

Pinal County Community College District

(Central Arizona College)

Signal Peak

Superstition Mountain

Aravaipa

Maricopa

San Tan



Superstition Mountain Campus

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2019



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

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2019



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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, 2019

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**Central
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Introductory Section



June 17, 2021

The District Governing Board of Pinal County Community College District:

The Comprehensive Annual Financial Report of the Pinal County Community College District (the "District"), for the fiscal year ended June 30, 2019, 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 Arizona Auditor General. For the year ended June 30, 2019, the Arizona 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

Prior to the Coronavirus Pandemic impacting Arizona, the Office of Economic Opportunity within the Arizona Department of Administration projected Arizona's economy to grow steadily for the calendar years of 2019-2021. As of November 2020 Arizona's unemployment rate was 6.8%. According to data released, in December 2020, by the University of Arizona Economic and Business Research Center, Arizona recovery has continued at a slow pace. Arizona outlook shows a projected to return to pre-pandemic employment levels by mid-2021.

U.S. Census estimates showed that since 2011 Pinal County has been steadily growing each year. Big projects like Lucid Motors and Nikola, of which Lucid completed construction in 2020, 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 46,000 residents, according to census estimates.

According to realtor.com January 2021 data published, housing median list price was trending up 13.5% year by year and the median list price is up 17.2% in 2020 compared to 2019.

Historically, when economic conditions are improving, enrollment in community colleges decreases. In addition, the pandemic that hit in the last quarter of fiscal year 2020 caused additional enrollment decreases. The College experienced a slight increase on total enrollment of 5% for fiscal year 2019. The College experienced a decrease in total enrollment of 5% for fiscal year 2020 and a decrease of an additional 18% is projected for fiscal year 2021.

Major Program Initiatives

Major Accomplishments in 2018-2019

- CAC continued forward movement with Guided Pathways with faculty creating Areas of Interest and 55 programs maps.
- HLC extended the reaffirmation of accreditation to 2023-2024 and accepted CAC to participate in the Open Pathways.
- A Trust Edge Academy was developed & implemented to improve trust among faculty, staff & administration.

- In honor of an agreement between the City of Casa Grande & Lucid Motors, CAC has provided space at the Casa Grande Center for Lucid Motors. In exchange, CAC will offer training to Lucid employees.
- A partnership program with Wilson Electric was formed at the Superstition Mountain Campus; the partnership, curriculum and teaching space were established, with students enrolling in Fall 2018.
- CAC began the Industry-Recognized Apprenticeship Model in Manufacturing (i-RAMM) program using a Department of Labor grant of \$1.2M over 4 years.
- CAC removed the graduation application fee. In addition, CAC approved a free cap & gown starting in 2019-2020 for all students participating in commencement.
- The Governing Board approved a significant reduction in out of state tuition, from \$370/credit to \$172/credit.

Major Issues & Resolutions in 2018-2019

- CAC implemented Nexus Finance, HR, Payroll completing the full implementation of the ERP system. Much work remains to be done to make this component integrate seamlessly with other systems.
- Students have experienced issues with the Online Admissions form, making it difficult to apply for admissions.
- CAC's ERP team is working to combine data from the legacy system with Nexus to facilitate creating transcripts.
- Reading/Computer Literacy courses were removed as institutional requirement for graduation.
- To help right-size the college, a six-month study period was implemented before a request to fill a position can be made.
- All computer hardware in classrooms were upgraded to improve the faculty experience.

Future Program Initiatives

Upcoming Issues for 2019-2020

- Much emphasis is being placed on shifting the culture to improve employee morale & student satisfaction.
- CAC was accepted into the Campus Caring project with the Institute for Evidence-Based Change, to increase students' sense of connectedness and belonging.
- More interconnection among employees was realized, in part from role changes based on the new ERP system.
- Continued work towards streamlining program and course offerings to improve student completion, under the auspices of Guided Pathways.
- CAC plans to apply to DOE for Pell eligibility for inmate education.
- Upcoming transition from Blackboard Learn to Blackboard Ultra, with enhanced capability for interface with ERP system and synchronous online learning.

- Academic Leadership are working to implement a strategic master schedule, guided by data for implementation in 2020.

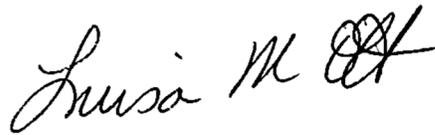
Acknowledgements

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

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

Principal Officers

June 30, 2019



District Governing Board

Gladys S. Christensen, President, District 1

Dan Miller, 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

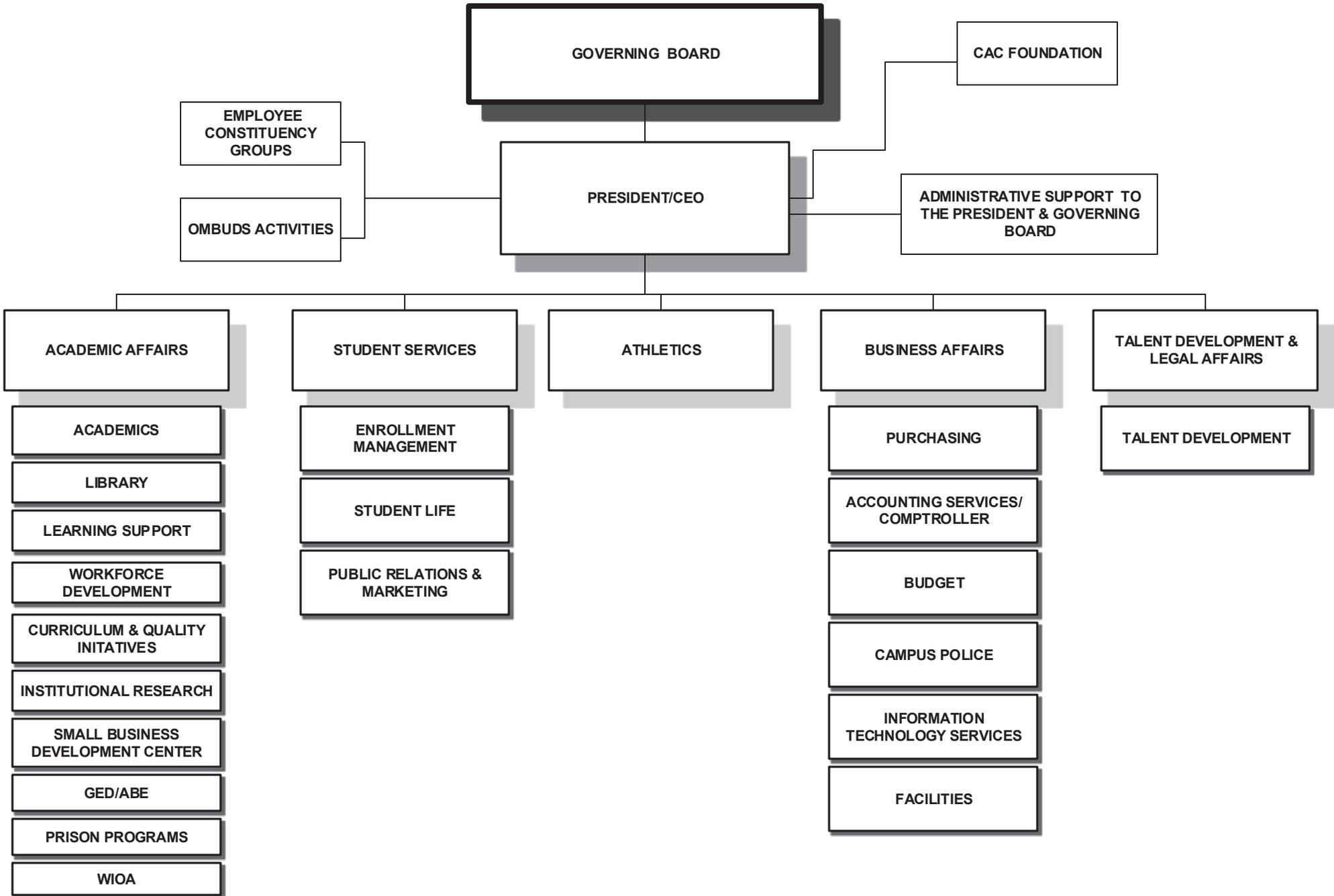
Jenni Cardenas, Vice President Student Services

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, 2019**





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Financial Section



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LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
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, 2019, 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 the District as of June 30, 2019, 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 55, and schedule of District pension contributions on page 56 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 A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

June 17, 2021

Pinal County Community College District
(Central Arizona College)
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

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, 2019. 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, 2019. 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, 2019. This statement reports revenues and expenses, categorized as operating and nonoperating, special 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, 2019. 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, 2019

Condensed Financial Information

Net Position — Primary Government		
	As of June 30, 2019	As of June 30, 2018
Assets:		
Current assets	\$ 103,788,249	\$ 91,175,459
Noncurrent assets, other than capital assets	6,648,606	15,852,932
Capital assets, net	174,022,755	175,118,951
Total assets	<u>284,459,610</u>	<u>282,147,342</u>
Deferred Outflows of Resources:		
Deferred amount on refunding	2,874,262	3,065,879
Deferred outflows related to pensions	5,292,524	4,703,431
Total deferred outflows of resources	<u>8,166,786</u>	<u>7,769,310</u>
Liabilities:		
Long-term liabilities	144,933,577	153,036,001
Other liabilities	6,693,861	8,261,964
Total liabilities	<u>151,627,438</u>	<u>161,297,965</u>
Deferred Inflows of Resources:		
Deferred inflows related to pensions	4,039,640	2,594,091
Total deferred inflows of resources	<u>4,039,640</u>	<u>2,594,091</u>
Net Position:		
Net investment in capital assets	66,491,129	66,762,037
Restricted	9,012,302	11,897,569
Unrestricted	61,455,887	47,364,990
Total net position	<u>\$ 136,959,318</u>	<u>\$ 126,024,596</u>

Financial Highlights and Analysis

Total assets increased by \$2.3 million in the fiscal year ending June 30, 2019, due largely to an increase in current cash and investments. The increase in cash and investments classified as current was primarily from revenues received in excess of expenses. Total liabilities decreased by \$9.7 million

Pinal County Community College District
(Central Arizona College)
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

primarily due to a decrease in long-term debt as well as a decrease in accrued payroll. The decrease in long-term debt of \$5.8 million included paying off the 2009 Revenue Refunding bonds as well as scheduled payments on General Obligation bonds. The decrease in accrued payroll was due to the timing of year-end compared to the pay dates earned. Total net position increased by \$10.9 million (9 percent) in fiscal year 2019 compared with an increase of \$18.1 million (16 percent) over the previous year.

<u>Changes in Net Position — Primary Government</u>		
	<u>Year Ended June 30, 2019</u>	<u>Year Ended June 30, 2018</u>
Operating revenues	\$ 4,532,049	\$ 6,453,498
Operating expenses	<u>66,398,151</u>	<u>63,934,708</u>
Operating Loss	<u>(61,866,102)</u>	<u>(57,481,210)</u>
Nonoperating revenues less expenses	72,661,824	75,482,145
Capital grants and gifts	<u>139,000</u>	<u>68,413</u>
Increase in net position	<u>10,934,722</u>	<u>18,069,348</u>
Net position, beginning of year	<u>126,024,596</u>	<u>107,955,248</u>
Net position, end of year	<u><u>\$ 136,959,318</u></u>	<u><u>\$ 126,024,596</u></u>

During fiscal year 2019, there was a decrease in total revenues of \$4.3 million when compared with the prior year. Property tax revenues decreased by \$1.5 million as a net result of amounts received and tax adjustments in the current year. The primary assessed values and secondary assessed values increased around 7 percent for fiscal year 2019. Operating revenues decreased by \$1.9 million due mainly to decreases in tuition and fee revenue. Tuition and fee revenue decreased mainly because of slight decreases in enrollment. Government grant revenue decreased, as expected, by \$1.2 million due to expired grants.

Investment income increased by 41.5 percent due to reserve cash balances during the fiscal year.

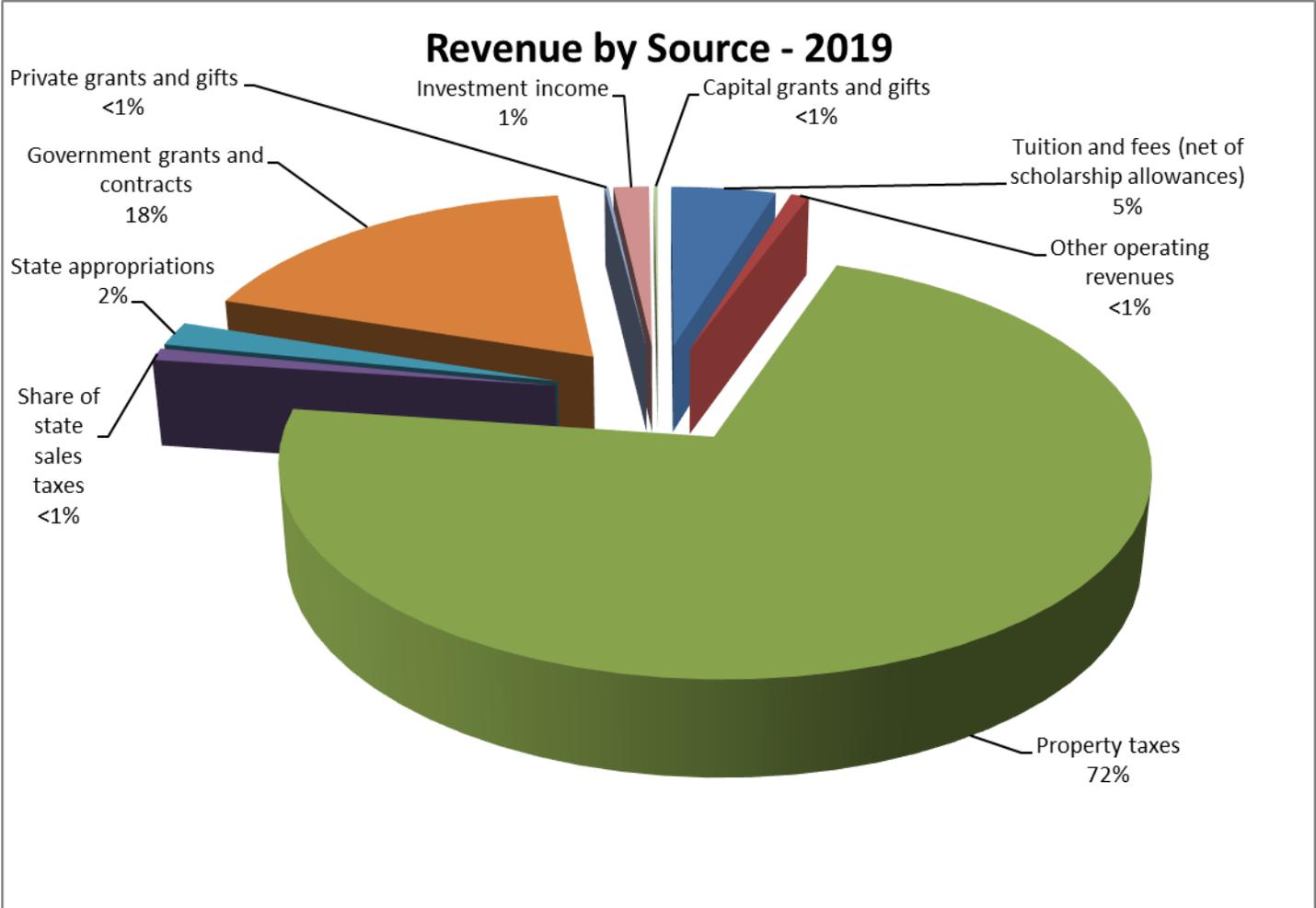
Total expenses increased by 4 percent as compared with the prior year due primarily to an increase in student services expenses as well as a \$.4 million loss on disposal of capital assets for disposal of assets no longer in use.

Pinal County Community College District
(Central Arizona College)
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

The following is a summary of revenues for fiscal years ended June 30, 2019, and June 30, 2018:

Revenues by Source — Primary Government				
	<u>Year Ended June 30, 2019</u>		<u>Year Ended June 30, 2018</u>	
Operating revenues:				
Tuition and fees (net of scholarship allowances)	\$ 3,856,527	4.7%	\$ 5,544,035	6.4%
Other operating revenues	<u>675,522</u>	<u>0.8%</u>	<u>909,463</u>	<u>1.1%</u>
Total operating revenues	<u>4,532,049</u>	<u>5.5%</u>	<u>6,453,498</u>	<u>7.5%</u>
Nonoperating revenues:				
Property taxes	58,666,381	71.6%	60,211,680	69.8%
State appropriations	1,604,300	2.0%	1,717,900	2.0%
Share of state sales taxes	805,237	1.0%	751,695	0.8%
Government grants and contracts	14,694,123	17.9%	15,877,305	18.4%
Private grants and gifts	141,201	0.2%	227,322	0.3%
Investment income	1,304,045	1.6%	921,783	1.1%
Gain on disposal of capital assets	-	0.0%	171	0.0%
Total nonoperating revenues	<u>77,215,287</u>	<u>94.3%</u>	<u>79,707,856</u>	<u>92.4%</u>
Capital grants and gifts	<u>139,000</u>	<u>0.2%</u>	<u>68,413</u>	<u>0.1%</u>
Total revenues	<u>\$ 81,886,336</u>	<u>100.0%</u>	<u>\$ 86,229,767</u>	<u>100.0%</u>

Pinal County Community College District
(Central Arizona College)
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

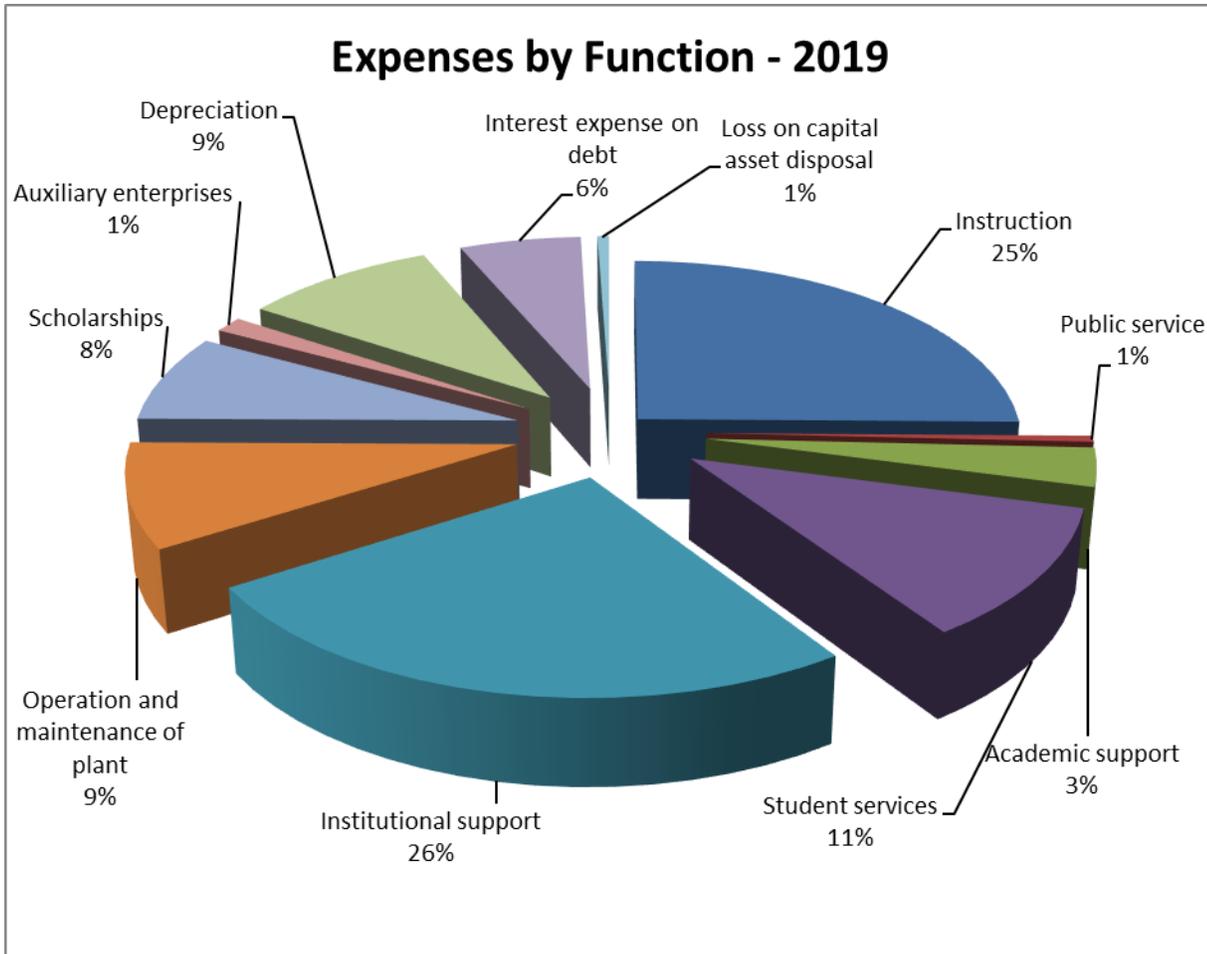


Pinal County Community College District
(Central Arizona College)
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

The following is a summary of expenses for fiscal years ended June 30, 2019 and June 30, 2018:

Expenses by Function — Primary Government				
	Year Ended		Year Ended	
	June 30, 2019		June 30, 2018	
Operating expenses:				
Educational and general:				
Instruction	\$ 17,896,502	25.2%	\$ 22,810,303	33.5%
Public service	382,361	0.5%	281,528	0.4%
Academic support	2,394,118	3.4%	2,404,671	3.5%
Student services	8,102,722	11.4%	5,126,051	7.5%
Institutional support	18,072,223	25.5%	13,807,763	20.3%
Operation and maintenance of plant	6,484,432	9.1%	6,285,267	9.2%
Scholarships	5,463,973	7.7%	6,299,135	9.2%
Auxiliary enterprises	986,031	1.4%	1,089,901	1.6%
Depreciation	6,615,789	9.3%	5,830,089	8.6%
Total operating expenses	<u>66,398,151</u>	<u>93.5%</u>	<u>63,934,708</u>	<u>93.8%</u>
Nonoperating expenses:				
Interest expense on debt	4,159,376	5.9%	4,225,711	6.2%
Loss on disposal of capital assets	394,087	0.6%	-	0.0%
Total nonoperating expenses	<u>4,553,463</u>	<u>6.5%</u>	<u>4,225,711</u>	<u>6.2%</u>
Total expenses	<u>\$ 70,951,614</u>	<u>100%</u>	<u>\$ 68,160,419</u>	<u>100%</u>

Pinal County Community College District
 (Central Arizona College)
 Management's Discussion and Analysis
 Fiscal Year Ended June 30, 2019



Capital Assets and Debt Administration

As of June 30, 2019, the District's capital assets, net of accumulated depreciation, totaled \$174 million, a decrease of \$1.1 million from the prior year, due mainly to an increase in depreciation expense and the disposal of equipment, of which some, was not fully depreciated. Capital assets include land, equipment, buildings, improvements other than buildings, library books, water rights, intangibles, and construction in progress. Additional information on capital assets can be found in Note 3 to the District's financial statements.

The District issued the \$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 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. The District issued general obligation bonds during the fiscal year 2017 to advance refund older, higher rate issues. The proceeds were used to

Pinal County Community College District
(Central Arizona College)
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

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. Both bond issues have been rated AA- by Standard and Poor's. The District also issued revenue bonds in the amount of \$27,535,000 during the fiscal year 2016 to fund the construction of a new student union building and a new science building on the Signal Peak Campus. As of June 30, 2019, \$924,218 of the bond proceeds is included in restricted net assets. The project was completed by September of 2018. The District also paid off the 2009 Revenue Refunding bonds, as scheduled, in the current fiscal year. Additional information on the District's long-term debt is discussed in Note 4 to the District's financial statements.

Current Factors Having Probable Future Financial Significance

For fiscal year 2020 the assessed value for property in the county increased by 6.67 percent. The county projected additional recovery in home prices last year and an additional 14.5 percent increase in home values for fiscal year 2020. For fiscal year 2020 the District increased the secondary tax levy by 25 percent and for fiscal year 2021 increased the secondary tax levy by an additional 133 percent in order to return back to an amount needed for debt service after absorbing all 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.

In the environment of the COVID-19 pandemic, the District moved nearly all of its operations and all courses to a remote environment as of the middle of March 2020. Courses that could not be met in a virtual environment were brought back to campuses in a socially distant manner beginning in the fall of 2020. Fall 2020 began with 100% of classes held virtually with only those courses requiring an in-person component conducted on campus in a socially distant environment. The District received federal coronavirus aid in the amount of \$21.5 million throughout the fiscal years ending June 30, 2020 and 2021. The District used this aid to offer students three free credit hours beginning in the summer 2020, technology grants to students to assist in the transition to remote learning, as well as additional financial aid. The actions expected to encourage student to continue their education during the challenging time. There continues to be an amount of uncertainty about the future of the pandemic and the economic impacts associated with it.

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, 2019

	Business-Type Activities
Assets	
Current assets:	
Cash and investments	\$ 93,833,226
Receivables:	
Accounts (net of allowance of \$743,989)	5,581,633
Property taxes (net of allowance of \$190,744)	1,745,403
Government grants	2,610,222
Other	17,765
Total current assets	103,788,249
Noncurrent assets:	
Restricted assets:	
Cash and investments held by County Treasurer	4,043,450
Cash and investments held by trustee	2,605,156
Capital assets, not being depreciated	26,166,556
Capital assets, being depreciated, net	147,856,199
Total noncurrent assets	180,671,361
Total assets	284,459,610
Deferred Outflows of Resources	
Deferred amount on refunding	2,874,262
Deferred outflows related to pensions	5,292,524
Total deferred outflows of resources	8,166,786
Liabilities	
Current liabilities:	
Accounts payable	3,177,675
Accrued payroll and employee benefits	753,606
Unearned revenue	2,529,678
Deposits held in custody for others	232,902
Current portion of compensated absences payable	559,813
Current portion of long-term debt	5,249,630
Total current liabilities	12,503,304

(Continued)

Pinal County Community College District
(Central Arizona College)
Statement of Net Position — Primary Government
June 30, 2019
(Continued)

	Business-Type Activities
Noncurrent liabilities:	
Compensated absences payable	\$ 2,270,317
Long-term debt	105,156,256
Net pension liability	31,697,561
Total noncurrent liabilities	139,124,134
Total liabilities	151,627,438
Deferred Inflows of Resources	
Deferred inflows related to pensions	4,039,640
Total deferred inflows of resources	4,039,640
Net Position	
Net investment in capital assets	66,491,129
Restricted:	
Expendable:	
Grants and contracts	841,828
Loans	79,912
Debt service	5,888,739
Other	2,201,823
Unrestricted	61,455,887
Total net position	\$ 136,959,318

Pinal County Community College District
(Central Arizona College)
Statement of Financial Position — Component Unit
June 30, 2019

	<u>Central Arizona College Foundation</u>
Assets	
Current Assets	
Cash and cash equivalents	\$ 153,877
Certificate of deposit - current	63,507
Accounts receivable	7,217
Deposit	8,654
Promises to give	325,000
Total Current Assets	<u>558,255</u>
Noncurrent assets	
Certificates of deposits	439,375
Promises to give, net of current portion	275,000
Investments	4,505,761
Total noncurrent assets	<u>5,220,136</u>
Total assets	<u><u>5,778,391</u></u>
Liabilities	
Accounts payable	<u>-</u>
Total liabilities	<u>-</u>
Net Assets	
Without donor restrictions	
Undesignated	545,117
Total net assets without donor restrictions	<u>545,117</u>
With donor restrictions	
Donor-restricted endowments	4,192,374
Time and purpose restricted	1,040,900
Total net assets with donor restrictions	<u>5,233,274</u>
Total net assets	<u>5,778,391</u>
Total liabilities and net assets	<u><u>\$ 5,778,391</u></u>

Pinal County Community College District
(Central Arizona College)
Statement of Revenues, Expenses, and Changes in Net Position — Primary Government
Year Ended June 30, 2019

	Business-Type Activities
Operating revenues:	
Tuition and fees (net of scholarship allowances of \$5,713,279)	\$ 3,856,527
Dormitory rentals and fees (net of scholarship allowances of \$388,159)	239,477
Other	436,045
Total operating revenues	4,532,049
Operating expenses:	
Educational and general:	
Instruction	17,896,502
Public service	382,361
Academic support	2,394,118
Student services	8,102,722
Institutional support	18,072,223
Operation and maintenance of plant	6,484,432
Scholarships	5,463,973
Auxiliary enterprises	986,031
Depreciation	6,615,789
Total operating expenses	66,398,151
Operating loss	(61,866,102)
Nonoperating revenues (expenses):	
Property taxes	58,666,381
State appropriations	1,604,300
Government grants	14,694,123
Share of state sales taxes	805,237
Private grants and gifts	141,201
Investment earnings	1,304,045
Interest expense on debt	(4,159,376)
Loss on disposal of capital assets	(394,087)
Total nonoperating revenues (expenses)	72,661,824
Income before other revenues, expenses, gains, or losses	10,795,722
Capital grants and gifts	139,000
Increase in net position	10,934,722
Net position, July 1, 2018	126,024,596
Net position, June 30, 2019	\$ 136,959,318

Pinal County Community College District
(Central Arizona College)
Statement of Activities — Component Unit
June 30, 2019

Central Arizona College Foundation

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support			
Contributions	\$ 19,002	\$ 685,016	\$ 704,018
Contributions - donated services, space and operating	247,225	-	247,225
Contributions - in kind gifts, non cash	-	145,800	145,800
Investment Income	10,264	118,809	129,073
Net realized and unrealized gain on investments	15,152	154,789	169,941
Net assets released from time and purpose restrictions	338,342	(338,342)	-
	<u>629,985</u>	<u>766,072</u>	<u>1,396,057</u>
Special Events			
Revenue from special events	36,867	-	36,867
Costs of direct donor benefits	(15,895)	-	(15,895)
	<u>20,972</u>	<u>-</u>	<u>20,972</u>
Gross profit on special events	20,972	-	20,972
Total revenues, gains and other support	650,957	766,072	1,417,029
Expenses and Losses			
Scholarships	191,625	-	191,625
Program donations	152,500	-	152,500
Office operation expenses	83,321	-	83,321
	<u>427,446</u>	<u>-</u>	<u>427,446</u>
Total expenses and losses	427,446	-	427,446
Change in net assets	223,511	766,072	989,583
Net assets, beginning of year	321,606	4,467,202	4,788,808
Net assets, end of year	<u>\$ 545,117</u>	<u>\$ 5,233,274</u>	<u>\$ 5,778,391</u>

Pinal County Community College District
(Central Arizona College)
Statement of Cash Flows — Primary Government
Year Ended June 30, 2019

	Business-Type Activities
Cash flows from operating activities:	
Tuition and fees	\$ 3,755,810
Dormitory rentals and fees	239,477
Collection of loans to students	26,814
Other receipts	249,598
Payments to suppliers and providers of goods and services	(11,981,837)
Payments for employee wages and benefits	(41,698,746)
Payments to students for scholarships	(5,463,973)
Other payments	(1,639,130)
Net cash used for operating activities	<u>(56,511,987)</u>
Cash flows from noncapital financing activities:	
Property taxes	60,707,387
State appropriations	1,604,300
Grants	14,151,235
Share of state sales taxes	805,237
Noncapital endowments and gifts	141,201
Federal direct lending receipts	2,632,889
Federal direct lending disbursements	(2,632,889)
Deposits held in custody for others received	(425,044)
Deposits held in custody for others disbursed	314,920
Net cash provided by noncapital financing activities	<u>77,299,236</u>
Cash flows from capital and related financing activities:	
Principal paid on capital debt	(5,682,603)
Interest paid on capital debt	(4,441,516)
Purchases of capital assets	(7,139,897)
Net cash used by capital and related financing activities	<u>(17,264,016)</u>
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	2,339,572
Interest received on investments	1,304,045
Purchase of investments	(2,339,572)
Net cash provided by investing activities	<u>1,304,045</u>
Net increase in cash and cash equivalents	4,827,278
Cash and cash equivalents, July 1, 2018	<u>95,654,554</u>
Cash and cash equivalents, June 30, 2019	<u>\$ 100,481,832</u>

(Continued)

Pinal County Community College District
(Central Arizona College)
Statement of Cash Flows — Primary Government
Year Ended June 30, 2019
(Continued)

	Business-Type Activities
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	\$ (61,866,102)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	6,615,789
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Receivables, net	(106,118)
Accrued payroll and employee benefits	(1,397,661)
Student loans receivable	26,814
Compensated absences payable	343,008
Net pension liability	(2,289,072)
Accounts payable	1,494,793
Deferred outflows of resources related to pensions	(589,093)
Unearned revenue	(183,622)
Insurance claims payable	(6,272)
Deferred inflows of resources related to pensions	1,445,549
Net cash used for operating activities	\$ (56,511,987)
Noncash investing, capital, and noncapital financing activities:	
Disposal of capital assets being depreciated	\$ 4,507,810
Loss on disposal of capital assets, net	394,087
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	93,833,226
Restricted assets:	
Cash and investments held by County Treasurer	4,043,450
Cash and investments held by trustee	2,605,156
Total cash and cash equivalents, June 30, 2019	\$ 100,481,832

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2019

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, 2019, the Foundation distributed \$198,325 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, 2019

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 liabilities 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, 2019

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, 2019

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, 2019

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, 2019, the carrying amount of the District's deposits was \$33,499,350 and the bank balance was \$34,005,761. The District does not have a policy with respect to custodial credit risk.

Investments – The District's investments at June 30, 2019, 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	\$ 2,605,156	\$ 2,605,156
Total investments by fair value level	<u>2,605,156</u>	<u>\$ 2,605,156</u>
 External investment pools measured at fair value		
County Treasurer's investment pool	<u>64,370,128</u>	
Total external investment pools measured at fair value	<u>64,370,128</u>	
Total investments measured at fair value	<u>66,975,284</u>	
Total investments	<u>\$ 66,975,284</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, 2019

Credit risk - The District does not have a formal policy with respect to credit risk. At June 30, 2019, credit risk for the District's investments was as follows:

Investment Type	Rating	Rating Agency	Amount
County Treasurer's investment pool	Unrated	Not applicable	\$ 64,370,128
Mutual funds - U.S. Treasury securities	Aaa	Moody's	2,605,156
Total			<u>\$ 66,975,284</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, 2019, 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, 2019, the District had the following investments in debt securities:

Investment Type	Amount	Weighted Average Maturity
County Treasurer's investment pool	\$ 64,370,128	.79 months
Mutual funds - U.S. Treasury securities	2,605,156	.62 months
Total	<u>\$ 66,975,284</u>	

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

Cash, deposits, and investments:		Statement of Net Position:	
Cash on hand	\$ 7,198	Cash and investments	\$ 93,833,226
Amount of deposits	33,499,350	Restricted assets:	
Amount of investments	66,975,284	Cash and investments held	
		by County Treasurer	4,043,450
		Cash and investments held	2,605,156
		by trustees	
Total	<u>\$ 100,481,832</u>	Total	<u>\$ 100,481,832</u>

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2019

Note 3 — Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Capital assets not being depreciated:				
Land	\$ 26,013,275			\$ 26,013,275
Construction in progress	29,252,375		\$ 29,099,094	153,281
Total capital assets not being depreciated	<u>55,265,650</u>	-	29,099,094	<u>26,166,556</u>
Capital assets being depreciated:				
Buildings	140,130,164	28,968,991	2,812,133	166,287,022
Improvements other than buildings	29,293,242	78,209	649,569	28,721,882
Water rights	1,171,172			1,171,172
Intangibles		3,377,138		3,377,138
Equipment	15,045,854	2,472,005	765,221	16,752,638
Library books	1,899,721	126,531	280,886	1,745,366
Total capital assets being depreciated	<u>187,540,153</u>	<u>35,022,874</u>	<u>4,507,809</u>	<u>218,055,218</u>
Less accumulated depreciation for:				
Buildings	39,165,923	3,767,149	2,465,260	40,467,812
Improvements other than buildings	13,882,734	1,714,194	593,272	15,003,656
Water rights	70,269	11,712		81,981
Equipment	13,271,876	1,009,693	764,204	13,517,365
Library books	1,296,050	113,041	280,886	1,128,205
Total accumulated depreciation	<u>67,686,852</u>	<u>6,615,789</u>	<u>4,103,622</u>	<u>70,199,019</u>
Total capital assets being depreciated, net	<u>119,853,301</u>	<u>28,407,085</u>	<u>404,187</u>	<u>147,856,199</u>
Capital assets, net	<u>\$ 175,118,951</u>	<u>\$ 28,407,085</u>	<u>\$ 29,503,281</u>	<u>\$ 174,022,755</u>

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2019

Note 4 — Long-Term Liabilities

The following schedule details the District's long-term liability and obligation activity for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due within 1 year
Bonds payable:					
General obligation bonds	\$ 76,730,000		\$ 3,195,000	\$ 73,535,000	\$ 3,305,000
Premium	8,067,794		473,759	7,594,035	473,759
Revenue bonds	27,535,000		-	27,535,000	1,065,000
Revenue refunding bonds	2,100,000		2,100,000	-	-
Total bonds payable	114,432,794	-	5,768,759	108,664,035	4,843,759
Capital leases payable	2,129,452		387,601	1,741,851	405,871
Compensated absences payable	2,487,122	1,436,262	1,093,254	2,830,130	559,813
Net pension liability	33,986,633		2,289,072	31,697,561	
Total long-term liabilities	\$ 153,036,001	\$ 1,436,262	\$ 9,538,686	\$ 144,933,577	\$ 5,809,443

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 or constructing capital facilities or refunding previously issued bonds. In fiscal year 2012, the District issued general obligation bonds totaling \$59 million to fund the purchase of land, the construction of new facilities, the renovation of existing facilities, and the purchase of equipment.

The District repays general obligation bonds from voter-approved property taxes. General obligation bonds outstanding at June 30, 2019, were as follows:

Description	Original Amount Issued	Maturity Ranges	Interest Rates	Outstanding Principal
General Obligation Bonds - Series 2012B	58,975,000	7/1/19 - 36	2.0-4.5%	44,845,000
GO Refunding Bonds - Series 2016	28,895,000	7/1/19 - 34	2.0-5.0%	28,690,000

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, 2019 the District's total net debt applicable to the limit was 21.31% of the legal debt limit. The bonds are subject to federal arbitrage regulations; however, there is no current year arbitrage liability.

Pinal County Community College District
 (Central Arizona College)
 Notes to Financial Statements
 June 30, 2019

The following schedule details debt service requirements to maturity for the District's general obligation bonds payable at June 30, 2019:

Year Ending June 30	General Obligation Bonds	
	Principal	Interest
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	3,790,000	2,513,376
2025-2029	21,825,000	9,767,030
2030-2034	27,115,000	4,731,776
2035-2036	7,020,000	424,000
Total	<u>\$ 73,535,000</u>	<u>\$ 28,883,036</u>

Pledged revenue obligations - 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. Series 2017 Revenue Bonds are pledged with gross revenues and are currently repaid from tuition and fees and dormitory rentals and fees. The total principal and interest remaining on the Revenue Bonds – Series 2017 is \$27,535,000 and \$12,900,100 respectively, with annual requirements ranging from \$2,229,850 to \$2,265,925. Pledged gross revenues have averaged approximately \$6,598,660, over the prior 5 fiscal years and principal and interest payments on revenue bonds are expected to require 34% of gross revenues annually. For the current year, interest paid by the District was \$1,216,900 and total tuition and fees and dormitory rentals and fees, net of scholarship allowances, was \$4,096,004.

Pledged revenue obligations outstanding at June 30, 2019, were as follows:

Description	Amount Issued	Maturity Ranges	Interest Rate	Outstanding Principal
Revenue Bonds - Series 2017	27,535,000	7/1/19 - 36	3.00% - 5.00%	27,535,000

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The following schedule details debt service requirements to maturity for the District's revenue bonds payable at June 30, 2019:

Year ended June 30	Revenue Bonds	
	Principal	Interest
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	1,230,000	1,029,850
2025-2029	6,895,000	4,340,175
2030-2034	8,645,000	2,561,725
2035-2037	6,270,000	425,500
	\$ 27,535,000	\$ 12,900,100

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.

At June 30, 2019, 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	(4,404,146)
Carrying value	\$ 655,736

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The following schedule details minimum lease payments to maturity for the District’s capital lease payable at June 30, 2019:

Year ending June 30	
2020	477,276
2021	478,540
2022	479,856
2023	481,223
Total minimum lease payments	1,916,895
Less amount representing interest	(175,044)
Present value of net minimum lease payments	\$ 1,741,851

Note 5 — 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 \$2 million with a \$500,000 deductible and \$5 million with a \$5,000 deductible 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.

Note 6 — 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 \$536,054 for the year ended June 30, 2019. The operating lease has a

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remaining non-cancelable term of 2 years and provides a renewal option. The future minimum payments required under the operating lease at June 30, 2019, are as follows:

Year ending June 30	
2020	409,101
2021	425,465
Total minimum lease payments	\$ 834,566

Note 7 — Pension

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 defined benefit 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, 2019 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, 2019 and no further disclosures are presented due to its relative insignificance to the District’s financial statements.

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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, average monthly compensation and service credits as follows:

Retirement		
Initial membership date:		
	Before July 1, 2011	On or after July 1, 2011
Years of service and age required to receive benefit	Age plus service = 80 or more 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 percent 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 earnings. 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, 2019, statute required active ASRS members to contribute at the actuarially determined rate of 11.64 percent for retirement of the members’ annual covered payroll. The District was required to contribute at the actuarially determined rate of 11.18 percent for retirement of the active members’ annual covered payroll.

The District was required by statute to contribute at the actuarially determined rate of 10.41 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.

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The District’s contributions to the pension plan for the year ended June 30, 2019 were \$2,540,798.

Liability – At June 30, 2019, the District reported a liability of \$31,697,561 for its proportionate share of the ASRS’s net pension liability. The net liability was measured as of June 30, 2018. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2017, to the measurement date of June 30, 2018. The total pension liability as of June 30, 2018, reflects changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016, including decreasing the discount rate from 8 percent to 7.5 percent, changing the projected salary increases from 3–6.75 percent to 2.7–7.2 percent, decreasing the inflation rate from 3 percent to 2.3 percent, and changing the mortality rates.

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, 2018. The District’s proportion measured as of June 30, 2018 was .227%, which was an increase of .009% from its proportion measured as of June 30, 2017.

Pension Expense and Deferred Outflows/Inflows of Resources – For the year ended June 30, 2019, the District recognized pension expense for ASRS of \$1,108,182. At June 30, 2019, 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	\$ 873,242	\$ 174,743
Net difference between projected and actual earnings on pension plan investments		762,251
Changes in proportion and differences between district contributions and proportionate share of contributions	1,039,709	292,222
District contributions subsequent to the measurement date	2,540,798	
Changes of assumptions or other inputs	838,775	2,810,424
Total	\$ 5,292,524	\$ 4,039,640

The \$2,540,798 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, 2020. Other amounts reported as deferred

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outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year Ending June 30	
2020	571,029
2021	(360,824)
2022	(1,156,279)
2023	(341,840)

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

Assumptions

Actuarial valuation date	June 30, 2017
Actuarial roll-forward date	June 30, 2018
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Projected salary increases	2.7 - 7.2%
Inflation	2.3%
Permanent benefit increase	Included
Mortality rates	2017 SRA Scale U-MP

The actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2016.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.5% using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan 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 and by adding expected inflation. The target allocation and best estimates of geometric 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 geometric real rate of return
Equity	50%	5.50%
Fixed income	30%	3.83%
Real estate	20%	5.85%
Total	100%	

Discount Rate – As of June 30, 2018, the discount rate used to measure the total pension liability was 7.5 percent, which was a decrease of .5 from the discount rate used as of June 30, 2017. 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 District’s proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the Districts’ proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.50%) or 1.00% higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$ 45,185,603	\$ 31,697,561	\$ 20,428,521

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

Contributions Payable – The pension contribution payable to ASRS for the year ended June 30, 2019 was \$83,128.

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Note 8 — 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	\$	39,205,205
Contract services		5,802,658
Supplies and other services		3,008,954
Communications and utilities		2,467,339
Scholarships		5,463,973
Depreciation		6,615,789
Other		3,834,233
Total	<u>\$</u>	<u>66,398,151</u>

Note 9 — Subsequent Events

On April 16, 2021 the District issued General Obligation Refunding Bonds, Series 2021, in the amount of \$36 million with an interest rate varying from 3 - 5% and maturing July 1, 2036. The proceeds from the bonds were used to advance refund the outstanding balance of the 2012, Series B, General Obligation Bonds, at the date of refunding, in the amount of \$41.8 million. The remaining proceeds were used for related debt issuance costs.

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.

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

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they depend are substantially met. Unconditional promises to give that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are 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 net assets with donor restrictions (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 donor-restricted endowment fund also includes accumulated earnings in the fund that are also classified as net assets with donor restrictions 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.

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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 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 either support with donor restrictions or as support without donor restrictions, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions 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, 2019 include donated services for the Foundation Director's salary and benefits of \$45,056, donated services for the Foundation Secretary's salary and benefits of \$10,826, donated services for Student Intern's salary and benefits of \$1,599, donated operating expenses of \$16,626, previous years' operating expenses payable donated by Central Arizona College of \$164,815, donated administrative costs of \$6,502 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.

Net Assets – The Foundation reports information regarding its financial position and activities according to two classes of net assets as follows:

Net assets without donor restrictions – net assets available for use in general operations and not subject to donor or grantor restrictions.

Net assets with donor restrictions – net assets whose use is limited by donor-imposed time and/or purpose restrictions. Gifts of long-lived assets and gifts of cash restricted for acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed

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restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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, 2019, the Foundation had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

The Foundation recognizes interest and penalties associated with income taxes in operating expenses. During the year ended June 30, 2019, 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 7, 2019, the date the financial statements were available to be issued.

Change in Accounting Principle - On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities - Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Foundation has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented and resulted in the temporarily and permanently restricted net asset balances (\$4,467,202) and unrestricted net asset balance (\$321,606) at June 30, 2018 being renamed net assets with donor restrictions and net assets without donor restrictions, respectively. Also, a new disclosure about liquidity and availability has been added.

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, 2019, 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

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the Securities Investor Protection Corporation (SIPC). Balances over \$500,000 are insured by the brokerage firms. At June 30, 2019, 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, 2019:

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
4/1/2020	3.55%	63,508
12/21/2021	3.00%	63,783
4/5/2022	2.80%	59,501
4/4/2023	3.05%	63,977
10/1/2024	3.15%	64,672
3/25/2025	2.95%	56,364
4/12/2025	2.90%	63,315
4/19/2027	2.80%	67,762
		<u>\$ 502,882</u>

Investments - The following is a summary of the value of investments at June 30, 2019:

	<u>Value</u>
Stocks	\$ 697,594
Exchange traded and closed end funds	1,231,255
Mutual funds	2,576,912
	<u>\$ 4,505,761</u>

The following schedule summarizes the investment return for the year ended June 30, 2019:

	<u>Amount</u>
Interest and dividend income	\$ 129,073
Net realized gains	(27,241)
Net unrealized gains	197,182
	<u>\$ 299,014</u>

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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, 2019 was \$28,876.

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, 2019:

	Level 1	Level 2	Level 3	Total
Measured at fair value on a recurring basis:				
Stocks	\$ 697,594	-	-	\$ 697,594
Exchange traded and closed end funds	1,231,255	-	-	\$ 1,231,255
Mutual Funds	2,576,912	-	-	2,576,912
Total Investments	<u>\$ 4,505,761</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,505,761</u>

Net Assets with Donor Restrictions – Net assets with donor restrictions 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, 2019, the Foundation held 37 permanent endowments and 46 donor restricted net asset funds to be used for scholarships.

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The nature of these restrictions is as follows:

	<u>As of 6/30/2019</u>
Donor restricted endowment funds	
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by MCFA	\$ 3,318,276
The investment income on perpetual endowment funds subject to a time restriction under MCFA	\$ 874,098
	<u>\$ 4,192,374</u>
Other net assets purpose restricted:	
Scholarships (non-endowed)	490,900
Promises to give	550,000
	<u>\$ 1,040,900</u>
Total net assets with donor restrictions	<u><u>\$ 5,233,274</u></u>

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Endowment Funds - Endowment funds include funds restricted in perpetuity by the donors. Endowment net asset composition by type of fund as of June 30, 2019 is as follows:

	Net assets with donor restrictions
Original donor-restricted endowment gift amounts	\$ 3,318,276
Accumulated investment gains on endowment funds	
Without purpose restrictions	-
With purpose restrictions	874,098
Total endowment funds	\$ 4,192,374

Changes in endowment funds as of June 30, 2019 are as follows:

	Without donor restrictions	With donor restrictions	Total Endowment Funds
Balance, June 30, 2018		\$ 4,050,027	\$ 4,050,027
			\$ -
Contributions		2,120	\$ 2,120
Interest and dividend income		108,034	\$ 108,034
Realized and unrealized gains		142,945	\$ 142,945
Amounts appropriated for expenditure		(109,446)	\$ (109,446)
Administrative fees		(1,306)	\$ (1,306)
Balance, June 30, 2019	\$ -	\$ 4,192,374	\$ 4,192,374

Central Arizona College Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of the original value of initial and subsequent gift amounts donated to the fund that are required to be maintained in perpetuity in accordance with the directions of the applicable donor gift instrument. Central Arizona College Foundation has interpreted MCFA to permit spending from underwater funds in accordance with the prudent measures required under law.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or MCFA requires. Deficiencies of this nature exist in 1 donor-restricted endowment fund, which has an original gift value of \$25,000, a current fair value of \$22,073 and a deficiency of \$2,927 as of June 30, 2019. This deficiency resulted from unfavorable market fluctuations and continued appropriation for certain programs that was deemed prudent by the Board of Directors.

Central Arizona College Foundation has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2019

precluded by donor intent. At the time the Board of Directors appropriated \$7,000 for expenditure from the endowment fund, it was not underwater.

Liquidity and Availability - The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs. In addition, the Foundation receives support without donor restrictions; such support has historically represented approximately 100% of annual program funding needs, with the remainder funded by investment income without donor restrictions and appropriated earnings from gifts with donor restrictions.

The Foundation considers investment income without donor restrictions, appropriated earnings from donor-restricted and board-designated endowments, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses and grant commitments expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Foundation's fiscal year.

The Foundation manages its cash available to meet general expenditures following three guiding principles: (1) Operating within a prudent range of financial soundness and stability; (2) Maintaining adequate liquid assets, and; (3) Maintaining sufficient reserves to provide reasonable assurance that long term grant commitments and obligations under endowments with donor restrictions that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

Financial assets at year end:

Cash and cash equivalents	\$	153,877
Contributions receivable		600,000
Other receivables		15,871
Certificates of deposit		502,882
Investments		4,505,761
Total financial assets	\$	<u>5,778,391</u>

Less amounts not available to be used within one year:

Other endowment investments	\$	3,318,276
Donor imposed restriction - purpose		1,256,267
Donor imposed restriction - time		58,731
Contributions receivable - due after one year, net		275,000
Certificates of deposit - maturity date longer than one year		439,375

Financial assets not available to be used within one year	\$	<u>5,347,649</u>
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Financial assets available to meet general expenditures within one year	\$	<u>430,742</u>
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Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2019

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 time spent by the College's Institutional Development Director, Institutional Development Assistant, Executive Director of Accounting Services, and the Grant Accountant for the year ending June 30, 2019. 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. The current Foundation treasurer is the President/CEO of the bank that holds the Foundation operating accounts.

New Accounting Pronouncements - The Financial Accounting Standards Board has issued Accounting Standards Update ("ASU") No. 2016-02, *Leases*. For nonpublic companies, the standard must be adopted for annual reporting periods beginning after December 15, 2019. The standard's core principle is the recognition of lease assets and lease liabilities by lessees for substantially all leases, including those currently classified as operating leases. Under the ASU, a lessee will be required to recognize assets and liabilities for operating and finance leases with terms of more than 12 months. Management is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

The Financial Accounting Standards Board has issued Accounting Standards Update ("ASU") No. 2018-08, *Not-For-Profit Entities-Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. For nonpublic companies, the standard must be adopted for annual reporting periods beginning after December 15, 2019. The standard's core principle is to clarify and improve the scope and the accounting guidance for contributions received and contributions made. This ASU should assist entities in evaluating whether transactions should be accounted for as contributions or as exchange transactions and determining whether a contribution is conditional. Management is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.



**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, 2019

ASRS - Pension	Reporting Fiscal Year					
	(Measurement Date)					
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2010
District's proportion of the net pension liability	0.23%	0.22%	0.22%	0.21%	0.22%	Information not available
District's proportionate share of the net pension liability	\$31,697,561	\$33,986,633	\$35,984,756	\$33,405,777	\$32,057,173	
District's covered payroll	\$22,586,107	\$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	140.34%	160.69%	174.28%	171.06%	165.86%	
percentage of the total pension liability	73.40%	69.92%	67.06%	68.35%	69.49%	

Pinal County Community College District
(Central Arizona College)
Required Supplementary Information
Schedule of District Pension Contributions
June 30, 2019

ASRS - Pension	Reporting Fiscal Year						2013 through 2010
	2019	2018	2017	2016	2015	2014	
Statutorily required contribution	\$ 2,540,798	\$ 2,459,913	\$ 2,317,219	\$ 2,311,647	\$ 2,160,799	\$ 2,089,676	Information not available
District's contributions in relation to the statutorily required contribution	2,540,798	2,459,913	2,317,219	2,311,647	2,160,799	2,089,676	
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
District's covered payroll	\$ 22,726,279	\$ 22,586,107	\$ 21,150,671	\$ 20,647,346	\$ 19,528,236	\$ 19,327,742	
District's contributions as a percentage of covered payroll	11.18%	10.89%	10.96%	11.20%	11.06%	10.81%	



**Central
Arizona
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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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net Investment in Capital Assets	\$ 66,491,129	\$ 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
Restricted - Expendable	9,012,302	11,897,569	10,910,380	6,185,680	4,468,022	5,812,903	10,016,468	2,210,949	2,565,183	2,679,369
Restricted - Nonexpendable	61,455,887	47,364,990	33,184,399	27,062,723	11,421,044	37,184,168	35,463,703	72,733,072	67,642,071	57,695,264
Unrestricted	136,959,318	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
Total Net Position										

Source: District audited financial statements

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

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Operating revenues:										
Tuition and fees* (net of scholarship allowances)	\$ 3,856,927	\$ 5,544,035	\$ 5,218,478	\$ 5,803,046	\$ 5,393,072	\$ 5,274,693	\$ 5,997,913	\$ 5,783,033	\$ 5,546,834	\$ 5,341,242
Dormitory rentals and fees* (net of scholarship allowances)	239,477	321,403	285,070	285,540	230,773	247,141	281,699	256,706	259,952	263,745
Other operating revenues	436,045	588,060	242,066	571,936	771,800	683,493	1,050,519	706,729	612,877	620,024
Total operating revenues	\$ 4,532,049	\$ 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
* Pledged as security for revenue obligations and bonds										
Operating expenses:										
Educational and General										
Instruction	\$ 17,896,502	\$ 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
Public service	382,361	281,528	229,182	236,315	313,846	260,855	372,572	254,705	246,036	230,119
Academic support	2,394,118	2,404,671	2,395,117	2,402,822	2,667,475	3,181,172	2,964,889	4,340,455	3,363,850	3,318,227
Student services	8,102,722	5,126,051	4,951,129	4,736,622	4,797,955	4,098,712	4,008,712	4,440,378	4,221,676	4,116,052
Institutional Support	18,072,223	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
Operation and maintenance of plant	6,484,432	6,285,267	5,961,320	5,853,761	6,123,290	6,584,000	5,659,506	4,833,938	4,569,432	4,688,191
Scholarships	5,463,973	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
Auxiliary enterprise	986,031	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
Depreciation	6,615,789	5,830,089	5,995,051	6,097,868	6,201,956	4,524,884	4,524,884	3,198,550	3,108,478	3,440,266
Total operating expenses	\$ 66,398,151	\$ 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
Operating Loss	\$ (61,866,102)	\$ (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)
Nonoperating revenues (expenses):										
Property taxes	\$ 58,666,381	\$ 60,211,680	\$ 58,663,549	\$ 57,079,404	\$ 48,307,654	\$ 46,906,012	\$ 41,792,777	\$ 41,240,729	\$ 41,515,641	\$ 43,455,031
State appropriations	1,604,300	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
Government grants	14,694,123	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
Share of state sales taxes	805,237	751,695	748,221	715,933	649,792	738,258	630,814	643,450	603,286	556,505
Private grants and gifts	141,201	227,322	122,261	198,086	607,478	334,269	434,386	777,473	734,550	596,877
Investment earnings	1,304,045	921,783	439,054	277,354	120,475	79,625	210,634	306,390	681,310	880,987
Interest expense on debt	(4,159,376)	(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)
Gain/(Loss) on disposal of capital assets	(394,087)	171	(101,542)	(24,588)	4,591	(186,722)	109,093	(799,302)	(6,487)	(2,515)
Net nonoperating revenues	\$ 72,661,824	\$ 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
Income before other revenues, expenses, gains and losses	\$ 10,795,722	\$ 18,000,935	\$ 16,831,207	\$ 14,752,263	\$ 8,133,315	\$ 3,242,755	\$ 2,764,774	\$ 4,862,238	\$ 11,574,359	\$ 13,644,323
Capital appropriations	139,000	68,413	112,627	-	-	-	25,999	-	-	34,050
Capital grants and gifts	10,934,722	18,069,348	16,943,834	14,752,263	8,133,315	3,242,755	2,790,773	4,862,238	11,574,359	13,678,373
Increase in net position	\$ 126,024,596	\$ 107,955,248	\$ 91,011,414	\$ 76,259,248	\$ 68,125,816	\$ 99,967,308	\$ 97,176,535	\$ 92,314,297	\$ 80,739,938	\$ 67,061,565
Total net position, July 1	\$ 136,959,318	\$ 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

¹Net 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
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	41,140,759	1
2019	41,566,098	-	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 06/30/19			
	Original Tax Levy ¹	Adjustments	Adjusted Levy as of 06/30/19	Collections Initial Tax Year	Percentage of Original Levy	Collections in Subsequent Years	Amount	Percentage of Adjusted Levy
2009	42,592,817	(81,589)	42,511,228	40,473,270	95.02%	\$ 1,989,996	42,463,266	99.89%
2010	40,750,139	(254,084)	40,496,055	38,631,260	94.80%	\$ 1,814,786	40,446,046	99.88%
2011	40,169,269	(833,837)	39,335,432	37,884,199	94.31%	\$ 1,385,964	39,270,163	99.83%
2012	40,522,956	(533,655)	39,989,301	38,640,453	95.35%	\$ 1,295,263	39,935,716	99.87%
2013	44,822,855	(676,648)	44,146,207	42,917,017	95.75%	\$ 1,171,487	44,088,504	99.87%
2014	45,508,829	(591,551)	44,917,278	43,860,643	96.38%	\$ 1,004,664	44,865,307	99.88%
2015	54,520,894	(900,542)	53,620,352	52,330,717	95.98%	\$ 1,193,855	53,524,572	99.82%
2016	55,683,737	(365,351)	55,318,386	53,952,637	96.89%	\$ 1,250,495	55,203,132	99.79%
2017	56,937,013	(219,621)	56,717,392	55,691,540	97.81%	\$ 888,586	56,580,126	99.76%
2018	55,643,415	281,915	55,925,330	54,775,622	98.44%	\$ -	54,775,622	97.94%

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					
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%	
2018	602,105	1,513,386	213,177	26,766	2,355,434	4.1601	22,283,528	10.57%	

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 Comprehensive Annual Financial Report 06/30/19 - 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	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	
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	
2018	0.47	3.83	2.36	3.49	3.31	2.83	0.05	1.59	1.88	0.04-38.00	2.18	0.19	2.36	

Source: Pinal County 2018-2019 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)

Fiscal Year	Assessed Value	County				Mary C O'Brien School ¹		Total
		Primary Rate	Library	Flood	Fire	School ¹	School ¹	
2009/10	2,880,552	3.2316	0.0970	0.1700	0.0439	0.1259	3.6684	
2010/11	2,546,949	3.9999	0.0970	0.1700	0.0544	N/A	4.3213	
2011/12	2,160,151	3.9999	0.0970	0.1700	0.0635	N/A	4.3304	
2012/13	2,153,783	3.7999	0.0970	0.1700	0.0795	N/A	4.1464	
2013/14	2,088,882	3.7999	0.0970	0.1700	0.0674	N/A	4.1343	
2014/15	2,005,152	3.7999	0.0970	0.1700	0.0688	N/A	4.1357	
2015/16	2,057,548	3.9999	0.0970	0.1700	0.0655	N/A	4.3324	
2016/17	2,119,751	3.8699	0.0965	0.1693	0.0657	N/A	4.2014	
2017/18	2,239,027	3.8699	0.0965	0.1693	0.0644	N/A	4.2001	
2018/19	2,355,434	3.8300	0.0965	0.1693	0.0643	N/A	4.1601	

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

Source: Pinal County 2018 - 2019 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
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
2019	2,355,433	2.1766	51,268	2,355,433	0.1857	4,374

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 2019 and Tax Year 2010**
(\$ Amounts expressed in thousands)

Taxpayer	2019			2010		
	Primary Assessed Value	Rank	Percent of Total Value	Primary Assessed Value	Rank	Percent of Total Value
Arizona Public Service Company	\$ 79,107	1	3.36%	\$ 86,886	1	3.02%
CCA Properties of Arizona LLC	39,006	2	1.66%	20,587	2	0.71%
ASARCO LLC/Ray Copper Complex	35,422	3	1.50%	64,357	3	2.23%
El Paso Natural Gas	21,952	4	0.93%	18,022	4	0.63%
Unisource Energy Corporation (EPF)	17,960	5	0.76%			
Corrections Corporation of America	15,427	6	0.65%			
Southwest Gas Corporation	13,887	7	0.59%	12,782	6	0.44%
Arizona Water Company	13,446	8	0.57%			
Union Pacific Railroad	12,969	9	0.55%			
Johnson Utilities	10,711	10	0.45%			
Qwest Corporation				16,385	5	0.57%
WP Casa Grande Retail LLC				10,853	7	0.38%
Federal National Mortgage Association				8,010	8	0.28%
Wal-Mart Stores East, LP				7,342	9	0.25%
SFPP LP dba Kinder Morgan Energy				6,625	10	0.23%
Total	<u>\$ 259,887</u>		<u>11.03%</u>	<u>\$ 251,849</u>		<u>8.74%</u>
Total Assessed Value	<u>\$ 2,355,433</u>			<u>\$ 2,880,552</u>		

Source: County Treasurer Tax Records - Top Fifty Taxpayers

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
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					
2019	44,845,000	28,690,000	-	-	27,535,000	-	-	-	7,594,035	-	1,741,851	110,405,886	0.012%	244					

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
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
2019	453	2,355,433	81,129,035	4,043,450	77,085,585	3.3%	170.17

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			
2010	-	968,696	-	-	620,000	310,406	835,000	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	7,268,613	58,318,851	12.5%
2012	3,220,000	2,773,319	-	-	675,000	257,478	880,000	290,650	-	-	280,746	188,187	8,565,380	61,463,297	13.9%
2013	2,590,000	3,982,018	-	-	705,000	228,134	910,000	262,663	-	-	293,978	175,832	9,127,625	63,505,946	14.4%
2014	2,660,000	3,800,118	-	-	735,000	198,175	940,000	229,075	-	-	307,839	162,895	9,124,102	65,229,663	14.0%
2015	2,740,000	3,816,018	-	-	765,000	5,647	980,000	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	13.4%
2017	2,905,000	2,149,026	45,000	1,208,410	-	-	-	-	2,039,970	75,701	353,479	120,306	8,898,892	66,707,389	13.3%
2018	3,010,000	2,059,126	80,000	1,174,850	-	1,132,393	-	-	2,065,000	45,736	370,149	104,791	10,033,004	69,934,708	15.7%
2019	3,113,000	1,947,576	80,000	1,173,250	-	1,216,900	-	-	2,100,000	13,330	387,601	88,461	10,124,118	66,398,151	15.2%

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		
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
2019	-	-	1,216,900	2,100,000	15,330	-	-	3,332,230	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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Secondary assessed valuation of real and personal property	\$ 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	\$ 2,355,433
Debt Limit, 15% of secondary assessed value	509,814	401,012	332,796	326,552	300,802	306,113	308,632	317,963	335,854	353,315
Total net debt applicable to limit	40,000	38,175	93,930	91,340	88,680	85,940	85,623	82,320	78,859	75,277
Legal Debt Margin	\$ 469,814	\$ 362,837	\$ 238,866	\$ 235,212	\$ 212,122	\$ 220,173	\$ 223,009	\$ 235,643	\$ 256,995	\$ 278,038
Total net debt applicable to the limit as a percentage of debt limit	7.85%	9.52%	28.22%	27.97%	29.48%	28.07%	27.74%	25.89%	23.48%	21.31%

Source: Pinal County Assessor's Office and District Records

**Pinal County Community College District
Principal Employers for Pinal County
Fiscal Year 2019 and Fiscal Year 2010**

	2019			2010			
	Employer	Employees ¹	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
	State of Arizona	2,025	1	3.24%	3,030	1	2.74%
	Pinal County Government	1,989	2	3.18%	2,554	2	2.31%
	Walmart	1,980	3	3.16%	1,750	5	1.58%
	Corecivic Inc (formerly Corrections Corporation of America)	1,398	4	2.23%	2,480	3	2.24%
	ASARCO LLC	1,370	5	2.19%			
	Pinal County Community College District	1,131	6	1.80%	790	9	0.71%
	Ceasars Entertainment Operating Company Inc	800	7	1.28%			
	Casa Grande Community Hospital	625	8	1.00%	800	7	0.72%
	Arizona Training Center Coolidge	600	9	0.96%			
	Marana Aerospace Solutions	373	10	0.60%			
	Gila River Indian Community				2040	4	1.84%
	Ray Mines Plant				810	6	0.73%
	Hu Hu Kam Memorial Hospital				790	8	0.71%
	Casa Grande Elementary School District				740	10	0.67%

¹ Estimated number of full-time equivalent employees

2019 Source: Maricopa Association of Governments, Arizona Employment Map/FY 2019 Pinal County Comprehensive Annual Financial Report

2010 Source: FY 09-10 Pinal County Comprehensive Annual Financial Report

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
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	5.2%
2018/19	453	13,701,923	30	5.5%

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: FY2019 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	2019
Pinal County		375,770	462,789
State of Arizona	5,130,632	6,392,017	7,278,717

Age Distribution	% of Total	
	Pinal County	State of Arizona
Persons under 5 years, percent, 2019	5.5%	5.9%
Persons 5 to under 19, percent 2019	19.2%	19.4%
Persons 20 to under 24, percent 2019	5.3%	6.7%
Persons 25 to under 34, percent 2019	13.2%	13.8%
Persons 35 to under 44, percent 2019	13.2%	12.4%
Persons 45 to under 54, percent 2019	11.0%	11.8%
Persons 55 to under 59, percent 2019	6.3%	6.1%
Persons 60 years and over, percent, 2019	26.3%	23.9%
Female persons, percent, 2019	47.9%	50.3%

Population Composition	% of Total	
	Pinal County	State of Arizona
White alone, percent, 2019	82.7%	82.6%
Black or African American alone, percent, 2019	5.4%	5.2%
American Indian and Alaska Native alone, percent, 2019	6.6%	5.3%
Asian alone, percent, 2019	1.9%	3.7%
Native Hawaiian or Other Pacific Islander alone, percent 2019	0.4%	0.3%
Two or more races	3.0%	2.9%
	100.00%	100.00%

Source: US Census Bureau 2019: ACS 1-Year Estimates Subject Table; Age and Sex (Table: S0101)
<https://data.census.gov/cedsci/table?q=Pinal%20County%20Arizona%20Age%20and%20Sex%20data&tid=A CSST1Y2019.S0101&hidePreview=false>

US Census Bureau QuickFacts - Pinal County, Arizona (Population estimates as of July 1, 2019)
<https://www.census.gov/quickfacts/pinalcountyarizona>

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			Not Recorded	Residency			
	Full-Time	Part-Time	Male	Female	Resident		Out of County	Out of State	Foreign	Not Identified
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%
2019	1,199	6,177	40.0%	59.0%	1.0%	64.0%	11.0%	4.0%	0.0%	21.0%

Degrees and Certificates Awarded		
Fiscal Year	Degrees Awarded	Certificates Awarded
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
2019	600	836

Demographic Statistics										
Fiscal Year	Age		Ethnic Background							
	Median	Average	Asian American	African American	Hawaiian-Pacific Islander	Native American	Hispanic	White	Other	Not Identified
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%
2019	22	27	2.0%	7.0%	0.0%	5.0%	35.0%	39.0%	4.0%	8.0%

Source: District Records
District IPEDS Data Feedback Report 2019

Pinal County Community College District
Historic Enrollment
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Headcount	8517	8086	9741	10,231	10,701	11,746	13,216	14,408	14,646	15,029
Full time student enrollment (FTSE) by campus	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Aravaipa	43.57	64.71	72.13	73.89	83.51	75.10	95.95	134.68	149.31	143.03
Arizona Learning System			-	-	-	-	-	-	-	1.05
Arizona State Prison	173.47	186.82	131.95	135.15	150.08	171.87	301.92	410.70	443.58	583.28
Casa Grande Center	15.05	36.78	42.24	45.48	60.95	81.22	83.97	18.80	33.32	31.25
Central Corporate Center	39.83	27.45	51.81	70.97	100.47	112.40	123.11	96.94	91.15	113.12
Coolidge			-	-	-	-	65.84	25.08	20.37	34.21
District/Statewide Programs			-	-	-	-	1.20	732.73	848.11	775.67
Florence Center		0.35	0.40	1.97	3.58	10.80	10.77	10.43	17.63	27.72
Maricopa Campus	217.65	285.54	282.88	276.74	265.45	259.50	180.58	122.15	117.48	101.02
Saddlebrooke Center			-	-	-	1.90	4.45	6.16	9.24	4.12
San/Tan Johnson Ranch	286.82	325.47	319.84	329.29	287.67	216.58	213.12	201.22	191.72	154.67
Signal Peak	1,082.68	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
Superstition Mountain	243.90	310.23	344.20	386.42	457.15	509.71	603.32	588.35	524.96	516.05
Virtual ²	963.45	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
WFD-North ¹			-	-	-	-	-	29.00	67.30	76.23
WFD-West ¹			-	-	-	-	-	67.95	135.27	143.52
Total District FTSE	3066.42	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

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**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Full-Time Teaching	104	105	103	107	96	92	95	91	90	91
Non-Teaching Support	137	121	108	115	110	119	122	125	120	122
Managerial & Technical Administration	154	138	131	127	137	130	131	127	118	123
	15	16	15	15	14	13	15	16	17	17
Total Non-Teaching	306	275	254	257	261	262	268	268	255	262
Total Full-Time	410	380	357	364	357	354	363	359	345	353
Part-Time Teaching	192	245	273	272	311	381	420	428	381	298
Non-Teaching	198	193	228	260	244	204	194	254	254	174
Total Part-Time	390	438	501	532	555	585	614	682	635	472
Total Employees	800	818	858	896	912	939	977	1041	980	825

Source: District Records, IPEDS Human Resources Report, FY19

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

Asset Type	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
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	\$ 26,013,275	\$ 17,326,623	\$ 4,202,798
Construction in progress	153,281	29,252,375	6,070,742	993,854	153,281	-	44,097,762	41,350,472	12,497,822	216,015
Total capital assets not being depreciated	<u>26,166,556</u>	<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>
Capital assets being depreciated:										
Buildings	166,287,022	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
Improvements other than buildings	28,721,882	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
Water rights	1,171,172	1,171,172	1,171,172	1,171,172	1,171,172	1,171,172	1,171,172	1,171,172	-	-
Other intangibles	3,377,138	-	-	-	-	-	25,999	11,750	-	-
Equipment	16,752,638	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
Library books	1,745,366	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
Total capital assets being depreciated	<u>218,055,218</u>	<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>
Less accumulated depreciation for:										
Buildings	40,467,812	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
Improvements other than buildings	15,003,656	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
Water rights	81,981	70,269	58,558	46,847	35,135	11,712	-	-	-	-
Other intangibles	-	-	-	-	-	-	13,000	1,175	-	-
Equipment	13,517,365	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
Library books	1,128,205	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
Total accumulated depreciation	<u>70,199,019</u>	<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>
Total capital assets being depreciated (net)	<u>147,856,199</u>	<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>
Capital assets, (net)	<u>\$ 174,022,755</u>	<u>\$ 175,118,951</u>	<u>\$ 156,491,086</u>	<u>\$ 155,482,876</u>	<u>\$ 159,166,279</u>	<u>\$ 163,804,208</u>	<u>\$ 162,808,838</u>	<u>\$ 119,451,187</u>	<u>\$ 66,410,719</u>	<u>\$ 42,617,843</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
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
2019	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