statistical Section

NARRATIVE TO THE STATISTICAL SECTION

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.

- Net Position by Component
- Changes in Net Position
- Statutory Limit to Budgeted Expenditures

Revenue Capacity

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

- Property Tax Levies and Collections
- Pinal County Assessed Value and Estimated Actual Value of Taxable Property
- Direct and Overlapping Property Tax Rates
- Pinal County Direct Property Tax Rates
- Assessed Valuation, Tax Rate and Levy History
- Principal Property Tax Payers for Pinal County

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.

- Ratios of Outstanding Debt by Type
- Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Bonded Debt Per Capita
- Ratio of Annual Debt Service Expenditures to Operating Expenses/Expenditures
- Ratio of Pledged Revenue Obligations to Annual Debt Service Expenditures
- Legal Debt Margin Information

Demographic and Economic Information

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

- Principal Employers for Pinal County
- Pinal County Demographic and Economic Statistics
- Economic Indicators for Pinal County
- Miscellaneous Statistics for Pinal County

Operating Information

These schedules provide contextual information about the operations and resources to assist readers in using financial statement information to understand and assess the District's economic information.

- Student Enrollment, Degree and Demographic Statistics
- Historic Enrollment
- Faculty and Staff Statistics
- Capital Asset Information
- Tuition Schedule

Pinal County Community College District
 Net Position by Component
 Last Ten Fiscal Years

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net Investment in Capital Assets	\$ 66,762,037	\$ 63,860,469	\$ 57,763,011	\$ 60,370,065	\$ 60,212,992	\$ 54,487,137	\$ 22,232,514	\$ 22,107,043	\$ 20,365,305	\$ 19,714,853
Restricted - Expendable	11,897,569	10,910,380	6,185,680	4,488,022	5,812,903	10,016,468	2,210,949	2,565,183	2,679,369	1,596,057
Restricted - Nonexpendable	47,364,890	33,184,399	27,062,723	11,421,044	37,184,168	35,463,703	72,733,072	67,842,071	57,695,264	45,750,655
Total Net Position	\$ 126,024,596	\$ 107,955,248	\$ 91,011,414	\$ 76,259,131	\$ 103,210,063	\$ 99,967,308	\$ 97,176,535	\$ 92,314,297	\$ 80,739,938	\$ 67,061,565

Source: District audited financial statements

Pinal County Community College District
Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Operating revenues:										
Tuition and fees* (net of scholarship allowances)	\$ 5,544,035	\$ 5,218,478	\$ 5,803,046	\$ 5,393,072	\$ 5,274,893	\$ 5,997,913	\$ 5,783,033	\$ 5,546,834	\$ 5,341,242	\$ 5,923,455
Dormitory rentals and fees* (net of scholarship allowances)	321,403	285,070	285,540	230,773	247,141	281,699	286,706	289,952	263,745	309,758
Other operating revenues	588,060	242,066	571,936	771,800	683,493	1,050,519	706,729	612,877	620,024	440,743
Total operating revenues	\$ 6,453,498	\$ 5,745,614	\$ 6,660,522	\$ 6,395,645	\$ 6,205,327	\$ 7,330,131	\$ 6,746,468	\$ 6,419,663	\$ 6,225,011	\$ 6,673,956
* Pledged as security for revenue obligations and bonds										
Operating expenses:										
Educational and General										
Instruction	\$ 22,810,303	\$ 25,294,670	\$ 22,406,606	\$ 21,167,536	\$ 21,077,842	\$ 20,884,600	\$ 20,278,756	\$ 20,583,431	\$ 20,832,207	\$ 18,913,011
Public service	281,528	229,182	236,315	313,846	260,855	372,572	284,705	246,036	230,119	251,802
Academic support	2,404,671	2,395,117	2,402,922	2,667,475	3,181,172	2,964,889	4,340,455	3,363,850	3,318,227	2,934,075
Student services	5,126,051	4,951,129	4,666,022	4,736,622	4,797,955	4,008,712	4,440,378	4,221,676	4,116,052	3,468,481
Institutional Support	13,807,763	13,377,377	14,112,505	12,402,954	13,851,937	13,638,518	12,151,296	10,973,524	10,309,003	9,342,887
Operation and maintenance of plant	6,285,267	5,981,320	5,853,781	6,123,290	6,584,000	5,659,506	4,833,938	4,569,432	4,688,191	4,939,362
Scholarships	6,299,135	7,215,802	7,686,691	8,695,427	9,035,684	10,171,074	11,009,844	10,267,328	8,408,310	4,190,344
Auxiliary enterprise	1,089,901	1,267,741	1,092,141	1,047,126	1,082,034	1,281,191	955,375	985,096	1,012,010	841,553
Depreciation	5,830,089	5,995,051	6,097,868	6,201,956	5,358,184	4,524,884	3,198,550	3,108,478	3,440,266	3,454,389
Total operating expenses	\$ 63,934,708	\$ 66,707,389	\$ 64,554,751	\$ 63,356,232	\$ 65,229,663	\$ 63,505,946	\$ 61,463,297	\$ 58,318,851	\$ 56,354,385	\$ 48,325,904
Operating Loss	\$ (57,481,210)	\$ (60,961,775)	\$ (57,894,229)	\$ (56,960,587)	\$ (59,024,336)	\$ (56,175,815)	\$ (54,716,829)	\$ (51,899,188)	\$ (50,129,374)	\$ (41,651,948)
Nonoperating revenues (expenses):										
Property taxes	\$ 60,211,680	\$ 58,863,549	\$ 57,079,404	\$ 48,307,654	\$ 46,906,012	\$ 41,792,777	\$ 41,240,729	\$ 41,515,641	\$ 43,455,031	\$ 35,382,129
State appropriations	1,717,900	1,821,200	2,000,000	3,033,200	2,392,700	2,107,800	2,086,200	4,935,100	4,935,100	5,401,293
Government grants	15,877,305	19,360,337	16,170,153	16,364,967	16,385,572	18,162,631	18,712,367	17,681,184	16,122,536	10,367,257
Share of state sales taxes	751,695	748,221	715,933	649,792	738,258	630,814	643,450	603,286	556,505	538,742
Private grants and gifts	227,322	122,261	198,066	607,478	334,269	434,386	777,473	734,550	596,877	465,941
Investment earnings	921,783	439,054	277,354	120,475	79,625	210,634	308,390	681,310	880,987	994,909
Interest expense on debt	(4,225,711)	(3,260,098)	(3,769,810)	(3,994,255)	(4,507,546)	(4,507,546)	(3,390,240)	(2,671,037)	(2,770,824)	(895,443)
Gain/(Loss) on disposal of capital assets	171	(101,542)	(24,588)	4,591	(186,722)	109,093	(799,302)	(6,487)	(2,515)	
Net nonoperating revenues	\$ 75,482,145	\$ 77,792,982	\$ 72,646,512	\$ 65,093,902	\$ 62,267,091	\$ 58,940,589	\$ 59,579,067	\$ 63,473,547	\$ 63,773,697	\$ 52,214,828
Income before other revenues, expenses, gains and losses	\$ 18,000,935	\$ 16,831,207	\$ 14,752,283	\$ 8,133,315	\$ 3,242,755	\$ 2,764,774	\$ 4,862,238	\$ 11,574,359	\$ 13,644,323	\$ 10,562,880
Capital appropriations	68,413	112,627	-	-	-	25,999	-	-	-	-
Capital grants and gifts	18,069,348	16,943,834	14,752,283	8,133,315	3,242,755	2,790,773	4,862,238	11,574,359	13,678,373	10,562,880
Increase in net position	\$ 107,955,248	\$ 91,011,414	\$ 76,259,131	\$ 68,125,816	\$ 99,967,308	\$ 97,176,535	\$ 92,314,297	\$ 80,739,938	\$ 67,061,565	\$ 56,498,685
Total net position, July 1	\$ 126,024,596	\$ 107,955,248	\$ 91,011,414	\$ 76,259,131	\$ 103,210,063	\$ 99,967,308	\$ 97,176,535	\$ 92,314,297	\$ 80,739,938	\$ 67,061,565

¹ Net position as restated, July 1, 2014 for GASB 68.

Source: District audited financial statements

Pinal County Community College District
Statutory Limit to Budgeted Expenditures
Last Ten Fiscal Years

Fiscal Year	Statutory Expenditure Limitation ¹	Budgeted Expenditures Subject to Limitation ²	Unused Legal Limit
2009	34,558,261	34,558,260	1
2010	37,397,683	37,397,682	1
2011	44,661,427	44,661,426	1
2012	48,815,447	48,815,446	1
2013	47,407,363	47,407,362	1
2014	50,575,442	50,575,441	1
2015	47,753,245	47,753,244	1
2016	46,455,464	46,455,463	1
2017	44,851,258	44,851,257	1
2018	41,140,760	-	3

¹ The Statutory Expenditure Limitation is calculated by the Arizona Department of Revenue Economic Estimates Commission and applies to Current (General, Auxiliary Enterprises, and Restricted) and Plant Funds (Unexpended and Retirement of Indebtedness).

² Budgeted expenditures are net of allowable exclusions.

Source: Audited Annual Budgeted Expenditure Limitation Reports

³ Data not available

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

Tax Year	Collected within the Fiscal Year of the Levy ²				Total Collections to 06/30/18			
	Original Tax Levy ¹	Adjustments	Adjusted Levy as of 06/30/18	Collections Initial Tax Year	Percentage of Original Levy	Collections in Subsequent Years	Amount	Percentage of Adjusted Levy
2009	42,592,817	(80,300)	42,512,517	40,473,270	95.02%	\$ 1,989,267	42,462,537	99.88%
2010	40,750,139	(252,774)	40,497,365	38,631,260	94.80%	\$ 1,813,603	40,444,863	99.87%
2011	40,169,269	(832,754)	39,336,515	37,884,199	94.31%	\$ 1,384,190	39,268,389	99.83%
2012	40,522,956	(532,395)	39,990,561	38,640,453	95.35%	\$ 1,285,022	39,925,475	99.84%
2013	44,822,855	(675,787)	44,147,068	42,917,017	95.75%	\$ 1,160,292	44,077,309	99.84%
2014	45,508,829	(590,697)	44,918,132	43,860,643	96.38%	\$ 993,671	44,854,314	99.86%
2015	54,520,894	(943,519)	53,577,375	52,330,717	95.98%	\$ 1,158,232	53,488,949	99.83%
2016	55,683,737	(437,352)	55,246,385	53,952,637	96.89%	\$ 1,174,381	55,127,018	99.78%
2017	56,937,013	(217,233)	56,719,780	55,691,540	97.81%	\$ -	55,691,540	98.19%

¹ Includes both primary and secondary taxes.

² Amounts collected are on a cash basis.

Source: Pinal County Treasurer's Office Tax Distribution Report and District records

Pinal County Community College District
Pinal County Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Tax Years
(\$ Amounts expressed in thousands)

Tax Year	Primary Assessed Value					Total Taxable Assessed Value ¹	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
	Commercial Property	Residential and Vacant Property	Vacant/Ag Land	Other					
2008	471,977	1,526,547	467,028	7,948	2,473,500	3.8522	21,583,423	11.46%	
2009	550,729	1,789,488	530,360	9,975	2,880,552	3.6684	25,251,970	11.41%	
2010	561,560	1,470,541	504,035	10,813	2,546,949	4.3213	22,166,148	11.49%	
2011	581,044	1,216,288	353,163	9,656	2,160,151	4.3304	18,877,720	11.44%	
2012	613,223	1,203,181	325,002	12,377	2,153,783	4.1464	18,747,927	11.49%	
2013	551,188	1,136,974	285,853	14,867	2,088,882	4.1343	17,907,662	11.66%	
2014	603,138	1,184,374	202,173	15,467	2,005,152	4.1324	18,408,874	10.89%	
2015	499,188	1,262,332	282,841	13,187	2,057,548	4.3324	19,104,777	10.77%	
2016	508,805	1,326,227	262,787	21,932	2,119,751	4.2014	20,091,668	10.55%	
2017	530,329	1,418,170	264,023	26,505	2,239,027	4.2001	21,243,904	10.54%	

¹ Property in Pinal County is assessed annually with values being set by either the County Assessor or the Arizona Department of Revenue. The values are the basis for Primary Taxes and annual changes therein are restricted by State Constitution. Assessment ratios are set by the Legislature for individual property types. The taxable assessed value is arrived at by multiplying an assessment ratio that has varied from ten percent for residential property, to twenty-five percent for commercial property. Tax rates are per \$100 of assessed value.

Source: Pinal County CAFR 06/30/18 - Pinal County Assessor's Office/AZDOR Abstract of Assessment Roll

Pinal County Community College District
Direct and Overlapping Property Tax Rates
Last Ten Tax Years

Tax Year	State Equalization	Overlapping Rates										District Tax Rates		
		County	Community College District	Casa Grande Elementary School District	Stanfield Elementary School District	Toltec Elementary School District	Central Arizona Valley Institute of Technology	City of Casa Grande	City of Coolidge	Other	Primary	Secondary	Total	
2008	-	3.56	1.41	2.81	3.28	3.06	0.05	1.38	0.99	0.04-35.00	1.41	-	1.41	
2009	-	3.36	1.46	2.56	3.08	2.33	0.05	1.34	0.91	0.04-35.00	1.38	0.08	1.46	
2010	0.36	4.00	1.59	2.96	3.06	2.33	0.05	1.44	1.12	0.04-35.00	1.47	0.12	1.59	
2011	0.43	4.00	1.85	3.14	3.06	2.33	0.05	1.53	1.51	0.04-35.00	1.61	0.25	1.86	
2012	0.47	3.80	1.88	3.47	2.83	2.93	0.05	1.58	1.51	0.04-35.00	1.61	0.27	1.88	
2013	0.51	3.80	2.25	3.82	2.78	3.76	0.05	1.63	1.86	0.04-35.01	1.89	0.36	2.25	
2014	0.51	3.80	2.26	3.60	2.24	3.76	0.05	1.63	1.85	0.04-35.01	1.91	0.35	2.26	
2015	0.51	4.00	2.65	3.54	2.83	3.76	0.05	1.63	1.93	0.04-35.00	2.30	0.35	2.65	
2016	0.50	3.87	2.63	3.60	2.85	3.76	0.05	1.63	1.93	0.04-38.00	2.29	0.34	2.63	
2017	0.49	3.87	2.54	3.51	3.59	2.95	0.05	1.60	1.90	0.04-38.00	2.23	0.31	2.54	

Source: Pinal County 2017- 2018 Tax Levies/Rates per \$100 of Valuation - A.R.S. Sec. 42-17151

**Pinal County Community College District
Pinal County Direct Property Tax Rates
Last Ten Tax Years**

(\$ Amounts expressed in thousands)

Tax Year	Assessed Value	County				Mary C O'Brien School ¹		Total
		Primary Rate	Library	Flood	Fire	School ¹	School ¹	
2008	2,473,500	3.4355	0.0970	0.1500	0.0438	0.1259	0.1259	3.8522
2009	2,880,552	3.2316	0.0970	0.1700	0.0439	0.1259	0.1259	3.6684
2010	2,546,949	3.9999	0.0970	0.1700	0.0544	N/A	N/A	4.3213
2011	2,160,151	3.9999	0.0970	0.1700	0.0635	N/A	N/A	4.3304
2012	2,153,783	3.7999	0.0970	0.1700	0.0795	N/A	N/A	4.1464
2013	2,088,882	3.7999	0.0970	0.1700	0.0674	N/A	N/A	4.1343
2014	2,005,152	3.7999	0.0970	0.1700	0.0688	N/A	N/A	4.1357
2015	2,057,548	3.9999	0.0970	0.1700	0.0655	N/A	N/A	4.3324
2016	2,119,751	3.8699	0.0965	0.1693	0.0657	N/A	N/A	4.2014
2017	2,239,027	3.8699	0.0965	0.1693	0.0644	N/A	N/A	4.2001

¹ As of fiscal year 2011 the Mary C. O'Brien School rate is included in the County's Primary Rate.

Source: Pinal County 2017 - 2018 Tax Levies/Rates Per \$100 of Valuation - A.R.S. Sec. 42-17151

Pinal County Community College District
Assessed Valuation, Tax Rate and Levy History
Last Ten Fiscal Years
(\$ Amounts expressed in thousands)

Fiscal Year	Primary			Secondary		
	Assessed Valuation	Tax Rate	Tax Levy	Assessed Valuation	Tax Rate	Tax Levy
2009	2,473,500	1.4100	34,876	3,449,599	-	-
2010	2,880,552	1.3800	39,752	3,398,761	0.0836	2,841
2011	2,546,949	1.4700	37,440	2,673,415	0.1154	3,085
2012	2,160,151	1.6070	34,714	2,218,642	0.2459	5,456
2013	2,153,783	1.6118	34,715	2,177,012	0.2668	5,808
2014	2,088,882	1.8918	39,517	2,005,344	0.3589	7,197
2015	2,005,152	1.9103	38,304	2,040,750	0.3530	7,204
2016	2,057,548	2.3000	47,324	2,057,548	0.3498	7,197
2017	2,119,751	2.2874	48,487	2,119,751	0.3395	7,197
2018	2,239,027	2.2330	49,997	2,239,027	0.3099	6,939

Source: County assessment records and Pinal County 2009-2018 Tax Levies/Rates Per \$100 of Valuation - A.R.S. §42-17151

**Pinal County Community College District
Principal Property Taxpayers for Pinal County
Tax Year 2018 and Tax Year 2009**
(\$ Amounts expressed in thousands)

Taxpayer	2018			2009		
	Primary Assessed Value	Rank	Percent of Total Value	Primary Assessed Value	Rank	Percent of Total Value
Arizona Public Service Company	\$ 79,352	1	3.54%	\$ 84,112	1	3.40%
CCA Properties of Arizona LLC	38,773	2	1.73%	20,091	2	0.81%
ASARCO LLC/Ray Copper Complex Kinder Morgan	34,595	3	1.55%	47,413	3	1.92%
Unisource Energy Corporation (EPF)	20,635	4	0.92%	17,255	4	0.70%
Corrections Corporation of America	17,906	5	0.80%			
Union Pacific Railroad Company	15,416	6	0.69%			
Arizona Water Company	14,040	7	0.63%			
Southwest Gas Corporation	12,725	8	0.57%			
Johnson Utilities	12,583	9	0.56%	12,049	6	0.49%
Wal-Mart Stores	10,436	10	0.47%			
Pulte Home Corporation				6,327	10	0.26%
Qwest Corporation				10,676	7	0.43%
Wal-Mart Stores East, LP				16,442	5	0.66%
SFPP LP dba Kinder Morgan Energy				7,726	9	0.31%
Total	\$ 256,461		11.46%	\$ 229,933		9.30%
Total Assessed Value	\$ 2,239,027			\$ 2,473,500		

Source: County Treasurer Tax Records

**Pinal County Community College District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	GO Refunding Bonds	Revenue Bonds	Revenue Refunding Bonds	Premium	Pledged Revenue Obligations	Capital Lease Obligations	Total Outstanding Debt	Percentage of Personal Income ¹	Per Capita ¹
2009	-	-	7,565,000	-	-	9,705,000	4,930,728	22,200,728	0.036%	63
2010	40,000,000	-	6,945,000	-	-	8,870,000	4,667,399	60,482,399	0.014%	170
2011	38,175,000	-	6,300,000	-	-	8,015,000	4,395,559	56,885,559	0.016%	151
2012	93,930,000	-	5,625,000	-	2,103,512	7,135,000	4,114,812	112,908,324	0.008%	295
2013	91,340,000	-	4,920,000	-	2,015,866	6,225,000	3,820,835	108,321,701	0.009%	280
2014	88,680,000	-	4,185,000	-	1,928,220	5,285,000	3,512,996	103,591,216	0.010%	266
2015	85,940,000	-	-	7,815,000	1,840,574	-	3,190,640	98,786,214	0.011%	243
2016	53,875,000	28,895,000	-	6,204,970	5,891,784	-	2,853,081	97,719,835	0.012%	233
2017	50,970,000	28,850,000	27,535,000	4,165,000	8,541,553	-	2,499,602	122,561,155	0.010%	286
2018	47,960,000	28,770,000	27,535,000	2,100,000	8,067,794	-	2,129,451	116,562,245	0.011%	264

¹ Pinal County Demographic and Economic Statistics .

Source: District records, Bureau of Economic Analysis and Arizona Department of Economic Security

Pinal County Community College District
Ratio of Net General Obligation Bonded Debt to
Assessed Value and Net General Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Estimated Population Pinal County (000's) ¹	Secondary Assessed Value (000's)	General Obligation Bonds ²	Amount Available for Retirement of GO Bond Debt	Net Bonded Debt	Percentage of Net Bonded Debt to Assessed Value	
						Net Bonded Debt Per Capita	Assessed Value
2009	351	3,449,599	-	-	-	0.0%	-
2010	356	3,398,761	40,000,000	40,230,780	(230,780)	0.0%	(0.65)
2011	376	2,673,415	38,175,000	14,679,551	23,495,449	0.9%	62.49
2012	383	2,218,642	96,033,512	21,436,424	74,597,088	3.4%	194.77
2013	387	2,177,013	93,355,866	2,072,835	91,283,031	4.2%	235.87
2014	389	2,005,344	90,608,220	520,040	90,088,180	4.5%	231.59
2015	379	2,040,750	87,780,574	3,267,049	84,513,525	4.1%	222.99
2016	417	2,057,548	88,661,784	3,932,263	84,729,521	4.1%	203.19
2017	428	2,119,751	88,361,553	7,914,392	80,447,161	3.8%	187.96
2018	441	2,239,027	84,797,793	5,749,219	79,048,574	3.5%	179.25

¹ Demographic and Economic Statistics for Pinal County.

² Presented net of original issuance discounts and premiums.

Source: District records, Pinal County Assessors Office, and Arizona Department of Economic Security

Pinal County Community College District
 Ratio of Annual Debt Service Expenditures to Operating Expenses/Expenditures
 Last Ten Fiscal Years

Fiscal Year	GO Bonds		GO Refunding Bonds		Revenue Bonds		Pledged Revenue Obligations		Revenue Refunding Bonds		Capital Lease		Total Debt Service	Total Operating Expenses / Expenditures	Percentage of Debt Service to Operating Expenses / Expenditures
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest			
2009	-	-	-	-	600,000	334,806	815,000	361,581	-	-	344,782	129,128	2,715,027	48,325,904	5.6%
2010	-	968,696	-	-	620,000	310,406	825,000	339,937	-	-	263,330	211,654	3,549,023	56,354,385	6.3%
2011	1,825,000	2,870,288	-	-	645,000	284,703	855,000	316,675	-	-	271,840	200,107	7,288,613	58,316,861	12.5%
2012	3,220,000	2,773,319	-	-	673,000	257,478	860,000	280,650	-	-	260,746	186,187	8,565,380	61,463,297	13.9%
2013	2,590,000	3,862,018	-	-	703,000	228,194	910,000	282,663	-	-	233,978	173,832	9,127,025	63,503,946	14.4%
2014	2,660,000	3,880,118	-	-	733,000	196,175	940,000	223,075	-	-	307,839	162,895	9,121,102	63,228,663	14.0%
2015	2,740,000	3,816,018	-	-	763,000	3,647	960,000	6,653	-	54,197	322,356	149,347	8,839,218	63,356,232	14.0%
2016	2,810,000	3,739,418	-	-	-	-	-	-	1,610,030	100,920	337,559	65,765	8,663,692	64,554,751	13.3%
2017	2,905,000	2,149,026	45,000	1,208,410	-	-	-	-	2,039,970	75,701	353,479	120,306	8,896,692	66,707,389	13.3%
2018	3,010,000	2,050,126	80,000	1,174,860	-	-	-	-	2,065,000	45,735	370,149	104,751	10,033,004	63,934,708	15.7%

Source: District records

Pinal County Community College District
Ratio of Pledged Revenue Obligations to Annual Debt Service Expenditures
Last Ten Fiscal Years

Fiscal Year ²	Pledged Revenues	Revenue Bonds ¹		Revenue Refunding Bonds ²		Pledged Revenue Obligations ¹		Total Debt Service	Coverage
		Principal	Interest	Principal	Interest	Principal	Interest		
2009	6,233,213	600,000	334,806	-	-	815,000	361,581	2,111,387	2.95
2010	5,604,987	620,000	310,406	-	-	835,000	339,937	2,105,343	2.66
2011	5,806,786	645,000	284,703	-	-	855,000	316,675	2,101,378	2.76
2012	6,039,739	675,000	257,478	-	-	880,000	290,650	2,103,128	2.87
2013	6,279,612	705,000	228,134	-	-	910,000	262,663	2,105,797	2.98
2014	5,521,834	735,000	196,175	-	-	940,000	229,075	2,100,250	2.63
2015	5,623,845	765,000	5,647	-	54,197	980,000	6,653	1,811,497	3.10
2016	6,937,876	-	-	1,610,030	100,920	-	-	1,710,950	4.05
2017	6,184,668	-	-	2,039,970	75,701	-	-	2,115,671	2.92
2018	-	-	1,132,393	2,065,000	45,735	-	-	3,243,128	0.00

¹ Revenue bonds and pledged revenue obligations are secured by the District's tuition and fees and dormitory rental and fees revenue.

² Revenue refunding bonds issued in 2015, used to refund the outstanding balances of the revenue and pledged revenue bonds, are secured by the District's gross revenues.

Source: District records

Pinal County Community College District
Legal Debt Margin Information
Last Ten Fiscal Years
(Amounts expressed in thousands)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Secondary assessed valuation of real and personal property	\$ 3,449,599	\$ 3,398,761	\$ 2,673,415	\$ 2,218,642	\$ 2,177,012	\$ 2,005,344	\$ 2,040,750	\$ 2,057,548	\$ 2,119,751	\$ 2,239,027
Debt Limit, 15% of secondary assessed value	517,440	509,814	401,012	332,796	326,552	300,802	306,113	308,632	317,963	335,854
Total net debt applicable to limit	-	40,000	38,175	93,930	91,340	88,680	85,940	85,623	82,320	78,859
Legal Debt Margin	\$ 517,440	\$ 469,814	\$ 362,837	\$ 238,866	\$ 235,212	\$ 212,122	\$ 220,173	\$ 223,009	\$ 235,643	\$ 256,995
Total net debt applicable to the limit as a percentage of debt limit	0.00%	7.85%	9.52%	28.22%	27.97%	29.48%	28.07%	27.74%	25.89%	23.48%

Source: Pinal County Assessor's Office and District Records

**Pinal County Community College District
Principal Employers for Pinal County
Fiscal Year 2018 and Fiscal Year 2009**

	2018			2009		
	Employer	Employees ¹	Rank	Percent of Total County Employment	Employees	Rank
State of Arizona	2,840	1	4.76%	2,950	1	5.95%
Walmart	2,290	2	3.84%			0.00%
Pinal County	2,160	3	3.62%	1,260	3	2.54%
Corecivic Inc (formerly Corrections Corporation of America)	1,920	4	3.22%	1,202	4	2.42%
Casa Grande Union High School District #82	1,180	5	1.98%			
Harrah's Akchin Hotel and Casino	800	6	1.34%			
Pinal County Community College District	760	7	1.27%			
Banner Health	680	8	1.14%			
Frys Food Stores	680	9	1.14%			
Florence Unified School District	650	10	1.09%			
ASARCO (Grupo Mexico)				1,400	2	2.82%
Various School Districts				1,130	5	2.28%
Hexcel Corporation				575	6	1.16%
Casa Grande Regional Hospital				500	7	1.01%
Deser Valley Care Center				500	8	1.01%
Frito Lay Inc.				400	9	0.81%
Mulay Plastics				370	10	0.75%

¹ Estimated number of full-time equivalent employees

2018 Source: Maricopa Association of Governments, Arizona Employment Map/FY 2018 Pinal County CAFR

2009 Source: FY 2018 Pinal County CAFR

Total County Employment Source: Arizona Office of Economic Opportunity - laborstats.az.gov. Accessed 09/24/19

Pinal County Community College District
Pinal County Demographic and Economic Statistics
Last Ten Fiscal Years

(\$ Amounts expressed in thousands)

Fiscal Year	Population¹	Personal Income²	Per Capita Income²	Unemployment Rate¹
2008/09	365	8,843,868	26	12.7%
2009/10	376	8,449,965	24	10.9%
2010/11	384	8,848,824	23	10.9%
2011/12	389	9,301,945	25	9.1%
2012/13	394	9,537,601	25	8.6%
2013/14	396	10,027,602	26	7.3%
2014/15	406	10,665,065	27	6.6%
2015/16	413	11,259,846	28	5.8%
2016/17	428	11,827,274	28	5.2%
2017/18	441	12,609,714	29	5.0%

¹ Population and unemployment data was obtained from Arizona Department of Administration, Office of Economic Opportunity (www.population.az.gov and www.laborstats.az.gov/loal-area-unemployment-statistics).

² Personal income and per capital income data is obtained from Arizona REAP Project - www.arizona.reaproject.org

Source: FY2018 Pinal County Comprehensive Annual Financial Report

**Pinal County Community College District
Miscellaneous Statistics for Pinal County**

Established	February 1, 1875
Geographical Location	South central portion of Arizona
Total Area	5,374 Square Miles
County Seat	Florence

Population	2000	2010	2017
Pinal County		375,770	405,537
State of Arizona	5,130,632	6,392,310	6,809,946

Age Distribution	% of Total	
	Pinal County	State of Arizona
Persons under 5 years, percent, 2017	6.1%	6.4%
Persons 5 to under 19, percent 2017	20.1%	20.2%
Persons 20 to under 24, percent 2017	5.6%	7.1%
Persons 25 to under 34, percent 2017	13.2%	13.5%
Persons 35 to under 44, percent 2017	13.3%	12.4%
Persons 45 to under 54, percent 2017	11.3%	12.3%
Persons 55 to under 59, percent 2017	5.7%	6.1%
Persons 60 years and over, percent, 2017	24.6%	22.0%
Female persons, percent, 2017	47.4%	50.7%

Population Composition	% of Total	
	Pinal County	State of Arizona
White alone, percent, 2017	80.4%	77.5%
Black or African American alone, percent, 2017	4.5%	4.3%
American Indian and Alaska Native alone, percent, 2017	5.0%	4.4%
Asian alone, percent, 2017	1.7%	3.1%
Native Hawaiian or Other Pacific Islander alone, percent 2017	0.4%	0.2%
Some other race	4.4%	7.0%
Two or more races	3.6%	3.5%
	100.00%	100.00%

Source: U.S. Census Bureau and Arizona Department of Economic Security and Arizona Association of Counties

¹ 2017 American Community Survey 5-Year Estimates - American Fact Finder

Office of Employment & Population Statistics, Arizona Department of Administration

Arizona Department of Economic Security: *Arizona Counties Demographics and DES Client/Provider*

**Pinal County Community College District
Student Enrollment, Degree and Demographic Statistics
Last Ten Fiscal Years**

Student Enrollment										
Fiscal Year	Enrollment		Gender			Residency				
	Full-Time	Part-Time	Male	Female	Not Recorded	Resident	Out of County	Out of State	Foreign	Not Identified
2009	2,061	11,915	48.5%	51.0%	0.5%	74.8%	21.5%	2.4%	0.2%	1.1%
2010	2,491	12,538	45.8%	53.8%	0.4%	73.8%	20.6%	2.7%	0.2%	2.7%
2011	2,546	12,100	43.0%	56.6%	0.4%	73.0%	16.5%	3.2%	0.2%	7.1%
2012	2,656	11,752	42.3%	57.1%	0.6%	76.3%	17.5%	4.0%	0.2%	2.0%
2013	2,367	10,849	41.0%	58.9%	0.1%	76.5%	17.0%	4.3%	0.2%	2.0%
2014	2,103	9,643	40.3%	59.4%	0.3%	77.4%	16.4%	4.2%	0.2%	1.8%
2015	2,017	8,684	40.2%	59.2%	0.6%	78.3%	16.4%	4.2%	0.3%	0.9%
2016	1,901	8,330	40.3%	58.8%	0.9%	77.7%	16.7%	3.7%	0.3%	1.5%
2017	1,821	7,920	40.1%	58.5%	1.3%	77.6%	15.8%	3.1%	0.3%	3.2%
2018	1,302	6,784	42.0%	57.2%	0.8%	82.4%	13.9%	3.3%	0.4%	0.0%

Degrees and Certificates Awarded		
Fiscal Year	Degrees Awarded	Certificates Awarded
2009	317	829
2010	356	559
2011	440	534
2012	518	513
2013	552	563
2014	532	360
2015	569	541
2016	589	551
2017	566	575
2018	541	736

Demographic Statistics										
Fiscal Year	Age		Ethnic Background							
	Median	Average	Asian American	African American	Hawaiian-Pacific Islander	Native American	Hispanic	White	Other	Not Identified
2009	30	32	1.2%	6.8%	0.3%	5.3%	28.4%	51.3%	0.8%	5.9%
2010	28	31	1.2%	7.0%	0.4%	5.5%	27.6%	50.3%	1.3%	6.7%
2011	27	30	1.4%	7.1%	0.5%	5.8%	27.1%	50.0%	2.1%	6.0%
2012	26	30	1.4%	7.3%	0.5%	5.3%	28.0%	48.6%	2.6%	6.3%
2013	25	29	1.4%	7.3%	0.5%	5.1%	28.9%	47.1%	3.1%	6.6%
2014	24	28	1.7%	7.0%	0.5%	5.1%	29.1%	45.9%	3.3%	7.4%
2015	24	28	1.7%	6.6%	0.5%	4.8%	28.6%	45.5%	3.7%	8.7%
2016	23	28	1.9%	6.6%	0.5%	5.1%	29.5%	43.9%	3.9%	8.5%
2017	23	27	2.1%	7.2%	0.5%	5.2%	31.0%	41.6%	3.7%	8.7%
2018	23	29	1.8%	7.2%	0.5%	5.1%	31.9%	40.4%	4.6%	8.4%

Source: District Records

**Pinal County Community College District
Historic Enrollment
Last Ten Fiscal Years**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Headcount	8086	9741	10,231	10,701	11,746	13,216	14,408	14,646	15,029	13,976
Full time student enrollment (FTSE) by campus	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Aravaipa	64.71	72.13	73.89	83.51	75.10	95.95	134.68	149.31	143.03	134.33
Arizona Learning System		-	-	-	-	-	-	-	1.05	0.10
Arizona State Prison	186.82	131.95	135.15	150.08	171.87	301.92	410.70	443.58	583.28	802.80
Casa Grande Center	36.78	42.24	45.48	60.95	81.22	83.97	18.80	33.32	31.25	12.23
Central Corporate Center	27.45	51.81	70.97	100.47	112.40	123.11	96.94	91.15	113.12	198.67
Coolidge		-	-	-	-	65.84	25.08	20.37	34.21	29.11
District/Statewide Programs		-	-	-	-	1.20	732.73	848.11	775.67	608.19
Florence Center	0.35	0.40	1.97	3.58	10.80	10.77	10.43	17.63	27.72	27.57
Maricopa Campus	285.54	282.88	276.74	265.45	259.50	180.58	122.15	117.48	101.02	74.83
Saddlebrooke Center		-	-	-	1.90	4.45	6.16	9.24	4.12	-
San/Tan Johnson Ranch	325.47	319.84	329.29	287.67	216.58	213.12	201.22	191.72	154.67	34.33
Signal Peak	1,256.55	1,289.27	1,392.33	1,424.56	1,595.98	1,733.90	2,603.57	2,472.13	2,315.79	1,852.60
Superstition Mountain	310.23	344.20	386.42	457.15	509.71	603.32	588.35	524.96	516.05	422.03
Virtual ²	1,126.55	1,186.25	1,236.47	1,296.62	1,390.58	1,475.23	193.42	-	-	-
WFD-East ¹		-	-	-	-	-	5.10	7.60	15.08	22.59
WFD-North ¹		-	-	-	-	-	29.00	67.30	76.23	51.15
WFD-West ¹		-	-	-	-	-	67.95	135.27	143.52	136.29
Total District FTSE	3620.45	3720.97	3,948.71	4,130.04	4,425.64	4,893.36	5,246.28	5,129.17	5,035.81	4,406.82

¹ Starting in 2013 WFD (Workforce Development) numbers were combined with the other campuses.

² Beginning in 2012 FTSE from online classes is being counted as a separate campus. In previous years online courses were credited to the campus that originated the course.

Source: District Records

**Pinal County Community College District
Faculty and Staff Statistics
Last Ten Fiscal Years**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Full-Time Teaching	105	103	107	96	92	95	91	90	91	94
Non-Teaching Support	121	108	115	110	119	122	125	120	122	125
Managerial & Technical	138	131	127	137	130	131	127	118	123	118
Administration	16	15	15	14	13	15	16	17	17	18
Total Non-Teaching	275	254	257	261	262	268	268	255	262	261
Total Full-Time	380	357	364	357	354	363	359	345	353	355
Part-Time Teaching	245	273	272	311	381	420	428	381	298	116
Non-Teaching	193	228	260	244	204	194	254	254	174	235
Total Part-Time	438	501	532	555	585	614	682	635	472	351
Total Employees	818	858	896	912	939	977	1041	980	825	706

Source: District Records, IPEDS Human Resources Report, FY18

Pinal County Community College District
Capital Asset Information
Last Ten Fiscal Years

Asset Type	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Capital assets not being depreciated										
Land	\$ 26,013,275	\$ 26,013,275	\$ 26,013,275	\$ 26,013,275	\$ 26,013,275	\$ 26,013,275	\$ 26,013,275	\$ 17,326,623	\$ 4,202,798	\$ 2,545,147
Construction in progress	29,252,375	6,070,742	993,854	153,281	-	44,097,762	41,350,472	12,497,822	216,015	110,250
Total capital assets not being depreciated	<u>55,265,650</u>	<u>32,084,017</u>	<u>27,007,129</u>	<u>26,166,556</u>	<u>26,013,275</u>	<u>70,111,037</u>	<u>67,363,747</u>	<u>29,824,445</u>	<u>4,418,813</u>	<u>2,655,397</u>
Capital assets being depreciated:										
Buildings	140,130,164	139,665,547	138,685,393	137,871,866	137,281,629	96,647,063	61,076,660	50,430,071	50,648,346	49,953,525
Improvements other than buildings	29,293,242	29,293,242	29,717,401	29,739,695	29,705,822	22,217,817	14,536,352	7,867,171	7,375,906	7,375,906
Water rights	1,171,172	1,171,172	1,171,172	1,171,172	1,171,172	1,171,172	1,171,172	-	-	-
Other intangibles	-	-	-	-	-	25,999	11,750	-	-	-
Equipment	15,045,854	14,526,303	14,204,932	15,314,349	14,830,718	15,149,558	13,595,640	17,776,296	18,058,727	16,446,224
Library books	1,899,721	1,895,446	1,902,492	2,001,628	1,888,256	1,683,083	1,499,840	1,754,876	1,678,809	1,621,410
Total capital assets being depreciated	<u>187,540,153</u>	<u>186,551,710</u>	<u>185,681,390</u>	<u>186,098,710</u>	<u>184,877,597</u>	<u>136,894,692</u>	<u>91,891,414</u>	<u>77,828,414</u>	<u>77,761,788</u>	<u>75,397,065</u>
Less accumulated depreciation for:										
Buildings	39,165,923	36,077,125	33,104,020	30,125,656	27,082,762	24,899,090	22,953,066	21,811,421	20,833,263	19,595,680
Improvements other than buildings	13,882,734	12,156,560	10,730,082	8,904,082	7,045,881	5,368,570	4,264,299	3,783,553	3,309,991	2,839,474
Water rights	70,269	58,558	46,847	35,135	11,712	-	-	-	-	-
Other intangibles	-	-	-	-	-	13,000	1,175	-	-	-
Equipment	13,271,877	12,552,714	11,983,014	12,611,194	11,599,555	12,650,299	11,389,781	14,226,818	14,070,294	12,416,216
Library books	1,296,049	1,299,684	1,341,680	1,432,920	1,346,754	1,265,932	1,195,653	1,420,348	1,349,410	1,285,511
Total accumulated depreciation	<u>67,686,852</u>	<u>62,144,641</u>	<u>57,205,643</u>	<u>53,108,987</u>	<u>47,086,664</u>	<u>44,196,891</u>	<u>39,803,974</u>	<u>41,242,140</u>	<u>39,562,958</u>	<u>36,136,881</u>
Total capital assets being depreciated (net)	<u>119,853,301</u>	<u>124,407,069</u>	<u>128,475,747</u>	<u>132,989,723</u>	<u>137,790,933</u>	<u>92,697,801</u>	<u>52,087,440</u>	<u>36,586,274</u>	<u>38,198,830</u>	<u>39,260,184</u>
Capital assets, (net)	<u>\$ 175,118,951</u>	<u>\$ 156,491,086</u>	<u>\$ 155,482,876</u>	<u>\$ 159,156,279</u>	<u>\$ 163,804,208</u>	<u>\$ 162,808,838</u>	<u>\$ 119,451,187</u>	<u>\$ 66,410,719</u>	<u>\$ 42,617,643</u>	<u>\$ 41,915,581</u>

Source: District audited financial statements

**Pinal County Community College District
Tuition Schedule
Last Ten Fiscal Years**

Fiscal Year	Annual Tuition Rates¹	Tuition per Credit Hour
2009	1,800	60
2010	1,860	62
2011	1,950	65
2012	2,100	70
2013	2,160	72
2014	2,310	77
2015	2,400	80
2016	2,460	82
2017	2,520	84
2018	2,580	86

¹ Tuition based on one year of full-time equivalent credit for in-state students at District's base tuition rate.

Source: District Records