

# Maricopa County Community College District

Phoenix, Arizona

Chandler-Gilbert

Estrella Mountain

GateWay

Glendale

Mesa

Paradise Valley

Phoenix

Rio Salado

Scottsdale

South Mountain



GateWay Community College

## Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2021







# **Annual Comprehensive Financial Report**

**Fiscal Year Ended June 30, 2021**

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

Prepared by  
**Division of Business Services**





**Maricopa County Community College District**  
**Annual Comprehensive Financial Report**  
**Fiscal Year Ended June 30, 2021**

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# Introductory Section





January 28, 2022

To the Citizens of Maricopa County:

I am pleased to submit the Annual Comprehensive Financial Report for the fiscal year ended on June 30, 2021.

During fiscal year 2020-21, the Maricopa County Community College District continued to make forward advancements in propelling students toward academic success. One of our most significant achievements from the past year is Governor Doug Ducey's approval of Senate Bill 1453 (SB 1453). This historic legislation gives community colleges in Arizona the authority to offer four-year baccalaureate degrees. Our leadership teams have been working diligently on the strategic planning of coordinating, adopting, and developing four-year programs in accordance with SB 1453 guidelines. To meet the requirements of the legislation and the Higher Learning Commission's anticipation that a collaborative, targeted, and success-driven approach will be used in the selection of bachelor's degrees, colleges were asked to be strategic and focused in their proposals for degrees to be offered starting in Fall 2023, with an eye to adding programs in the future once we demonstrate student success in our initial offerings. The next step for us in this historical journey is the development of curriculum for each proposed degree program. Additionally, work teams of faculty, staff, and administrators have been and will continue to be formed to help ready our systems, processes, structures, and policies for our adoption and implementation of bachelor's degrees.



Along with the historic legislation of SB 1453, this year brought many other exciting opportunities for academic advancement and celebration. The District's academic excellence earned noteworthy visits from national leadership, including Arizona Senator Mark Kelly and United States Secretary of Labor Martin Walsh. In addition, MCCC faculty member Dr. Sian Proctor made history as America's first Black woman to pilot a spacecraft with SpaceX's Inspiration4 mission, historic in its own right as the world's first all-civilian flight to space.

In the spirit of innovation, the District always seeks out and maintains partnerships that allow students the best pipelines to pursue their education. In the last fiscal year, our District has collaborated with Arizona State University on a seamless transfer partnership called MAPP MyPath2ASU™; we have joined TransferBOOST, Bachelor's Opportunity Options that are Straightforward and Transparent, to ensure an affordable and efficient pathway to a bachelor's degree; partnered with Microsoft to bring our students the Cloud Skills Challenge, designed to build employability skills and accelerate the next generation of students for the growing digital economy and workforce; and forged many education concierge partnerships, including with Highnoon and the Glendale Chamber of Commerce. Additionally, we continue to develop programs to meet our community's needs. MCCCDC has launched a new degree program with Intel, an Associate of Applied Science (AAS) in Artificial Intelligence and Machine Learning, and Certification of Completion in Artificial Intelligence (AI) - that will equip students with the knowledge needed for the workforce of the future. In Maricopa County, over the next 10 years, the projected growth in occupations requiring artificial intelligence skills is 43 percent. AI skills were the second-most in-demand skill behind cloud computing.



We've also expanded our technology institutes in the East Valley and central Phoenix. The Maricopa Information Technology Institute is a collaboration between Chandler-Gilbert Community College, Mesa Community College, and Scottsdale Community College that meets the emerging technological workforce's demand for talent in the areas of blockchain, app development using Swift/Xcode, big data, gaming, cloud computing, mobile and wearable technology, and the Internet of Things. Phoenix College has also opened a Maricopa IT Institute in the

heart of downtown Phoenix. The Institute will support more than 30 certificate and degree programs in eleven different program areas that will prepare students for Arizona's jobs of the future by utilizing cutting-edge tools that will help students familiarize themselves with vital technology before they enter the job market.





However, this year was not without its challenges. The pandemic has changed our communities in unimaginable ways. During the trying times of COVID-19, staff and faculty have continued to work tirelessly to provide the best higher education opportunities to MCCC students. Nationally, educational institutions have faced an enrollment decline as the pandemic ravages the communities we serve, and our District has seen a 17 percent decline in our student enrollment since fall 2019. As a

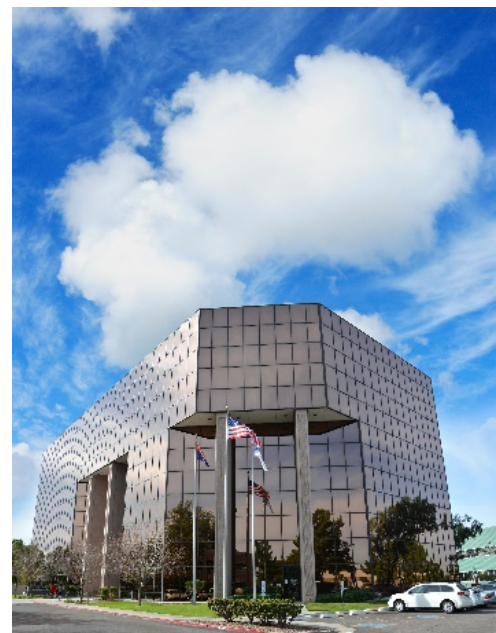
result of the COVID-19 pandemic, we see more students needing to choose between their education and providing for their families, resulting in fewer students preparing for the workforce.

In many cases, the pandemic has greatly impacted college plans due to concerns about affording tuition. Tuition and fees for MCCC classes (\$85 per credit hour and an average annual cost of just over \$2,500 for full-time students) are considerably lower than those at other universities and private colleges and offer students affordable options that make the decision to pursue their education more accessible.

With a gaze set on the future, I envision big and bold ideas to continue next year. My vision for Maricopa 2.0, which I implemented this year, uses a shared governance model and the combined innovation and brainpower of the 10 Maricopa Community Colleges to improve our community and economy. I look forward to the innovation to come and to sharing our institution's future advancement and achievements.

Respectfully,

Dr. Steven R. Gonzales  
Interim Chancellor



January 28, 2022

To the Residents of the Maricopa County Community College District:

We are pleased to provide you with the Annual Comprehensive Financial Report (ACFR) of the Maricopa County Community College District (MCCCD; the District) for the fiscal year ended June 30, 2021 (FY 2021).

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 ensuring 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 Arizona 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 unmodified.

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

### **Reporting Entity**

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

## **Reporting Entity** (continued)

GASB Statement No. 39, the financial activity of the Maricopa County Community College District Foundation is presented as a component unit of the District. The District is not included in any other governmental financial reporting entity.

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

As a political subdivision of the State of Arizona, the MCCCDC is subject to the oversight of the District's Governing Board (the Board), which is comprised of seven elected members, five elected from geographical districts within Maricopa county and two at-large members representing the entire county. Board members are elected in staggered years to four-year terms. The Board is granted full authority from the Arizona Revised Statutes to oversee the business and educational needs of the District.

The District serves the educational needs of Maricopa County through ten accredited colleges and three skill centers. The colleges and skill centers are managed by ten college presidents. District-wide administrative and support services are centralized and administered by the Chancellor, Provost, Chief Financial Officer, Chief Human Resource Officer, Chief Information Officer, and Chief Workforce and Economic Development Officer.

### **History**

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

### **Geography/Population**

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

Maricopa County continues to have one of the fastest growing populations in the United States. According to the U.S. Census Bureau Population Division, the County's population is estimated to have increased by 16% in the 10-year period between the official census dates of April 2010 and April 2020. As of July 2020, the Arizona Office of Economic Opportunity estimated the County's population to be 4,439,220, making it the fourth most populated county in the nation.

Maricopa County has 61% of the State's total population and 66% of the total labor force. A majority of the County's labor force (88%) 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.

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

### **Types of Services**

The District is the largest single provider of post-secondary education in Arizona – offering affordable education to over 162,000 individuals year-round in credit classes and nearly 3,000 individuals 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 to a four-year institution may first complete the 35-credit hour Arizona General Education Curriculum core and/or an associate degree. The District offers the following associate degrees: Associate in Arts (including specialized degrees in Elementary Education and Fine Arts), Associate in Business, Associate in Science, Associate in General Studies, and Associate in Applied Sciences. Numerous Associate of Applied Science degrees and Certificates of Completion are available for students seeking technical expertise or upgrading skills in a specific career area. Non-credit personal interest courses are available in many areas including the arts, computer technology, personal development, and financial management. As indicated by racial category, the student enrollment data mirrors the population of Maricopa County: 44% Anglo, 36% Hispanic, 6% African American, 4% Asian, 2% Native American and 8% 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 2020-2021, over 34,000 undergraduates enrolled at the three state universities had transferred 12 or more credits from MCCCDC.

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

### **State and Local Economy**

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

The Coronavirus Pandemic impacted employment in Arizona in the latter half of FY 2020 and in FY 2021. Employment declined by 155,360 jobs from 3,009,006 jobs in the second quarter of 2018 to 2,853,646 jobs in the second quarter of 2020. The Office of Economic Opportunity within the Arizona Department of Administration projected Arizona's economy to grow steadily for the calendar years 2020-2022. Specifically, Arizona's jobs are projected to increase to 3,178,686 in the second quarter of 2022 which indicates an estimated net growth of 325,040 jobs. This translates into 5.5% annualized growth for the two-year period. This data was reported in February 2021. As of October 2021, Arizona's seasonally adjusted unemployment rate was 5.2%.

## **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 included each year in the annual budget and related presentations. This multi-year plan helps the District align its key components of strategic and financial planning with estimated trends in funding as well as linking long-term strategic directions with estimated long-term budget resources.

### **Budget Process**

The District's elected Governing Board establishes policy and sets goals and priorities. Meetings are held with elected faculty and senior councils to ensure input on District initiatives. Recommendations are made to the Chancellor and the Chancellor's Executive Council (CEC). The CEC in turn makes recommendations to the Chancellor who ultimately presents a fiscally stable budget to the Governing Board. At a public meeting in the spring, the Governing Board adopts a preliminary budget with final budget adoption occurring by June 20.

### **Financial Reporting**

An automated financial accounting system captures all financial transactions and provides data for the preparation of this ACFR, 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 ACFR 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**

Over several years, strategic commitments were identified to further the District's objective to increase student success and completion rates. To achieve these commitments and better meet the needs of students and the community, the District embarked on a transformation plan and committed resources to see its implementation. As a community of colleges serving a large and diverse metropolitan area, shifting our culture from 10 individual colleges to a system of colleges working together to support students and the community, will enable the District to be more entrepreneurial, increase efficiency and collaboration, and better leverage resources across the system. The District's transformation is focused on three primary areas: Guided Pathways and Student Support, Industry Partnerships, and Enterprise Performance.

### **Guided Pathways and Student Support**

Research shows that students are more likely to complete on time if they identify a career goal early on, have a clear outline of the courses required, and receive consistent guidance and support along the way. We have structured our colleges to more effectively support students from the time they seek access through successful completion of a course of study and receive a certification, associate's degree, or transfer to a higher education institution. Guided Pathways represents a comprehensive approach to improving student completion and provides students with more clarity about the steps necessary to achieve their educational goals. Additional guidance from counseling or advising early in students' journeys increases the likelihood of completion (transfer or career placement).

### **Industry Partnerships**

Robust relationships between colleges and local employers are critical to building strong workforce development programs for students. Industry partners play a key role in curriculum development and credential validation to ensure graduates and certification holders have the right credentials to perform the necessary functions. Those same partners also can bring to life career options and work-based experiences that help students apply their education and potentially earn credits while earning wages. The District is working to transform targeted industry sector programs into regional "institutes" involving multiple colleges and programs. These institutes will be managed centrally but deliver relevant credit and non-credit programs across each region targeted to fill critical labor market gaps. A single industry advisory board will be established for each sector representing the entire county and student offerings will include structured internships, apprenticeships, and other on-the-job and immersion experiences for students. Through these institutes, the District will establish partnerships that lead to meaningful changes to traditional curriculum and instructional practices and provide resources for community college faculty and staff to develop skills needed to design new curricula, teach integrated developmental, occupational and academic course work and better track student progress and employer needs.

### **Enterprise Performance**

The focus of the strategic commitments at their core is students and much of the work in the previous areas rely heavily on the District's employees and systems it has in place. Therefore, the District is placing significant emphasis on becoming more efficient and effective through both its human resources and enterprise systems. One effort is to ensure we have a robust and comprehensive talent management system that ensures we retain and attract the best and the brightest employees. Another effort will be to ensure we eliminate any unnecessary redundancies in our processing of transactions. Yet another is to fully implement a budget approach that allocates funds to where funds are most needed to achieve the goals of the District.



## **Major Initiatives** (continued)

### **Public University Partnerships**

Maricopa is committed to supporting and enhancing transfer partnerships with Arizona State University (ASU), Northern Arizona University (NAU), and the University of Arizona (UA). These partnerships are intended to increase the number of students who complete associate and bachelor's degrees. Along with clear curriculum pathways, the transfer programs provide students with dedicated advising, scholarship opportunities, and support services. The Maricopa/ASU Alliance has grown steadily with over 200 university majors outlined through degree-to-degree pathways, which are tracked with a customized degree audit tool. The NAU Connection partnership offers Connect2NAU Joint Admission, and a variety of Bachelor's degree programs, online or on-site at the Maricopa Community Colleges. The UA Bridge program includes prescribed program pathways as well as local advisement and events for UA-bound transfer students.

### **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 may add about 250-300 new residential faculty to the colleges with the exact number dependent on enrollment changes. The planned timeframe overall is 8 to 10 years.

### **Capital Development Program**

After decades of directing most capital expenditures toward facilities expansion through significant capital bond programs, the District has begun to reinvest in existing facilities and address significant deferred maintenance needs. A districtwide deferred maintenance study was launched with a consultant in 2017 to identify current and future maintenance requirements. Upon completion of the analysis, comprehensive project lists were developed for the colleges' and District Office facilities. Additionally, projects and estimated costs for the next 10 years were prioritized based on the following investment criteria: reliability, asset preservation, safety/code, and economic opportunity. With support from the Governing Board, the District launched a multi-year deferred maintenance program intended to address nearly 5,400 projects with an estimated 2019 repair/replacement value of \$378 million.

As of FY 2021, 676 projects have been completed or initiated at a total cost of approximately \$33.75 million. Efficiencies are sought out whenever possible to maximize funding. For example, combining similar projects within a building, across multiple campuses or even district wide, can gain economies of scale, reduce mobilization costs, and reduce or eliminate multiple project rebuild/reinstall costs. To date, project management cost savings have offset the impact of inflation on actual expenses and this is anticipated to be the case through FY 2022-23; however, planning for projects starting in FY 2023-24 and beyond will include an inflation escalator.

In FY 2018-19, the District adopted a funding strategy for its capital needs, including the deferred maintenance program, which shifts a portion of the secondary property tax levy no longer needed for debt service to the primary levy to be used for capital needs. The shift in purpose of the levy still allows for the total property tax levy to decline and for the District to possibly forego the need for future GO bonds.

## **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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. This was the 30th 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 Annual Comprehensive 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 Annual Comprehensive 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 Governing 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 Arizona Auditor General for timely completion of the audit.

Respectfully submitted,

Kimberly Brainard Granio, CPA  
Interim Chief Financial Officer

Dawn D. Rector, CPA  
Interim Associate Chief Financial Officer &  
Controller



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Maricopa County Community College District  
Arizona**

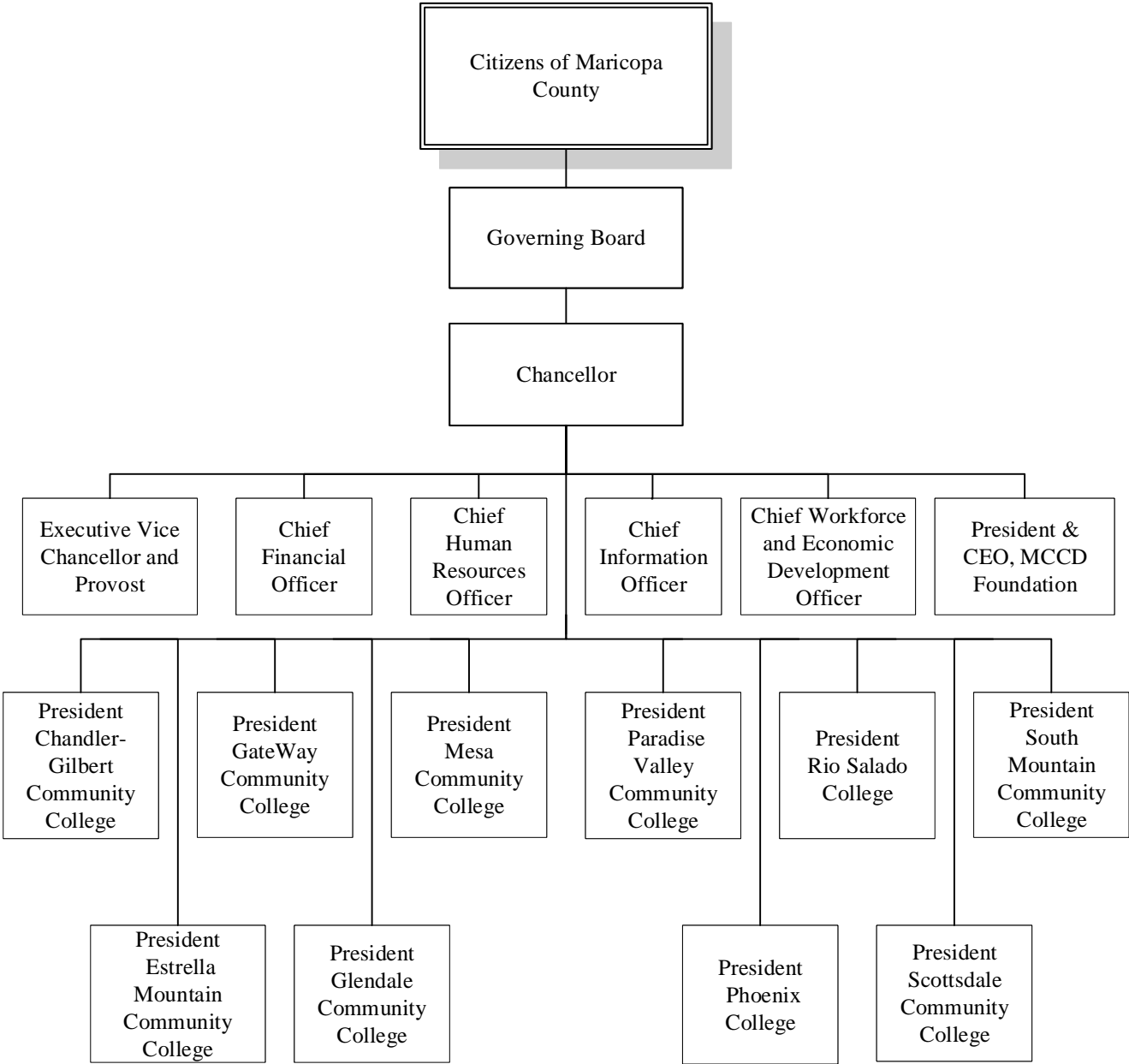
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

# Maricopa County Community College District Organizational Chart



# Maricopa County Community College District

## Principal Officers

## Governing Board

Ms. Marie Sullivan, *President*

Dr. Tom Nerini, *Secretary*

Ms. Susan Bitter Smith

Ms. Jean McGrath

Ms. Jacqueline Smith

Dr. Linda Thor

Ms. Kathleen Winn

Ms. Julissa Munoz, *Student Member*

Mr. Quintin Evans, *Student Member (eff. 7/1/2021)*

## Administration

Dr. Steven R. Gonzales, *Interim Chancellor*

Dr. Eric Leshinskie, *Interim Executive Vice Chancellor and Provost*

Ms. Kimberly Granio, *Interim Chief Financial Officer*

Dr. Georgetta Kelly, *Chief Human Resource Officer*

Dr. Mark Koan, *Chief Information Officer*

Ms. Darcy Renfro, *Chief Workforce and Economic Development Officer*

Mr. Brian Spicker, *President & CEO, MCCD Foundation*

## College Presidents

Dr. Greg Peterson, *President, Chandler-Gilbert Community College*

Dr. Rey Rivera, *President, Estrella Mountain Community College*

Dr. Amy Diaz, *Interim President, GateWay Community College*

Dr. Teresa Leyba-Ruiz, *President, Glendale Community College*

Dr. Lori Berquam, *Interim President, Mesa Community College*

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

Dr. Clyne Namuo, *Interim President, Phoenix College*

Ms. Kate Smith, *President, Rio Salado College*

Ms. Christina Haines, *Interim President, Scottsdale Community College*

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



# 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.







# Financial Section





LINDSEY A. PERRY  
AUDITOR GENERAL

ARIZONA  
AUDITOR GENERAL

MELANIE M. CHESNEY  
DEPUTY AUDITOR GENERAL

## Independent auditors' report

Members of the Arizona State Legislature

The Governing Board of  
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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### *Management's responsibility for the financial statements*

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

#### *Auditors' responsibility*

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

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

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

### ***Opinions***

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of the District as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

### ***Other matters***

#### *Required supplementary information*

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 19 through 26, schedule of the District's proportionate share of the net pension liability on page 59, and schedule of District pension contributions on page 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary information 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 management's responsibility and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the schedule of revenues, expenses, and changes in net position by college/center is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

## **Other reporting required by *Government Auditing Standards***

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

Lindsey A. Perry, CPA, CFE  
Auditor General

January 28, 2022

## **Maricopa County Community College District Management's Discussion and Analysis For the Year Ended June 30, 2021**

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, 2021. 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, 2021. It shows the assets owned or controlled, deferred outflows of resources, related liabilities and other obligations, deferred inflows of resources, 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, 2021. It shows revenues and expenses, both operating and non-operating, 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, 2021. 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 2020-21 (FY 2021), comparative data is presented for the previous fiscal year, 2019-20 (FY 2020). This Management's Discussion and Analysis (MD&A) uses the prior fiscal year as a reference point in illustrating issues and trends for determining whether the institution's financial health may have improved or deteriorated.

## Basic Financial Statements (continued)

### Condensed Financial Information

<i>Statement of Net Position</i>	<i>As of June 30, 2021</i>	<i>As of June 30, 2020</i>
<b>Assets</b>		
Current assets	\$621,900,993	\$616,559,583
Noncurrent assets, other than capital assets	110,553,618	106,835,401
Capital assets, net	704,129,450	731,337,876
<b>Total assets</b>	<b>1,436,584,061</b>	<b>1,454,732,860</b>
<b>Deferred Outflows of Resources</b>	<b>121,957,391</b>	<b>59,390,363</b>
<b>Liabilities</b>		
Other liabilities	95,203,939	96,457,191
Long-term liabilities	905,098,793	858,585,866
<b>Total liabilities</b>	<b>1,000,302,732</b>	<b>955,043,057</b>
<b>Deferred Inflows of Resources</b>	<b>9,349,055</b>	<b>56,766,015</b>
<b>Net position</b>		
Net investment in capital assets	442,940,181	397,965,473
Restricted net position	124,495,181	116,953,874
Unrestricted net position	(18,545,697)	(12,605,196)
<b>Total net position</b>	<b>\$548,889,665</b>	<b>\$502,314,151</b>

**Condensed Financial Information** (continued)*Statement of Revenues, Expenses, and Changes in Net Position*

	<i>For the Year Ended June 30, 2021</i>	<i>For the Year Ended June 30, 2020</i>
Operating revenues	\$115,662,908	\$157,343,323
Operating expenses:		
Educational and general	843,766,706	826,112,064
Auxiliary enterprises	33,624,300	45,265,793
Depreciation	49,909,047	52,129,906
Total operating expenses	<u>927,300,053</u>	<u>923,507,763</u>
Operating loss	<u>(811,637,145)</u>	<u>(766,164,440)</u>
Non-operating revenues and expenses	<u>858,110,355</u>	<u>794,497,252</u>
Income before other revenues, expenses, gains, or losses	46,473,210	28,332,812
Other revenues, expenses, gains, or losses	<u>102,304</u>	<u>187,953</u>
Change in net position	46,575,514	28,520,765
Net position, beginning of year	<u>502,314,151</u>	<u>473,793,386</u>
<b>Net position, end of year</b>	<b><u>\$548,889,665</u></b>	<b><u>\$502,314,151</u></b>

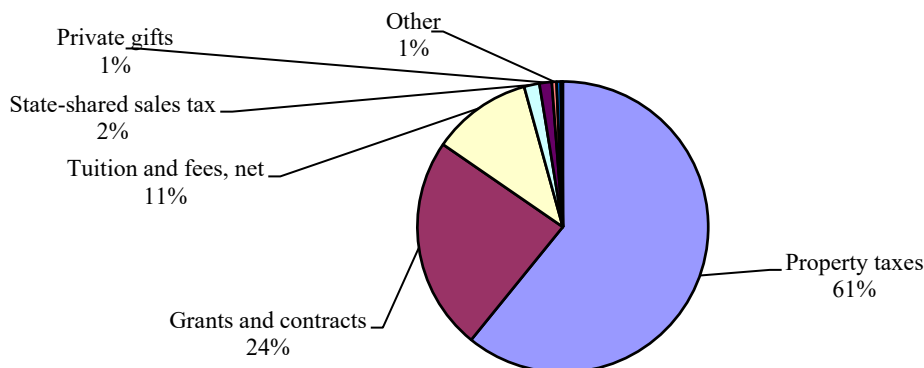


## Condensed Financial Information (continued)

The following schedule presents a summary and comparison of revenues for the fiscal years ended June 30, 2021, and June 30, 2020.

<i>Revenues by Source</i>	FY 2021		FY 2020		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
<u>Operating revenues</u>						
Tuition and fees, net of scholarship allowance	\$108,817,973	11%	\$148,242,809	16%	\$(39,424,836)	(27%)
Other	6,844,935	1	9,100,514	1	(2,255,579)	(25)
Total operating revenues	<u>115,662,908</u>	<u>12</u>	<u>157,343,323</u>	<u>17</u>	<u>(41,680,415)</u>	<u>(26)</u>
<u>Non-operating revenues</u>						
Property taxes	595,672,492	61	579,335,424	60	16,337,068	3
State appropriations	1,600,000	0	7,400,000	1	(5,800,000)	(78)
Smart and Safe AZ fund appropriations	4,614,338	0	0	0	4,614,338	100
State-shared sales tax	16,663,248	2	13,452,148	1	3,211,100	24
Grants and contracts	232,521,165	24	174,839,346	18	57,681,819	33
Private gifts	13,367,986	1	16,592,374	2	(3,224,388)	(19)
Investment earnings, net of investment expense	512,113	0	12,207,503	1	(11,695,390)	(96)
Total non-operating revenues	<u>864,951,342</u>	<u>88</u>	<u>803,826,795</u>	<u>83</u>	<u>61,124,547</u>	<u>8</u>
Capital grants and gifts	<u>102,304</u>	<u>0</u>	<u>187,953</u>	<u>0</u>	<u>(85,649)</u>	<u>(46)</u>
Total revenues	<u>\$980,716,554</u>	<u>100%</u>	<u>\$961,358,071</u>	<u>100%</u>	<u>\$19,358,483</u>	<u>2%</u>

**Revenues by Source FY 2021**

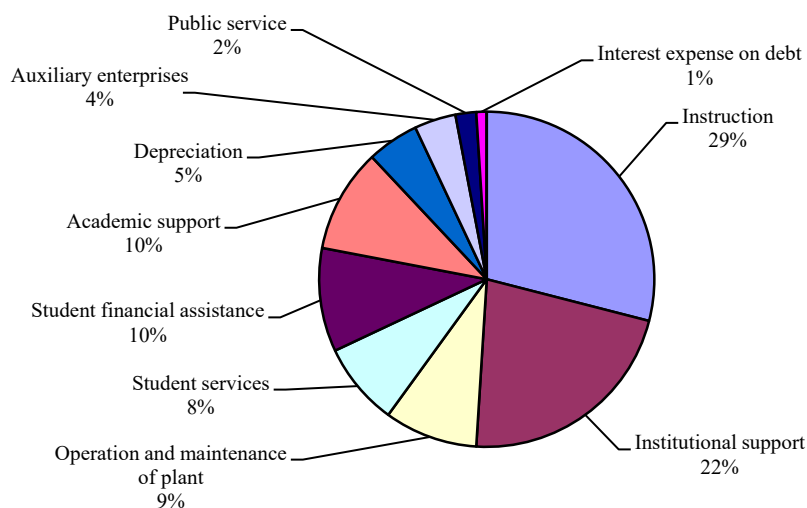


## Condensed Financial Information (continued)

The following schedule presents a summary and comparison of expenses for the fiscal years ended June 30, 2021, and June 30, 2020.

<i>Expenses by Function</i>	FY 2021		FY 2020		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>
<b>Operating expenses</b>						
Educational and general						
Instruction	\$274,678,681	29%	\$273,760,850	29%	\$917,831	0%
Public service	18,689,369	2	17,998,748	2	690,621	4
Academic support	92,046,162	10	88,685,518	10	3,360,644	4
Student services	74,168,493	8	76,148,564	8	(1,980,071)	(3)
Institutional support	200,219,932	22	183,448,409	20	16,771,523	9
Operation and maintenance of plant	88,122,400	9	88,546,740	9	(424,340)	0
Student financial assistance	95,841,669	10	97,523,235	10	(1,681,566)	(2)
Auxiliary enterprises	33,624,300	4	45,265,793	5	(11,641,493)	(26)
Depreciation	49,909,047	5	52,129,906	6	(2,220,859)	(4)
Total operating expenses	<u>927,300,053</u>	<u>99</u>	<u>923,507,763</u>	<u>99</u>	<u>3,792,290</u>	<u>0</u>
<b>Non-operating expenses</b>						
Interest expense on debt	6,422,663	1	9,146,263	1	(2,723,600)	(30)
Loss on sale or disposal of capital assets	418,324	0	183,280	0	235,044	128
Total non-operating expenses	<u>6,840,987</u>	<u>1</u>	<u>9,329,543</u>	<u>1</u>	<u>(2,488,556)</u>	<u>(27)</u>
<b>Total expenses</b>	<u>\$934,141,040</u>	<u>100%</u>	<u>\$932,837,306</u>	<u>100%</u>	<u>\$1,303,734</u>	<u>0%</u>

**Expenses by Function FY 2021**



## Financial Highlights and Analysis

### Statement of Net Position

The District's overall financial position grew in FY 2021 as the total net position for the District improved by approximately \$46.6 million from FY 2020 to FY 2021. Total net position is comprised of the following sub-categories: net investment in capital assets, restricted, and unrestricted. There were changes in these sub-categories reflecting both increases and decreases for the year with the sum resulting in an overall increase in net position. The increase of \$45.0 million in net investment in capital assets results from a lower net book value for assets (see description of change in capital assets below) which is offset by larger decrease in related bonds payable due to debt service payments. Restricted net position increased by \$7.5 million due to an increase of \$5.0 million in grants and contracts and \$2.5 million increase in debt service. Debt service net position increased as the debt service requirements for FY 2021 are higher than those for FY 2020. The increase in grants and contracts is due to an increase in federal direct grant revenue. Unrestricted net position continues to be negative in FY 2021 due to the requirements of GASB 68 – *Accounting and Financial Reporting for Pensions* first implemented in FY 2014-15. Over time and with good performance by ASRS, we would expect the negative unrestricted net position to eventually return to positive territory.

It is important to note that the implementation of GASB 68 results in entries and adjustments regarding pension liabilities for reporting and presentation purposes only. Without these adjustments and entries, the financial picture would show that the District continues to maintain sufficient reserves and has adequate resources to meet all current obligations.

Total assets decreased by \$18.1 million. Current assets increased \$5.3 million, primarily due to an increase of \$79.2 million in receivables substantially caused by delays in cash draws of Federal Higher Education Emergency Relief Funds (HEERF) while current cash decreased by \$75.3 million resulting from the spending of HEERF funds coupled with lower tuition revenue received (see *Statement of Revenues, Expenses, and Changes in Net Position* for additional information). The increase in current assets was offset by a decrease of \$27.2 million in total capital assets, net, as depreciation expense has outpaced capital additions since the end of the bond program in early FY 2020.

Deferred outflows and inflows of resources are predominantly comprised of activity relating to pensions. Deferred outflows and inflows of resources are changes in the net pension liability that will be recognized as pension expense in future years and contributions after the measurement date that will reduce the net pension liability in future years. Variances in these lines from year to year will arise from changes in performance of investments, contribution changes to ASRS plans, composition of employer participants, recognition of prior year deferrals, etc. within a given year. In FY 2021, deferred outflows of resources related to pensions increased \$63.7 million, while deferred inflows of resources related to pensions decreased by \$47.5 million, essentially offsetting the \$111.0 million increase in net pension liability.

The most significant components of long-term liabilities for the District are bonds payable and net pension liability. The increase in long-term liabilities of \$46.5 million or 5.4% from FY 2020 to FY 2021 is due to a combination of the following: the payment of debt service and amortization of bond premiums (\$67.5 million), no issuance of any new debt, and an increase in the net pension liability (\$111.0 million) for FY 2021.

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

While the District has three major revenue sources in property taxes; grants and contracts; and tuition and fees, total revenue for the District increased by \$19.4 million (2%) as a result of increases and decrease in these and various other categories. Property tax revenue rose by \$16.3 million due to a 3% increase in the primary property tax levy from new construction and for capital program funding. New revenue of \$4.6 million was received from the Smart and Safe Arizona Fund appropriations (see *Current Factors Having Probable Future Financial Significance*). Grants and contracts increased \$57.7 million (33%) due to receipt of additional Federal Higher Education Emergency Relief Funds (HEERF) from both the Coronavirus Response and Relief Supplemental Appropriations Act and the American Rescue Plan Act of 2021. A portion of the HEERF revenue was recorded to offset lost tuition revenue (\$39.4 million, 27%) resulting from a decline in enrollment in FY 2021 when compared to FY 2020 (pre-pandemic). Additional declines were noted in state appropriations (\$5.8 million, 78%) as one-time funding from the Governor’s Office for Health Care Specialty Expansion programs expired and investment earnings, net of investment expense, (\$11.7 million, 96%) as a result of interest rates dropping from approximately 1.85% to 2.20% to between 0.01% to 1.17% due to market conditions during the pandemic.

An overall increase of \$1.3 million was noted for expenses. Implementation of the District’s strategic compensation plan in FY 2021 led to an increase in salary and benefit expenses across most functions for faculty and staff of \$11.9 million; however, this was offset by fewer adjunct, work study, and overtime hours as a result of the pandemic. In total, personnel expenses decreased by \$1.9 million. Academic support expenses increased \$3.4 million (4%) as HEERF funds were spent to improve the virtual learning experience and technology for students and faculty. Institutional support expenses also saw an increase of \$16.8 million (9%) due to HEERF funding used to improve the virtual work experience for staff as well as increased health and safety measures for the entire District community. These increases were offset by a significant decline of \$11.6 million (26%) in auxiliary enterprises expenses as much of our auxiliary activities (i.e., facility rentals, educational service contracts, etc.) were shuttered during FY 2021 due to the pandemic.

## **Capital Assets and Debt Administration**

The District’s capital assets as of June 30, 2021, totaled \$704.1 million (net of accumulated depreciation). Capital assets include land, construction in progress, buildings, equipment, intangibles, improvements other than buildings, and library books. The District’s total capital assets decreased as depreciation outpaced capital spending with the 2004 GO Bond program closing out in early FY 2020. The District has about \$8.5 million in construction in progress with an estimated cost to complete of approximately \$39.3 million. Additional information on capital assets can be found in Notes to Financial Statements – Note 4.

The District has issued nearly 100% of the \$951.4 million in GO bonds that were approved by voters in November 2004 and all remaining proceeds were expended early in FY 2020. Information on all of the District’s bond issues is presented in greater detail in Notes to Financial Statements – Note 5.

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

At the onset of the COVID-19 pandemic, the District moved nearly all of its operations and courses to a remote environment by the end of March 2020. Over the course of FY 2021, the District strove for approximately 50% of its courses in person with the other 50% virtual. Likewise, the District experienced an increased presence on its campuses, mostly in the student services areas. The remainder of employees remained remote to better ensure the health and safety of those employees and students who needed to be in person. The District continued to offer many courses in two 8-week sessions versus the traditional 15- or 16-week courses. Federal Higher Education Emergency Relief Funds (HEERF) have been used to bolster the District's ability to provide more effective virtual learning and student support, including on-line tutoring and advising, as well as significant direct financial support to students. Federal HEERF funding has also been used to re-engage students that have not continued their education, most likely due to the pandemic. As all entities are still facing the pandemic, there continues to be a huge amount of uncertainty about the future of the COVID-19 outbreak and the economic impacts associated with it.

In the November 2020 General Election, the majority of voters in Arizona voted in favor of the *Smart and Safe Arizona Act*, or Proposition 207, allowing the legalization of cannabis for recreational use and taxing such sales at 16%. A portion of the revenue generated from this tax is dedicated to community college districts in Arizona for the purpose of investing in and providing workforce development programs, job training, career and technical education, and science, technology, engineering, and math (STEM) programs. Early calculations estimate additional revenues to the District may exceed \$16 million annually.

Finally, during the 2021 legislative session, the Arizona State Legislature passed a bill, which was signed by the Governor, granting community college districts the authority to offer four-year baccalaureate degrees. The District has begun the significant effort required to effectively and strategically position itself to offer such degrees beginning in Fall 2023. The legislation includes various restrictions on the offerings as well as pricing that is available to community college districts. This effort will ensure accreditation and state requirements are fully met.

## **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 Annual Comprehensive 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, 2021**

	<b>Business-Type Activities</b>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 215,194,229
Investments	255,672,215
Receivables (net of allowance of \$54,046,610)	148,534,871
Other	2,499,678
Total current assets	621,900,993
Noncurrent assets:	
Receivables (net of allowance of \$8,490)	51,286
Other	3,769,778
Restricted assets:	
Cash and cash equivalents	72,278,733
Investments	33,407,973
Receivables (net of allowance of \$458,394)	1,042,391
Other	3,457
Capital assets, not being depreciated	82,979,654
Depreciable capital assets, net of depreciation	621,149,796
Total noncurrent assets	814,683,068
Total assets	1,436,584,061
 <b>Deferred Outflows of Resources</b>	
Deferred charges on refunded bonds	4,426,130
Deferred outflows related to pensions	117,531,261
Total deferred outflows of resources	121,957,391
 <b>Liabilities</b>	
Current liabilities:	
Accounts payable	13,071,734
Accrued liabilities	73,365,392
Interest payable	5,229,563
Unrealized revenues	3,537,250
Long-term liabilities - current portion	74,555,735
Total current liabilities	169,759,674
Noncurrent liabilities:	
Long-term liabilities	199,634,600
Net pension liability	596,910,744
Compensated absences	33,997,714
Total noncurrent liabilities	830,543,058
Total liabilities	1,000,302,732
 <b>Deferred Inflows of Resources</b>	
Deferred inflows related to pensions	9,250,124
Deferred grant receipts	98,931
Total deferred inflows of resources	9,349,055
 <b>Net Position</b>	
Net investment in capital assets	442,940,181
Restricted:	
Nonexpendable:	
Endowments	227,918
Student loans	113,904
Expendable:	
Scholarships	1,069,677
Grants and contracts	36,435,079
Student loans	9,603
Debt service	65,327,896
Capital projects	21,311,104
Unrestricted	(18,545,697)
Total net position	\$ 548,889,665

See accompanying notes to financial statements.

**Maricopa County Community College District**  
**Statement of Financial Position – Component Unit**  
**June 30, 2021**

	<b>Maricopa County Community College District Foundation</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 1,527,870
Pledges receivable, net of discount and allowance	623,531
Investments	52,906,396
Cash held for endowment purposes	497,057
Cash surrender value of life insurance	243,850
Scholarships paid in advance	43,633
Other assets	20,992
Total assets	\$ 55,863,329
<b>Liabilities and Net Assets</b>	
Accounts and scholarships payable	\$ 423,851
Charitable gift annuity liability	272,260
Total liabilities	696,111
Net assets:	
Without donor restrictions	3,479,144
With donor restrictions	51,688,074
Total net assets	55,167,218
Total liabilities and net assets	\$ 55,863,329

See accompanying notes to financial statements.

**Maricopa County Community College District**  
**Statement of Revenues, Expenses, and Changes in Net Position –**  
**Primary Government**  
**Through June 30, 2021**

	<b>Business-Type Activities</b>
Operating revenues:	
Tuition and fees (net of scholarship allowance of \$68,664,398)	\$ 108,817,973
Other	6,844,935
Total operating revenues	115,662,908
Operating expenses:	
Educational and general:	
Instruction	274,678,681
Public service	18,689,369
Academic support	92,046,162
Student services	74,168,493
Institutional support	200,219,932
Operation and maintenance of plant	88,122,400
Student financial assistance	95,841,669
Auxiliary enterprises	33,624,300
Depreciation	49,909,047
Total operating expenses	927,300,053
Operating loss	(811,637,145)
Nonoperating revenues (expenses):	
Property taxes	595,672,492
State appropriations	1,600,000
Smart and Safe AZ fund appropriations	4,614,338
State-shared sales tax	16,663,248
Government grants and contracts	230,448,888
Private grants and contracts	2,072,277
Private gifts	13,367,986
Investment earnings, net of investment expense	512,113
Interest expense on debt	(6,422,663)
Loss on sale/disposal of capital assets	(418,324)
Total nonoperating revenues	858,110,355
Income before other revenues, expenses, gains, or losses	46,473,210
Capital grants and gifts	102,304
Change in net position	46,575,514
Total net position July 1, 2020	502,314,151
Total net position June 30, 2021	\$ 548,889,665

See accompanying notes to financial statements.



**Maricopa County Community College District**  
**Statement of Activities and Change in Net Assets – Component Unit**  
**For the Year Ended June 30, 2021**

**Maricopa County Community College District Foundation**

	Without donor restrictions	With donor restrictions	Total
Support and revenue:			
Contributions	\$ -	\$ 6,106,924	\$ 6,106,924
Contributed space and services	1,480,568	-	1,480,568
Investment return	847,526	8,968,006	9,815,532
Change in cash surrender value of life insurance	-	(17,591)	(17,591)
Total support and revenue before special events and net assets released from restrictions	<u>2,328,094</u>	<u>15,057,339</u>	<u>17,385,433</u>
Special event revenue		296,450	296,450
Less cost of direct donor benefit		(24,174)	(24,174)
Gross profit from special event		<u>272,276</u>	<u>272,276</u>
Net assets released from restrictions	<u>5,284,227</u>	<u>(5,284,227)</u>	<u>-</u>
Total support and revenue	<u>7,612,321</u>	<u>10,045,388</u>	<u>17,657,709</u>
Expenses:			
Program support	2,389,365	-	2,389,365
Scholarship expenses	2,435,867	-	2,435,867
Salaries, wages, and benefits	1,325,605	-	1,325,605
Office space	154,963	-	154,963
Professional services	205,829	-	205,829
Office expenses	41,304	-	41,304
Information technology	95,930	-	95,930
Community engagement	15,068	-	15,068
Other expenses	144,812	-	144,812
Total expenses	<u>6,808,743</u>	<u>-</u>	<u>6,808,743</u>
Loss on uncollectible pledges	<u>-</u>	<u>335</u>	<u>335</u>
Total expenses and loss	<u>6,808,743</u>	<u>335</u>	<u>6,809,078</u>
Change in net assets	803,578	10,045,053	10,848,631
Net assets, beginning of year	<u>2,675,566</u>	<u>41,643,021</u>	<u>44,318,587</u>
Net assets, end of year	<u>\$ 3,479,144</u>	<u>\$ 51,688,074</u>	<u>\$ 55,167,218</u>

See accompanying notes to financial statements.

**Maricopa County Community College District**  
**Statement of Cash Flows – Primary Government**  
**For the Year Ended June 30, 2021**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Business-Type Activities</b>
Tuition and fees	\$ 108,547,754
Payments for employee wages and benefits	(584,548,176)
Payments to providers of goods and services	(189,845,888)
Payments to students for grants and scholarships	(92,999,071)
Other custodial receipts	3,204,745
Other custodial disbursements	(3,321,464)
Other receipts	2,664,036
Net cash used for operating activities	(756,298,064)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Property taxes	597,858,580
State appropriations	1,600,000
Smart and Safe AZ fund appropriations	4,614,338
State-shared sales tax	18,319,710
Grants and contracts	148,098,701
Federal student loans received	37,050,311
Federal student loans disbursed	(37,050,311)
Gifts received for other than operating or capital purposes	13,367,986
Net cash provided by noncapital financing activities	783,859,315
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from sale of capital assets	743,391
Purchase of capital assets	(23,760,032)
Principal paid on capital debt	(62,385,000)
Interest paid on capital debt	(11,820,925)
Net cash used for capital and related financing activities	(97,222,566)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of investments	(6,009,722)
Interest received on investments	3,813,586
Net cash used for investing activities	(2,196,136)
Net decrease in cash and cash equivalents	(71,857,451)
Cash and cash equivalents - beginning of year	359,330,413
Cash and cash equivalents - end of year	\$ 287,472,962

(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	\$ (811,637,145)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation expense	49,909,047
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Net Pension Liability	110,976,094
Deferred outflows of resources related to pensions	(63,673,560)
Deferred inflows of resources related to pensions	(47,492,105)
Receivables	3,271,455
Other assets	785,124
Student loans receivable	60,521
Accounts payable	(4,151,655)
Accrued liabilities	4,621,723
Deposits held in custody for others	(1,762,172)
Unrealized revenue	(270,218)
Compensated absences	3,064,827
Net cash used for operating activities	<u><u>\$ (756,298,064)</u></u>

**Noncash transactions:**

**Decrease in fair value of investments.** The fair value of investments decreased by \$3,254,572.

**Loss on sale of capital assets.** The District incurred a loss of \$1,161,715 on the sale or disposal of capital assets.

**Gifts of depreciable and non-depreciable assets.** The District recorded the receipt of gifts of depreciable and non-depreciable assets of \$102,304.

**Amortization of premium on bonds and deferred charges.** The District amortized \$5,142,995 of bond premiums and \$1,106,532 of deferred charges.

See accompanying notes to financial statements.

**Maricopa County Community College District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

**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, 2021, the District implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*, as amended by GASB 97 *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Additionally, the District chose to early implement the provisions of GASB Statement No. 98, *The Annual Comprehensive Financial Report*.

GASB Statement No.84 establishes criteria for identifying and reporting fiduciary activities and provides an exception for entities that normally expect to hold custodial assets for three months or less. The District has included activity that met the exception in the Statement of Net Position and has separately reported receipts and disbursements as cash inflows and outflows, respectively, in the operating activities category of the Statement of Cash Flows. GASB Statement No. 98 establishes the term annual comprehensive financial report and its acronym ACFR.

**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)

as well as relevant notes to the financial statements, 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, 2021, the Foundation distributed \$4,825,232 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 District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at the end of the year. Assets and liabilities are classified as either current or noncurrent. Net position is classified according to external donor restrictions or availability of assets to satisfy the District's obligations. Net investment in capital assets represents the value of capital assets, net of accumulated depreciation, less any outstanding liabilities incurred to acquire or construct the assets. 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.

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 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. 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 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 as revenue in the year for which they are levied. 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 7, and some 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 acquisition value at date of donation in the case of gifts. Major outlays for assets or improvements to assets are capitalized as projects are constructed. These are categorized as construction in progress until completed, at which time they are reclassified to the appropriate asset type. Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the financial statements are as follows:

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

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

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

**Deferred Outflows and Inflows of Resources** - The Statement of Net Position includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense in future periods. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will be recognized as a revenue in future periods.

For advanced refundings resulting in defeasance of debt, the difference between the reacquisition price and net carrying amount of the old debt is deferred and amortized as a component of interest expense over the life of the refunded debt or the refunding debt, whichever is shorter.

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

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

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

## **NOTE 2 - Deposits and Investments**

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

The statutes do not require the District to deposit other public monies with the County Treasurer; however, the District must act as a prudent person dealing with the property of another by following the statutory guidelines for investment decisions. The District invests in U.S. government securities, the State Treasurer's Local Government Investment Pools, corporate bonds, insured or collateralized deposits, and certificates of deposit. Equity mutual funds held by

**NOTE 2 - Deposits and Investments** (continued)

the District are the result of donations by third parties. The statutes require collateral for deposits at 102 percent of all deposits not covered by federal depository insurance. The statutes do not include any requirements for credit risk, interest rate risk, concentration of credit risk, or foreign currency risk for the District's investments.

**Deposits**

At June 30, 2021, total cash on hand was \$179,500. The carrying amount of bank deposits on the District's accounting system was \$36,232,368. At June 30, 2021, the District's bank balance was \$40,716,325. A.R.S. requires collateral for deposits at 102 percent of all deposits not covered by federal depository insurance. The District does not have a formal policy with respect to custodial credit risk.

**Investments**

The District had total investments of \$540,141,282 at June 30, 2021. The District's investments at June 30, 2021, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

<b><u>Investments by fair value level</u></b>	<b><u>Amount</u></b>	<b><u>Fair value measurement using</u></b>	
		<b><u>Quoted prices in active markets for identical assets (Level 1)</u></b>	<b><u>Significant other observable inputs (Level 2)</u></b>
U.S. agency securities	\$101,586,168	\$ -	\$101,586,168
U.S. Treasury securities	162,671,319	162,671,319	-
Commercial paper	6,651,254	-	6,651,254
Corporate bonds	17,996,847	-	17,996,847
Mutual funds – equity	174,601	-	174,601
Total investments categorized by fair value level	<u>\$289,080,189</u>	<u>\$162,671,319</u>	<u>\$126,408,870</u>

The District also had the following investments in external investment pools measured at fair value:

State Treasurer's investment pool 7	<u>\$238,237,547</u>
State Treasurer's investment pool 700	111,915
County Treasurer's investment pools	<u>12,635,193</u>
Total external investment pools measured at fair value	<u>\$250,984,655</u>



**NOTE 2 - Deposits and Investments** (continued)

The District also had the following investments measured at amortized cost, Money Market Fund FI with a balance of \$76,438.

Investments in the State Treasurer’s investment pools are valued at the pool’s share price multiplied by the number of shares the District held. The fair value of a participant’s position in the pools approximates the value of that participant’s pool shares. The investments in the County Treasurer’s pools are valued using the District’s proportionate participation in the pools because the pools’ structure does not provide for shares.

The State Board of Investment provides oversight for the State Treasurer’s pools. No comparable oversight is provided for the Maricopa County Treasurer’s investment pools.

**Credit Risk** - The District does not have a formal policy with respect to credit risk. At June 30, 2021, 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	\$238,237,547
State Treasurer’s investment pool 700	Unrated	Not applicable	111,915
County Treasurer’s investment pools	Unrated	Not applicable	12,635,193
U.S. agency securities	Aaa	Moody’s	95,056,604
U.S. agency securities	P-1	Moody’s	6,529,564
Commercial paper	P-1	Moody’s	6,651,254
Corporate bonds	Aa1	Moody’s	2,732,373
Corporate bonds	Aa2	Moody’s	12,294,812
Corporate bonds	Aaa	Moody’s	2,969,662
Money Market Fund FI	Aaa	Moody’s	76,438
Total			<u>\$377,295,362</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, 2021, of 5 percent or more in Federal Home Loan Bank and Federal Home Loan Mortgage Corporation. These investments were 5.7 percent and 7.1 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, 2021, the District had the following investments in debt securities:

**NOTE 2 - Deposits and Investments** (continued)

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity (Months)</u>
State Treasurer's investment pool 7	\$238,237,547	2.33
State Treasurer's investment pool 700	111,915	32.65
County Treasurer's investment pools	12,635,193	28.07
Money Market Fund FI	76,438	0.00
U.S. agency securities	101,586,168	18.13
U.S. Treasury securities	162,671,319	13.82
Commercial paper	6,651,254	4.95
Corporate bonds	17,996,847	10.24
Total	<u>\$539,966,681</u>	

The District's portfolio weighted average maturity is 9.67 months.

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

Cash, deposits and investments:		Statement of Net Position:	
Cash on hand	\$ 179,500	Cash and cash equivalents	\$215,194,229
Deposits	36,232,368	Investments	255,672,215
Investments	540,141,282	Restricted assets:	
		Cash and cash equivalents	72,278,733
		Investments	33,407,973
Total	<u>\$576,553,150</u>	Total	<u>\$576,553,150</u>

**NOTE 3 - Current Receivables**

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

Property taxes (net of allowance of \$3,014,877)	\$ 6,345,205
Government grants	117,620,527
Private grants and contracts (net of allowance of \$211,064)	10,031,914
Student accounts (net of allowance of \$50,755,711)	13,376,920
Other (net of allowance of \$64,958)	1,160,305
Total current receivables	<u>\$ 148,534,871</u>

**NOTE 3 - Current Receivables** (continued)

**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 4 - Capital Assets**

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

	<u>Balance</u> <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2021</u>
<b>Capital assets not being depreciated:</b>				
Land	\$ 74,475,007	\$ -	\$ -	\$ 74,475,007
Construction in progress	14,577,853	20,274,990	26,348,196	8,504,647
Total capital assets not being depreciated	<u>89,052,860</u>	<u>20,274,990</u>	<u>26,348,196</u>	<u>82,979,654</u>
<b>Capital assets being depreciated:</b>				
Buildings	1,039,388,705	26,565,583	6,924,865	1,059,029,423
Equipment	161,876,299	6,286,439	10,424,196	157,738,542
Intangibles (software)	65,816,936	-	-	65,816,936
Improvements other than buildings	157,997,621	1,510,690	54,796	159,453,515
Library books	9,289,154	595,350	649,330	9,235,174
Total capital assets being depreciated	<u>1,434,368,715</u>	<u>34,958,062</u>	<u>18,053,187</u>	<u>1,451,273,590</u>
Less accumulated depreciation for:				
Buildings	505,074,296	31,154,423	1,905,447	534,323,272
Equipment	144,573,443	7,561,653	9,333,543	142,801,553
Intangibles (software)	35,874,489	4,305,544	-	40,180,033
Improvements other than buildings	100,597,374	6,187,779	54,796	106,730,357
Library books	5,964,097	699,648	575,166	6,088,579
Total accumulated depreciation	<u>792,083,699</u>	<u>49,909,047</u>	<u>11,868,952</u>	<u>830,123,794</u>
Total capital assets being depreciated, net	<u>642,285,016</u>	<u>(14,950,985)</u>	<u>6,184,235</u>	<u>621,149,796</u>
Capital assets, net	<u>\$ 731,337,876</u>	<u>\$ 5,324,005</u>	<u>\$ 32,532,431</u>	<u>\$ 704,129,450</u>

The District has active construction projects with a remaining contractual commitment at June 30, 2021, of \$27,507.

## **NOTE 5 - Long-term Liabilities**

The following schedule details the long-term liability activity for the year ended June 30, 2021.

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2021</u>	<u>Due within one year</u>
Bonds payable:					
General obligation bonds	\$ 312,450,000	\$ -	\$ 62,385,000	\$ 250,065,000	\$ 65,350,000
Premium on general obligation bonds	25,205,590	-	5,142,995	20,062,595	5,142,995
Total bonds payable	<u>337,655,590</u>	<u>-</u>	<u>67,527,995</u>	<u>270,127,595</u>	<u>70,492,995</u>
Net pension liability	485,934,650	110,976,094	-	596,910,744	-
Compensated absences	34,995,626	9,397,264	6,332,436	38,060,454	4,062,740
Total long-term liabilities	<u>\$ 858,585,866</u>	<u>\$ 120,373,358</u>	<u>\$ 73,860,431</u>	<u>\$ 905,098,793</u>	<u>\$ 74,555,735</u>

### **Legal Debt Margin**

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 2020-21, the District could issue an additional \$6.7 billion of debt and remain within the legal debt margin. See Statistical Section – Computation of Legal Debt Margin for details.

### **Bonds Payable**

The District's bonded debt consists of various issues of general obligation bonds. Bond proceeds primarily pay for improving, acquiring or constructing capital assets. Bonds have also been issued to advance refund previously issued bonds. Of the total general obligation bonds originally authorized in 2004 (\$951,359,000), \$3,000 of authorization remains unissued. The District repays general obligation bonds from voter-approved property taxes; however, the District has no current liability for arbitrage. 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, 2021, were as follows:

<u>Description</u>	<u>Amount Issued</u>	<u>Maturity Ranges</u>	<u>Interest Rates</u>	<u>Outstanding Principal</u>
General obligation bonds				
Project of 2004, Series D (2011)	150,000,000	7/01/2021-22	3.00-4.00%	37,340,000
Series 2013	151,090,000	7/01/2021-27	3.00-3.50%	86,705,000
Refunding Series B, C, D (2016)	191,260,000	7/01/2021-25	5.00%	126,020,000
			Total	<u>\$250,065,000</u>

**NOTE 5 - Long-term Liabilities** (continued)

The following schedule details debt service requirements to maturity for the District's bonds payable at June 30, 2021.

Year Ending June 30:	General Obligation Bonds		Total Debt Service Requirements
	Principal	Interest	
2022	\$ 65,350,000	\$ 9,035,025	\$ 74,385,025
2023	49,130,000	6,624,275	55,754,275
2024	48,265,000	4,550,950	52,815,950
2025	29,705,000	2,845,200	32,550,200
2026	30,940,000	1,579,875	32,519,875
2027-2028	26,675,000	941,588	27,616,588
Total	<u>\$ 250,065,000</u>	<u>\$ 25,576,913</u>	<u>\$ 275,641,913</u>

**Description of Issues****General Obligation Refunding Bonds, Project of 2004, Series B, C, D (2016)**

In August 2016, the District issued \$191,260,000 of general obligation refunding bonds to refund \$73,810,000 G.O. Bonds, Series B (2007); \$80,190,000, Series C (2009); and \$62,055,000, Series D (2011). The net proceeds were placed in the Depository Trust Fund to be used to refund the bonds being refunded. The General Obligation Refunding Bonds of 2016 are not subject to early redemption prior to their stated maturity dates. The principal balance of the defeased bonds outstanding at June 30, 2021 is \$21,650,000.

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

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

**General Obligation Bonds, Series 2013**

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

**NOTE 6 - Pension**

**Plan Description** - District employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 2. The ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at [www.azasrs.gov](http://www.azasrs.gov).

**Benefits Provided** - The ASRS provides retirement and survivor benefits. State statute establishes benefits terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	<b>Retirement Initial Membership Date:</b>	
	<b><u>Before July 1, 2011</u></b>	<b><u>On or after July 1, 2011</u></b>
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* any years, age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

\*With actuarially reduced benefits.

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

**Contributions** - In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2021, statute required active ASRS members to contribute at the actuarially determined rate of 12.04 percent of the members’ annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 11.65 percent of the active members’ annual covered payroll. In addition, the District was required by statute to contribute at the actuarially determined rate of 10.14 percent of annual covered payroll of retired members who worked for the District in positions that an employee who contributes to the ASRS would typically fill. The District’s contributions to the pension plan for the year ended June 30, 2021, were \$44,159,652.

**NOTE 6 - Pension** (continued)

**Pension Liability** - At June 30, 2021, the District reported a liability of \$596,910,744 for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2019, to the measurement date of June 30, 2020.

The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The District's proportion measured as of June 30, 2020, was 3.44507 percent, which was an increase of 0.10558 from its proportion measured as of June 30, 2019.

**Pension Expense and Deferred Outflows/Inflows of Resources** - For the year ended June 30, 2021, the District recognized pension expense for ASRS of \$44,138,410. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 5,400,092	
Net difference between projected and actual earnings on pension plan investments	57,572,739	
Changes in proportion and differences between district contributions and proportionate share of contributions	10,398,778	\$9,250,124
District contributions subsequent to the measurement date (fiscal year 2021 district contributions)	44,159,652	
Total	<u>\$117,531,261</u>	<u>\$9,250,124</u>

**NOTE 6 - Pension** (continued)

The \$44,159,652 reported as deferred outflows of resources related to ASRS pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year ending June 30,	
2022	\$ 2,910,068
2023	22,579,797
2024	20,824,674
2025	17,806,946

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

Actuarial valuation date	June 30, 2019
Actuarial roll forward date	June 30, 2020
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Projected salary increases	2.7–7.2%
Inflation	2.3%
Permanent benefit increase	Included
Mortality rates	2017 SRA Scale U-MP

Actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.5 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
Equity	50%	6.39%
Fixed income - credit	20%	5.44%
Fixed income - interest rate sensitive	10%	0.22%
Real estate	<u>20%</u>	5.85%
Total	<u>100%</u>	



**NOTE 6 - Pension** (continued)

**Discount Rate** - The discount rate used to measure the ASRS total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the District's Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate** - The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate:

	<b>1% Decrease (6.5%)</b>	<b>Current Discount Rate (7.5%)</b>	<b>1% Increase (8.5%)</b>
District's proportionate share of the net pension liability	\$ 816,267,343	\$ 596,910,744	\$ 413,539,896

**Pension Plan Fiduciary Net Position** - Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report.

**NOTE 7 - 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	\$ 592,754,460
Financial aid	99,650,926
Contract services	90,870,190
Depreciation	49,909,047
Noncapitalized equipment	46,877,667
Communications, utilities, and travel	17,200,300
Supplies and materials	15,682,029
Subscriptions, dues, insurance, and rentals	14,355,434
Total operating expenses	<u><u>\$ 927,300,053</u></u>

The District uses credit cards to pay certain vendors for goods and services. The District received \$171,158 in rebates resulting from credit card payments for the year ended June 30, 2021.

**NOTE 8 - Risk Management**

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

The District finances uninsured risks of loss for certain health benefits to eligible employees and their dependents. The healthcare plan provides coverage for amounts up to \$395,000 per claim. The District purchases commercial insurance for claims in excess of this limit and utilizes a consultant to determine the required annual funding based upon anticipated utilization, cost trends, and benefit levels. Independent administrators provide claim and recordkeeping services for each self-insured plan. The District self-insures workers’ compensation claims up to \$450,000 and purchases commercial insurance for claims exceeding \$450,000. Settled claims for workers’ compensation and health benefits have not exceeded the District’s commercial insurance coverage in any of the past three fiscal years.

The insurance claims payable of \$9,253,158 at June 30, 2021, includes the amounts payable for both health benefits and workers’ compensation. This amount has been recognized as an expense and is included in accrued liabilities in the Statement of Net Position. It is the estimated cost of settling claims that have been reported but not settled and claims that have been incurred but not reported and is based on actuarial valuations. The District’s claims payable for the fiscal years ended June 30, 2020 and June 30, 2021 are as follows:

**NOTE 8 - Risk Management** (continued)

<b><u>Health Benefits:</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Claims payable, beginning of year	\$ 6,854,000	\$ 5,699,000
Current year actual and estimated claims	66,759,053	66,570,936
Less: Claim payments	<u>(65,129,053)</u>	<u>(65,415,936)</u>
Claims payable, end of year	<u>\$ 8,484,000</u>	<u>\$ 6,854,000</u>

<b><u>Workers' Compensation:</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Claims payable, beginning of year	\$ 818,098	\$ 640,089
Current year actual and estimated claims	393,041	689,848
Less: Claim payments	<u>(441,981)</u>	<u>(511,839)</u>
Claims payable, end of year	<u>\$ 769,158</u>	<u>\$ 818,098</u>

**NOTE 9 - Contingencies and Litigation**

The District is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of business. A reasonable estimate of the probable losses based on information currently available is \$565,000. 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 \$164,000. Management through legal counsel will seek denial of the claims. Management believes that the loss, if any, resulting from these claims will not have a material impact on the District's financial position, results of operations, or cash flows in future years.

**NOTE 10 - Discretely Presented Component Unit Disclosures**

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

**NOTE 10 a - Foundation Operations and Summary of Significant Accounting Policies**

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

**Basis of presentation** - The financial statements are presented in accordance with FASB ASC 958-205, *Not-for-Profit Entities – Presentation of Financial Statements*. Under FASB ASC 958-205, the Foundation is required to report information regarding their financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

The Foundation maintains its accounts on the accrual basis of accounting. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

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

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation’s management and the board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grants. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**Contributions received** - The Foundation accounts for contributions received in accordance with FASB ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*. In accordance with ASC 958-605, the Foundation evaluates grants and contributions for evidence of the transfer of commensurate value from the Foundation to the grantor or resource provider. The transfer of commensurate value from the Foundation to the grantor or resource provider may include instances when a) the goods or services provided by the Foundation directly benefit the grantor or resource provider or are for the sole use of the grantor or resource provider or b) the grantor or resource provider obtains proprietary rights or other privileges from the goods or services provided by the Foundation. When such factors exist, the Foundation accounts for the grants or contributions as exchange transactions under ASC 606, *Revenue from Contracts with Customers*, or other appropriate guidance. In the absence of these factors, the Foundation accounts for the award under the contribution accounting model.

In the absence of the transfer of commensurate value from the Foundation to the resource provider, the Foundation evaluates the contribution for criteria indicating the existence of measurable barriers to entitlement for the Foundation or the right of return to the resource provider. A barrier to entitlement is subject to judgment and generally represents an unambiguous threshold for entitlement that provides clarity to both the Foundation and resource provider whether the threshold has been met and when. These factors may include measurable performance thresholds or limited discretion on the part of the Foundation to use the funds. Should the existence of a measurable barrier to entitlement exist and be accompanied by a right of return of the funds to the resource provider or release of the resource provider from the obligation, the contribution is treated as a conditional contribution. If both the barrier to entitlement and right of return do not exist, the contribution is unconditional.

The Foundation recognizes amounts received from unconditional contributions at the time the Foundation receives notification of the award. Contributions that include conditions imposed by the grantor or resource provider are recognized when those conditions are met by the Foundation.

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

In accordance with FASB ASC 958-605, contributions received are recorded as contributions without donor restrictions or contributions with donor restrictions depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and change in net assets as net assets released from restrictions.

Contributions received without donor restrictions 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. Contributions received with donor restrictions 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. Contributions received with donor restrictions that are perpetual in nature require the principal be invested in perpetuity; the distributable income from the related investments is reflected as net assets with donor restrictions in the statement of activities and change in net assets as specified by the donor.

Unconditional promises to give (pledges) 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 Foundation'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. Collectibility of promises to give is determined by management based on historical information. At June 30, 2021, promises to give presented on the statement of financial position are net of an allowance for uncollectible pledges of \$11,488, and a discount of \$38,618. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

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

**Administration Fees** - The Foundation charges an administration fee to defray part of the cost of managing restricted accounts held by the Foundation. A fee of 2% is charged on all new gifts, except endowment gifts. On January 1st of each year, an investment management fee of 200 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. During the year ended June 30, 2021, the Board of Directors approved a transfer of operational reserves of \$196,552 to effectively offset administration fees charged to the funds. Total fees of \$655,546 were charged by the Foundation and this resulted in the net assets of \$458,994 to be released from restriction for the year ended June 30, 2021.

**Investments** - The Foundation accounts for its investments in accordance with FASB ASC 958-320, *Not-for-Profit Entities – Investments – Debt Securities* and FASB ASC 958-321, *Not-for-Profit Entities – Investments – Equity Securities*. In accordance with FASB ASC 958-320 and 958-321, the Foundation carries its investments in equity and debt at fair value.

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

**Fair value measurements** - FASB ASC 820, *Fair Value Measurement*, establishes a common definition for fair value to be applied under GAAP 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.
- Level 3: Unobservable inputs for the asset or liability.

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

**Income tax status** - The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the “Code”) and, therefore, there is no provision for income taxes for the entity. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170 of the Code and has been deemed not to be a private foundation. Income determined to be unrelated business taxable income (“UBTI”) would be taxable. Management believes that none of the income in 2021 is UBTI.

**Recent accounting pronouncement** - In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires that a lease liability and related right-of-use-asset representing the lessee’s right to use or control the asset be recorded on the balance sheet upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the statement of activities and change in net assets and the statement of cash flows will be substantially unchanged from the existing lease accounting guidance. The ASU is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Foundation is currently evaluating the effect that the adoption of this standard will have on the financial statements.

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 requires that gifts-in-kind be presented as a separate line item on the statement of activities. Additionally, gifts-in-kind are to be disaggregated into categories based on the type of gift received, with the following disclosures made for each category:

Qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period. If utilized, the entity will be required to disclose a description of the programs or other activities in which those assets were used.

The entity's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets.

A description of any donor-imposed restrictions associated with the contributed nonfinancial assets.

A description of the valuation techniques and inputs used to arrive at a fair value measure, in accordance with the requirements in Topic 820, *Fair Value Measurement*, at initial recognition.

The principal market (or most advantageous market) used to arrive at a fair value measure if it is a market in which the recipient entity is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets.

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

ASU 2020-07 is required to be adopted for annual reporting periods beginning after June 15, 2021 and shall be applied retrospectively to all periods presented. The Foundation is evaluating the impact that this ASU will have on the financial statements.

**NOTE 10 b - Pledges Receivable**

Pledges receivable consist of the following at June 30, 2021:

Pledges receivable:	
Receivable in less than one year	\$ 389,833
Receivable in one to five years	282,804
Receivable in more than five years	<u>1,000</u>
Total pledges receivable	673,637
Less discount to net present value	(38,618)
Less allowance for uncollectable pledges	<u>(11,488)</u>
Net pledges receivable	<u>\$ 623,531</u>

Pledges receivable that are expected to be collected in more than one year have been discounted to their present value using a discount rate of 2%.

**NOTE 10 c - Investments**

Investments consist of the following at June 30, 2021:

Equity funds:	
Common stock funds - United States	\$ 6,414,370
Common stock funds - emerging markets	2,058,248
Common stock funds - international	2,851,289
Exchange traded funds – global region	3,067,986
Exchange traded funds – international	3,525,417
Exchange traded funds – United States	6,611,983
Fixed Income funds:	
Government agencies - United States	11,557,880
Corporate bonds - United States	2,767,905
Exchange traded funds – fixed income	3,924,918
Real estate funds – United States	919,108
Partnerships:	
Partnerships – United States	8,427,282
Hedge funds:	
Hedge equity funds - United States	<u>780,010</u>
Total investments	<u>\$ 52,906,396</u>



**NOTE 10 c - Investments** (continued)

The following summarizes investment return for the year ended June 30, 2021:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Interest and dividends	\$ 284,631	\$ 646,985	\$ 931,616
Net realized and unrealized gains	600,877	8,430,809	9,031,686
Brokerages fees	<u>(37,982)</u>	<u>(109,788)</u>	<u>(147,770)</u>
Total	<u>\$ 847,526</u>	<u>\$ 8,968,006</u>	<u>\$ 9,815,532</u>

Investment earnings from endowments are classified as net assets with donor restrictions.

**NOTE 10 d - Contributed Services**

The District provides administration services consisting of office space and administrative salaries to the Foundation without charge. The fair value of the contributed use of office space totaled \$154,963 for the year ended June 30, 2021. The contributed services received by the Foundation were measured at the cost recognized by the District for the personnel providing the administrative services, which totaled \$1,325,605 for the year ended June 30, 2021. These amounts are reflected in the statement of activities and change in net assets as contributed space and services.

**NOTE 10 e - Fair Value Measurements**

The following table sets forth the level, within the fair value hierarchy of the Foundation's assets and liabilities subject to recurring fair value measurement, including investments measured at net asset value ("NAV") as a practical expedient, as of June 30, 2021:

**NOTE 10 e - Fair Value Measurements** (continued)

	Level 1	Investments Measured at NAV	Total
Equity funds:			
Common stock funds -			
United States	\$ 3,176,422	\$ 3,237,948	\$ 6,414,370
Common stock funds –			
emerging markets	2,058,248	-	2,058,248
Common stock funds -			
international	-	2,851,289	2,851,289
Exchange traded funds –			
global region	3,067,986	-	3,067,986
Exchange traded funds –			
international	3,525,417	-	3,525,417
Exchange traded funds –			
United States	6,611,983	-	6,611,983
Fixed Income funds:			
Government agencies –			
United States	-	11,557,880	11,557,880
Corporate bond - United			
States	2,767,905	-	2,767,905
Exchange traded funds –			
fixed income	3,924,918	-	3,924,918
Real estate funds - United			
States	919,108	-	919,108
Partnerships – United States	-	8,427,282	8,427,282
Hedge equity funds - United			
States	341,831	438,179	780,010
	<u>\$ 26,393,818</u>	<u>\$ 26,512,578</u>	<u>\$ 52,906,396</u>

The Foundation did not have any Level 2 or Level 3 investments as of June 30, 2021. The Foundation has no other assets or liabilities subject to fair value measurement other than at initial recognition.

**NOTE 10 f - Net Assets with Donor Restrictions**

Net assets with donor restrictions consist of the following at June 30, 2021:

Restricted for purposes or periods:	
Scholarship awards and program support	\$ 10,519,093
Accumulated endowment earnings subject to spending policy, net of losses	<u>11,725,178</u>
	22,244,271
Restricted in perpetuity:	
Pledges receivable	150,638
Cash surrender value of life insurance	243,850
Endowment fund subject to the Foundation’s spending policy	<u>29,049,315</u>
Total net assets restricted in perpetuity	<u>29,443,803</u>
Total net assets with restrictions	<u>\$ 51,688,074</u>

Net assets released from restriction for the year ended June 30, 2021 consisted of the following:

Program support	\$ 2,389,365
Scholarships	2,435,867
Administrative fees	<u>458,995</u>
Total net assets released from restriction	<u>\$ 5,284,227</u>

**NOTE 10 g - Endowments**

The Foundation’s endowments include only donor-restricted endowment funds. As required by GAAP, 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 ARS§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 net assets with donor restrictions to be held in perpetuity (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 as net assets with donor restrictions to be held in perpetuity are classified as net assets with donor restriction for purpose or periods 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:

**NOTE 10 g - Endowments** (continued)

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

The changes in endowment net assets for the year ended June 30, 2021 are as follows:

	<u>With donor restrictions</u>
Endowment net assets, July 1, 2020	\$ 30,409,465
Contributions and pledge collections	2,735,285
Interest and dividends, net of fees	537,197
Realized and unrealized losses	8,430,809
Appropriation of endowment assets for expenditure	<u>(1,338,263)</u>
Endowment net assets, June 30, 2021	<u>\$ 40,774,493</u>

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, 4.5% for the year ended June 30, 2021 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 were below the original contributed amount, 4.5% of the three-year average at the end of the year were not eligible for disbursement for the year ended June 30, 2021. 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, 2021 earnings of approximately \$1,377,000 were eligible to be distributed for scholarships and program support. The unused funds of approximately \$317,000 were maintained in the endowment funds to be

**NOTE 10 g - Endowments** (continued)

used for future disbursements as of June 30, 2021. For the year ended June 30, 2021, the Foundation transferred \$196,552 from operational reserves in order to reduce the appropriation of endowment assets for expenditures.

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 net assets without donor restrictions were \$126,018 as of June 30, 2021. The Foundation does not charge administrative fees to underwater funds, however will continue to spend for programs or scholarships as requested. These deficiencies resulted primarily from unfavorable market fluctuations. The balance of these funds as of June 30, 2021 is as follows:

Total corpus of underwater funds	\$ 329,759
Total fund balance of underwater funds	<u>(203,741)</u>
Total balance of underwater funds	<u>\$ 126,018</u>



Required  
Supplementary  
Information

**Maricopa County Community College District  
Required Supplementary Information  
Schedule of the District's Proportionate Share of the Net Pension Liability  
June 30, 2021**

<b>Arizona State Retirement System</b>	<b>Reporting Fiscal Year (Measurement Date)</b>							
	<b>2021 (2020)</b>	<b>2020 (2019)</b>	<b>2019 (2018)</b>	<b>2018 (2017)</b>	<b>2017 (2016)</b>	<b>2016 (2015)</b>	<b>2015 (2014)</b>	<b>2014 through 2012</b>
District's proportion of the net pension liability	3.45%	3.34%	3.54%	3.67%	3.66%	3.56%	3.83%	Information Not Available
District's proportionate share of the net pension liability	\$596,910,744	\$485,934,650	\$ 493,690,078	\$ 571,750,292	\$ 591,099,729	\$ 554,292,685	\$ 567,149,473	
District's covered payroll	\$370,215,836	\$343,058,053	\$ 342,659,110	\$ 339,768,356	\$ 338,143,867	\$ 336,503,471	\$ 339,248,495	
District's proportionate share of the net pension liability as a percentage of its covered payroll	62.02%	70.60%	69.41%	59.43%	57.21%	60.71%	59.82%	
Plan fiduciary net position as a percentage of the total pension liability	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%	



**Maricopa County Community College District  
Required Supplementary Information  
Schedule of District Pension Contributions  
June 30, 2021**

<b>Arizona State Retirement System</b>	<b>Reporting Fiscal Year</b>								<b>2013 through 2012</b>
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2012</u>
Statutorily required contribution	\$ 44,159,652	\$ 42,946,457	\$ 37,771,104	\$ 37,349,843	\$ 36,624,158	\$ 36,678,831	\$ 36,569,171	\$ 36,299,589	Information Not Available
District's contributions in relation to the statutorily required contribution	\$ 44,159,652	\$ 42,946,457	\$ 37,771,104	\$ 37,349,843	\$ 36,624,158	\$ 36,678,831	\$ 36,569,171	\$ 36,299,589	
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 378,240,504	\$ 370,215,836	\$ 343,058,053	\$ 342,659,110	\$ 339,768,356	\$ 338,143,867	\$ 336,503,471	\$ 339,248,495	
District's contributions as a percentage of covered payroll	11.68%	11.60%	11.01%	10.90%	10.78%	10.85%	10.87%	10.70%	



# 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, 2021**

	<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	\$ 7,215,046	\$ 12,187,774	\$ 6,124,415	\$ 18,256,137	\$ 8,525,143
Other	639,010	342,685	604,821	989,335	303,378
Total operating revenues	<u>7,854,056</u>	<u>12,530,459</u>	<u>6,729,236</u>	<u>19,245,472</u>	<u>8,828,521</u>
<b>Operating expenses:</b>					
Educational and general:					
Instruction	29,112,982	46,591,101	19,989,095	53,676,153	28,096,744
Public service	306,901	123,722	58,039	471,466	32,949
Academic support	7,797,245	10,986,561	4,864,319	10,696,354	6,189,402
Student services	6,362,500	8,061,954	6,531,377	10,386,743	6,096,020
Institutional support	13,831,684	12,297,668	11,680,456	21,754,059	6,029,282
Operation and maintenance of plant	13,223,664	12,391,871	5,469,704	11,779,895	9,906,262
Student financial assistance	13,316,384	18,128,206	4,789,091	17,296,066	4,869,268
Auxiliary enterprises	1,539,752	1,694,734	12,250,267	2,891,143	1,175,118
Depreciation	5,005,394	4,529,776	4,742,894	6,517,975	4,563,462
Total operating expenses	<u>90,496,506</u>	<u>114,805,593</u>	<u>70,375,242</u>	<u>135,469,854</u>	<u>66,958,507</u>
Operating loss	<u>(82,642,450)</u>	<u>(102,275,134)</u>	<u>(63,646,006)</u>	<u>(116,224,382)</u>	<u>(58,129,986)</u>
<b>Nonoperating revenues (expenses):</b>					
Property taxes	53,438,490	73,409,751	45,259,065	79,573,183	47,626,406
State appropriations	145,658	220,218	88,569	264,289	116,305
Smart and Safe AZ fund appropriations	420,073	635,098	255,430	762,200	335,420
State-shared sales tax	152,638	-	178,791	-	-
Government grants and contracts	27,891,133	27,257,677	17,642,477	37,109,136	9,470,595
Private grants and contracts	74,806	244,546	137,385	165,968	8,745
Private gifts	501,287	724,420	224,410	1,162,487	597,085
Investment earnings, net of investment expense	39,905	74	52	35	(18)
Interest expense on debt	-	-	-	-	-
Gain (loss) on sale/disposal of capital assets	(21,540)	(216,650)	(185,612)	(222,286)	(24,552)
Total nonoperating revenues and expenses	<u>82,642,450</u>	<u>102,275,134</u>	<u>63,600,567</u>	<u>118,815,012</u>	<u>58,129,986</u>
Income (loss) before other revenues, expenses, gains or losses	-	-	(45,439)	2,590,630	-
Capital grants and gifts	-	-	45,439	-	-
Increase in net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,590,630</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>
\$ 25,502,531	\$ 2,300,094	\$ 13,121,898	\$ 6,409,336	\$ 6,782,470	\$ 2,393,129	\$ 108,817,973
1,415,963	24,133	231,070	205,606	87,854	2,001,080	6,844,935
<u>26,918,494</u>	<u>2,324,227</u>	<u>13,352,968</u>	<u>6,614,942</u>	<u>6,870,324</u>	<u>4,394,209</u>	<u>115,662,908</u>
15,642,312	11,032,337	26,255,063	23,167,604	20,441,583	673,707	274,678,681
12,610,164	35,844	93,701	18,070	101,662	4,836,851	18,689,369
20,035,511	4,464,368	9,925,658	3,550,351	8,798,519	4,737,874	92,046,162
5,394,592	4,843,265	6,387,188	5,014,246	4,399,082	10,691,526	74,168,493
18,797,066	6,859,819	10,362,673	9,346,981	8,936,917	80,323,327	200,219,932
5,458,829	4,934,243	6,408,975	6,320,556	4,829,803	7,398,598	88,122,400
7,615,997	4,797,327	7,721,371	5,824,409	11,085,841	397,709	95,841,669
9,415,292	44,094	718,375	455,115	994,877	2,445,533	33,624,300
2,637,816	2,318,769	4,821,419	4,059,195	4,413,194	6,299,153	49,909,047
<u>97,607,579</u>	<u>39,330,066</u>	<u>72,694,423</u>	<u>57,756,527</u>	<u>64,001,478</u>	<u>117,804,278</u>	<u>927,300,053</u>
<u>(70,689,085)</u>	<u>(37,005,839)</u>	<u>(59,341,455)</u>	<u>(51,141,585)</u>	<u>(57,131,154)</u>	<u>(113,410,069)</u>	<u>(811,637,145)</u>
58,504,587	25,315,877	44,179,794	36,195,327	36,340,745	95,829,267	595,672,492
274,329	53,317	195,941	104,054	137,320	-	1,600,000
791,153	153,765	565,086	300,087	396,026	-	4,614,338
-	-	-	-	-	16,331,819	16,663,248
24,690,738	11,057,007	28,313,415	14,187,243	25,203,625	7,625,842	230,448,888
1,068,454	65,261	76,436	50,443	573,975	(393,742)	2,072,277
8,227,560	341,254	731,841	316,740	537,452	3,450	13,367,986
32	355	-	-	-	471,678	512,113
-	-	-	-	-	(6,422,663)	(6,422,663)
<u>657,035</u>	<u>(3,267)</u>	<u>24,447</u>	<u>(12,309)</u>	<u>(378,008)</u>	<u>(35,582)</u>	<u>(418,324)</u>
<u>94,213,888</u>	<u>36,983,569</u>	<u>74,086,960</u>	<u>51,141,585</u>	<u>62,811,135</u>	<u>113,410,069</u>	<u>858,110,355</u>
23,524,803	(22,270)	14,745,505	-	5,679,981	-	46,473,210
28,843	22,270	5,752	-	-	-	102,304
<u>23,553,646</u>	<u>-</u>	<u>14,751,257</u>	<u>-</u>	<u>5,679,981</u>	<u>-</u>	<u>46,575,514</u>
Total net position - July 1, 2020						<u>502,314,151</u>
Total net position - June 30, 2021						<u>\$ 548,889,665</u>

**Maricopa County Community College District**  
**Notes to Supplemental Information**  
**For the Year Ended June 30, 2021**

**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, 2021, 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 - Bases of Allocations**

The District receives and records property tax revenue, state appropriations, and Smart and Safe Arizona fund appropriations 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. Pension expense is allocated to the colleges on the basis of pension contributions for the fiscal year.

Maricopa Skill Center, Southwest Skill Center, and Northwest Skill Center are included with GateWay Community College.



# Statistical Section

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

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

## **Financial Trends**

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

## **Revenue Capacity**

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

## **Debt Capacity**

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

## **Demographic and Economic Information**

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

## **Operating Information**

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





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

	Fiscal Year				
	2020-21	2019-20	2018-19	2017-18	2016-17
Net investment in capital assets	\$ 442,940	\$ 397,965	\$ 356,740	\$ 371,049	\$ 313,960
Restricted – nonexpendable	342	428	402	363	315
Restricted – expendable	124,154	116,526	127,319	107,654	115,328
Unrestricted	(18,546)	(12,605)	(10,668)	(55,386)	(67,887)
<b>Total net position</b>	<b>548,890</b>	<b>\$ 502,314</b>	<b>\$ 473,793</b>	<b>\$ 423,680</b>	<b>\$ 361,716</b>

	Fiscal Year				
	2015-16	2014-15	2013-14	2012-13	2011-12
Net investment in capital assets	\$ 279,671	\$ 289,058	\$ 272,857	\$ 259,717	\$ 246,511
Restricted – nonexpendable	332	591	569	654	606
Restricted – expendable	109,527	104,437	105,191	106,252	134,913
Unrestricted	(98,602)	(143,584)	436,819	428,439	429,800
<b>Total net position</b>	<b>\$ 290,928</b>	<b>\$ 250,502</b>	<b>\$ 815,436</b>	<b>\$ 795,062</b>	<b>\$ 811,830</b>

Source: Annual Comprehensive Financial Reports for years presented.

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

	Fiscal Year				
	2020-21	2019-20	2018-19	2017-18	2016-17
Instruction	\$ 274,679	\$ 273,761	\$ 263,917	\$ 259,568	\$ 265,767
Public service	18,689	17,999	16,747	17,842	19,256
Academic support	92,046	88,685	79,667	81,846	79,601
Student services	74,169	76,149	78,808	78,458	77,676
Institutional support	200,220	183,448	159,504	131,860	120,552
Operation and maintenance of plant	88,122	88,547	81,543	58,338	52,089
Student financial assistance	95,842	97,523	77,996	81,901	79,793
Auxiliary enterprises	33,624	45,266	46,017	57,407	53,451
Depreciation	49,909	52,130	56,235	50,523	51,830
Other	-	-	-	3	68
Total operating expenses	<u>927,300</u>	<u>923,508</u>	<u>860,434</u>	<u>817,746</u>	<u>800,083</u>
Interest expense on debt	6,423	9,146	11,502	14,236	15,269
Loss on sale/disposal of capital assets	418	183	1,456	4,759	2,904
Total nonoperating expenses	<u>6,841</u>	<u>9,329</u>	<u>12,958</u>	<u>18,995</u>	<u>18,173</u>
Total expenses	<u><u>934,141</u></u>	<u><u>\$ 932,837</u></u>	<u><u>\$ 873,392</u></u>	<u><u>\$ 836,741</u></u>	<u><u>\$ 818,256</u></u>

	Fiscal Year				
	2015-16	2014-15	2013-14	2012-13	2011-12
Instruction	\$ 277,994	\$ 291,503	\$ 284,652	\$ 286,661	\$ 274,682
Public service	16,167	16,380	16,811	16,797	16,239
Academic support	82,490	87,384	86,963	81,347	74,342
Student services	76,318	73,666	72,056	70,305	63,909
Institutional support	111,309	112,298	116,376	133,259	106,910
Operation and maintenance of plant	76,013	68,609	69,430	67,244	66,863
Student financial assistance	86,584	96,914	102,958	112,538	120,209
Auxiliary enterprises	52,908	50,662	48,480	53,760	50,419
Depreciation	56,114	50,077	48,271	43,893	39,048
Other	217	447	340	2,380	1,119
Total operating expenses	<u>836,114</u>	<u>847,940</u>	<u>846,337</u>	<u>868,184</u>	<u>813,740</u>
Interest expense on debt	20,862	22,512	24,779	22,275	23,378
Loss on sale/disposal of capital assets	3,103	875	2,397	80	564
Total nonoperating expenses	<u>23,965</u>	<u>23,387</u>	<u>27,176</u>	<u>22,355</u>	<u>23,942</u>
Total expenses	<u><u>\$ 860,079</u></u>	<u><u>\$ 871,327</u></u>	<u><u>\$ 873,513</u></u>	<u><u>\$ 890,539</u></u>	<u><u>\$ 837,682</u></u>

Source: Annual Comprehensive Financial Reports for years presented.

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

	<b>Fiscal Year</b>				
	<b>2020-21</b>	<b>2019-20</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>
Salaries and benefits	\$ 592,755	\$ 581,187	\$ 526,941	\$ 518,498	\$ 522,950
Contract services	90,870	96,419	99,322	87,210	79,842
Financial aid	99,651	103,772	83,799	87,171	84,382
Depreciation	49,909	52,130	56,235	50,523	51,830
Communications, utilities, and travel	17,200	20,232	24,069	23,057	23,834
Noncapitalized equipment	46,878	38,875	39,611	21,339	9,166
Supplies and materials	15,682	18,118	17,873	17,343	16,438
Subscriptions, dues, insurance, and rentals	14,355	12,775	12,584	12,605	11,641
Other expenses	-	-	-	-	-
Total operating expenses	<u>927,300</u>	<u>923,508</u>	<u>860,434</u>	<u>817,746</u>	<u>800,083</u>
Interest expense on debt	6,423	9,146	11,502	14,236	15,269
Loss on sale/disposal of capital assets	418	183	1,456	4,759	2,904
Total nonoperating expenses	<u>6,841</u>	<u>9,329</u>	<u>12,958</u>	<u>18,995</u>	<u>18,173</u>
Total expenses	<u>\$ 934,141</u>	<u>\$ 932,837</u>	<u>\$ 873,392</u>	<u>\$ 836,741</u>	<u>\$ 818,256</u>

	<b>Fiscal Year</b>				
	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
Salaries and benefits	\$ 519,206	\$ 542,016	\$ 533,597	\$ 527,939	\$ 503,016
Contract services	74,420	77,727	64,118	66,826	57,597
Financial aid	93,232	103,414	110,664	120,046	127,529
Depreciation	56,114	50,077	48,271	43,893	39,048
Communications, utilities, and travel	24,849	24,421	23,310	24,897	24,512
Noncapitalized equipment	39,659	19,746	20,065	24,522	24,843
Supplies and materials	16,788	17,369	21,100	20,754	21,099
Subscriptions, dues, insurance, and rentals	11,846	10,565	10,339	9,508	10,391
Other expenses	-	2,605	14,873	29,799	5,705
Total operating expenses	<u>836,114</u>	<u>847,940</u>	<u>846,337</u>	<u>868,184</u>	<u>813,740</u>
Interest expense on debt	20,862	22,512	24,779	22,275	23,378
Loss on sale/disposal of capital assets	3,103	875	2,397	80	564
Total nonoperating expenses	<u>23,965</u>	<u>23,387</u>	<u>27,176</u>	<u>22,355</u>	<u>23,942</u>
Total expenses	<u>\$ 860,079</u>	<u>\$ 871,327</u>	<u>\$ 873,513</u>	<u>\$ 890,539</u>	<u>\$ 837,682</u>

Source: Annual Comprehensive Financial Reports for years presented.

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

	Fiscal Year				
	2020-2021	2019-20	2018-19	2017-18	2016-17
Tuition and fees, net of scholarship allowance	\$ 108,818	\$ 148,243	\$ 150,269	\$ 150,564	\$ 154,548
Other	6,845	9,100	10,072	10,641	8,321
Total operating revenues	<u>115,663</u>	<u>157,343</u>	<u>160,341</u>	<u>161,205</u>	<u>162,869</u>
Property taxes	595,673	579,336	564,758	545,570	536,564
State appropriations	1,600	7,400	-	-	-
Smart and Safe Arizona fund appropriations	4,614	-	-	-	-
State-shared sales tax	16,663	13,452	12,228	11,328	10,463
Government grants and contracts	230,449	171,092	151,942	156,014	156,249
Private grants and contracts	2,072	3,747	2,976	2,484	1,589
Private gifts	13,368	16,592	15,820	15,841	16,493
Investment income, net of investment expense	512	12,208	15,398	5,906	3,118
Gain on sale/disposal of capital assets	-	-	-	-	-
Total nonoperating revenues	<u>864,951</u>	<u>803,827</u>	<u>763,122</u>	<u>737,143</u>	<u>724,476</u>
Total revenues	<u>\$ 980,614</u>	<u>\$ 961,170</u>	<u>\$ 923,463</u>	<u>\$ 898,348</u>	<u>\$ 887,345</u>

	Fiscal Year				
	2015-16	2014-15	2013-14	2012-13	2011-12
Tuition and fees, net of scholarship allowance	\$ 154,866	\$ 155,484	\$ 153,195	\$ 149,178	\$ 150,443
Other	18,698	12,480	11,596	14,515	14,144
Total operating revenues	<u>173,564</u>	<u>167,964</u>	<u>164,791</u>	<u>163,693</u>	<u>164,587</u>
Property taxes	527,357	517,731	497,466	475,439	466,813
State appropriations	-	7,410	7,914	8,316	6,891
Smart and Safe Arizona fund appropriations	-	-	-	-	-
State-shared sales tax	9,982	9,629	8,928	7,452	7,712
Government grants and contracts	167,627	186,040	195,169	208,101	222,604
Private grants and contracts	4,608	2,567	2,454	2,872	3,601
Private gifts	13,218	13,260	14,029	10,567	10,280
Investment income, net of investment expense	3,753	2,341	2,728	1,488	2,644
Gain on sale/disposal of capital assets	-	-	-	-	-
Total nonoperating revenues	<u>726,545</u>	<u>738,978</u>	<u>728,688</u>	<u>714,235</u>	<u>720,545</u>
Total revenues	<u>\$ 900,109</u>	<u>\$ 906,942</u>	<u>\$ 893,479</u>	<u>\$ 877,928</u>	<u>\$ 885,132</u>

Source: Annual Comprehensive Financial Reports for years presented.

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

	<b>Fiscal Year</b>				
	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>
Income (loss) before other changes in net position	\$ 46,473	\$ 28,333	\$ 50,071	\$ 61,607	\$ 69,088
Capital grants and gifts	102	188	42	357	1,700
Total change in net position	<u>\$ 46,575</u>	<u>\$ 28,521</u>	<u>\$ 50,113</u>	<u>\$ 61,964</u>	<u>\$ 70,788</u>

	<b>Fiscal Year</b>				
	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
Income (loss) before other changes in net position	\$ 40,029	\$ 35,614	\$ 19,966	\$ (12,611)	\$ 47,450
Capital grants and gifts	396	1,541	408	540	776
Total change in net position	<u>\$ 40,425</u>	<u>\$ 37,155</u>	<u>\$ 20,374</u>	<u>\$ (12,071)</u>	<u>\$ 48,226</u>

Source: Annual Comprehensive 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>			
2020-21	\$ 44,233,929	\$ 1,471,041	\$ 45,704,970	1.2881	\$ 607,928,073	7.5 %
2019-20	41,687,136	1,507,190	43,194,326	1.3285	552,974,238	7.8
2018-19	39,174,219	1,249,013	40,423,232	1.3754	508,477,424	7.9
2017-18	36,915,364	1,336,527	38,251,891	1.4096	475,077,340	8.1
2016-17	34,806,837	1,328,657	36,135,494	1.4651	443,207,235	8.2
2015-16	33,326,722	1,296,948	34,623,670	1.4940	403,013,955	8.6
2014-15	33,658,024	1,421,622	35,079,646	1.5187	339,536,632	10.3
2013-14	30,817,627	1,411,380 (1)	32,229,007	1.5340	310,300,015	10.4
2012-13	33,136,394	1,264,062	34,400,456	1.3778	321,960,274	10.7
2011-12	37,474,985	1,285,312	38,760,297	1.2082	359,682,346	10.8

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

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

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

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

**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
2020-21	\$ 1.1250	\$ 0.1631	\$ 1.2881	\$ 1.64	\$ 0.44	\$ 0.14	\$ 0 - 5.30	\$ 1.30 - 9.15	\$ 0 - 3.68
2019-20	1.1565	0.1720	1.3285	1.64	0.46	0.14	0 - 5.80	1.20 - 9.01	0 - 3.74
2018-19	1.1708	0.2046	1.3754	1.64	0.47	0.14	0 - 5.69	.99 - 10.62	0 - 3.96
2017-18	1.1956	0.2140	1.4096	1.64	0.49	0.14	0 - 6.69	.90 - 11.05	0 - 3.99
2016-17	1.2376	0.2275	1.4651	1.64	0.50	0.14	0 - 8.70	.75 - 11.10	0 - 3.97
2015-16	1.2628	0.2312	1.4940	1.58	0.51	0.14	0 - 7.12	.85 - 11.14	0 - 3.97
2014-15	1.2824	0.2363	1.5187	1.52	0.51	0.14	0 - 5.61	.77 - 10.64	0 - 3.75
2013-14	1.2896	0.2444	1.5340	1.46	0.51	0.14	0 - 5.30	.75 - 10.22	0 - 4.04
2012-13	1.1563	0.2215	1.3778	1.47	0.47	0.10	0 - 6.15	.77 - 10.45	0 - 3.89
2011-12	1.0123	0.1959	1.2082	1.47	0.43	0.10	0 - 4.05	.76 - 10.80	0 - 2.91

Source: District records and Maricopa County Department of Finance.

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

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

Taxpayer	Fiscal Year 2020-21			Fiscal Year 2011-12		
	2020-2021 Secondary Assessed Value	Rank	Percentage of 2020-2021 Secondary Assessed Value	2011-2012 Secondary Assessed Value	Rank	Percentage of 2011-2012 Secondary Assessed Value
Arizona Public Service Company	\$ 1,361,636,759	1	2.99 %	\$ 1,085,693,628	1	2.80 %
Southwest Gas Corporation	235,901,537	2	0.52	148,277,858	3	0.38
Southern California Edison Co	114,904,740	3	0.25	145,171,831	4	0.37
Wal-Mart Stores Inc	107,357,950	4	0.23	*		-
El Paso Electric Co	101,723,845	5	0.22	126,581,044	6	0.33
Qwest Corporation	98,691,539	6	0.22	212,962,750	2	0.55
Target Corporation	76,157,596	7	0.17	*		-
Verizon Wireless	67,523,663	8	0.15	72,168,016	10	0.19
Intel Corporation	62,575,230	9	0.14	142,572,176	5	0.37
Smiths Food & Drug Centers Inc	62,093,436	10	0.14	*		-
Mesquite Power LLC	*		-	85,000,000	7	0.22
Gila River Power, LP	*		-	82,204,800	8	0.21
Public Service Company of New Mexico	*		-	74,749,614	9	0.19
<b>Total Principal Taxpayers</b>	<b>\$ 2,288,566,295</b>		<b>5.03 %</b>	<b>\$ 2,175,381,717</b>		<b>5.61 %</b>
Countywide Secondary Valuation	\$ 45,704,969,813			\$ 38,760,296,714		

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

Source: Maricopa County Assessor'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 2020 is \$ 766,512,000.



**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	
2020-21	\$ (1,839,848)	\$ 513,657,793	\$ 506,678,387	98.29 %	\$ -	\$ 506,678,387	98.64 %	
2019-20	(2,051,003)	495,215,792	486,796,521	97.89	8,291,791	495,088,313	99.97	
2018-19	(3,668,381)	470,378,868	466,256,591	98.36	3,960,733	470,217,323	99.97	
2017-18	(2,991,933)	454,162,482	449,084,596	98.23	4,949,764	454,034,360	99.97	
2016-17	(3,761,013)	444,227,845	439,720,330	98.15	4,361,081	444,081,411	99.97	
2015-16	(3,386,999)	435,528,650	431,453,800	98.30	3,987,920	435,441,720	99.98	
2014-15	(3,727,280)	425,791,069	421,433,519	98.12	4,247,053	425,680,572	99.97	
2013-14	(3,088,175)	409,771,347	404,645,803	98.01	5,042,388	409,688,191	99.98	
2012-13	(4,651,258)	392,133,978	386,059,866	97.30	5,991,483	392,051,349	99.98	
2011-12	(5,700,659)	384,172,559	377,344,288	96.79	6,726,285	384,070,573	99.97	

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
2020-21	\$ 85.00	\$ -	\$ 85.00	\$ 2,550.00	\$ -	- %
2019-20	85.00	-	85.00	2,550.00	-	-
2018-19	85.00	-	85.00	2,550.00	(30.00)	(1.16)
2017-18	86.00	-	86.00	2,580.00	-	-
2016-17	86.00	-	86.00	2,580.00	60.00	2.38
2015-16	84.00	-	84.00	2,520.00	-	-
2014-15	84.00	(4)	84.00	2,520.00	90.00	3.70
2013-14	79.00	2.00	81.00	2,430.00	150.00	6.58
2012-13	74.00	2.00	76.00	2,280.00	-	-
2011-12	74.00	2.00	76.00	2,280.00	150.00	7.04

**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
2020-21	\$ 2,550.00	- %	\$ 3,793.00 (2)	12.32 %	\$ 11,968.00	- %
2019-20	2,550.00	-	3,377.00	1.96	11,968.00	3.07
2018-19	2,550.00	(1.16)	3,312.00	2.16	11,611.00	2.21
2017-18	2,580.00	-	3,242.00	2.72	11,360.00	2.73
2016-17	2,580.00	2.38	3,156.00	3.88	11,058.00	2.90
2015-16	2,520.00	-	3,038.00	2.81	10,746.00	3.65
2014-15	2,520.00	3.70	2,955.00	2.53	10,368.00	3.23
2013-14	2,430.00	6.58	2,882.00	3.22	10,044.00	3.81
2012-13	2,280.00	-	2,792.00	5.28	9,675.00	1.57
2011-12	2,280.00	7.04	2,652.00	8.73	9,525.00	28.53

Source: District records.

Note 1: U.S. Department of Education, National Center for Education Statistics, 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.

Note 4: Effective in fiscal year 2014-15, Student Activity Fees are combined with General Tuition.

**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)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>General Bonded Debt</b>					
General obligation bonds, net	\$ 270,128	\$ 337,656	\$ 411,089	\$ 482,323	\$ 552,588
Per capita	\$ 60.85	\$ 77.31	\$ 95.73	\$ 114.25	\$ 133.57
Per student	\$ 1,667.23	\$ 1,728.97	\$ 2,104.08	\$ 2,401.29	\$ 2,736.70
Per FTSE	\$ 4,788.06	\$ 5,004.39	\$ 6,090.39	\$ 6,856.54	\$ 7,666.85
<b>Other Debt</b>					
Revenue bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Capital lease obligations	\$ -	\$ -	\$ -	\$ -	\$ -
Total outstanding debt	<u>\$ 270,128</u>	<u>\$ 337,656</u>	<u>\$ 411,089</u>	<u>\$ 482,323</u>	<u>\$ 552,588</u>
Per capita	\$ 60.85	\$ 77.31	\$ 95.73	\$ 114.25	\$ 133.57
Per student	\$ 1,667.23	\$ 1,728.97	\$ 2,104.08	\$ 2,401.29	\$ 2,736.70
Per FTSE	\$ 4,788.06	\$ 5,004.39	\$ 6,090.39	\$ 6,856.54	\$ 7,666.85

	<b>For the Fiscal Year Ended June 30</b>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>General Bonded Debt</b>					
General obligation bonds, net	\$ 607,995	\$ 670,567	\$ 731,665	\$ 787,567	\$ 682,342
Per capita	\$ 149.15	\$ 167.28	\$ 185.47	\$ 202.74	\$ 177.54
Per student	\$ 2,950.94	\$ 3,114.57	\$ 3,232.04	\$ 3,309.84	\$ 2,771.90
Per FTSE	\$ 8,457.53	\$ 8,805.87	\$ 9,326.04	\$ 9,696.95	\$ 8,218.61
<b>Other Debt</b>					
Revenue bonds	\$ -	\$ -	\$ -	\$ 410	\$ 1,240
Capital lease obligations	\$ -	\$ -	\$ 25	\$ 49	\$ 72
Total outstanding debt	<u>\$ 607,995</u>	<u>\$ 670,567</u>	<u>\$ 731,690</u>	<u>\$ 788,026</u>	<u>\$ 683,654</u>
Per capita	\$ 149.15	\$ 167.28	\$ 185.48	\$ 202.85	\$ 177.88
Per student	\$ 2,950.94	\$ 3,114.57	\$ 3,232.15	\$ 3,311.77	\$ 2,777.23
Per FTSE	\$ 8,457.53	\$ 8,805.87	\$ 9,326.36	\$ 9,702.60	\$ 8,234.41

Source: Annual Comprehensive 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>	
2020-21	184,839,419				
2019-20	241,511,136	-	-	-	-
2018-19	246,392,131	-	-	-	-
2017-18	243,481,566	-	-	-	-
2016-17	241,487,695	-	-	-	-
2015-16	255,975,215	-	-	-	-
2014-15	256,922,245	-	-	-	-
2013-14	259,054,302	-	-	-	-
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

Source: District records.

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

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

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

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

	Fiscal Year				
	2020-21	2019-20	2018-19	2017-18	2016-17
Debt Limit	\$ 6,855,745,472	6,479,148,959	\$ 6,063,484,863	\$ 5,737,783,687	\$ 5,420,324,171
Total net debt applicable to limit	<u>184,715,000</u>	<u>250,065,000</u>	<u>312,450,000</u>	<u>380,740,000</u>	<u>445,570,000</u>
Legal debt margin	<u>\$ 6,671,030,472</u>	<u>\$ 6,229,083,959</u>	<u>\$ 5,751,034,863</u>	<u>\$ 5,357,043,687</u>	<u>\$ 4,974,754,171</u>
Total net debt applicable to the limit as a percentage of debt limit	2.69%	3.86%	5.15%	6.64%	8.22%

	Fiscal Year				
	2015-16	2014-15	2013-14	2012-13	2011-12
Debt Limit	\$ 5,193,550,548	\$ 5,261,946,989	\$ 4,834,351,022	\$ 5,160,068,357	\$ 5,814,044,507
Total net debt applicable to limit	<u>534,225,000</u>	<u>593,820,000</u>	<u>654,215,000</u>	<u>712,783,980</u>	<u>615,066,983</u>
Legal debt margin	<u>\$ 4,659,325,548</u>	<u>\$ 4,668,126,989</u>	<u>\$ 4,180,136,022</u>	<u>\$ 4,447,284,377</u>	<u>\$ 5,198,977,524</u>
Total net debt applicable to the limit as a percentage of debt limit	10.29%	11.29%	13.53%	13.81%	10.58%

**Legal Debt Margin Calculation for Fiscal Year 2020-21**

Secondary Assessed Value of Real and Personal Property	\$ 45,704,969,813
Debt Limit, 15% of Secondary Assessed Value	<u>6,855,745,472</u>
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonded Debt	250,065,000
Capital Leases	-
Amount Available for Debt Repayment	<u>(65,350,000)</u>
Total Debt Applicable to Debt Limit	<u>184,715,000</u>
Legal Debt Margin	<u>\$ 6,671,030,472</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 2020-21, the District was at 0.40%.

**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>
2021	4,439,220	Not Available (1)	Not Available (1)	6.6 %
2020	4,367,835	245,077,753	53,521	9.8
2019	4,294,460	223,097,349	49,663	4.6
2018	4,221,684	210,370,180	47,694	4.2
2017	4,137,076	196,286,191	45,573	4.5
2016	4,076,438	185,111,698	43,628	5.3
2015	4,008,651	175,437,829	42,092	5.4
2014	3,944,859	168,483,421	41,222	6.5
2013	3,884,705	160,537,029	40,003	7.3
2012	3,843,370	154,926,697 (2)	39,300 (2)	7.7

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

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

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

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

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

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

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

Employer	Fiscal Year 2020-21			Fiscal Year 2011-12		
	Number of Full-Time Equivalent Employees in Arizona	Rank	Percentage of Total MSA Employment	Number of Full-Time Equivalent Employees in Arizona	Rank	Percentage of Total MSA Employment
Banner Health	45,918	1	1.89 %	24,825	3	1.31 %
State of Arizona	41,606	2	1.71	49,800	1	2.62
Walmart Inc.	36,995	3	1.52	30,634	2	1.61
Arizona State University	35,474	4	1.46	11,185	9	0.59
Fry's Food Stores	20,235	5	0.83	*	*	-
City of Phoenix	16,432	6	0.68	15,100	4	0.79
Wells Fargo & Co.	16,300	7	0.67	13,308	5	0.70
University of Arizona	16,021	8	0.66	*	*	-
Dignity Health Arizona	15,403	9	0.63	*	*	-
Maricopa County	13,648	10	0.56	12,792	7	0.67
Bank of America	*		-	13,300	6	0.70
Raytheon Co.	*		-	11,500	8	0.60
Apollo Group, Inc.	*		-	11,000	10	0.58
<b>Total Principal Employers</b>	<b>258,032</b>		<b>10.61 %</b>	<b>193,444</b>		<b>10.17 %</b>
Total Employment in Phoenix-Mesa-Glendale, AZ, Metropolitan Statistical Area as of June 30	2,426,158			1,901,224		

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

Source: The Business Journal, Book of Lists.

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

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

	For the Fiscal Year Ended June 30				
	2021	2020	2019	2018	2017
<b>Faculty</b>					
Part-time	5,088	4,230	3,550	4,258	4,458
Full-time	1,425	1,458	1,501	1,489	1,476
<b>Administrative &amp; support staff</b>					
Part-time	1,760	1,960	2,035	1,838	1,959
Full-time	3,274	3,222	3,091	2,994	2,933
<b>Total employees</b>	11,547	10,870	10,177	10,579	10,826
Students per faculty member	25	34	39	35	34
Students per staff member	32	38	38	42	41
Average class size	20	20	20	20	20

	For the Fiscal Year Ended June 30				
	2016	2015	2014	2013	2012
<b>Faculty</b>					
Part-time	4,822	5,089	5,126	5,306	5,220
Full-time	1,419	1,500	1,592	1,576	1,536
<b>Administrative &amp; support staff</b>					
Part-time	1,965	1,894	126	140	146
Full-time	3,024	2,971	3,012	2,951	2,746
<b>Total employees</b>	11,230	11,454	9,856	9,973	9,648
Students per faculty member	33	33	34	35	36
Students per staff member	41	44	72	77	85
Average class size	20	21	21	21	22

Source: District records for Integrated Postsecondary Education Data System (IPEDS).

Notes: Data is as of November 1st of the fiscal year.

The method for calculating adjunct faculty changed effective FY2021 to include Active employees per HCM Job Data.

The source for the data changed effective with FY2016 and all prior years have been restated.

The method for calculating part time administrative and support staff changed effective FY2015.



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

**Historic Headcount**

<u>College/Center</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
Phoenix	14,469	16,807	16,719	17,335	17,100	17,382	17,804	19,008	19,476	19,525
Glendale	20,920	25,913	26,054	27,350	27,263	27,947	29,306	30,926	31,666	32,854
GateWay	7,371	7,776	7,685	7,660	7,876	8,495	9,592	10,444	10,962	11,674
Mesa	25,089	30,236	29,837	30,010	30,154	30,770	33,238	36,054	38,602	40,070
Scottsdale	11,706	13,271	13,022	13,652	14,023	14,760	14,770	15,384	16,527	17,474
Rio Salado	33,734	42,086	41,496	42,716	43,882	45,317	46,836	48,333	52,685	56,031
South Mountain	5,205	6,022	5,877	5,909	5,707	5,772	6,159	6,801	7,338	8,027
Chandler-Gilbert	17,704	20,133	19,552	19,559	19,402	19,040	19,225	19,297	19,791	19,611
Paradise Valley	9,656	11,793	12,170	12,427	12,586	12,516	13,314	14,198	14,380	15,246
Estrella Mountain	11,828	14,262	13,772	13,715	13,080	12,571	12,994	13,009	12,475	12,508
Skill Centers	913	924	1,005	1,138	1,190	1,461	1,752	1,681	1,748	2,016
Adult Basic Education	3,427	6,070	8,188	9,389	9,655	10,003	10,310	11,244	12,297	11,128
Total	162,022	195,293	195,377	200,860	201,918	206,034	215,300	226,379	237,947	246,164

**Historic FTSE**

<u>College/Center</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
Phoenix	5,136	6,079	6,021	6,396	6,453	6,621	6,753	6,977	7,001	7,137
Glendale	7,756	9,904	10,152	10,799	10,965	11,229	11,799	12,390	12,473	12,728
GateWay	2,660	2,821	2,777	2,953	2,962	3,128	3,310	3,482	3,415	3,567
Mesa	9,315	11,508	11,499	11,438	12,022	12,136	13,148	13,886	14,709	15,363
Scottsdale	4,101	4,480	4,490	4,896	5,053	5,288	5,362	5,622	6,030	6,350
Rio Salado	9,375	11,108	10,543	11,149	11,736	11,518	12,494	12,584	13,815	14,263
South Mountain	1,880	2,246	2,243	2,305	2,278	2,318	2,423	2,586	2,737	2,778
Chandler-Gilbert	6,909	8,042	7,905	7,939	7,968	7,828	7,894	7,936	8,047	7,830
Paradise Valley	3,669	4,300	4,332	4,564	4,749	4,641	4,882	5,109	5,260	5,503
Estrella Mountain	4,842	5,915	5,832	5,799	5,694	5,362	5,522	5,330	4,932	4,709
Skill Center	463	463	589	759	902	498	1,137	1,220	1,171	1,187
Adult Basic Education	311	606	1,115	1,347	1,293	1,321	1,426	1,332	1,628	1,609
Total	56,417	67,472	67,498	70,344	72,075	71,888	76,150	78,454	81,218	83,024

**Degrees and Certificates Awarded**

	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
Associate of Arts	4,765	5,553	5,947	5,920	5,409	5,537	5,040	4,947	4,486	4,360
Associate of Applied Science	3,229	3,342	3,167	3,098	3,249	3,273	3,403	3,429	3,115	3,049
Associate of Business	736	871	895	850	843	955	796	833	723	732
Associate of General Studies	420	594	776	810	617	631	655	690	685	604
Associate in Science	751	1,048	1,044	1,052	931	954	891	825	696	630
Associate of Transfer Partnership	-	-	-	-	-	-	-	-	-	11
Academic Certificate	74	113	121	119	130	145	158	196	121	72
Certificates of Completion in Occupational Programs	6,326	8,164	7,264	7,437	7,863	8,728	9,118	9,128	8,550	8,589
Arizona General Education Certificate	6,135	7,446	7,831	7,795	7,235	7,685	6,954	6,812	6,073	5,900

Source: District records.

Notes: 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).

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

<b>Fiscal Year</b>	<b>Attendance</b>		<b>Enrollment Status</b>			<b>Residency</b>		
	<b>FT</b>	<b>PT</b>	<b>Continuing</b>	<b>New</b>	<b>Former</b>	<b>Resident</b>	<b>Out of County</b>	<b>Out of State</b>
2020-21	32 %	68 %	* %	* %	* %	90 %	3 %	7 %
2019-20	31	69	*	*	*	92	3	5
2018-19	31	69	*	*	*	92	3	5
2017-18	32	68	58	25	17	94	2	4
2016-17	32	68	58	25	17	94	2	4
2015-16	27	73	57	25	18	93	3	4
2014-15	28	72	57	25	18	93	3	4
2013-14	28	72	46	39	15	92	3	5
2012-13	28	72	45	40	15	92	3	5
2011-12	29	71	45	41	14	91	3	6

<b>Fiscal Year</b>	<b>Gender</b>		<b>Ethnic Background</b>						<b>Median Age</b>
	<b>M</b>	<b>F</b>	<b>Native American</b>	<b>Asian</b>	<b>African American</b>	<b>Hispanic</b>	<b>Anglo</b>	<b>Other</b>	
2020-21	40 %	60 %	2 %	4 %	6 %	36 %	44 %	8 %	21
2019-20	42	58	2	4	6	36	43	9	21
2018-19	43	57	2	5	6	35	44	8	21
2017-18	43	57	2	5	7	33	43	10	21
2016-17	44	56	3	5	8	29	45	10	21
2015-16	44	56	3	5	8	27	47	10	21
2014-15	44	56	3	5	8	26	48	10	22
2013-14	44	56	3	5	8	25	50	9	22
2012-13	44	56	3	5	9	23	51	9	22
2011-12	43	57	3	5	9	22	53	8	23

Source: District records.

Note: \* Data for breakdown of enrollment status is not currently available, but will be updated when it is available.

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

Location	Fiscal Year									
	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Phoenix										
Total Square Footage	778,700	778,700	778,700	778,700	759,403	759,403	753,589	753,589	763,792	699,830
Total Acreage	66.0	66.0	66.0	66.0	66.0	66.0	66.0	65.7	65.7	65.7
Glendale										
Total Square Footage	810,831	810,831	810,831	810,831	834,028	832,028	809,889	809,889	820,986	820,986
Total Acreage	313.0	313.0	313.0	313.0	313.0	313.1	313.1	314.0	314.0	314.0
GateWay										
Total Square Footage	554,129	554,129	554,129	554,868	532,697	532,697	532,697	532,697	532,697	406,074
Total Acreage	43.1	43.1	43.1	43.1	43.1	43.1	43.1	42.0	42.0	42.0
Mesa										
Total Square Footage	1,046,271	1,046,271	1,046,271	1,046,271	1,036,593	1,036,593	1,019,257	998,333	998,333	997,758
Total Acreage	248.6	248.6	248.6	248.6	248.6	248.6	248.6	248.9	248.9	248.9
Scottsdale										
Total Square Footage	594,451	594,451	594,451	595,890	564,437	564,437	563,937	570,943	566,167	566,167
Total Acreage	162.2	162.2	162.2	162.2	162.2	162.2	162.2	168.0	168.0	168.0
Rio Salado										
Total Square Footage	435,544	435,544	435,544	435,544	435,544	462,521	465,521	465,521	439,909	445,084
Total Acreage	31.4	31.4	31.4	31.4	31.4	31.4	31.4	31.0	31.0	31.0
South Mountain										
Total Square Footage	352,484	352,484	352,484	352,484	302,010	302,010	302,010	302,010	301,490	301,490
Total Acreage	148.3	148.3	148.3	148.3	148.3	148.3	142.9	148.8	148.8	148.8
Chandler-Gilbert										
Total Square Footage	672,845	672,845	672,845	670,325	670,325	666,825	654,380	654,380	580,329	580,329
Total Acreage	189.8	189.8	189.8	189.8	189.8	189.8	189.8	189.3	185.3	173.3
Paradise Valley										
Total Square Footage	470,230	463,320	463,320	463,320	463,320	463,320	440,203	440,203	428,356	424,311
Total Acreage	175.9	175.9	175.9	175.9	175.9	175.9	175.9	171.0	171.0	171.0
Estrella Mountain										
Total Square Footage	406,447	360,039	360,039	360,039	360,039	360,039	333,229	333,229	281,973	281,973
Total Acreage	221.1	221.1	221.1	221.1	221.1	221.1	221.1	216.0	216.0	216.0
District Services Support Center										
Total Square Footage	296,483	296,483	296,483	296,483	296,483	296,483	296,483	296,483	296,483	291,299
Total Acreage	11.7	11.7	11.7	11.7	11.7	11.7	11.7	12.1	12.1	9.8
Totals for District:										
Total Square Footage	6,418,415	6,365,097	6,365,097	6,364,755	6,254,879	6,276,356	6,171,195	6,157,277	6,010,515	5,815,301
Total Acreage	1,611.1	1,611.1	1,611.1	1,611.1	1,611.1	1,611.2	1,605.8	1,606.8	1,602.8	1,588.5

Source: District records.



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