

# Maricopa County Community College District

Phoenix, Arizona

Chandler-Gilbert

Estrella Mountain

GateWay

Glendale

Mesa

Paradise Valley

Phoenix

Rio Salado

Scottsdale

South Mountain



Glendale Community College

## Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2013







# **Comprehensive Annual Financial Report**

**Fiscal Year Ended June 30, 2013**

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

Prepared by  
**Division of Business Services**





# Maricopa County Community College District Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2013

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# Introductory Section







www.maricopa.edu

DR. RUFUS GLASPER  
CHANCELLOR

2411 W. 14th St.  
Tempe, Arizona  
85281-6942

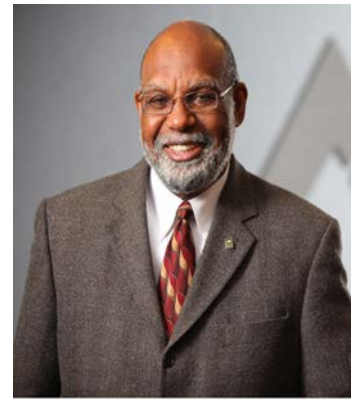
Telephone  
480.731.8000

Fax  
480.731.8506

December 19, 2013

To the Citizens of Maricopa County:

It gives me great pleasure to share the Maricopa Community Colleges' Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2013. This report describes the financial operations of our colleges and illustrates the progress we are making in educating more than 233,000 credit students each year. I am confident that this report will demonstrate to you, our taxpayers, that we continue to be responsible stewards of the funds you entrust to us.



I'm happy to report that our District's finances remained on a firm footing during the year. The three major national bond rating agencies reaffirmed the Districts' "triple A" ratings for general obligation bonds, ratings we have held since 2007. Our taxpayers continue to reap the benefits, because when we issue bonds to borrow money, the District pays less interest than we would with a lower rating. During Spring 2013, we sold the last series of bonds from our 2004 bond initiative at a favorable rate. The money borrowed as a result of this bond sale allows us to provide a continuously improved learning environment and to keep the promise we made to voters in 2004 to provide students with the most up-to-date facilities possible.

Throughout FY 2013, Arizona continued to climb out of the recession that plagued its economy for several years. The housing market led the recovery, with The Arizona Republic reporting in June 2013 that the average home price had increased 60% from its low point in August 2011. Business activity increased during the year, with unemployment hovering at or around 8.3%.

Community college enrollment tends to decline when the economy improves, so it was no surprise that our enrollment declined slightly during FY 2013. For FY 2014, the District's Governing Board approved a tuition increase of \$5 per credit hour, as well as a 2% increase in the tax levy, primarily to allow the District to embark on a number of exciting initiatives designed to help students succeed.

One such initiative is the Seamless Student Experience (SSE), a multi-stage project that makes it easier for students to navigate through the Maricopa Community Colleges. Among other things, SSE will allow students to enroll just once in Maricopa, regardless of how many of our colleges they attend. It also will allow students to obtain a single unified transcript and ease the financial aid application process by providing one financial aid application. Our adopted budget also allows us to increase the number of full-time faculty at our colleges, part of my long-term goal of raising the proportion of full-time to part-time faculty on our campuses.

This financial report is a further statement of our commitment to provide quality educational services to our students. I urge you to read it and hope that you agree that we continue to provide good value to our taxpayers through effective stewardship and continued promotion of student success. If you have questions about the financial management of the District, please call us for more information.

Sincerely,

Rufus Glasper, Ph.D., CPA, CGFM  
Chancellor



www.maricopa.edu

DR. RUFUS GLASPER  
CHANCELLOR

2411 W. 14th St.  
Tempe, Arizona  
85281-6942

Telephone  
480.731.8000

Fax  
480.731.8506

December 19, 2013

To the Residents of the Maricopa County Community College District:

We are pleased to provide you with the Comprehensive Annual Financial Report (CAFR) of the Maricopa County Community College District (MCCCD; the District) for the fiscal year ended June 30, 2013 (FY 2013).

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

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

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

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

### **Reporting Entity**

The District is an independent reporting entity within the criteria established by generally accepted accounting principles (GAAP) and the Governmental Accounting Standards Board (GASB). According to GASB Statement No. 14, as amended by GASB Statement No. 61, the financial reporting entity consists of "a primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete." MCCCD is a primary government because it is "a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments". Although the District shares the same geographic boundaries

## **Reporting Entity** (continued)

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

## **Profile of Maricopa County Community College District**

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

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

## **History**

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

## **Geography/Population**

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

## **Profile of Maricopa County Community College District** (continued)

Maricopa County historically has had one of the fastest growing populations in the United States. According to the U.S. Census Bureau Population Division, the County's population increased by 24% in the 10-year period between the official census dates of April 2000 and April 2010. As of July 2012, the Office of Employment and Population Statistics of the Arizona Department of Administration estimated the County's population to be 3,884,705, making it the fourth most populated county in the nation.

Maricopa County has slightly less than 60% of the State's total population and 63% of the total labor force. A majority of the County's labor force (80%) is employed in the service markets. These include trade, transportation and utilities; professional and business services; educational and health services; government; leisure and hospitality; and financial activities.

### **Types of Services**

The District is the largest single provider of post-secondary education in Arizona – offering affordable education to more than 233,000 individuals year-round in credit classes and 30,000 in special-interest/non-credit classes.

The District offers a wide range of quality academic, career and technical, and personal interest programs to meet the needs of students throughout Maricopa County. Students planning to transfer may earn the 35-credit hour Arizona General Education Curriculum core or one of the following transfer degrees: Associate in Arts, Associate in Business, Associate in Science, Associate in General Studies, or specialized degrees in Elementary Education and Fine Arts. Numerous Associate of Applied Science degrees and Certificates of Completion are designed for students seeking technical expertise or upgrading skills in a specific career area. Non-credit personal interest courses are available in many areas including the arts, computer technology, personal development, and financial management. As indicated by racial category, the student enrollment data mirrors the population of Maricopa County: 51% Anglo, 23% Hispanic, 9% African American, 5% Asian, 3% Native American and 9% other.

The District is a major part of the community and continues to be a pipeline for the State's four-year universities, primarily Arizona State University (ASU). In academic year 2012-13, approximately 31,000 undergraduates enrolled at the three state universities had transferred 12 or more credits from MCCC.

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

## **State and Local Economy**

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

According to the Office of Employment and Population Statistics within the Arizona Department of Administration, Arizona's economy is forecasted to experience gradual gains in nonfarm employment for the calendar years 2013-2014 (CY 2013 – CY 2014). Specifically, Arizona's nonfarm jobs are projected to increase by 1.9% in CY 2013 and 2.1% in CY 2014. This translates into an estimated gain of 98,300 nonfarm jobs over the two-year period. The overall employment situation in Arizona is expected to improve, although on a slower track, with employment gains projected across ten of the eleven major sectors of the Arizona economy. This suggests that the positive signs of economic improvement outweigh the risks associated with any uncertainties. As of August 2013, Arizona's seasonally adjusted unemployment rate was 8.3%.

## **Long-term Financial and Operational Planning**

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

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

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

## **Long-term Financial and Operational Planning** (continued)

### **Budget Process**

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

### **Financial Reporting**

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

### **Major Initiatives**

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

#### **Seamless Student Experience**

The Seamless Student Experience (SSE) project will eventually provide students a single point of access/process for admissions, registration, financial aid, and related student services across all MCCCDC colleges. SSE will allow students to seamlessly move from one MCCCDC college to another without repeating or duplicating the processes of admission, financial aid, requesting

## **Major Initiatives** (continued)

academic transcripts, payment of fees, etc. From a service point of view, students would access the “One Maricopa” system (online and face to face) just once with the information applicable universally at any of the colleges. SSE will yield the following: student access is improved to all of the Maricopa colleges; student movement from one MCCCDCollege to another becomes seamless and transparent; consistency of the student experience is achieved – same experience regardless of College location; and degree/certificate completion is enhanced with a single transcript.

### **Student Success Initiative**

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

### **Residential/Adjunct Faculty Ratio**

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

### **Public University Partnerships**

Maricopa has invested significantly in enhancing transfer partnerships with Arizona State University (ASU), Northern Arizona University (NAU), and the University of Arizona (UA). These partnerships are intended to increase the number of students who complete Associate and Bachelor degrees. Along with clear curriculum pathways, the transfer programs provide students with dedicated advising, scholarship opportunities, and support services. The Maricopa/ASU Alliance has grown steadily with 175 university majors outlined through degree-to-degree pathways, which are tracked with a custom degree audit tool. The NAU Connection partnership offers Connect2NAU Joint Admission and a variety of Bachelor’s degree programs, online or on-site at the Maricopa Community Colleges. The UA Bridge program includes prescribed program pathways, a joint admission opportunity, and local events for UA bound transfer students.

### **Maricopa Priorities**

Maricopa Priorities began in the Fall 2013 and is intended to align the District’s efforts and resources to focus on maintaining, improving, and building programs and centers of excellence that will substantially contribute to student success. To achieve this goal, the District will

## **Major Initiatives** (continued)

examine and assess all current instructional and support programs and services, explore their origins and how they have evolved over time, determine how they serve the community's changing educational needs, and evaluate whether they are positioned to meet the current and future educational requirements of our communities.

### **2004 Capital Development Program**

As a result of a referendum approved by 76% of voters in November 2004, the District embarked on a \$951 million capital program financed by General Obligation bonds. The Capital Development Program provides the physical environment, occupational and instructional equipment, and technology to support education and job training and to meet the needs of current and future community college students through new and improved institutional facilities, support spaces, equipment, and technology. The bond reaches all colleges and skill centers in the District and funds improvements in educational and institutional technologies as well as student and community safety and security.

Historically high inflation rates in the construction industry that occurred from late 2004 through early 2008 altered our ability to develop this program as planned. Project size/scope reductions or cancellations during the early portion of the program cannot be recovered fully. The major impact has been that many construction projects were reduced in size or modified in scope, with some projects planned for late in the bond being substantially reduced or canceled in order to fund early, higher priority projects. Parallel to the collapse of the local economy, the construction industry saw prices drop back to near 2007 levels during 2010 and 2011.

Since the beginning of 2011, construction prices are rising again, and accelerated in 2012 through 2013 as the local, national and global economy recovered and both materials and labor shortages became more common. As the local and world economy recovers through 2014-15, higher inflation rates are anticipated. With the low construction inflation rates in 2010 and 2011, a number of projects started during this period were constructed close to originally planned scope, and in a few cases, slightly larger. In addition, the local real estate market collapse enabled the District to purchase and remodel existing properties for less than the cost to construct an equal amount of new space. To date, 1,733,000 square feet of new space has been constructed or purchased and 877,000 square feet has been remodeled. District and College capital plans continue to be revised to optimize the use of remaining bond funds in this economic environment.

Since the inception of the 2004 Capital Development Program, nine new or substantially remodeled science instruction buildings, totaling 458,000 square feet have been completed. Ten new or substantially remodeled health care occupations instructional buildings totaling 354,000 square feet have been completed. The purchase of fifteen existing buildings added 561,000 square feet of space. There are twelve projects currently in or scheduled to start construction that will add or remodel 262,000 square feet of building space. Another four projects, which are currently in project initiation, consultant selection, or design, will add or remodel 109,000 square feet of space in the next few years. For future growth, the District purchased six parcels of



## **Major Initiatives** (continued)

undeveloped land adding 232 acres. In addition to the construction and remodeling, the District continues significant maintenance and energy conservation work across all existing locations.

The District also continues to foster and develop partnerships. Funds from the 2004 General Obligation Bond Funds constructed the Communiversi@Surprise on property owned by the City of Surprise, Arizona and the Communiversi@Queen Creek using a similar partnership with the town of Queen Creek. Three Maricopa colleges and two universities have combined to offer more than 20 Bachelor's and Master's degree programs at the Communiversi@Surprise. Two additional buildings funded by the 2004 G.O. bond will also host partnerships. The PVCC Black Mountain Center in northern Scottsdale was completed in 2009 and operates in partnership with a YMCA and the Foothills Community Center; the SMCC Community Library Building, developed and jointly operated with the City of Phoenix, Arizona opened in June 2011.

## **GFOA Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Maricopa County Community College District for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This was the 22nd consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal regulations.

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

## **Acknowledgment**

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

Respectfully submitted,

Debra Thompson  
Vice Chancellor for Business Services

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



Government Finance Officers Association

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

Presented to

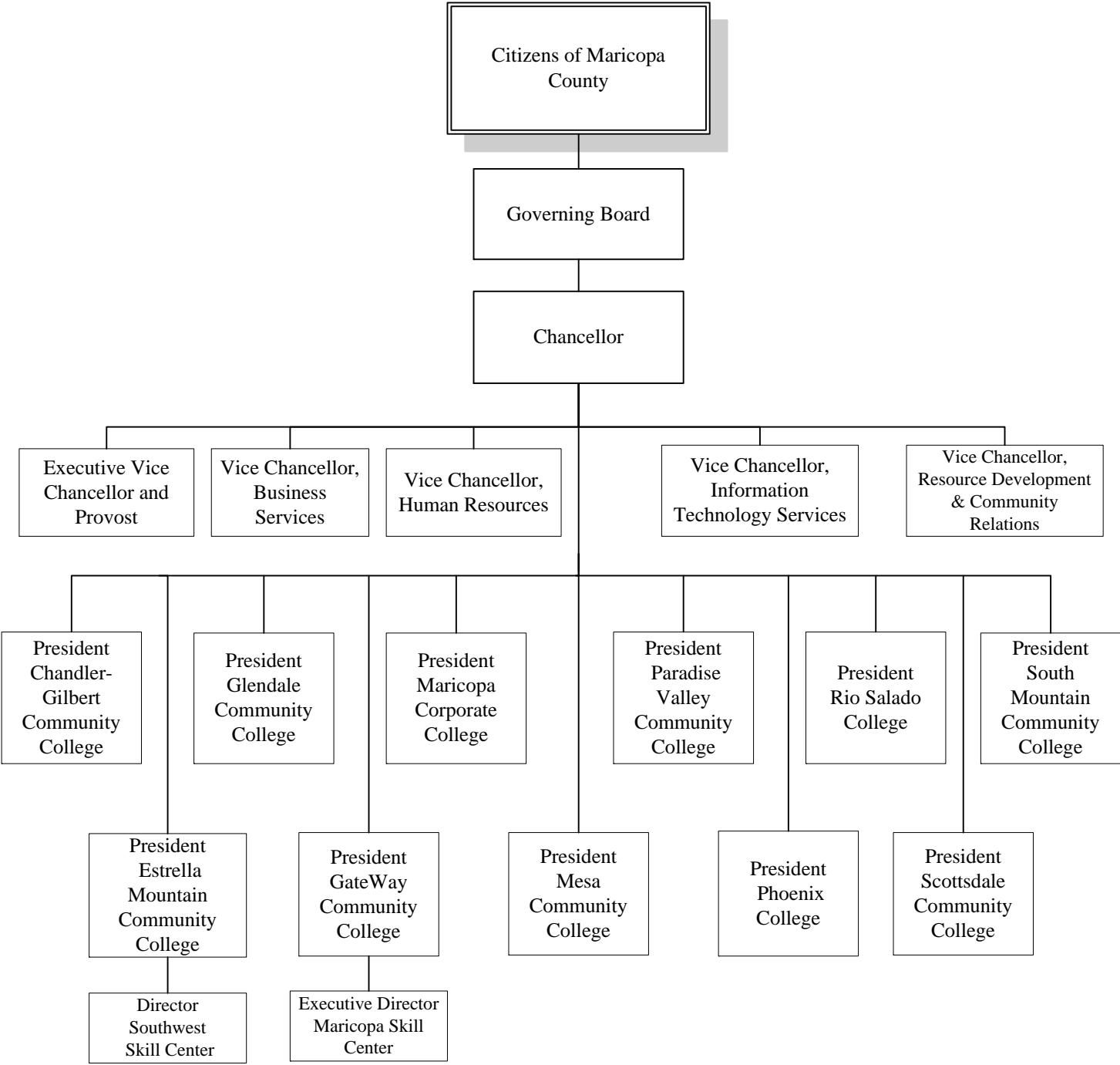
**Maricopa County  
Community College District  
Arizona**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

# Maricopa County Community College District Organizational Chart



# Maricopa County Community College District

## Principal Officers

### Governing Board

Mr. Doyle Burke, *President*

Mr. Dana G. Saar, *Secretary*

Mr. Randolph Elias Lumm

Mr. Ben Miranda\*

Mrs. Debra Pearson

### Administration

Dr. Rufus Glasper, *Chancellor*

Dr. Maria Harper-Marinick, *Executive Vice Chancellor and Provost*

Ms. Debra Thompson, *Vice Chancellor, Business Services*

Mr. James N. Bowers, *Interim Vice Chancellor, Human Resources*

Mr. George Kahkedjian, *Vice Chancellor, Information Technology Services*

Dr. Steven Helfgot, *Vice Chancellor, Resource Development & Community Relations*

### College Presidents and Directors

Dr. Linda Lujan, *President, Chandler-Gilbert Community College*

Dr. Ernie Lara, *President, Estrella Mountain Community College*

Dr. Steven R. Gonzales, *President, GateWay Community College*

Dr. Irene Kovalala, *President, Glendale Community College*

Dr. Eugene Giovannini, *President, Maricopa Corporate College*

Dr. Shouan Pan, *President, Mesa Community College*

Dr. Paul Dale, *President, Paradise Valley Community College*

Dr. Anna Solley, *President, Phoenix College*

Dr. Chris Bustamante, *President, Rio Salado College*

Dr. Jan L. Gehler, *President, Scottsdale Community College*

Dr. Shari L. Olson, *President, South Mountain Community College*

Mr. Christopher Wurster, *Interim Director, Maricopa Skill Center*

Mr. Thomas Cotner, *Director, Southwest Skill Center*

\* In memory of Ben Miranda, who served on our Governing Board from January 2013 until his untimely death in November 2013.



## **Vision, Mission & Values**

### **Vision**

A Community of Colleges...Colleges for the Community

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

### **Mission**

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

#### **We Focus On Learning Through:**

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

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

# Statement of Values

The Maricopa Community Colleges are committed to:

## **Community**

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

## **Excellence**

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

## **Honesty and integrity**

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

## **Inclusiveness**

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

## **Innovation**

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

## **Learning**

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

## **Responsibility**

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

## **Stewardship**

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

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



# Financial Section







**DEBRA K. DAVENPORT, CPA**  
AUDITOR GENERAL

**STATE OF ARIZONA**  
OFFICE OF THE  
**AUDITOR GENERAL**

**MELANIE M. CHESNEY**  
DEPUTY AUDITOR GENERAL

**Independent Auditors' Report**

Members of the Arizona State Legislature

The Governing Board of  
Maricopa County Community College District

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of the Maricopa County Community College District as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

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

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

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

### ***Opinions***

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of Maricopa County Community College District as of June 30, 2013, 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.

### ***Emphasis of Matter***

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for the year ended June 30, 2013, which represents a change in accounting principle. Our opinion was not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 18 through 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB 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.

#### *Supplementary and Other Information*

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

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

the Schedule of Revenues, Expenses, and Changes in Net Position by College/Center is fairly stated, in all material respects, in relation to the basic financial statements as a whole. 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Debbie Davenport  
Auditor General

December 19, 2013

**Maricopa County Community College District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2013**

Our discussion and analysis introduces the basic financial statements and provides an overview of the District's financial activities for the year ended June 30, 2013. It should be read in conjunction with the transmittal letter, which precedes this section, and the financial statements, which immediately follow.

**Basic Financial Statements**

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

The *Statement of Net Position* reflects the financial position of the District as of June 30, 2013. It shows the assets owned or controlled, related liabilities and other obligations, and the categories of net position. Net position is an accounting concept defined as total assets and deferred outflows less total liabilities and deferred inflows. As such, it represents the residual of all other elements presented in the Statement of Net Position of the District.

The *Statement of Revenues, Expenses, and Changes in Net Position* reflects the results of operations and other changes for the year ended June 30, 2013. It shows revenues and expenses, both operating and nonoperating, and reconciles the beginning net position amount to the ending net position amount, which is shown on the *Statement of Net Position* described above.

The *Statement of Cash Flows* reflects the inflows and outflows of cash and cash equivalents for the year ended June 30, 2013. It shows the cash activities by type and reconciles the beginning cash and cash equivalents amount to the ending cash and cash equivalents amount, which is shown on the *Statement of Net Position*, described above. In addition, this statement reconciles cash flows from operating activities to operating loss on the *Statement of Revenues, Expenses, and Changes in Net Position* described above.

Although the primary focus of this document is on the results and activity for fiscal year 2012-13 (FY 2013), comparative data is presented for the previous fiscal year, 2011-12 (FY 2012). This Management's Discussion and Analysis (MD&A) uses the prior fiscal year as a reference point in illustrating issues and trends for determining whether the institution's financial health may have improved or deteriorated.

**Basic Financial Statements** (continued)

**Condensed Financial Information**

<i>Statement of Net Position/Assets</i>	<i>As of June 30, 2013*</i>	<i>As of June 30, 2012</i>
<b>Assets</b>		
Current assets	\$533,567,374	\$527,750,218
Noncurrent assets, other than capital assets	369,935,312	310,197,052
Capital assets, net	790,260,982	754,325,396
<b>Total assets</b>	<b>1,693,763,668</b>	<b>1,592,272,666</b>
<b>Deferred Outflows of Resources</b>	<b>5,330,657</b>	-
<b>Liabilities</b>		
Other liabilities	82,549,187	66,180,165
Long-term liabilities	821,364,747	714,262,428
<b>Total liabilities</b>	<b>903,913,934</b>	<b>780,442,593</b>
<b>Deferred Inflows of Resources</b>	<b>118,168</b>	-
<b>Net position/assets</b>		
Net investment in capital assets	259,717,401	246,510,883
Restricted net position/assets	106,905,467	135,519,306
Unrestricted net position/assets	428,439,355	429,799,884
<b>Total net position/assets</b>	<b>\$795,062,223</b>	<b>\$811,830,073</b>
<p><i>*The implementation of GASB Statement Nos. 63 and 65 during fiscal year 2013 resulted in a change in terminology from the Statement of Net Assets to the Statement of Net Position. It also resulted in new categories, Deferred Outflows and Deferred Inflows, both of which have \$0 balances in the prior year since the 2012 amounts were not restated in this condensed statement. See Financial Highlights and Analysis for additional information.</i></p>		

**Basic Financial Statements** (continued)

*Statement of Revenues, Expenses, and Changes in Net Position/Assets*

	<i>For the Year Ended June 30, 2013*</i>	<i>For the Year Ended June 30, 2012</i>
Operating revenues	\$163,692,957	\$164,587,044
Operating expenses:		
Educational and general	768,150,929	723,154,472
Auxiliary enterprises	53,760,290	50,418,601
Depreciation	43,892,890	39,047,543
Other	2,380,209	1,119,247
Total operating expenses	<u>868,184,318</u>	<u>813,739,863</u>
Operating loss	<u>(704,491,361)</u>	<u>(649,152,819)</u>
Nonoperating revenues and expenses	<u>691,880,610</u>	<u>696,603,226</u>
Loss before other revenues, expenses, gains, or losses	(12,610,751)	47,450,407
Other revenues, expenses, gains, or losses	<u>539,411</u>	<u>775,404</u>
Change in net position/assets	(12,071,340)	48,225,811
Net position, restated/Net assets, beginning of year	<u>807,133,563</u>	<u>763,604,262</u>
<b>Net position/assets, end of year</b>	<b><u><u>\$795,062,223</u></u></b>	<b><u><u>\$811,830,073</u></u></b>

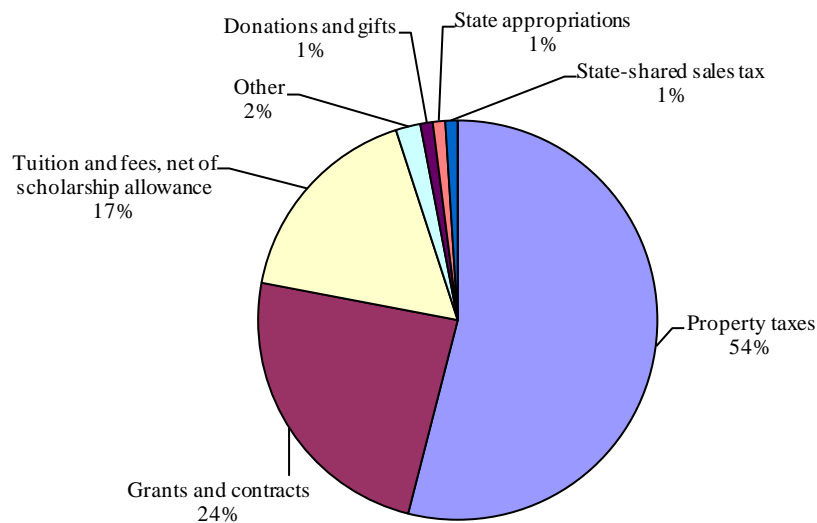
*\*Net position as of July 1, 2012, was restated as a result of the implementation of GASB Statement Nos. 63 and 65. See Notes to Financial Statements – Note 2 on page 34 for more information.*

## Basic Financial Statements (continued)

The following schedule presents a summary and comparison of revenues for the fiscal years ended June 30, 2013 and June 30, 2012.

<i>Revenues by Source</i>	FY 2013		FY 2012		Increase/(Decrease)	
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Change</u>
<u>Operating revenues</u>						
Tuition and fees, net of scholarship allowance	\$149,177,779	17%	\$150,442,550	17%	(\$1,264,771)	(1%)
Other	14,515,178	2	14,144,494	2	370,684	3
Total operating revenues	<u>163,692,957</u>	<u>19</u>	<u>164,587,044</u>	<u>19</u>	<u>(894,087)</u>	<u>(1)</u>
<u>Nonoperating revenues</u>						
Property taxes	475,438,987	54	466,812,956	53	8,626,031	2
State appropriations	8,315,700	1	6,891,200	1	1,424,500	21
State-shared sales tax	7,452,160	1	7,712,281	1	(260,121)	(3)
Grants and contracts	210,972,682	24	226,205,017	25	(15,232,335)	(7)
Donations and gifts	10,567,357	1	10,279,822	1	287,535	3
Investment earnings, net of investment expense	1,488,524	-	2,643,928	-	(1,155,404)	(44)
Total nonoperating revenues	<u>714,235,410</u>	<u>81</u>	<u>720,545,204</u>	<u>81</u>	<u>(6,309,794)</u>	<u>(1)</u>
Total revenues	<u>\$877,928,367</u>	<u>100%</u>	<u>\$885,132,248</u>	<u>100%</u>	<u>(\$7,203,881)</u>	<u>(1%)</u>

### Revenues by Source FY 2013

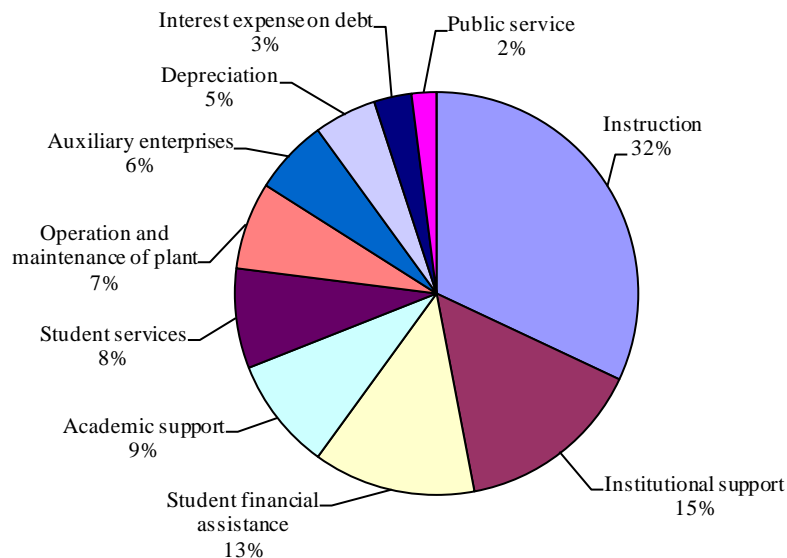


## Basic Financial Statements (continued)

The following schedule presents a summary and comparison of expenses for the fiscal years ended June 30, 2013 and June 30, 2012.

<i>Expenses by Function</i>	FY 2013		FY 2012		Increase/(Decrease)	
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Change</u>
<u>Operating expenses</u>						
Educational and general						
Instruction	\$286,661,576	32%	\$274,682,057	33%	\$11,979,519	4%
Public service	16,796,983	2	16,239,321	2	557,662	3
Academic support	81,346,794	9	74,341,618	9	7,005,176	9
Student services	70,304,677	8	63,909,031	7	6,395,646	10
Institutional support	133,258,803	15	106,909,850	13	26,348,953	25
Operation and maintenance of plant	67,244,364	7	66,863,513	8	380,851	1
Student financial assistance	112,537,732	13	120,209,082	14	(7,671,350)	(6)
Auxiliary enterprises	53,760,290	6	50,418,601	6	3,341,689	7
Depreciation	43,892,890	5	39,047,543	5	4,845,347	12
Other	2,380,209	-	1,119,247	-	1,260,962	113
Total operating expenses	<u>868,184,318</u>	<u>97</u>	<u>813,739,863</u>	<u>97</u>	<u>54,444,455</u>	<u>7</u>
<u>Nonoperating expenses</u>						
Interest expense on debt	22,274,929	3	23,378,084	3	(1,103,155)	(5)
Loss on sale or disposal of capital assets	79,871	-	563,894	-	(484,023)	(86)
Total nonoperating expenses	<u>22,354,800</u>	<u>3</u>	<u>23,941,978</u>	<u>3</u>	<u>(1,587,178)</u>	<u>(7)</u>
Total expenses	<u>890,539,118</u>	<u>100%</u>	<u>\$837,681,841</u>	<u>100%</u>	<u>52,857,277</u>	<u>6%</u>

**Expenses by Function FY 2013**





## **Financial Highlights and Analysis**

### **Statement of Net Position**

The District implemented GASB Statement Nos. 63 and 65 in FY 2013. This resulted in a restatement of beginning net position on the Statement of Revenues, Expenses, and Changes in Net Position. This change was effective July 1, 2012; therefore, the June 30, 2012 balance remains unchanged. Because of this implementation, the total net assets as of June 30, 2012, presented in the Condensed Financial Information in the preceding section, differs from the total net position at July 1, 2012 presented on the Statement of Revenues, Expenses, and Changes Net Position by \$4,696,510. See Notes to Financial Statements – Note 2 for more information.

The District's overall financial position declined slightly in FY 2013 as the total net position for the District decreased by \$12.1 million from FY 2012 to FY 2013, as restated. Non-current assets other than capital assets experienced a net increase of \$59.7 million while capital assets increased by \$35.9 million. Long-term liabilities increased by \$107.1 million and other liabilities rose by \$16.4 million. The net increases in non-current assets and long-term liabilities are primarily due to the issuance of Series 2013 General Obligation bonds during the fiscal year. Bond sales are recorded via investment of the cash received until spent on capital assets and the liability relating to the debt issued. Capital assets increased as cash or investments were converted to capital assets. The rise in other liabilities is primarily due to the recognition of contingent liabilities, including a network security incident identified in FY 2013. For additional details regarding contingent liabilities, see Notes to Financial Statements – Note 11.

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

Net investment in capital assets increased by \$13.2 million, primarily due to continued spending for acquisition and remodeling of facilities and paying debt service that is associated with our capital development/General Obligation bond program approved by voters in 2004. Net investment in capital assets increased by \$13.2 million and overall restricted net position declined by \$28.6 million primarily due to continued spending for acquisition and remodeling of facilities and paying debt service that is associated with our capital development/General Obligation bond program approved by voters in 2004. Unrestricted net position remained fairly constant.

The \$12.1 million decline in net position in FY 2013 is unusual when compared to increases of \$48.2 million in FY 2012, \$103.6 million in FY 2011, and \$79.3 million in FY 2010. Annual activity resulted in smaller than typical growth in net position primarily due to the District choosing not to increase tuition and fees or property taxes (other than through new construction) to fund salary increases granted by the Governing Board for FY 2013. Instead, the salary and benefit increases were funded through reallocations of existing budget resulting in considerably less revenue growth than the growth in expenditures. The decline in net position was realized when contingent liabilities were recognized, see Notes to Financial Statements – Note 11.

## **Statement of Revenues, Expenses, and Changes in Net Position**

The District has three major revenue sources: property taxes, grants and contracts, and tuition and fees. Total revenue for the District decreased by \$7.2 million primarily due to a \$15.2 million decrease in grants and contracts coupled with an \$8.6 million increase in property taxes. The decrease in grants and contracts revenue is related to lower financial aid activity resulting from fewer students participating in Federal financial aid programs. The average award per student remained fairly constant year over year. The increase in property tax revenue is due to an increase in the operational tax levy as a result of new construction added to the tax rolls.

Additionally, investment earnings, net of investment expense, experienced a 44% decline (approximately \$1.2 million) due to lower interest rates in intermediate holdings for the District as well as the reduction in overall amounts invested for capital programs throughout the year.

Expenses experienced an increase of 6% or \$52.9 million overall. The District's Governing Board approved salary increases for FY2012-13 that included a step for eligible employees as well as a 1.5% cost of living adjustment. Salary changes result in corresponding changes to employee benefits and the Arizona State Retirement System instituted an increase of .4% which would apply to the majority of employees. Since instruction accounts for the largest percentage of expenses overall, these changes in addition to higher expenses for instructional supplies contributed to an overall increase of nearly \$12.0 million in instruction. The salary and related changes also resulted in larger increases in academic support (\$7.0 million) and student services (\$6.4 million).

The year-to-year variances noted for student financial assistance, institutional support, depreciation, and other expenses were not related to the salary changes. Student financial assistance expenses declined nearly \$7.7 million due to fewer students participating in Federal financial aid programs as noted previously for changes in revenue activities. The majority of the increase in institutional support (\$26.3 million) resulted from the recognition of contingent liabilities; see Notes to Financial Statements – Note 11 for details. Depreciation increased by approximately \$4.9 million as a substantial number of assets were completed and reclassified during the year from construction in progress to depreciable assets. Once an asset is completed, it begins the depreciation process to expense the cost of the asset as of the date it was placed in service. See Notes to Financial Statements – Note 5 for more information. Finally, other expenses increased almost \$1.3 million primarily due to the sale of bonds and expensing bond issue costs per GASB Statement No. 65 see Notes to Financial Statements – Note 2 for more information.

## **Capital Assets and Debt Administration**

The District's capital assets as of June 30, 2013 totaled \$790.3 million (net of accumulated depreciation). Capital assets include land, construction in progress, buildings, equipment, intangibles, improvements other than buildings, and library books. The change in the District's capital assets for the current year was an increase of 4.8%, primarily attributed to increased investment in buildings, construction, technology, and equipment. The District has about \$58.7 million in construction in progress, with an estimated cost to complete of approximately \$91.1 million. Additional information on capital assets can be found in Notes to Financial Statements – Note 5.

## **Capital Assets and Debt Administration (continued)**

The District has issued 100% of the \$951.4 million in General Obligation (GO) bonds that were approved by voters in November 2004.

Information on all of the District's bond issues is presented in greater detail in Notes to Financial Statements – Note 6.

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

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

### **Current Factors Having Probable Future Financial Significance**

As the 2004 Bond Program continues, buildings open and new technology is acquired to serve the community, the District must continue to ensure that there are sufficient resources and budget capacity to operate the buildings and support the technology. As of FY 2013, the District has set aside \$28 million in budget capacity for this purpose and will continue to increase this capacity as the Bond Program progresses.

### **Requests for Information**

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

**Maricopa County Community College District**  
**Statement of Net Position – Primary Government**  
**June 30, 2013**

	<b>Business-Type Activities</b>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 276,762,813
Investments	211,651,198
Receivables (net of allowance of \$39,309,360)	42,911,311
Other	2,242,052
Total current assets	533,567,374
Noncurrent assets:	
Receivables (net of allowance of \$350,232)	223,861
Other	5,097,917
Restricted assets:	
Cash and cash equivalents	178,363,022
Investments	184,055,701
Receivables (net of allowance of \$592,580)	2,036,860
Other	157,951
Capital assets, not being depreciated	132,658,311
Depreciable capital assets, net of depreciation	657,602,671
Total noncurrent assets	1,160,196,294
Total assets	1,693,763,668
 <b>Deferred Outflows of Resources</b>	
Deferred charges on refunded bonds	5,330,657
 <b>Liabilities</b>	
Current liabilities:	
Accounts payable	10,475,367
Accrued liabilities	53,405,623
Deposits held in custody for others	1,582,067
Interest payable	11,859,869
Unrealized revenues	5,226,261
Long-term liabilities - current portion	57,870,416
Total current liabilities	140,419,603
Noncurrent liabilities:	
Total liabilities	763,494,331
 <b>Deferred Inflows of Resources</b>	
Deferred grant receipts	118,168
 <b>Net Position</b>	
Net investment in capital assets	259,717,401
Restricted:	
Nonexpendable:	
Endowments	216,242
Student loans	438,071
Expendable:	
Scholarships	1,404,005
Grants and contracts	11,506,192
Student loans	68,246
Debt service	56,003,649
Capital projects	37,269,062
Unrestricted	428,439,355
Total net position	\$ 795,062,223

See accompanying notes to financial statements.

**Maricopa County Community College District**  
**Statement of Financial Position – Component Unit**  
**June 30, 2013**

	<b>Maricopa County Community College District Foundation</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 573,363
Pledges receivable, net of discount and allowance	710,928
Investments	25,670,056
Investments held for others	5,419,431
Cash held for endowment purposes	855,544
Cash surrender value of life insurance	496,545
Other assets	49,607
Total assets	\$33,775,474
 <b>Liabilities and Net Assets</b>	
Accounts payable	\$ 374,818
Charitable gift annuity liability	242,108
Investments held for others	5,419,431
Total liabilities	6,036,357
 Net assets:	
Unrestricted	812,745
Temporarily restricted	9,554,620
Permanently restricted	17,371,752
Total net assets	27,739,117
Total liabilities and net assets	\$ 33,775,474

See accompanying notes to financial statements.

**Maricopa County Community College District**  
**Statement of Revenues, Expenses, and Changes in Net Position –**  
**Primary Government**  
**For the Year Ended June 30, 2013**

	<b>Business-Type Activities</b>
Operating revenues:	
Tuition and fees (net of scholarship allowance of \$97,669,819)	\$ 149,177,779
Other	14,515,178
Total operating revenues	163,692,957
Operating expenses:	
Educational and general:	
Instruction	286,661,576
Public service	16,796,983
Academic support	81,346,794
Student services	70,304,677
Institutional support	133,258,803
Operation and maintenance of plant	67,244,364
Student financial assistance	112,537,732
Auxiliary enterprises	53,760,290
Depreciation	43,892,890
Other	2,380,209
Total operating expenses	868,184,318
Operating loss	(704,491,361)
Nonoperating revenues (expenses):	
Property taxes	475,438,987
State appropriations	8,315,700
State-shared sales tax	7,452,160
Government grants and contracts	208,100,797
Private grants and contracts	2,871,885
Private gifts	10,567,357
Investment earnings, net of investment expense	1,488,524
Interest expense on debt	(22,274,929)
Loss on sale/disposal of capital assets	(79,871)
Total nonoperating revenues	691,880,610
Loss before other revenues, expenses, gains, or losses	(12,610,751)
Capital grants and gifts	539,411
Change in net position	(12,071,340)
Total net position, July 1, 2012, as restated	807,133,563
Total net position June 30, 2013	\$ 795,062,223

See accompanying notes to financial statements.

**Maricopa County Community College District**  
**Statement of Activities – Component Unit**  
**For the Year Ended June 30, 2013**

**Maricopa County Community College District Foundation**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and revenue:				
Contributions	\$ -	\$ 2,859,480	\$ 1,079,399	\$ 3,938,879
Contributed services	718,569	-	-	718,569
Investment return	18,169	1,394,870	-	1,413,039
Decrease in cash surrender value of life insurance	-	-	(6,977)	(6,977)
Management fees	12,000	-	-	12,000
Total support and revenue before special events and net assets released from restrictions	<u>748,738</u>	<u>4,254,350</u>	<u>1,072,422</u>	<u>6,075,510</u>
Special events revenue	-	201,750	-	201,750
Less cost of direct donor benefits	-	(105,242)	-	(105,242)
Gross profit from special events	<u>-</u>	<u>96,508</u>	<u>-</u>	<u>96,508</u>
Change in donor intent	-	(100,000)	100,000	-
Net assets released from restrictions	<u>2,695,107</u>	<u>(2,695,107)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>3,443,845</u>	<u>1,555,751</u>	<u>1,172,422</u>	<u>6,172,018</u>
Expenses and (gains) losses:				
Program expenses				
Scholarships and program support	2,476,359	-	-	2,476,359
Supporting services				
Fundraising	225,156	-	-	225,156
General and administrative	1,072,189	-	-	1,072,189
(Gain) loss from uncollectable pledges	<u>-</u>	<u>(22,775)</u>	<u>2,788</u>	<u>(19,987)</u>
Total expenses and (gains) losses	<u>3,773,704</u>	<u>(22,775)</u>	<u>2,788</u>	<u>3,753,717</u>
Change in net assets	(329,859)	1,578,526	1,169,634	2,418,301
Net assets, beginning of year	<u>1,142,604</u>	<u>7,976,094</u>	<u>16,202,118</u>	<u>25,320,816</u>
Net assets, end of year	<u>\$ 812,745</u>	<u>\$ 9,554,620</u>	<u>\$ 17,371,752</u>	<u>\$ 27,739,117</u>

See accompanying notes to financial statements.

**Maricopa County Community College District  
Statement of Cash Flows – Primary Government  
For the Year Ended June 30, 2013**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Business-Type Activities</b>
Tuition and fees	\$ 147,932,597
Payments for employee wages and benefits	(522,868,637)
Payments to providers of goods and services	(160,763,752)
Payments to students for grants and scholarships	(119,766,726)
Other receipts	14,366,824
Net cash used for operating activities	<u>(641,099,694)</u>
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Property taxes	477,711,366
State appropriations	8,315,700
State-shared sales tax	7,459,756
Grants and contracts	211,442,025
Federal student loans received	176,940,132
Federal student loans disbursed	(176,940,132)
Deposits held by others received	1,712,764
Deposits held by others disbursed	(1,726,995)
Gifts received for other than operating or capital purposes	10,567,357
Net cash provided by noncapital financing activities	<u>715,481,973</u>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from issuance of bonds	157,780,930
Proceeds from sale of capital assets	140,636
Purchase of capital assets	(79,659,966)
Principal paid on capital debt and leases	(57,108,001)
Interest paid on capital debt and leases	(24,044,719)
Net cash used for capital and related financing activities	<u>(2,891,120)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of investments	(105,082,621)
Interest received on investments	1,105,478
Net cash used by investing activities	<u>(103,977,143)</u>
Net decrease in cash and cash equivalents	(32,485,984)
Cash and cash equivalents - beginning of year	487,611,819
Cash and cash equivalents - end of year	<u>\$ 455,125,835</u>

(continued)

See accompanying notes to financial statements.



**Statement of Cash Flows** (continued)

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

Operating loss	\$ (704,491,361)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation expense	43,892,890
Expenses (related to revenue) for donations of non-capitalized items	150,393
Changes in assets and liabilities:	
Increase in:	
Receivables	(2,374,930)
Student loans receivable	(29,145)
Accrued liabilities	25,094,278
Long-term liabilities - Compensated absences	2,743,074
Decrease in:	
Other assets	147,233
Accounts payable	(4,986,944)
Unrealized revenues	(1,245,182)
Net cash used for operating activities	<u>\$ (641,099,694)</u>

**Noncash transactions:**

**Increase in fair value of investments.** The fair value of investments increased by \$11,543.

**Items retired from CIP.** \$155,896 of costs originally captured in CIP failed to meet the District's standards for capitalization and were converted to expense.

**Gifts of depreciable and non-depreciable assets.** The District recorded the receipt of gifts of depreciable and non-depreciable assets of \$539,411.

**Restatement of beginning net position for retroactive adjustment of prepaid bond issuance costs.** In accordance with the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the District restated the beginning net position by (\$4,696,509) of prepaid bond issuance costs.

**Amortization of premium on bonds and deferred charges.** The District amortized \$2,570,519 of bond premiums and (\$926,180) of deferred charges.

See accompanying notes to financial statements.

**Maricopa County Community College District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2013**

**NOTE 1 - Summary of Significant Accounting Policies**

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

For the year ended June 30, 2013, the District implemented the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

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

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

For financial reporting purposes, the Foundation follows Financial Accounting Standards Board (FASB) statements for not-for-profit organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information included in the District's financial report. Accordingly, those financial statements have been reported on separate pages following the respective counterpart financial statements of the District. For financial reporting purposes, only the Foundation's statements of financial position and activities

**NOTE 1 - Summary of Significant Accounting Policies** (continued)

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, 2013, the Foundation distributed \$2,476,359 to the District for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from the Foundation Office at 2419 W. 14<sup>th</sup> Street, Tempe, AZ 85281.

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

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

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

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

**NOTE 1 - Summary of Significant Accounting Policies** (continued)

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 in the year for which they are levied. State appropriations are recognized as revenue in the year in which the appropriation is first made available for use. Grants and donations are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

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

**Deferred Charges** - For advanced refundings resulting in defeasance of debt, the difference between the reacquisition price and net carrying amount of the old debt is deferred and amortized

**NOTE 1 - Summary of Significant Accounting Policies** (continued)

as a component of interest expense over the life of the refunded debt or the refunding debt, whichever is shorter. This deferred amount is reported as a deferred outflow of resources on the Statement of Net Position.

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

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

**NOTE 2 - Beginning Balances Restated**

On July 1, 2012, the District restated beginning net position for adjustments relating to the implementation of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Rather than recording debt issuance costs as an asset and amortizing over the life of the debt, GASB Statement No. 65 states that “debt issuance costs, except any portion related to prepaid insurance costs, should be recognized as an expense in the period incurred.” This change is retroactive and results in a \$4,696,510 decrease to beginning net position.

Beginning net position was restated for the above as follows:

	<b><u>Business-Type Activities</u></b>
Total net position as of June 30, 2012	\$811,830,073
Debt issuance costs reclassification	<u>(4,696,510)</u>
Total net position as of July 1, 2012, as restated	<u><u>\$807,133,563</u></u>

**NOTE 3 - Deposits and Investments**

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

The statutes do not require the District to deposit other public monies with the County Treasurer; however, the District must act as a prudent person dealing with the property of another by

**NOTE 3 - Deposits and Investments** (continued)

following the statutory guidelines for investment decisions. The District invests in U.S. government securities, the State Treasurer's Local Government Investment Pool, repurchase agreements, commercial paper, corporate bonds, local government bonds, insured or collateralized deposits, certificates of deposit, and money market mutual funds. Equity mutual funds held by the District are the result of donations by third parties. The statutes do not include any requirements for credit risk, custodial credit risk, interest rate risk, concentration of credit risk, or foreign currency risk for the District's investments.

**Deposits**

At June 30, 2013, total cash on hand was \$227,490. The carrying amount of bank deposits on the District's accounting system was \$6,476,374. At June 30, 2013, the District's bank balance was \$9,673,560; \$8,954,361 was uninsured with collateral held by the pledging financial institution's trust department or agent, but not in the District's name. The District does not have a formal policy with respect to custodial credit risk.

**Investments**

The District's investments at June 30, 2013 consist of the following:

<u>Investment Type</u>	<u>Amount</u>
State Treasurer's investment pool	\$307,745,925
County Treasurer's investment pool	5,129,018
U.S. agency securities	388,633,986
U.S. Treasury securities	72,141,792
Commercial paper	33,699,647
Corporate bonds	29,320,780
Repurchase agreements	5,945,000
Local government bonds	1,114,105
Mutual funds - equity	86,969
Money market mutual fund	311,648
Total	<u>\$844,128,870</u>

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

**NOTE 3 - Deposits and Investments** (continued)

**Credit Risk** - The District does not have a formal policy with respect to credit risk. At June 30, 2013, credit risk for the District's investments was as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Amount</u>
State Treasurer's investment pool 7	Unrated	Not applicable	\$307,745,925
County Treasurer's investment pool	Unrated	Not applicable	5,129,018
U.S. agency securities	Aaa	Moody's	388,633,986
Commercial paper	P-1	Moody's	33,699,647
Corporate bonds	Aaa	Moody's	7,080,966
Corporate bonds	Aa	Moody's	20,639,406
Corporate bonds	A	Moody's	1,600,408
Repurchase agreements	Aaa	Moody's	5,945,000
Local government bonds	Aa	Moody's	1,114,105
Money market mutual fund	Aaa	Moody's	311,648
Total			<u>\$771,900,109</u>

**Concentration of Credit Risk** - The District does not have a formal policy with respect to concentration of credit risk. The District had investments at June 30, 2013 of 5 percent or more in Federal National Mortgage Association, Federal Home Loan Bank, and Federal Home Loan Mortgage Corp. These investments were 16 percent, 15 percent, and 13 percent, respectively, of the District's total investments.

**Interest Rate Risk** - The District's policy states maturities shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. At June 30, 2013, the District had the following investments in debt securities:

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity (Months)</u>
State Treasurer's investment pool 7	\$307,745,925	.50
County Treasurer's investment pool	5,129,018	16.37
U.S. agency securities	388,633,986	9.99
U.S. Treasury securities	72,141,792	24.28
Commercial paper	33,699,647	2.41
Corporate bonds	29,320,780	18.38
Repurchase agreements	5,945,000	.03
Local government bonds	1,114,105	15.63
Money market mutual fund	311,648	.03
Total	<u>\$844,041,901</u>	

The District's portfolio weighted average maturity is 7.71 months.

**NOTE 3 - Deposits and Investments** (continued)

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	\$ 227,490	Cash and cash equivalents	\$276,762,813
Deposits	6,476,374	Investments	211,651,198
Investments	844,128,870	Restricted assets:	
		Cash and cash equivalents	178,363,022
		Investments	184,055,701
Total	<u>\$850,832,734</u>	Total	<u>\$850,832,734</u>

**NOTE 4 - Current Receivables**

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

Property taxes (net of allowance of \$3,317,896)	\$ 7,447,252
Government grants	16,721,703
Private grants and contracts (net of allowance of \$65,595)	2,087,086
Student accounts (net of allowance of \$35,843,334)	16,030,413
Other (net of allowance of \$82,535)	624,857
Total current receivables	<u>\$ 42,911,311</u>

**Property taxes** - The Maricopa County Treasurer is responsible for the collection of property taxes for all governmental entities within the county. The property taxes due the District are levied in August by the County and are payable in two equal installments. The first installment is due on October first and becomes delinquent after the first business day of November. The second installment is due on March first of the following year and becomes delinquent after the first business day in May. A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy. Property taxes receivable consist of uncollected property taxes as determined from the records of the Maricopa County Treasurer's Office.



## NOTE 5 - Capital Assets

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

	<u>Balance</u> <u>July 1, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2013</u>
<b>Capital assets not being depreciated:</b>				
Land	\$ 71,299,055	\$ 2,628,944	\$ -	\$ 73,927,999
Construction in progress	104,074,174	60,231,886	105,575,748	58,730,312
Total capital assets not being depreciated	<u>175,373,229</u>	<u>62,860,830</u>	<u>105,575,748</u>	<u>132,658,311</u>
<b>Capital assets being depreciated:</b>				
Buildings	731,910,962	88,467,791	-	820,378,753
Equipment	127,748,242	18,594,655	3,652,049	142,690,848
Intangibles (software)	14,293,091	-	-	14,293,091
Improvements other than buildings	119,636,693	14,827,279	-	134,463,972
Library books	13,530,857	902,773	1,062,016	13,371,614
Total capital assets being depreciated	<u>1,007,119,845</u>	<u>122,792,498</u>	<u>4,714,065</u>	<u>1,125,198,278</u>
Less accumulated depreciation for:				
Buildings	275,582,002	24,717,518	-	300,299,520
Equipment	89,023,247	10,442,489	3,415,042	96,050,694
Intangibles (software)	7,313,542	1,529,240	-	8,842,782
Improvements other than buildings	47,945,959	6,077,037	-	54,022,996
Library books	8,302,928	1,126,606	1,049,919	8,379,615
Total accumulated depreciation	<u>428,167,678</u>	<u>43,892,890</u>	<u>4,464,961</u>	<u>467,595,607</u>
Total capital assets being depreciated, net	<u>578,952,167</u>	<u>78,899,608</u>	<u>249,104</u>	<u>657,602,671</u>
Capital assets, net	<u>\$ 754,325,396</u>	<u>\$ 141,760,438</u>	<u>\$ 105,824,852</u>	<u>\$ 790,260,982</u>

The District has active construction projects with a remaining contractual commitment at June 30, 2013 of \$63,562,129. These projects will be funded primarily through bond proceeds.

## NOTE 6 - Long-term Liabilities

The following schedule details the long-term liability activity for the year ended June 30, 2013.

	<b>Balance July 1, 2012 (As restated)*</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2013</b>	<b>Due within one year</b>
Bonds payable:					
General obligation bonds	\$ 671,250,000	\$ 151,090,000	\$ 56,255,000	\$ 766,085,000	\$ 53,350,000
Revenue bonds	1,240,000	-	830,000	410,000	410,000
Premium on general obligation bonds	17,343,170	6,690,930	2,552,234	21,481,866	2,552,234
Premium on revenue bonds	23,818	-	18,285	5,533	5,533
Capital leases	71,983	-	23,003	48,980	23,981
Compensated absences	30,590,294	4,713,901	1,970,827	33,333,368	1,528,668
Total long-term liabilities	<u>\$ 720,519,265</u>	<u>\$ 162,494,831</u>	<u>\$ 61,649,349</u>	<u>\$ 821,364,747</u>	<u>\$ 57,870,416</u>

\*Long-term liabilities were restated July 1, 2012 to reclassify deferred charges on refunding as deferred outflows of resources. See Notes to Financial Statement – Note 2.

### Bonds Payable

The District's bonded debt consists of various issues of general obligation and revenue bonds. Bond proceeds primarily pay for improving, acquiring or constructing capital assets. Bonds have also been issued to advance refund previously issued bonds. Of the total general obligation bonds originally authorized in 1994 and 2004, \$3,000 remain unissued. Federal arbitrage regulations are applicable to all of the District's bond issues. Interest payments are due on a semi-annual basis. Bonds outstanding at June 30, 2013 were as follows:

<u>Description</u>	<u>Original Amount</u>	<u>Maturity Ranges</u>	<u>Interest Rates</u>	<u>Outstanding Principal</u>
General obligation bonds				
Refunding, Series A&B (2004)	66,610,000	7/01/2013	3.25%	\$ 5,240,000
Project of 2004, Series A (2005)	190,270,000	7/01/2013-14	4.00%	24,240,000
Project of 2004, Series B (2007)	240,000,000	7/01/2013-21	3.00-4.50%	148,750,000
Project of 2004, Series C (2009)	220,000,000	7/01/2013-23	3.00-5.00%	192,000,000
Refunding 1994, Series C (2010)	31,280,000	7/01/2013-15	2.00-3.00%	28,630,000
Project of 2004, Series D (2011)	150,000,000	7/01/2013-25	2.00-4.75%	147,000,000
Refunding 2004, Series A (2012)	69,135,000	7/01/2015-19	2.00-4.00%	69,135,000
Series 2013	151,090,000	7/01/2014-27	2.00-3.50%	151,090,000
Revenue bonds				
Revenue Bonds, Series 2003	7,655,000	7/15/2013	4.00%	410,000
			Total	<u>\$ 766,495,000</u>

## **NOTE 6 - Long-term Liabilities** (continued)

The following schedule details debt service requirements to maturity for the District's bonds payable at June 30, 2013.

Year Ending June 30:	General Obligation Bonds		Revenue Bonds		Total Debt Service Requirements
	Principal	Interest	Principal	Interest	
2014	\$ 53,350,000	\$ 25,164,655	\$ 410,000	\$ 8,200	\$ 78,932,855
2015	58,545,000	25,164,213	-	-	83,709,213
2016	60,370,000	23,165,644	-	-	83,535,644
2017	59,595,000	21,108,563	-	-	80,703,563
2018	63,860,000	18,775,550	-	-	82,635,550
2019-2023	323,130,000	55,386,331	-	-	378,516,331
2024-2028	147,235,000	9,995,944	-	-	157,230,944
Total	<u>\$ 766,085,000</u>	<u>\$ 178,760,900</u>	<u>\$ 410,000</u>	<u>\$ 8,200</u>	<u>\$ 945,264,100</u>

On July 1, 2012, the District also restated the beginning balance of long-term liabilities by (\$6,256,837) for the deferred charges on refunding bonds. According to GASB Statement No. 65, "the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred outflow of resources or a deferred inflow of resources." In the District's case, the net carrying amount is being reported as a deferred outflow of resources. The restatement of the beginning balances for the net carrying amount of deferred charges on refunding bonds is a presentation issue and does not affect the District's beginning net position.

### **Description of Issues**

#### **General Obligation Refunding Bonds, Series A and B (2004)**

In February 2004, the District issued \$66,610,000 of general obligation refunding bonds to advance refund \$3,235,000 of G.O. Bonds, Series A (1995) and \$63,375,000 of Series B (1997). The net proceeds were used to purchase U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to provide debt service on the old bonds. In accordance with the refunding plan, the trustee retired the remaining liability for the defeased bonds of \$63,375,000 on July 1, 2006. This issue of refunding bonds is not subject to early redemption.

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

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

**NOTE 6 - Long-term Liabilities** (continued)

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

In May 2012, the District issued \$69,135,000 of general obligation refunding bonds with a true interest cost of 1.1 percent to refund \$69,135,000 of G.O. Bonds, Series A (2005) with a true interest cost of 3.77 percent. The General Obligation Refunding Bonds of 2012 are not subject to early redemption prior to their stated maturity dates. On May 31, 2012, the net proceeds were placed in the Depository Trust Fund to be used to refund the bonds being refunded. As a result, the refunded debt liability as of June 30, 2012 for those refunded bonds of \$69,135,000 is considered to be defeased, and the liability for those bonds is not included in the financial statements. The District in effect reduced its aggregate debt service payments by \$5.18 million over the next seven years and obtained an economic gain (difference between the present values of the old and new debt service payments discounted to the effective interest rate) of \$5.04 million.

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

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

During fiscal year 2012, the District deposited \$76,091,593 in an irrevocable trust with an escrow agent for the refunding of \$69,135,000 outstanding bonds. At June 30, 2013, \$69,135,000 remains outstanding.

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

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

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

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

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

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

**NOTE 6 - Long-term Liabilities** (continued)

**General Obligation Bonds, Series 2013**

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

**Revenue Bonds, Series 2003**

In October 2003, the District issued \$7,655,000 of revenue bonds to design, construct, furnish and purchase equipment for a Performing Arts Center located at the Paradise Valley Community College campus. Bonds maturing on or before July 15, 2013 are noncallable.

During fiscal year 2012, the District deposited \$5,668,893 in an irrevocable trust with an escrow agent for the partial defeasance of \$5,200,000 outstanding revenue bonds related to the Revenue Bonds, Series 2003. As a result, \$5,200,000 of these revenue bonds are considered to be defeased, and the related liability for those bonds has been removed from the financial statements.

**NOTE 7 - Pledges of Future Revenues**

The District has pledged, as security for its revenue bonds, a portion of its gross revenues. The revenue bonds, issued by the District in 2002 and 2003 in the amount of \$22,135,000 to provide financing for various capital projects, are payable through fiscal year 2014. The total principal and interest remaining on the debt is \$418,200. Gross pledged revenues have averaged approximately \$239,700,000 over the prior five fiscal years. For the current year, principal and interest paid by the District and the gross revenues recognized by the District were \$863,000 and \$262,851,300, respectively.

**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:

Salaries and benefits	\$ 527,938,544
Financial aid	120,046,083
Contract services	66,825,861
Depreciation	43,892,890
Noncapitalized equipment	24,522,403
Communications, utilities, and travel	24,897,146
Supplies and materials	20,754,445
Subscriptions, dues, insurance, and rentals	9,507,940
Other expenses	29,799,006
Total operating expenses	<u><u>\$ 868,184,318</u></u>

## **NOTE 9 - Pension and Other Postemployment Benefits**

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

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

**Funding Policy** - The Arizona State Legislature establishes and may amend active plan members' and the District's contribution rates. For the year ended June 30, 2013, active plan members were required by statute to contribute at the actuarially determined rate of 11.14 percent (10.90 percent for retirement and 0.24 percent for long-term disability) of the members' annual covered payroll and the District was required by statute to contribute at the actuarially determined rate of 11.14 percent (10.25 percent for retirement, 0.65 percent for health insurance premium benefit, and 0.24 percent for long-term disability) of the members' annual covered payroll.

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

	<u>Retirement Fund</u>	<u>Health Benefit Supplement Fund</u>	<u>Long-Term Disability Fund</u>
Years ended June 30,			
2013	\$ 34,271,871	\$ 2,173,338	\$ 802,463
2012	30,197,903	1,927,526	734,296
2011	28,678,698	1,877,961	795,746

## **NOTE 10 - Risk Management**

The District is exposed to various risks of loss related to legal liability, property, errors and omissions, and injuries to employees. The District carries commercial insurance for all such risks of loss, including workers' compensation. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

**NOTE 10 - Risk Management** (continued)

The District finances uninsured risks of loss for certain health benefits to eligible employees and their dependents. The healthcare plan provides coverage for amounts up to \$325,000 per claim. The District purchases commercial insurance for claims in excess of this limit and utilizes a consultant to determine the required annual funding based upon anticipated utilization, cost trends, and benefit levels. Independent administrators provide claim and recordkeeping services for each self-insured plan. The District self-insures workers' compensation claims up to \$400,000 and purchases commercial insurance for claims exceeding \$400,000. Settled claims for workers' compensation and health benefits have not exceeded the District's commercial insurance coverage in any of the past three fiscal years.

The insurance claims payable, included in accrued liabilities, of \$10,182,611 at June 30, 2013, includes the amounts payable for both health benefits and workers' compensation. It is the estimated cost of settling claims that have been reported but not settled and claims that have been incurred but not reported and is based on actuarial valuations. The District's claims payable for the fiscal years ended June 30, 2012 and June 30, 2013 are as follows:

<u>Health Benefits:</u>	<u>2012</u>	<u>2013</u>
Claims payable, beginning of year	\$ 5,074,001	\$ 7,290,559
Current year actual and estimated claims	44,922,369	46,986,524
Less: Claim payments	<u>(42,705,811)</u>	<u>(44,816,196)</u>
Claims payable, end of year	<u>\$ 7,290,559</u>	<u>\$ 9,460,887</u>
<u>Workers' Compensation:</u>	<u>2012</u>	<u>2013</u>
Claims payable, beginning of year	\$ 1,260,247	\$ 1,050,251
Current year actual and estimated claims	531,256	496,840
Less: Claim payments	<u>(741,252)</u>	<u>(825,367)</u>
Claims payable, end of year	<u>\$ 1,050,251</u>	<u>\$ 721,724</u>

**NOTE 11 - Contingencies and Litigation**

The District is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of business. A reasonable estimate of the probable losses, based on information currently available is \$5,186,000. This amount has been recognized as an expense and is included in accrued liabilities in the Statement of Net Position. Other reasonably possible claims have been estimated to be \$5,000. Management and legal counsel will seek denial of the claims and believe that the loss, if any, resulting from these claims will not have a material impact on the District's financial position, results of operations, or cash flows in future years.

In May 2013, a network security incident of suspected hacker activity was identified. An internal investigation was conducted and subsequently an independent forensic vendor was retained through outside counsel to further investigate the situation. Network intrusion was found and based on advice of counsel, the District has notified regulators and impacted individuals in compliance with breach notification laws. The known or estimable remaining

## **NOTE 11 - Contingencies and Litigation** (continued)

expenses relating to fees for legal analysis and advice and for forensic investigation (\$2,633,189); notification of regulators and impacted individuals, as well as provision of appropriate services to impacted individuals (\$7,000,000); and expenses for network security repair and remediation (\$7,225,199) have also been recognized as an expense and are included in accrued liabilities in the Statement of Net Position. It is reasonably possible that fines or penalties may be assessed or that claims may be filed against the District as a result of this event. At this time, we do not have an estimated amount for any potential losses, fines, penalties, or legal fees nor are we able to reasonably predict the outcome of any regulatory investigation or claims that may arise. Insurers have been notified and there is potential for recovery.

The District has previously disclosed that corrective action may be necessary in how financial aid disbursements have been processed at Rio Salado College for the past several years. The District feels that there is a reasonable probability that a loss may occur and although some progress has been made, the District has no estimate of the amount that may have been over or under awarded to our students. The District continues to work with a consulting firm and the U.S. Department of Education to move towards resolution.

## **NOTE 12 - Discretely Presented Component Unit Disclosures**

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

### **NOTE 12 a - Organization Operations and Summary of Significant Accounting Policies**

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

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

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



**NOTE 12 a - Organization Operations and Summary of Significant Accounting Policies** (continued)

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

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

**Administration Fees** - The Foundation charges an administration fee to defray part of the cost of managing restricted accounts held by the Foundation. A 1% fee is charged on all new gifts, except endowment gifts. On January 1<sup>st</sup> of each year, an investment management fee of 75 basis points is charged on all accounts. This fee is not charged to endowment funds, if doing so would reduce the fund below its corpus.

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

The combined individual funds participate in a common equity investment pool (the Pool) by contributing their investable assets and receiving an ownership interest in the

**NOTE 12 a - Organization Operations and Summary of Significant Accounting Policies** (continued)

Pool. The ownership interest in the Pool is based on the ratio of the market value of the individual fund's investable assets to the total market value of the Pool. The ratio is used to allocate earnings activities among individual endowment funds.

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

**NOTE 12 b - Investments**

Investments consist of the following at June 30, 2013:

Equity funds:	
Common stock funds - United States	\$ 6,685,383
Common stock funds - emerging markets	2,222,602
Common stock funds - International	3,004,769
Exchange traded funds – global region	1,062,467
Fixed Income funds:	
Government agencies - United States	11,482,710
Corporate bonds - United States	2,126,545
Corporate bonds - other	245,882
Real estate funds:	
Real estate - United States	499,964
Hedge funds:	
Hedge equity funds - United States	2,739,949
Commodity funds:	
Commodity funds – United States and global	<u>1,019,216</u>
Total investments	<u>\$ 31,089,487</u>

The following summarizes investment return included in the statement of activities for the year ended June 30, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Interest and dividends	\$ 140,913	\$ 448,651	\$ -	\$ 589,564
Net realized and unrealized gains (losses)	(90,016)	1,062,712	-	972,696
Brokerages fees	<u>(32,728)</u>	<u>(116,493)</u>	-	<u>(149,221)</u>
Total	<u>\$ 18,169</u>	<u>\$ 1,394,870</u>	<u>\$ -</u>	<u>\$ 1,413,039</u>

### **NOTE 12 c - Restricted Net Assets**

Temporarily restricted net assets are available primarily for scholarship awards.

Permanently restricted net assets are to provide a permanent endowment, with the investment income restricted primarily for scholarship awards (see Note 12f – Endowments).

### **NOTE 12 d - Contributed Services**

The District provides administration services consisting of office space and administrative salaries to the Foundation without charge. The fair value of these contributed services is reflected in the statement of activities as contributed services and administrative expenses.

### **NOTE 12 e - Fair Value Measurements**

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

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

**NOTE 12 e - Fair Value Measurements** (continued)

The following table summarizes the valuation of the Foundation's assets and liabilities subject to measurements at fair value by the above FASB ASC 820 categories as of June 30, 2013:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity funds:				
Common stock funds - emerging markets	\$ -	\$ 2,222,602	\$ -	\$ 2,222,602
Common stock funds - International	-	3,004,769	-	3,004,769
Common stock funds - United States	776,200	5,909,183	-	6,685,383
Exchange traded funds – global region	1,062,467	-	-	1,062,467
Fixed Income funds:				
Government agencies - United States	1,491,936	9,990,774	-	11,482,710
Corporate bond - other	245,882	-	-	245,882
Corporate bond - United States	2,126,545	-	-	2,126,545
Real estate funds:				
Real estate - United States	499,964	-	-	499,964
Hedge funds:				
Hedge equity funds - United States	-	-	2,739,949	2,739,949
Commodity funds:				
Commodity funds - United States and global	<u>1,019,216</u>	<u>-</u>	<u>-</u>	<u>1,019,216</u>
Total investments	7,222,210	21,127,328	2,739,949	31,089,487
Investments held for others liability	<u>-</u>	<u>(5,419,431)</u>	<u>-</u>	<u>(5,419,431)</u>
	<u>\$ 7,222,210</u>	<u>\$ 15,707,897</u>	<u>\$ 2,739,949</u>	<u>\$ 25,670,056</u>

The table below sets forth a summary of changes in the fair value of the Foundation's assets measured using Level 3 inputs for the year ended June 30, 2013:

	<u>Beneficial interest in charitable remainder unitrust</u>
Balance, beginning of year	\$ -
Purchases	2,524,960
Unrealized gains	<u>214,989</u>
Balance, end of year	<u>\$ 2,739,949</u>

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

## **NOTE 12 f – Endowments**

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

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

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

**NOTE 12 f - Endowments** (continued)

The changes in endowment net assets for the year ended June 30, 2013 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, July 1, 2012	\$ (83,212)	\$ 3,691,442	\$ 15,511,874	\$ 19,120,104
Contributions and pledge collections	-	-	1,011,261	1,011,261
Change in donor intent	-	-	100,000	100,000
Investment return:				
Interest and dividends, net of fees	-	332,158	-	332,158
Realized and unrealized gains	30,485	1,062,712	-	1,093,197
Appropriation of endowment assets for expenditure	-	(659,343)	-	(659,343)
Endowment net assets, June 30, 2013	<u>\$ (52,727)</u>	<u>\$ 4,426,969</u>	<u>\$ 16,623,135</u>	<u>\$ 20,997,377</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or MCFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were \$52,727 as of June 30, 2013. These deficiencies resulted primarily from unfavorable market fluctuations.

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

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

The Foundation's policy is to distribute, for the stated purpose of each fund, 5% of a three-year average of the market value of each endowed fund that is above the original contributed amount as calculated at the end of each year. For funds that are below the original contributed amount, 3% of the three-year average at the end of the year will be

**NOTE 12 f - Endowments** (continued)

eligible for disbursement. Actual investment earnings, in excess of (or less than) distribution, are added to (subtracted from) the endowment principal and available for future disbursements. If these amounts are not fully disbursed within a one-year period, the remaining amounts are transferred back to the endowment funds. For the year ended June 30, 2013, earnings of \$855,760 were eligible to be distributed. For the year ended June 30, 2013, \$539,534 was distributed and is included in appropriation of endowment assets for expenditure above. The unused funds of \$316,226 were transferred back to the endowment funds to be used for future disbursements.





# Supplemental Information

**Maricopa County Community College District**  
**Schedule of Revenues, Expenses, and Changes in Net Position**  
**By College/Center**  
**For the Year Ended June 30, 2013**

	<u>Phoenix College</u>	<u>Glendale Community College</u>	<u>GateWay Community College</u>	<u>Mesa Community College</u>	<u>Scottsdale Community College</u>
<b>Operating revenues:</b>					
Tuition and fees, net of scholarship allowance	\$ 9,632,970	\$ 18,497,272	\$ 8,890,514	\$ 26,736,027	\$ 13,108,475
Other	<u>692,879</u>	<u>637,336</u>	<u>507,637</u>	<u>1,069,575</u>	<u>1,447,576</u>
Total operating revenues	<u>10,325,849</u>	<u>19,134,608</u>	<u>9,398,151</u>	<u>27,805,602</u>	<u>14,556,051</u>
<b>Operating expenses:</b>					
Educational and general:					
Instruction	27,274,474	47,185,947	19,981,816	57,575,054	29,505,282
Public service	857,003	287,862	279,419	317,826	145,499
Academic support	9,065,762	10,313,315	3,293,397	12,020,637	4,837,989
Student services	7,386,036	10,023,518	5,862,538	11,883,297	6,436,457
Institutional support	5,341,003	5,384,820	7,440,587	11,747,482	4,816,059
Operation and maintenance of plant	9,249,329	10,365,379	4,640,491	12,748,579	7,042,864
Student financial assistance	14,335,487	21,164,843	5,440,832	21,543,407	5,620,370
Auxiliary enterprises	2,816,977	2,823,026	11,174,676	6,155,281	3,404,573
Depreciation	3,856,896	5,086,357	4,483,514	5,574,825	4,332,265
Other	<u>4,180</u>	<u>12,733</u>	<u>5,268</u>	<u>20,440</u>	<u>62,350</u>
Total operating expenses	<u>80,187,147</u>	<u>112,647,800</u>	<u>62,602,538</u>	<u>139,586,828</u>	<u>66,203,708</u>
Operating loss	(69,861,298)	(93,513,192)	(53,204,387)	(111,781,226)	(51,647,657)
<b>Nonoperating revenues (expenses):</b>					
Property taxes	41,687,214	56,996,634	38,585,137	70,430,516	38,870,882
State appropriations	716,814	1,285,781	444,976	1,508,576	617,396
State-shared sales tax	78,206	-	228,387	-	-
Government grants and contracts	26,240,029	34,186,744	13,604,577	38,197,250	11,208,334
Private grants and contracts	147,702	257,005	70,147	149,156	262,675
Private gifts	715,562	777,400	254,307	1,475,145	632,816
Investment earnings, net of investment expense	13,548	171	37	52	26
Interest expense on debt	-	-	-	-	(3,059)
Gain (loss) on sale/disposal of capital assets	<u>(21,514)</u>	<u>(35,051)</u>	<u>(23,437)</u>	<u>(25,809)</u>	<u>(3,763)</u>
Total nonoperating revenues and expenses	<u>69,577,561</u>	<u>93,468,684</u>	<u>53,164,131</u>	<u>111,734,886</u>	<u>51,585,307</u>
Loss before other revenues, expenses, gains, or losses	(283,737)	(44,508)	(40,256)	(46,340)	(62,350)
Capital grants and gifts	<u>283,737</u>	<u>44,508</u>	<u>40,256</u>	<u>46,340</u>	<u>62,350</u>
Change in net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying notes to supplemental information.

<u>Rio Salado College</u>	<u>South Mountain Community College</u>	<u>Chandler- Gilbert Community College</u>	<u>Paradise Valley Community College</u>	<u>Estrella Mountain Community College</u>	<u>District Support Services Center</u>	<u>Total Colleges/ Centers</u>
\$ 36,845,716	\$ 2,578,637	\$ 14,612,839	\$ 10,019,973	\$ 7,221,622	\$ 1,033,734	\$ 149,177,779
<u>1,450,559</u>	<u>409,023</u>	<u>402,289</u>	<u>571,124</u>	<u>189,278</u>	<u>7,137,902</u>	<u>14,515,178</u>
<u>38,296,275</u>	<u>2,987,660</u>	<u>15,015,128</u>	<u>10,591,097</u>	<u>7,410,900</u>	<u>8,171,636</u>	<u>163,692,957</u>
29,639,864	12,105,787	24,730,900	21,447,984	16,780,802	433,666	286,661,576
8,375,902	245,245	233,593	19,045	406,886	5,628,703	16,796,983
14,090,203	4,349,542	7,060,767	4,509,379	5,108,290	6,697,513	81,346,794
6,026,822	3,704,353	4,306,213	5,188,769	4,471,457	5,015,217	70,304,677
11,739,029	3,344,098	5,233,966	3,529,577	4,216,664	70,465,518	133,258,803
4,731,638	3,662,145	6,162,409	4,542,976	4,538,549	(439,995)	67,244,364
14,981,604	6,362,470	7,946,178	5,355,855	9,243,208	543,478	112,537,732
17,088,862	456,045	661,929	1,610,490	4,812,907	2,755,524	53,760,290
2,959,244	2,545,216	4,446,120	3,551,467	2,418,992	4,637,994	43,892,890
16,750	-	24,725	-	23,479	2,210,284	2,380,209
<u>109,649,918</u>	<u>36,774,901</u>	<u>60,806,800</u>	<u>49,755,542</u>	<u>52,021,234</u>	<u>97,947,902</u>	<u>868,184,318</u>
(71,353,643)	(33,787,241)	(45,791,672)	(39,164,445)	(44,610,334)	(89,776,266)	(704,491,361)
35,103,267	21,025,558	31,042,913	28,731,992	26,091,128	86,873,746	475,438,987
1,569,906	280,234	823,911	538,558	529,548	-	8,315,700
-	-	-	-	-	7,145,567	7,452,160
28,392,380	11,861,056	13,079,545	9,576,978	17,684,530	4,069,374	208,100,797
1,471,318	17,330	34,077	115,728	2,486	344,261	2,871,885
4,817,422	610,543	784,276	201,189	298,697	-	10,567,357
491	(2,038)	-	-	-	1,476,237	1,488,524
-	-	-	-	-	(22,271,870)	(22,274,929)
<u>(25,698)</u>	<u>(5,442)</u>	<u>(6,768)</u>	<u>-</u>	<u>-</u>	<u>67,611</u>	<u>(79,871)</u>
<u>71,329,086</u>	<u>33,787,241</u>	<u>45,757,954</u>	<u>39,164,445</u>	<u>44,606,389</u>	<u>77,704,926</u>	<u>691,880,610</u>
(24,557)	-	(33,718)	-	(3,945)	(12,071,340)	(12,610,751)
<u>24,557</u>	<u>-</u>	<u>33,718</u>	<u>-</u>	<u>3,945</u>	<u>-</u>	<u>539,411</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,071,340)</u>	<u>(12,071,340)</u>
Total net position - July 1, 2012, as restated						<u>807,133,563</u>
Total net position - June 30, 2013						\$ <u>795,062,223</u>

**Maricopa County Community College District**  
**Notes to Supplemental Information**  
**For the Year Ended June 30, 2013**

**NOTE 1 - Statement of Purpose**

The Maricopa County Community College District Statement of Revenues, Expenses, and Changes in Net Position by College/Center for the Year Ended June 30, 2013, is required by the terms of a Memorandum of Understanding (MOU) between the Maricopa County Community College District (the District) and the Higher Learning Commission (HLC), a commission of the North Central Association of Colleges and Schools (NCA). The MOU outlines an appropriate pattern of evidence to be made available by the District for purposes of meeting certain NCA Criteria for Accreditation related to financial resources/uses and other assurances. This schedule presents revenues and expenses for each college/center within the District.

**NOTE 2 - Basis of Allocation**

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



# Statistical Section

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

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

## **Financial Trends**

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

## **Revenue Capacity**

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

## **Debt Capacity**

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

## **Demographic and Economic Information**

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

## **Operating Information**

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



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

	<b>Fiscal Year</b>				
	<b>2012-13</b>	<b>2011-12</b>	<b>2010-11</b>	<b>2009-10</b>	<b>2008-09</b>
Net investment in capital assets	\$ 259,717	\$ 246,511	\$ 208,096	\$ 175,468	\$ 150,334
Restricted – nonexpendable	654	606	561	553	580
Restricted – expendable	106,252	134,913	157,455	161,236	173,756
Unrestricted	428,439	429,800	397,492	322,796	256,120
<b>Total net position</b>	<b>\$ 795,062</b>	<b>\$ 811,830</b>	<b>\$ 763,604</b>	<b>\$ 660,053</b>	<b>\$ 580,790</b>

	<b>Fiscal Year</b>				
	<b>2007-08</b>	<b>2006-07</b>	<b>2005-06</b>	<b>2004-05</b>	<b>2003-04</b>
Invested in capital assets, net of related debt	\$ 129,637	\$ 109,963	\$ 103,429	\$ 102,171	\$ 123,051
Restricted – nonexpendable	669	921	1,040	1,002	893
Restricted – expendable	169,006	147,832	115,033	91,755	57,138
Unrestricted	199,401	159,161	135,415	119,194	107,089
<b>Total net position</b>	<b>\$ 498,713</b>	<b>\$ 417,877</b>	<b>\$ 354,917</b>	<b>\$ 314,122</b>	<b>\$ 288,171</b>

Source: Comprehensive Annual Financial Reports for years presented.

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

	<b>Fiscal Year</b>				
	<b>2012-13</b>	<b>2011-12</b>	<b>2010-11</b>	<b>2009-10</b>	<b>2008-09</b>
Instruction	\$ 286,661	\$ 274,682	\$ 266,455	\$ 259,910	\$ 262,226
Public service	16,797	16,239	15,979	16,409	15,180
Academic support	81,347	74,342	69,546	61,932	63,594
Student services	70,305	63,909	63,399 (2)	128,365 (1)	79,002
Institutional support	133,259	106,910	102,214	109,509 (1)	112,944
Operation and maintenance of plant	67,244	66,863	59,185	66,907 (1)	53,450
Student financial assistance	112,538	120,209	111,598 (2)	4,060 (1)	3,184
Auxiliary enterprises	53,760	50,419	43,124	50,056 (1)	64,611
Depreciation	43,893	39,048	36,744	36,330	30,751
Other	2,380	1,119	1,215	1,013	948
Total operating expenses	<u>868,184</u>	<u>813,740</u>	<u>769,459</u>	<u>734,491</u>	<u>685,890</u>
Interest expense on debt	22,275	23,378	24,192	26,309	23,364
Loss on sale/disposal of capital assets	80	564	109	8	-
Total nonoperating expenses	<u>22,355</u>	<u>23,942</u>	<u>24,301</u>	<u>26,317</u>	<u>23,364</u>
Total expenses	<u>\$ 890,539</u>	<u>\$ 837,682</u>	<u>\$ 793,760</u>	<u>\$ 760,808</u>	<u>\$ 709,254</u>

	<b>Fiscal Year</b>				
	<b>2007-08</b>	<b>2006-07</b>	<b>2005-06</b>	<b>2004-05</b>	<b>2003-04</b>
Instruction	\$ 252,671	\$ 252,772	\$ 237,735	\$ 216,254	\$ 201,072
Public service	13,776	13,269	13,552	14,729	13,465
Academic support	60,482	58,273	54,342	48,265	45,753
Student services	66,436	62,432	62,467	63,960	60,189
Institutional support	107,202	102,096	91,872	87,193	84,004
Operation and maintenance of plant	49,394	42,245	37,664	28,740	26,709
Student financial assistance	3,531	3,147	2,901	3,467	3,102
Auxiliary enterprises	58,990	63,643	63,601	59,790	54,795
Depreciation	28,821	28,166	22,470	25,047	21,193
Other	601	585	602	4,233	5,541
Total operating expenses	<u>641,904</u>	<u>626,628</u>	<u>587,206</u>	<u>551,678</u>	<u>515,823</u>
Interest expense on debt	23,825	18,040	17,365	13,709	12,618
Loss on sale/disposal of capital assets	181	-	-	326	-
Total nonoperating expenses	<u>24,006</u>	<u>18,040</u>	<u>17,365</u>	<u>14,035</u>	<u>12,618</u>
Total expenses	<u>\$ 665,910</u>	<u>\$ 644,668</u>	<u>\$ 604,571</u>	<u>\$ 565,713</u>	<u>\$ 528,441</u>

Source: Comprehensive Annual Financial Reports for years presented.

(1) As adjusted in fiscal year 2011.

(2) As adjusted in fiscal year 2012.



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

	<b>Fiscal Year</b>				
	<b>2012-13</b>	<b>2011-12</b>	<b>2010-11</b>	<b>2009-10</b>	<b>2008-09</b>
Salaries and benefits	\$ 527,939	\$ 503,016	\$ 485,559	\$ 477,348	\$ 476,551
Contract services	66,826	57,597	51,583	48,031	51,283
Financial aid	120,046	127,529	118,305	97,300	44,665
Depreciation	43,893	39,048	36,744	36,330	30,751
Communications, utilities, and travel	24,897	24,512	22,562	21,258	20,827
Noncapitalized equipment	24,522	24,843	17,088	29,294	29,393
Supplies and materials	20,754	21,099	19,585	19,700	16,673
Subscriptions, dues, insurance, and rentals	9,508	10,391	9,477	9,421	9,802
Other expenses	29,799	5,705	8,556	8,380	5,945
Total operating expenses	<u>868,184</u>	<u>813,740</u>	<u>769,459</u>	<u>747,062</u>	<u>685,890</u>
Interest expense on debt	22,275	23,378	24,192	26,309	23,364
Loss on sale/disposal of capital assets	80	564	109	8	-
Total nonoperating expenses	<u>22,355</u>	<u>23,942</u>	<u>24,301</u>	<u>26,317</u>	<u>23,364</u>
Total expenses	<u>\$ 890,539</u>	<u>\$ 837,682</u>	<u>\$ 793,760</u>	<u>\$ 773,379</u>	<u>\$ 709,254</u>

	<b>Fiscal Year</b>				
	<b>2007-08</b>	<b>2006-07</b>	<b>2005-06</b>	<b>2004-05</b>	<b>2003-04</b>
Salaries and benefits	\$ 448,083	\$ 440,052	\$ 410,438	\$ 382,588	\$ 357,983
Contract services	52,067	53,373	48,746	44,639	39,951
Financial aid	36,330	36,565	37,481	41,981	38,714
Depreciation	28,821	28,166	22,470	25,047	21,192
Communications, utilities, and travel	20,979	19,762	19,431	18,505	17,213
Noncapitalized equipment	24,102	18,493	19,208	11,117	12,003
Supplies and materials	18,497	16,575	18,422	17,824	18,202
Subscriptions, dues, insurance, and rentals	9,698	9,441	8,511	7,225	6,964
Other expenses	3,327	4,201	2,499	2,752	3,601
Total operating expenses	<u>641,904</u>	<u>626,628</u>	<u>587,206</u>	<u>551,678</u>	<u>515,823</u>
Interest expense on debt	23,825	18,040	17,365	13,709	12,618
Loss on sale/disposal of capital assets	181	-	-	326	-
Total nonoperating expenses	<u>24,006</u>	<u>18,040</u>	<u>17,365</u>	<u>14,035</u>	<u>12,618</u>
Total expenses	<u>\$ 665,910</u>	<u>\$ 644,668</u>	<u>\$ 604,571</u>	<u>\$ 565,713</u>	<u>\$ 528,441</u>

Source: Comprehensive Annual Financial Reports for years presented.

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

	<b>Fiscal Year</b>				
	<b>2012-13</b>	<b>2011-12</b>	<b>2010-11</b>	<b>2009-10</b>	<b>2008-09</b>
Tuition and fees, net of scholarship allowance	\$ 149,178	\$ 150,443	\$ 145,711	\$ 146,804 (1)	\$ 151,219
Other	14,515	14,144	16,621	14,874	12,538
Total operating revenues	<u>163,693</u>	<u>164,587</u>	<u>162,332</u>	<u>161,678</u>	<u>163,757</u>
Property taxes	475,439	466,813	460,519	453,615	443,029
State appropriations	8,316	6,891	45,327	45,327	51,128
State-shared sales tax	7,452	7,712	7,365	7,117	7,233
Government grants and contracts	208,101	222,604	205,301	156,707	99,708
Private grants and contracts	2,872	3,601	3,892	3,602	3,842
Private gifts	10,567	10,280	10,997	10,056	13,726
Investment income, net of investment expense	1,488	2,644	1,228	1,444	8,194
Gain on sale/disposal of capital assets	-	-	-	-	474
Total nonoperating revenues	<u>714,235</u>	<u>720,545</u>	<u>734,629</u>	<u>677,868</u>	<u>627,334</u>
Total revenues	<u>\$ 877,928</u>	<u>\$ 885,132</u>	<u>\$ 896,961</u>	<u>\$ 839,546</u>	<u>\$ 791,091</u>

	<b>Fiscal Year</b>				
	<b>2007-08</b>	<b>2006-07</b>	<b>2005-06</b>	<b>2004-05</b>	<b>2003-04</b>
Tuition and fees, net of scholarship allowance	\$ 141,086	\$ 141,232	\$ 127,543	\$ 116,027	\$ 102,641
Other	12,860	13,645	15,028	11,590	10,862
Total operating revenues	<u>153,946</u>	<u>154,877</u>	<u>142,571</u>	<u>127,617</u>	<u>113,503</u>
Property taxes	399,567	364,536	324,593	296,179	281,831
State appropriations	57,529	57,528	54,863	51,291	46,614
State-shared sales tax	8,946	10,255	8,436	7,712	5,926
Government grants and contracts	74,690	70,062	72,199	77,387	73,150
Private grants and contracts	3,749	4,566	4,052	3,202	3,435
Private gifts	13,272	12,386	9,962	10,504	10,595
Investment income, net of investment expense	23,089	21,267	16,947	7,127	3,710
Gain on sale/disposal of capital assets	-	69	207	-	26
Total nonoperating revenues	<u>580,842</u>	<u>540,669</u>	<u>491,259</u>	<u>453,402</u>	<u>425,287</u>
Total revenues	<u>\$ 734,788</u>	<u>\$ 695,546</u>	<u>\$ 633,830</u>	<u>\$ 581,019</u>	<u>\$ 538,790</u>

Source: Comprehensive Annual Financial Reports for years presented.

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

(1) As adjusted in fiscal year 2011.

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

	Fiscal Year				
	2012-13	2011-12	2010-11	2009-10	2008-09
Income (loss) before other changes in net position	\$ (12,611)	\$ 47,450	\$ 103,201	\$ 78,737	\$ 81,838
Capital appropriations	-	-	-	-	-
Capital grants and gifts	540	776	351	526	238
Total change in net position	<u>\$ (12,071)</u>	<u>\$ 48,226</u>	<u>\$ 103,552</u>	<u>\$ 79,263</u>	<u>\$ 82,076</u>

	Fiscal Year				
	2007-08	2006-07	2005-06	2004-05	2003-04
Income (loss) before other changes in net position	\$ 68,878	\$ 50,878	\$ 29,259	\$ 15,307	\$ 10,349
Capital appropriations	11,204	11,422	10,978	10,372	8,310
Capital grants and gifts	754	659	558	272	2,149
Total change in net position	<u>\$ 80,836</u>	<u>\$ 62,959</u>	<u>\$ 40,795</u>	<u>\$ 25,951</u>	<u>\$ 20,808</u>

Source: Comprehensive Annual Financial Reports for years presented.

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

<b>Fiscal Year</b>	<b>Property Values Assessed</b>			<b>Total Direct Tax Rate</b>	<b>Total Secured and Unsecured Estimated Market Value</b>	<b>Total Secondary Assessed Value as a Percent of Total Market Value</b>
	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>			
2012-13	\$ 33,136,394	\$ 1,264,062	\$ 34,400,456	\$ 1.3778	\$ 321,960,274	10.7 %
2011-12	37,474,985	1,285,312	38,760,297	1.2082	359,682,346	10.8
2010-11	48,247,443	1,415,100	49,662,543	0.9728	444,097,352	11.2
2009-10	56,523,957	1,460,095	57,984,052	0.8844	516,184,657	11.2
2008-09	56,831,715	1,471,920	58,303,635	0.9386	516,677,465	11.3
2007-08	48,136,309	1,398,265	49,534,574	0.9760	431,682,163	11.5
2006-07	34,922,001	1,372,693	36,294,694	1.0646	301,474,323	12.0
2005-06	31,886,842	1,310,376	33,197,218	1.0315	273,817,028	12.1
2004-05	28,811,532	1,255,455	30,066,987	1.0372	245,835,672	12.2
2003-04	26,405,899	1,072,089	27,477,988	1.0785	226,293,568	12.1

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

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

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

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

Fiscal Year	Maricopa County Community College District Direct Rate			Overlapping Rates					
	Primary Levy	Secondary Levy	Total	Maricopa County	Education Equalization	Central Arizona Water Conservation District	Other Special Districts	School Districts	Cities
2012-13	\$ 1.1563	\$ 0.2215	\$ 1.3778	\$ 1.47	\$ .47	\$ .10	\$ 0 - 6.15	\$ .77 - 10.45	\$ 0 - 3.89
2011-12	1.0123	0.1959	1.2082	1.47	.43	.10	0 - 4.05	.76 - 10.80	0 - 2.91
2010-11	0.7926	0.1802	0.9728	1.24	.36	.10	0 - 3.30	.71 - 10.80	0 - 2.44
2009-10	0.7246	0.1598	0.8844	1.16	.33	.10	0 - 3.30	.78 - 10.84	0 - 2.51
2008-09	0.7752	0.1634	0.9386	1.20	.00	.10	0 - 3.30	.69 - 12.72	0 - 2.30
2007-08	0.8246	0.1514	0.9760	1.30 (1)	.00	.10	0 - 3.86	.94 - 8.76	0 - 2.67
2006-07	0.8815	0.1831	1.0646	1.43 (1)	.00	.12	0 - 3.86	.88 - 14.72	0 - 2.97
2005-06	0.8936	0.1379	1.0315	1.46 (1)	.44	.12	0 - 3.86	1.02 - 14.33	0 - 2.43
2004-05	0.9211	0.1161	1.0372	1.47	.46	.12	1 - 3.86	1.09 - 14.35	0 - 2.41
2003-04	0.9410	0.1375	1.0785	1.54	.47	.12	0 - 3.65	.77 - 11.81	0 - 2.67

Source: District records and Maricopa County Department of Finance.

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

(1) Data updated in fiscal year 2009.

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

<b>Taxpayer</b>	<b>Fiscal Year 2012-13</b>			<b>Fiscal Year 2003-04</b>		
	<b>2012-2013 Secondary Assessed Value</b>	<b>Rank</b>	<b>Percentage of 2012-2013 Secondary Assessed Value</b>	<b>2003-2004 Secondary Assessed Value</b>	<b>Rank</b>	<b>Percentage of 2003-2004 Secondary Assessed Value</b>
Arizona Public Service Company	\$ 1,083,293,216	1	3.15 %	\$ 773,981,629	1	2.82 %
Qwest Corporation / US West	153,665,296	2	0.45	454,550,692	2	1.65
Southwest Gas Corporation	147,481,459	3	0.43	129,855,468	5	0.47
Southern California Edison Co.	128,749,055	4	0.37	170,916,915	3	0.62
El Paso Electric Co.	124,582,571	5	0.36	141,854,336	4	0.52
Wal-Mart Stores Inc.	81,666,573	6	0.24	*		
Mesquite Power LLC	79,950,000	7	0.23	*		
Sundevil Power Holdings, LLC	73,220,160	8	0.21	*		
Public Service Company of New Mexico	72,976,296	9	0.21	81,352,985	9	0.30
Verizon Wireless	67,380,641	10	0.20	*		
Intel Corporation	*			114,669,306	6	0.42
Motorola Computer Group	*			101,342,861	7	0.37
AT&T	*			89,751,292	8	0.33
Target	*			72,721,962	10	0.26
<b>Total Principal Taxpayers</b>	<b>\$ 2,012,965,267</b>		<b>5.85 %</b>	<b>\$ 2,130,997,446</b>		<b>7.76 %</b>
Countywide Secondary Valuation	\$34,400,455,716			\$27,477,987,528		

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

Source: Maricopa County Treasurer's Office.

Note: Salt River Project, a local utility, pays an in-lieu tax based on an estimated assessed valuation. The net assessed valuation for tax year 2012 is \$676,321,912.

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

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)			Collected within the Fiscal Year of the Levy			Total Collections to Date	
	Adjustments	Total Adjusted Levy	Amount	Percentage of Original Levy	Collections in Subsequent Years	Amount	Percentage of Adjusted Levy	
2012-13	\$ (2,680,672)	\$ 394,104,564	\$386,059,866	97.30 %	\$ -	\$386,059,866	97.96 %	
2011-12	(4,389,029)	385,484,189	377,344,288	96.79	7,725,853	385,070,141	99.89	
2010-11	(6,171,877)	364,325,119	356,210,394	96.14	7,749,801	363,960,195	99.90	
2009-10	(4,283,760)	356,672,647	345,601,360	95.75	10,696,980	356,298,340	99.90	
2008-09	(2,774,778)	345,513,560	334,032,370	95.91	11,229,047	345,261,417	99.93	
2007-08	(2,719,212)	319,901,736	311,374,459	96.51	8,378,103	319,752,562	99.95	
2006-07	(3,395,001)	295,448,187	289,283,824	96.80	6,046,546	295,330,370	99.96	
2005-06	(3,229,213)	273,834,018	268,737,564	97.00	4,957,232	273,694,796	99.95	
2004-05	(2,949,300)	255,843,196	251,769,652	97.29	3,939,102	255,708,754	99.95	
2003-04	(2,160,063)	237,548,877	232,995,411	97.20	4,350,133	237,345,544	99.91	

Sources: Maricopa County Treasurer and District records.

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

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

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

**District Historic Tuition and Fees**

Fiscal Year	Per Credit Hour			Annual Cost Per Full-time Student	Increase	
	General Tuition	Fees	Combined Total		Dollars	Percent
2012-13	\$ 74.00	\$ 2.00	\$ 76.00	\$ 2,280.00	\$ -	- %
2011-12	74.00	2.00	76.00	2,280.00	150.00	7.04
2010-11	69.00	2.00	71.00	2,130.00	0.00	-
2009-10	69.00	2.00	71.00	2,130.00	0.00	-
2008-09	69.00	2.00	71.00	2,130.00	180.00	9.23
2007-08	63.50	1.50	65.00	1,950.00	0.00	-
2006-07	63.50	1.50	65.00	1,950.00	150.00	8.33
2005-06	58.50	1.50	60.00	1,800.00	150.00	9.09
2004-05	53.50	1.50	55.00	1,650.00	120.00	7.84
2003-04	38.50	12.50	51.00	1,530.00	150.00	10.87

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

Fiscal Year	Maricopa District		National Community College Average (1)		Arizona Universities Average (3)	
	Annual Cost	Percent Change	Annual Cost	Percent Change	Annual Cost	Percent Change
2012-13	\$ 2,280.00	- %	\$ 3,219.00 (2)	21.61 %	\$ 9,675.00	1.57 %
2011-12	2,280.00	7.04	2,647.00	8.53	9,525.00	28.53
2010-11	2,130.00	-	2,439.00	6.74	7,411.00	16.27
2009-10	2,130.00	-	2,285.00	6.98	6,374.00	14.95
2008-09	2,130.00	9.23	2,136.00	3.64	5,545.00	12.04
2007-08	1,950.00	-	2,061.00	2.13	4,949.00	6.16
2006-07	1,950.00	8.33	2,018.00	4.29	4,662.00	5.28
2005-06	1,800.00	9.09	1,935.00	4.65	4,428.00	8.69
2004-05	1,650.00	7.84	1,849.00	8.64	4,074.00	13.39
2003-04	1,530.00	10.87	1,702.00	14.77	3,593.00	39.10

Source: District records.

Note 1: U.S. Department of Education, National Center for Education Statistics, 2010-11 and 2011-12 Integrated Postsecondary Education Data System (IPEDS).

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

Note 3: Arizona Board of Regents, Tuition History.



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

	<b>For the Fiscal Year Ended June 30</b>				
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>General Bonded Debt</b>					
General obligation bonds	\$ 766,085	\$ 671,250	\$ 737,930	\$ 653,040	\$ 727,390
Per capita	\$ 197.21	\$ 174.65	\$ 192.97	\$ 162.31	\$ 182.40
Per student	\$ 3,219.56	\$ 2,726.84	\$ 2,891.03	\$ 2,682.55	\$ 3,147.51
Per FTSE	\$ 9,432.45	\$ 8,085.01	\$ 8,728.35	\$ 8,356.34	\$ 10,376.61
<b>Other Debt</b>					
Revenue bonds	\$ 410	\$ 1,240	\$ 12,585	\$ 14,000	\$ 15,905
Capital lease obligations	49	72	94	115	136
Total outstanding debt	<u>\$ 766,544</u>	<u>\$ 672,562</u>	<u>\$ 750,609</u>	<u>\$ 667,155</u>	<u>\$ 743,431</u>
Per capita	\$ 197.32	\$ 174.99	\$ 196.29	\$ 165.82	\$ 186.42
Per student	\$ 3,221.49	\$ 2,732.17	\$ 2,940.70	\$ 2,740.53	\$ 3,216.92
Per FTSE	\$ 9,438.10	\$ 8,100.81	\$ 8,878.32	\$ 8,536.96	\$ 10,605.44

	<b>For the Fiscal Year Ended June 30</b>				
	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>General Bonded Debt</b>					
General obligation bonds	\$ 557,390	\$ 609,320	\$ 399,805	\$ 424,710	\$ 261,015
Per capita	\$ 142.65	\$ 160.66	\$ 109.58	\$ 120.51	\$ 74.61
Per student	\$ 2,432.59	\$ 2,598.11	\$ 1,677.33	\$ 1,774.70	\$ 1,101.69
Per FTSE	\$ 8,190.29	\$ 8,759.44	\$ 5,709.46	\$ 5,949.40	\$ 3,804.22
<b>Other Debt</b>					
Revenue bonds	\$ 18,300	\$ 20,605	\$ 23,360	\$ 25,975	\$ 29,005
Capital lease obligations	211	419	556	692	335
Total outstanding debt	<u>\$ 575,901</u>	<u>\$ 630,344</u>	<u>\$ 423,721</u>	<u>\$ 451,377</u>	<u>\$ 290,355</u>
Per capita	\$ 147.38	\$ 166.20	\$ 116.13	\$ 128.08	\$ 82.99
Per student	\$ 2,513.38	\$ 2,687.76	\$ 1,777.67	\$ 1,886.13	\$ 1,225.52
Per FTSE	\$ 8,462.29	\$ 9,061.68	\$ 6,051.00	\$ 6,322.96	\$ 4,231.84

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

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

<b>Fiscal Year</b>	<b>Gross Revenues (1)</b>	<b>Debt Service Requirements</b>			<b>Coverage Ratio</b>
		<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2012-13	\$ 262,851,300	\$ 410,000	\$ 8,200	\$ 418,200	628.5
2011-12	272,839,165	830,000	33,000	863,000	316.2
2010-11	256,779,951	795,000	533,980	1,328,980	193.2
2009-10	236,571,816	1,415,000	580,081	1,995,081	118.6
2008-09	216,932,185	1,905,000	649,415	2,554,415	84.9
2007-08	215,355,081	2,395,000	728,534	3,123,534	68.9
2006-07	209,985,122	2,305,000	806,652	3,111,652	67.5
2005-06	192,425,062	2,755,000	899,566	3,654,566	52.7
2004-05	167,403,439	2,615,000	1,017,282	3,632,282	46.1
2003-04	149,341,439	3,030,000	1,145,310	4,175,310	35.8

Source: District records.

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

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

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

	Fiscal Year				
	2012-13	2011-12	2010-11	2009-10	2008-09 (1)
Debt Limit	\$5,160,068,357	\$5,814,044,507	\$7,449,381,543	\$8,697,607,758	\$ 8,745,545,293
Total net debt applicable to limit	<u>712,783,980</u>	<u>615,066,983</u>	<u>671,250,000</u>	<u>587,930,000</u>	<u>653,040,000</u>
Legal debt margin	<u>\$4,447,284,377</u>	<u>\$5,198,977,524</u>	<u>\$6,778,131,543</u>	<u>\$8,109,677,758</u>	<u>\$ 8,092,505,293</u>
Total net debt applicable to the limit as a percentage of debt limit	13.81%	10.58%	9.01%	6.76%	7.47%

	Fiscal Year				
	2007-08	2006-07	2005-06	2004-05	2003-04
Debt Limit	\$7,430,186,075	\$5,444,204,040	\$4,979,582,760	\$4,510,048,001	\$ 4,121,698,129
Total net debt applicable to limit	<u>507,390,000</u>	<u>557,390,000</u>	<u>369,320,000</u>	<u>399,805,000</u>	<u>234,440,000</u>
Legal debt margin	<u>\$6,922,796,075</u>	<u>\$4,886,814,040</u>	<u>\$4,610,262,760</u>	<u>\$4,110,243,001</u>	<u>\$ 3,887,258,129</u>
Total net debt applicable to the limit as a percentage of debt limit	6.83%	10.24%	7.42%	8.86%	5.69%

**Legal Debt Margin Calculation for Fiscal Year 2012-13**

Secondary Assessed Value of Real and Personal Property	\$34,400,455,716
Debt Limit, 15% of Secondary Assessed Value	<u>5,160,068,357</u>
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonded Debt	766,085,000
Capital Leases	48,980
Amount Available for Debt Repayment	<u>(53,350,000)</u>
Total Debt Applicable to Debt Limit	<u>712,783,980</u>
Legal Debt Margin	<u>\$ 4,447,284,377</u>

Note: The Arizona Constitution, Article 9, Section 8, states that a county or school district may become indebted for an amount not to exceed fifteen percent of taxable property. For fiscal year 2012-13, the District was at 2.07%.

(1) Data corrected in fiscal year 2010.

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

<u>Year</u>	<u>County Population</u>	<u>County Personal Income (In Thousands)</u>	<u>County Income per Capita</u>	<u>Phoenix Metro Area Unemployment Rate – June</u>
2013	3,884,705	Not Available (1)	Not Available (1)	7.2 %
2012	3,843,370	Not Available (1)	Not Available (1)	7.6
2011	3,824,058	\$ 147,724,392	\$ 38,071	9.1
2010	4,023,331	140,351,646	36,695	9.8
2009	3,987,942	137,970,508	36,272	9.5
2008	3,907,492	148,462,926	39,369	5.2
2007	3,792,675	145,880,680	37,666	3.1
2006	3,648,545	139,069,591	36,829	3.7
2005	3,638,481	126,010,741	34,551	4.2
2004	3,498,347	114,049,001	32,561	4.7

Source: Arizona Department of Administration, Office of Employment and Population Statistics at [www.azstats.gov](http://www.azstats.gov).

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

All information given for Maricopa County unless otherwise indicated.

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

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

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

<u>Employer</u>	<u>Fiscal Year 2012-13</u>			<u>Fiscal Year 2003-04</u>		
	<u>Number of Full-Time Equivalent Employees in Arizona</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Number of Full-Time Equivalent Employees in Arizona</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
State of Arizona	52,076	1	2.94 %	50,363	1	2.95 %
Wal-Mart Stores, Inc.	31,837	2	1.80	18,677	2	1.10
Banner Health System	25,126	3	1.42	13,756	3	0.81
City of Phoenix	14,983	4	0.84	13,095	5	0.77
Wells Fargo & Company	13,679	5	0.77	*		
Maricopa County	13,308	6	0.75	13,482	4	0.79
Bank of America	12,500	7	0.70	*		
Arizona State University	12,222	8	0.69	10,005	9	0.59
Raytheon Co.	11,500	9	0.65	10,200	8	0.60
JP Morgan Chase & Co	11,407	10	0.64	*		
Honeywell Aerospace	*			12,000	6	0.70
US Postal Service - AZ District	*			11,406	7	0.67
Albertson's-Osco	*			9,500	10	0.56
<b>Total Principal Employers</b>	<b>198,638</b>		<b>11.20 %</b>	<b>162,484</b>		<b>9.54 %</b>
Total Employment in Maricopa County as of June 30	1,773,535			1,704,512		

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

Source: The Business Journal, Book of Lists.

Arizona Department of Administration, Office of Employment and Population Statistics at [www.azstats.gov](http://www.azstats.gov) for total employment in Maricopa County.

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

	For the Fiscal Year Ended June 30				
	2013	2012	2011	2010	2009
<b>Faculty</b>					
Part-time	6,288	5,967	5,104	5,764	5,424
Full-time	1,374	1,361	1,349	1,354	1,340
<b>Administrative &amp; support staff</b>	2,954	3,026	3,024	3,012	3,050
<b>Total employees</b>	10,616	10,354	9,477	10,130	9,814
Students per faculty member	31	34	40	34	34
Students per staff member	81	81	84	81	76
Average class size	21	22	22	22	22

	For the Fiscal Year Ended June 30				
	2008	2007	2006	2005	2004
<b>Faculty</b>					
Part-time	4,995	6,061	6,131	4,886	4,487
Full-time	1,373	1,376	1,386	1,307	1,275
<b>Administrative &amp; support staff</b>	3,064	2,914	2,942	2,861	2,763
<b>Total employees</b>	9,432	10,351	10,459	9,054	8,525
Students per faculty member	36	32	32	39	41
Students per staff member	75	80	81	84	86
Average class size	22	21	22	19	18

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

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

**Historic Headcount**

<u>College/Center</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>
Phoenix	19,476	19,525	21,392	20,247	18,874	18,709	20,275	20,927	20,872	22,480
Glendale	31,666	32,854	32,962	32,378	29,840	29,936	30,767	32,201	33,694	34,360
GateWay	10,962	11,674	13,266	14,159	13,549	14,350	15,633	16,063	15,947	15,918
Mesa	38,602	40,070	41,836	41,759	39,605	39,860	41,594	43,371	45,098	43,931
Scottsdale	16,527	17,474	17,702	17,492	17,343	17,618	17,866	18,719	19,000	19,639
Rio Salado	52,685	56,031	57,746	52,634	50,784	49,806	48,761	46,806	44,203	41,280
South Mountain	7,338	8,027	10,186	9,490	8,905	7,799	7,212	7,534	7,308	7,200
Chandler-Gilbert	19,791	19,611	17,938	16,388	15,696	15,101	14,033	13,240	12,707	12,416
Paradise Valley	14,380	15,246	16,046	15,673	14,633	14,159	14,006	13,958	13,640	13,004
Estrella Mountain	12,475	12,508	12,612	11,636	10,551	10,026	9,938	9,886	9,705	9,040
Skill Centers	1,748	2,016	2,298	2,471	2,097	1,527	1,815	1,757	1,791	3,019
Adult Basic Education	12,297	11,128	11,264	9,113	9,223	10,243	12,624	13,896	15,349	14,636
<b>Total</b>	<b>237,947</b>	<b>246,164</b>	<b>255,248</b>	<b>243,440</b>	<b>231,100</b>	<b>229,134</b>	<b>234,524</b>	<b>238,358</b>	<b>239,314</b>	<b>236,923</b>

**Historic FTSE**

<u>College/Center</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>
Phoenix	7,001	7,137	7,576	6,821	5,911	5,848	6,253	6,546	6,847	6,908
Glendale	12,473	12,728	12,777	11,959	10,428	10,023	10,248	10,566	11,242	11,017
GateWay	3,415	3,567	3,897	3,823	3,661	3,677	3,805	3,847	3,728	3,703
Mesa	14,709	15,363	16,097	15,501	13,792	13,653	14,432	14,999	15,804	15,116
Scottsdale	6,030	6,350	6,397	6,312	5,896	5,949	5,926	6,006	6,359	6,396
Rio Salado	13,815	14,263	14,378	12,220	11,937	12,230	12,127	11,620	10,949	9,939
South Mountain	2,737	2,778	2,954	2,746	2,251	2,086	2,052	2,067	2,094	2,014
Chandler-Gilbert	8,047	7,830	7,206	6,465	5,677	5,326	4,803	4,501	4,432	4,230
Paradise Valley	5,260	5,503	5,715	5,505	4,826	4,368	4,451	4,378	4,288	3,970
Estrella Mountain	4,932	4,709	4,739	4,184	3,416	3,087	3,045	2,887	2,986	2,587
Skill Center	1,171	1,187	1,471	1,530	1,309	629	727	780	897	998
Adult Basic Education	1,628	1,609	1,337	1,083	995	1,179	1,692	1,828	1,761	1,734
<b>Total</b>	<b>81,218</b>	<b>83,024</b>	<b>84,544</b>	<b>78,149</b>	<b>70,099</b>	<b>68,055</b>	<b>69,561</b>	<b>70,025</b>	<b>71,387</b>	<b>68,612</b>

**Degrees and Certificates Awarded**

	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>
Associate of Arts	4,486	4,360	4,007	3,173	2,853	2,505	2,330	1,897	1,481	825
Associate of Applied Science	3,115	3,049	2,900	2,838	2,708	2,505	2,331	2,233	2,056	1,954
Associate of Business	723	732	562	526	408	336	293	244	179	139
Associate of General Studies	685	604	601	651	692	740	896	1,042	1,326	1,626
Associate in Science	696	630	524	418	395	307	292	237	169	66
Associate of Transfer Partnership	-	11	12	68	189	322	426	512	569	568
Academic Certificate	121	72	41	30	20	6	13	-	-	-
Certificates of Completion										
in Occupational Programs	8,550	8,589	7,467	5,768	7,166	7,814	8,123	11,107	9,330	8,647
Arizona General Education Certificate	6,073	5,900	5,276	4,312	3,762	2,833	4,650 (1)			

Source: District records.

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

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

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

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

<u>Fiscal Year</u>	<u>Attendance</u>		<u>Enrollment Status</u>			<u>Residency</u>		
	<u>FT</u>	<u>PT</u>	<u>Continuing</u>	<u>New</u>	<u>Former</u>	<u>Resident</u>	<u>Out of County</u>	<u>Out of State</u>
2012-13	28 %	72 %	45 %	40 %	15 %	92 %	3 %	5 %
2011-12	29	71	45	41	14	91	3	6
2010-11	28	72	43	42	15	89	3	8
2009-10	28	72	41	43	16	89	3	8
2008-09	25	75	41	42	17	88	2	10
2007-08	25	75	46	39	15	88	2	10
2006-07	24	76	46	39	15	92	3	5
2005-06	24	76	47	38	15	92	3	5
2004-05	25	75	47	38	15	92	3	5
2003-04	25	75	47	38	15	92	3	5

<u>Fiscal Year</u>	<u>Gender</u>		<u>Ethnic Background</u>						<u>Median Age</u>
	<u>M</u>	<u>F</u>	<u>Native American</u>	<u>Asian</u>	<u>African American</u>	<u>Hispanic</u>	<u>Anglo</u>	<u>Other</u>	
2012-13	44 %	56 %	3 %	5 %	9 %	23 %	51 %	9 %	22
2011-12	43	57	3	5	9	22	53	8	23
2010-11	43	57	3	4	8	21	55	9	22
2009-10	43	57	3	4	7	20	55	11	22
2008-09	43	57	3	4	6	20	58	9	22
2007-08	43	57	3	4	6	19	58	10	22
2006-07	42	58	3	4	5	20	58	10	23
2005-06	43	57	3	4	5	19	58	11	23
2004-05	43	57	3	3	5	18	59	12	23
2003-04	43	57	3	4	5	17	59	12	24

Source: District records.



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

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

Source: District records.

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



MARICOPA  
COMMUNITY  
COLLEGES





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(480) 731-8554

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