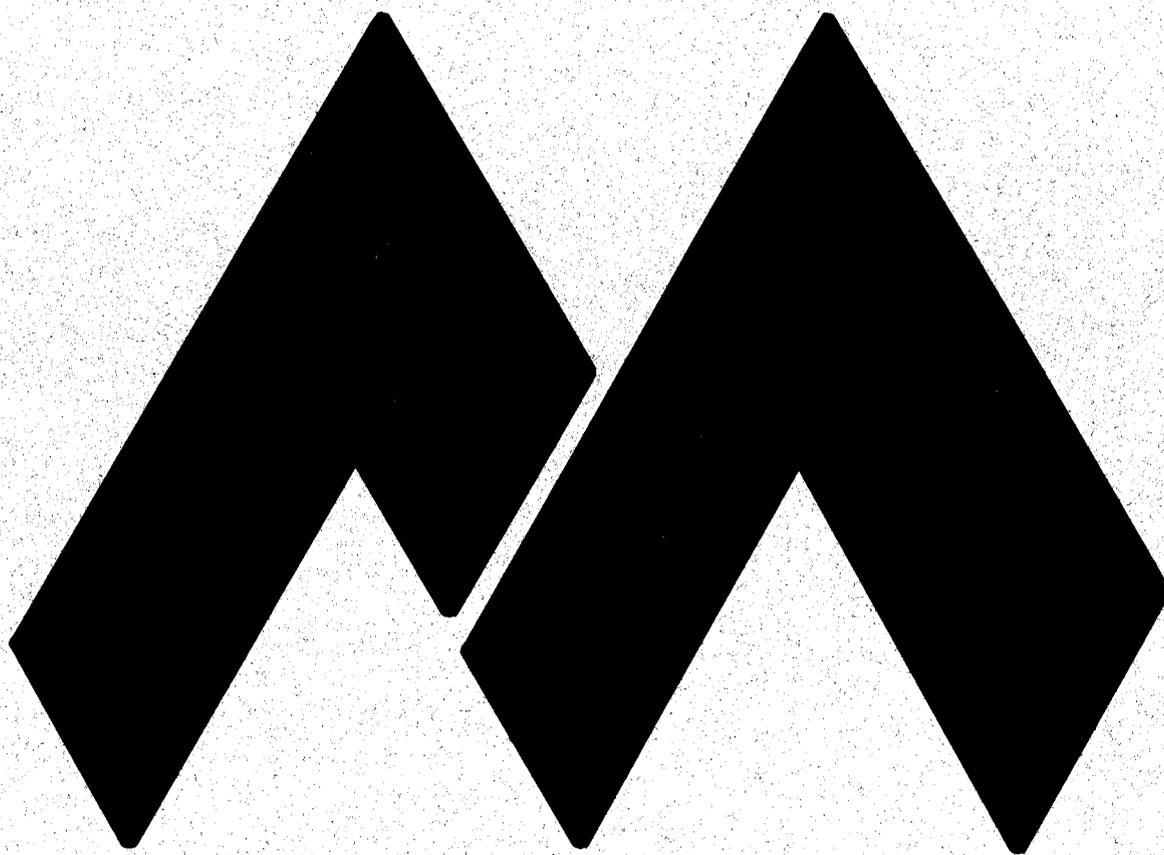


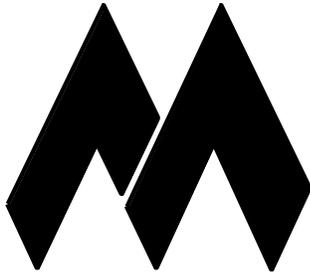
Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2000



Maricopa County Community College District

Phoenix, Arizona



Maricopa County Community College District Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2000

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November 30, 2000

Fred Gaskin
Chancellor

Family of Colleges

Chandler-Gilbert
Estrella Mountain
GateWay
Glendale
Mesa
Paradise Valley
Phoenix College
Rio Salado
Scottsdale
South Mountain

Maricopa
Skill Centers

**District Support
Services Center**

2411 West 14th Street
Tempe, AZ 85281-6942
480-731-8100
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fred.gaskin@domail.maricopa.edu

To the Citizens of the Maricopa County Community College District:

On July 1, 2000, I was honored to be named Chancellor of the Maricopa County Community College District (MCCCD). I am proud to serve as Chancellor at the start of a new millennium that will see enormous change in the need for higher education and the methods by which it is delivered.

The Maricopa Community Colleges continually strive to make higher education comprehensive, affordable, and accessible - with an emphasis on future jobs and student transfers to universities. With more than 260,000 students enrolled annually, the Maricopa Community Colleges are a national model for higher education. Our ten individually accredited colleges, two skill centers and numerous education sites rank the District among the nation's largest multi-college education systems. MCCCD is the largest provider of post-secondary education in Arizona and plays such a profound role in higher education that more than 62 percent of juniors and seniors at Arizona State University have taken coursework at a Maricopa Community College.



MCCCD offers more than 8,000 credit courses in academic and occupational areas with students ranging in age from 13 to 90. The diversity of our student population is one of our major strengths and reflects the egalitarian roots of community colleges in Arizona. Students earn certification in a broad array of occupational courses in fields such as welding, air conditioning repair, health care, automotive repair, and microchip processing. Extensive partnerships with business and industry add impact and opportunities for thousands of students, and modern technology in the classroom and convenient distance learning formats add to students' marketable skills. The Maricopa Community Colleges are the largest provider of health care training in Arizona. Our colleges train people to earn a living and, for many, it is the first opportunity for success.

MCCCD believes that in every class there exists a potential author, doctor, painter, physicist, or teacher — people who will transfer to four-year institutions and continue their academic journey. We strive to employ top-notch faculty who specialize in their fields of interest and endeavor - whether full-time residential faculty or part-time teachers. We also support the community in its educational endeavors and will continue to work with the secondary education system to recruit and train the best teachers for the future.

This fast-growing district strives to keep pace with the ever-expanding population of the past decade providing increased space for students. Additionally, new and renovated buildings, labs, classrooms, and high-tech centers have been designed and equipped to ensure success for all. As the building program comes to an end, MCCCD is opening and dedicating several new centers and campuses including South Mountain Community College at Guadalupe, Glendale Community College North, and Mesa Community College at Red Mountain.

Working with and for the citizens of Maricopa County, the Maricopa Community Colleges will continue to be a positive economic and educational force in our valley. Working together, we will build for the future, meet the challenges facing today's students, and prepare to meet the challenges of this new millennium.

Sincerely,

Fred Gaskin
Chancellor



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November 30, 2000

Fred Gaskin
Chancellor

To the Citizens of the Maricopa County Community College District:

Family of Colleges

Chandler-Gilbert
Estrella Mountain
GateWay
Glendale
Mesa
Paradise Valley
Phoenix College
Rio Salado
Scottsdale
South Mountain

We are pleased to convey to you the Comprehensive Annual Financial Report (CAFR) of the Maricopa County Community College District (Maricopa Colleges; the District), Phoenix, Arizona for the fiscal year ended June 30, 2000 (FY 2000).

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with Maricopa Colleges. 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 various funds of Maricopa Colleges. All disclosures necessary to enable the reader to gain an understanding of Maricopa Colleges' financial activities have been included.

The CAFR is presented in three sections: introductory, financial, and statistical. The introductory section includes a message from the Chancellor, this transmittal letter, Maricopa Colleges' organizational chart, and a list of principal officers. The financial section includes the independent auditors' report, the basic financial statements, and supplemental information. The statistical section includes selected unaudited financial and demographic information, generally presented on a multi-year basis.

Maricopa
Skill Centers

**District Support
Services Center**

2411 West 14th Street
Tempe, AZ 85281-6942
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Organization and Administration

As a political subdivision of the State of Arizona, Maricopa Colleges is subject to statutory authority of the State Board of Directors for Community Colleges of Arizona (the State Board). Maricopa Colleges is operated and maintained by the Maricopa Colleges Governing Board (the Board), which is comprised of five elected members representing each of the five precincts of the district. These members are elected for six-year terms on a staggered basis.

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Arizona Revised Statutes grant the Board authority to enforce the courses of study prescribed by the State Board; appoint and employ administrators, faculty, and staff; award degrees, certificates, and diplomas; and maintain general operations and service to the community for a minimum of eight months per year. In addition, the Board is responsible for adopting the annual budget, which is submitted to the State Board.

The State Board has approval authority over tuition and fee rates, acquisitions and construction of real property, and issuance of debt. In addition to submitting an adopted annual budget, the District must also submit a report of actual results to the State Board on an annual basis.

Maricopa Colleges serves educational needs throughout the Maricopa County area at various locations managed by ten college presidents and one director. District-wide administrative and support services are centralized and administered by the Chancellor, Vice Chancellor for Business Services, Vice Chancellor for Educational and Student Development, Vice Chancellor for External Affairs, Vice Chancellor for Information Technologies, and Vice Chancellor for Quality and Employee Development.

Entity

Maricopa Colleges is an independent reporting entity within the criteria established by generally accepted accounting principles and the Governmental Accounting Standards Board (GASB). Although the District shares the same geographic boundaries with Maricopa County, financial accountability over all activities related to public community college education in Maricopa County is exercised by Maricopa Colleges. The financial reporting entity consists of a primary reporting entity and its component units. Maricopa Colleges 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. Furthermore, there are no component units combined with Maricopa Colleges for financial statement presentation purposes, and Maricopa Colleges is not included in any other governmental financial reporting entity.

The Maricopa County Community College Foundation, Inc. is controlled by a separate board of directors; therefore, its activity is not included in the financial statements of Maricopa Colleges.

History

The Maricopa County Community College 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, Maricopa Colleges consists of ten nationally accredited colleges, comprising the nation's largest multi-college community college system.

Service to the Community

Maricopa Colleges is also one of the nation's most comprehensive two-year systems, offering affordable education to more than 260,000 individuals year-round in both credit and special-interest/non-credit classes. Maricopa Colleges is the largest single provider of post-secondary education in Arizona.

Composed of 10 colleges, two skill centers and numerous education sites, Maricopa Colleges strives to keep pace with the ever-expanding population of Maricopa County. The county includes metropolitan Phoenix, recognized as one of the nation's fastest-growing metropolitan areas. Such burgeoning population is reflected in the District's average growth rate of about 3%, which is predicted to continue.

To accommodate escalating demand for classes and services, Maricopa Colleges has undertaken an ambitious building expansion program. Since 1995, land has been purchased in northeast Scottsdale in addition to land and building acquisitions to expand campuses in Chandler-Gilbert, Mesa, Scottsdale, and Phoenix. Further expansion includes education centers in the retirement communities of Sun Cities and Sun Lakes, the recently opened Guadalupe Learning Center, and the Southwest Skill Center. Various sites located throughout the valley serve to provide additional facilities in order to meet continued growth and demand. Expanded technology has been incorporated throughout new buildings, labs, classrooms, and libraries/high-tech centers—all designed and equipped to maximize student success.

Maricopa Colleges delivers effective teaching and learning through modern occupational programs and training, extensive partnerships with business and industry, as well as through a vast array of classes that transfer to four-year institutions. There are currently 8,034 credit-course offerings: 2,734 academic courses and 5,300 occupational courses included in 634 occupational programs. Students include those in traditional credit classes as well as senior adults, business men and women, and others taking computer and internet training, job-readiness training, and job-related certificate training. As indicated by racial category, the student enrollment data mirrors the population of Maricopa County: 64% Anglo, 16% Hispanic, 4% African American, 3% Native American, 4% Asian and 9% other.

Service to the Community (continued)

Maricopa Colleges has become a major part of the community and continues to be a pipeline for the State's four-year universities. According to the Institutional Analysis and Data Administration Office of Arizona State University, 15,361 Fall 1999 ASU main campus undergraduates had transferred Maricopa Colleges credits (representing 45.2% of the total ASU main campus undergraduates). For the University of Arizona in Tucson, over 4,000 undergraduate students transferred Maricopa Colleges credits.

A variety of direct services to the community are made available by Maricopa Colleges. 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 statewide network; and a charter high school with accelerated, career-focused programs offering concurrent college courses at a central city college campus.

Economic Condition and Outlook

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 (also known as the Valley of the Sun) which is comprised of Phoenix, Glendale, Mesa, Scottsdale, Paradise Valley, Tempe, Peoria, Chandler, and Gilbert, plus other smaller cities and towns and all the unincorporated areas of the County. The County measures 9,222 square miles, making it the 14th largest county in the United States.

For the past three decades, Maricopa County has been one of the most rapidly growing counties in the country in terms of population, employment and personal income. According to the U.S. Census Bureau Population Division, Maricopa County ranks first in the nation for population change since April 1, 1990, boasting a current population of over 2.9 million and growing. More than half of Arizona's population resides in Maricopa County, and it ranks as the 4th highest populated and the fastest growing county in the nation.

Additionally, according to *Newsweek* magazine (March 29, 1999), the Phoenix metropolitan area is projected to be the nation's second fastest-growing job market, forecasting an estimated 1.5 million jobs over the next 25 years. The December 1999 issue of *Inc.* reports that Cognetics, Inc., a Cambridge, Massachusetts-based research firm studying small businesses, ranked the greater Phoenix metropolitan area 1st among large metropolitan areas in small business start-up and growth.

The main economic sectors in the County include services, trade, and manufacturing. In fact, Maricopa County has evolved into a major center for high-tech manufacturing such as semiconductors, electronics and aerospace. As such, it has been increasingly successful in attracting high-tech manufacturing employment, and developing a high technology base in order to position itself to excel in the "new economy". The March 22, 1999, *Computer World* magazine named the County one of the top hiring locations in the nation for information technology jobs. Further, according to the Milken Institute of Santa Monica, California, *America's High-Tech Economy: Growth, Development, and Risks for Metropolitan Areas* (July 13, 1999), the Phoenix metropolitan area was ranked the 12th largest technology production center in the United States. The Arizona Department of Economic Security and U.S. Department of Labor Statistics findings indicated that 1999 high-tech manufacturing employment was 41.8% of total manufacturing employment in Maricopa County, versus the United States average of 14.0%.

A solid support infrastructure plays an active role in shaping the State labor force. Three Arizona public universities, the statewide system of community colleges, multiple private colleges, universities and technical institutes, business and industry members, and individual cities and towns are all important factors that serve as a network of key components contributing to the dynamic performance of the Arizona workforce. As a network participant, Maricopa Colleges has become well known both locally and nationally as the largest provider of job training in Arizona for new and expanding companies. The District enjoys ongoing success in forging partnerships with business and industry, especially those with an acute need for technical abilities.

Economic Condition and Outlook (continued)

Commendable industrial partnerships in the Maricopa Colleges include automotive service, semiconductor manufacturing, hospitality, health care, and information technology/software industries. These programs, designed to meet both immediate and future labor market demands, provide avenues for retraining and upgrading employee skills. Additional contracts exist between educational institutions and companies for the design and implementation of job-specific learning experiences for employees. Opportunities for scholarships, internships, and hands-on career development opportunities continue to expand.

The Maricopa Colleges training prospectus is circulated internationally. Providing cost-effective, customized workforce training has distinguished Maricopa Colleges as an important resource to both local and relocating businesses and industries. Because Maricopa Colleges is an integral part of the economic development of our State and our local region, it is part of the portfolio for prospecting new industries that consider relocation to the Valley of the Sun. Increasing competition for new industry includes domestic and foreign regions also seeking to recruit companies.

Overview of National and State Economic Forecasts

Maricopa County has been an established growth area for virtually the entire 20th century and, according to the Arizona Department of Economic Security Research Administration (RA), the Arizona economy is expected to continue growing throughout the ensuing two-year period. In the most recent eight-year span, Maricopa County population grew more than 25 percent, from 2.1 million to 2.9 million. During 1999 alone, County population grew 3.3%, while the general State population increased more slowly (at 2.5%). Concurrently, the national population increased a mere 9/10s of 1%.

The age composition of the population is an important factor that directly affects State revenues and expenditures. Studies show that older people tend to spend less money than younger people. The RA indicates that the Maricopa County population, comprising 60% of the Arizona population, is continuing to age. Persons between the ages of 45 and 65 account for the bulk of the County population growth; however, like the rest of the country, the age pattern of the County population reflects State and national averages.

The RA expects the Arizona economy to add roughly 164,000 jobs over the next two years, which translates into projected annual growth of 3.9% in 2000 and 3.6% in 2001. This follows two-year growth rates of 4.5% and 4.1%, continuing only a moderate pattern of slowing from the 1994 peak growth of 6.8%. Concurrently, Arizona non-farm employment is expected to grow between two and three times the national rate.

The State of Arizona Joint Legislative Budget Committee (JLBC) indicates that the prospect for the national economy remains good and is decidedly better than one year ago; further, the outlook for the Arizona economy is similar to the U.S. forecast. In fact, the State is expected to grow even faster than the national average in areas such as personal income, employment, and population. While the Arizona economy has been growing at a moderately decreasing rate over the last four or five years, State forecasters anticipate this trend of decelerating growth to continue for a time into the new millennium, but emphasize that underlying economic conditions in the State will remain positive.

Major Impacts

Management continually monitors federal and state legislative or regulatory initiatives and other external driving forces, participates in studies to further understand their impacts to the Maricopa community and the District's future, and deploys efforts to institutionalize them when necessary. These external forces are described below.

Sales Tax for Education

A November 7, 2000, general election ballot initiative, approved by voters, allows the state to increase sales tax by 6/10 of a percent with proceeds going to Arizona education, including school districts, universities, and community colleges. Funds to community colleges, projected to begin in FY 2002, are required to be expended for workforce development and job training purposes, including:

- ▲▲ Partnerships between businesses and institutions
- ▲▲ Additional faculty to improve and expand classroom instruction and course offerings
- ▲▲ Technology, equipment, and technology infrastructure for advanced classroom and/or laboratory teaching and learning
- ▲▲ Student services such as assessment, advisement, and counseling
- ▲▲ Purchase or lease of real property and construction, remodel, or repair of facilities

Based on historic state sales tax revenues, it is possible that the District could receive about \$5 million in FY 2002, the first year of funding. This initiative also provides funding of \$13 million due to community college districts statewide under existing statute for matching capital outlay related to the construction of new campuses. Of the \$13 million, which is to be paid \$1 million per year over a 13-year period, Maricopa Colleges is owed \$5 million and should begin receiving payment in FY 2004.

Governor's Task Force on Higher Education

A high quality post-secondary educational system is critical to the future of Arizona. As the State continues to grow, it is important to understand how the Arizona system of higher education can be better used to improve quality of life and to plan accordingly.

Arizona Governor Jane D. Hull has identified the following as issues requiring clear responses:

- ▲▲ How will we serve the higher education needs of Arizona until 2020?
- ▲▲ How will we structure higher education to maximize Arizona's economic development potential?
- ▲▲ What kinds of facilities are needed and where?
- ▲▲ How will we better use technology?
- ▲▲ How will we fund Arizona's higher education needs (operational and capital) until 2020?

Governor Hull has formed a task force comprised of university, community college, civic, and business leaders to examine current trends, develop scenarios, and make recommendations for planning the future of education in Arizona. While it is impossible to forecast every trend, the intention is to examine how best to position for the future in order to strengthen the educational system, prepare citizens to participate fully in the new economy, and minimize potential waste of limited resources.

Major Impacts (continued)

The Governor's Task Force on Higher Education will be a true collaborative endeavor using the talents of the State's higher education leadership. The task force will be jointly overseen by the Governor's Office, the Board of Regents, the State Board for Community Colleges, and members of the community.

Biennial Appropriations

For FY 2000 and FY 2001, the state instituted biennial appropriations whereby state aid funds are appropriated once every two years. For Maricopa Colleges, this means that the appropriation in the first year of the biennium is based on prior year actual full time student equivalents (FTSE) with year two of the appropriation based on an estimated amount. Additionally, requests for initiative funds are submitted every two years for both years of the biennium. In the second year of the biennium, adjustments may be made to the second year appropriation based on actual FTSE realized in year one. This, in fact, did occur in FY 2001, although it is not clear that this will occur during every cycle. The District will continue to annually adopt a budget for each fiscal year and state aid will continue to be paid quarterly each fiscal year.

TRA97

Signed into law in August 1997, the Taxpayer Relief Act of 1997 (TRA97) included provisions for the Hope and Lifetime Learning individual tax credits and imposed onerous information reporting requirements upon institutions of higher education. The Hope tax credit targets eligible individuals enrolled in the first two years of post-secondary education while the Lifetime Learning tax credit targets continuing education students. Both of these target populations are served by Maricopa Colleges, which is required to report information to the Internal Revenue Service (IRS) and students.

The impacts to the higher education community resulting from TRA97 include the cost of compliance with the reporting requirements, uncertainty about issues and questions unresolved at the federal level, changes needed in administrative systems to capture and provide data elements required to be reported for calendar year 2001, and concerns about responding to inquiries from students and their parents. Efforts continue to address the impacts and concerns. In the meantime, the IRS reduced some reporting requirements for 1998, 1999, and 2000. Penalties will not be imposed upon institutions that make a good faith effort to comply with reporting requirements. The District has initiated a good faith effort during these years and continues to meet compliance requirements.

COSO - Maricopa Assessment Process (MAP)

Recent pronouncements, along with rapidly changing internal and external environments, have changed the way management looks at internal controls and its responsibility for them. These pronouncements are the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 1992 report, *Internal Control - Integrated Framework* and Statement on Auditing Standards (SAS) No. 78 - *Consideration of Internal Control in a Financial Statement Audit*.

The COSO model, which Maricopa Colleges is adopting, defines five interrelated control components: control environment, risk assessment, control activities, information and communication, and monitoring.

During FY 1999, Business Services staff began development of a plan to ensure the continuation of a sound control environment, promote the understanding of COSO by all employees, and create an environment of operational efficiency based on integrity and ethical values. Because rapidly changing economic, regulatory, and operating conditions are constants in risk assessment, management is establishing mechanisms to identify the risks associated with these changes. Once risks are identified, internal control policies and procedures will be reviewed and revised as needed to effectively manage them. Because change is a constant in risk factors, internal controls must not be static.

Major Impacts (continued)

In the fall of 1999, the District Governing Board directed the formation of the Maricopa Risk Assessment Process (MRAP) Advisory Group. The goal of MRAP is to embed ongoing risk assessment into the culture of the District. Initially, the MRAP will focus on the two most significant components of the COSO model: control environment and risk assessment. Remaining components of the COSO model will be addressed in future years.

Two initiatives resulting from the MRAP project already are underway. The first is the development of a District-wide ethics statement and the development of appropriate training and education. The second is the development of a process for reviewing the financial and operational condition of programs and services to determine the appropriateness of funding levels and to achieve outcomes that advance goals and mandates.

New Reporting Model

In November 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 35, "Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities". The new standard is designed to provide financial information that is responsive to the needs of primary users of college and university general purpose external financial reports (the citizenry, legislative and oversight bodies, and investors and creditors).

The effect of the proposed statement is a significant change to the financial reporting model currently used by the District and the majority of public higher education institutions. Major changes include the display format of financial information, depreciation accounting, cash flow reporting, and certain comparative information to be included within a narrative discussion and analysis by management. The effective date of implementation of the new standards for the District is FY 2002.

Major Initiatives

In addition to developing responses to major impacts from external forces as previously described, the District continues to enhance its responsiveness to internal issues, as reflected in the following initiatives.

Maricopa Governance

In September 1996, the Maricopa Colleges Governing Board revised its internal governance model following the concept of Maricopa Governance. This model stresses the Board's responsibility for leading the Maricopa Colleges while serving as a connecting point to our communities. Four types of policies define the new model:

- | | |
|-----------------------------|---|
| ▲▲ Executive Boundaries | Policies which provide the prudent and ethical boundaries of acceptable Chancellor acts, practices, and circumstances. |
| ▲▲ Governance Process | Policies which clarify the Board's own job and rules, including how it plans to interact with others. |
| ▲▲ Board-Staff Relationship | Policies which describe the relationship and accountability linkage (usually through the Chancellor). |
| ▲▲ Goals | Policies which determine what benefits will occur, for which constituencies, and at what cost. These become prioritized and reflected in the annual budget. |

Maricopa Governance provides Maricopa Colleges more effective and efficient governance by focusing on goals rather than means. To this end, the board recently adopted a planning calendar that better aligns strategic planning activities and budget development. Additionally, the first annual report of measures of adopted goals recently was released. Follow-up is occurring and this data and related analyses will be used to help set prioritized goals in the future.

Major Initiatives (continued)

Last, an important aspect of Maricopa Governance is the Board's regular monitoring for compliance with the above policies. Numerous reports are submitted at regular intervals to measure and demonstrate compliance.

Capital Development

Educational needs of a growing Maricopa County population continue to be addressed by a \$385.8 million capital development program approved by voter referendum in November 1994. These capital funds enable the Maricopa Colleges to expand facilities and technology in order to meet current and future demand for classes and educational services while also improving campus security and energy conservation. At fiscal year-end, the program was about 73% complete, providing nearly a million square feet of new facilities. It is projected that the final phase of the seven-year capital development program will be funded in April 2001 through the issuance of \$52.545 million in remaining general obligation bond authorization. The District is exploring alternative financing options, including the feasibility of a future voter referendum, to meet ongoing capital needs for 2002 and beyond.

Currently, only four of the ten colleges within the District have performing arts centers on campus. These four facilities are in need of remodeling, and five other colleges have been identified as having a need for performing arts centers. In FY 1998, the District first approved funding that would initiate the development of the new performing arts center at Chandler-Gilbert Community College, in response to growing enrollments in the music, theatre, and dance curricula as well as demand from the community. To fund the construction of this center and two others at South Mountain and Paradise Valley Community Colleges, student fees were increased \$.50 per credit hour in FY 1998 and two subsequent fiscal years in anticipation of revenue bond debt issues secured by a general pledge of tuition and fees. Remaining new facility and remodel needs may also be funded by future revenue bond issues, pending the impact on student fees.

Financial Stability

Financial stability is the cornerstone upon which each fiscal year budget is developed and adopted. Goals for financial stability enable Maricopa Colleges to manage revenue shortfalls and cash flows to ensure continued operations, and to provide for unforeseen contingencies without impairing the level of quality service needed to respond to our customers. To this end, a Fiscal Management Policy approved by the Board guides the Maricopa Colleges' budgeting process and requires the following:

- ▲▲ The financial stability of Maricopa Colleges will be maintained in perpetuity.
- ▲▲ Financial stability will be measured by actual June 30 General Fund fund balance as a percentage of General Fund revenues.
- ▲▲ The measure of stability will be maintained at between 8% and 10%.
- ▲▲ Only the Board may authorize a different first priority for budget development and adoption.

Since establishing this practice as policy in 1994, Maricopa Colleges has successfully reached this goal each year. For the fiscal year ended June 30, 2000, this resulted in a fund balance of 24.4% of revenues. Fund balance in excess of the minimum required by the financial stability policy provides Maricopa Colleges the ability to designate \$45.6 million of fund balance to meet annual operational challenges with one-time budget allocations.

Major Initiatives (continued)

Strategic Planning

During recent years, the Maricopa Community Colleges' decision-makers at all levels of the organization have examined 'strategic directions', 'strategic priorities', and a variety of seemingly independent 'strategic plans'. The Governing Board identified the need for a systemic District-wide Strategic Plan and charged the Chancellor and the Chancellor's Executive Council to lead the project.

Maricopa Colleges contends that the responsibility for continuous strategic planning rests at all levels of the organization, and, when integrated, results in greater collaboration. Representatives from throughout the District have formed a Strategic Planning Task Force to develop a District-wide Maricopa Plan. The Task Force is using the values determined by the MCCCDC Governing Board as Maricopans' core values. The corresponding outcomes are anticipated to reflect the MCCCDC values, mission, goals, and vision, though these may be continuously reevaluated during the on-going planning process.

Planning is already under way. Much of what the strategic planning process uses is already available through existing and ongoing annual internal and external environmental scans and other performance criteria. It is expected that a district-wide plan will be completed by the spring of 2002, which will reflect the changing Maricopa culture and will be linked to our budgeting processes.

Advisement

In FYs 2000 and 2001, the Governing Board prioritized improved advisement as a goal for the District. Consequently, it allocated funds to support this goal.

First, \$423,500 was allocated to support the Course Applicability System (CAS). This is a district-wide systemic initiative that allows the colleges a high degree of flexibility in the use of technology to enhance advising and university articulation transfer.

CAS, a computerized system developed by Miami University in Oxford, Ohio, is currently implemented by the Arizona public higher education institutions. One of the main CAS objectives is to assist students in making appropriate decisions regarding potential transfer of coursework by providing direct on-line access to information supporting course acceptability and applicability among institutions.

Through the use of CAS, it is anticipated that students will be empowered to determine how their Maricopa Colleges courses will transfer and apply to university degrees; that academic advisors will be provided an on-line advisement tool with continually updated information; and that administrative systems that support the reporting and student tracking needs of faculty, advisors, transfer articulation staff, and curriculum developers among others will be enhanced.

In the FY 2000-2001 budget, \$985,000 was allocated to add advisors, counselors, and tutors. Increased staffing is expected to provide students with more opportunities for advising, counseling, and tutoring, enabling students to make better choices to improve their learning.

Major Initiatives (continued)

Primary Challenges

While maintaining financial stability, the primary challenges of Maricopa Colleges include:

- ▲▲ Linking Board goals to meaningful measures, then translating the analysis of this data into operational objectives and budget requirements.

The goals adopted by the District Governing Board provide strategic direction to the District. Maricopa Colleges must continue to establish performance measures for these goals and to assess budget requirements to better address them. The District is examining various methods that: (1) provide more logic to the strategic planning process and link the District Office and college plans; (2) provide a framework for the colleges to determine their efficiency and effectiveness; and (3) provide funding approaches that link the results of data analysis, planning, and goal setting to resource allocations.

- ▲▲ Continuing to increase funding and allocations to meet planned operating costs as the capital development program advances and as enrollment continues to grow.

The District has maintained its commitment to funding the operational costs of the capital development program. Some costs still are funded through a reserve that must be supplanted with permanent resources.

- ▲▲ Continuing to fund enrollment growth.

Enrollment increases steadily each year, generally at about 3%. The District should maintain its commitment to funding its tuition and fee rebate program to help fund the costs of adding classes when enrollment increases. This will help the District maintain its mission to provide accessible learning opportunities.

- ▲▲ Assessing and adjusting to potential changes in state appropriations due to the implementation of biennial budgeting.

FY 2000 was the first year that the State budgeted community colleges on a biennial basis. The impact on appropriation requires continual assessment and the District may need to make adjustments in its planning and operating practices to address these impacts.

- ▲▲ Continuing to enhance flexibility and maximize use of resources in the budgeting process, and improving collaboration and cooperation among colleges while promoting healthy competition.

A District Financial Advisory Council is called upon to review strategic plans related to the budgeting process in accordance with the strategic goals of the Maricopa Colleges and other priorities established by the Board. Such actions demonstrate Maricopa Colleges' dedication to endorse and execute effective and efficient use of all resources—financial, human, physical plant, and technological.

Major Initiatives (continued)

- ▲▲ Continuing to provide for inflationary and business cost increases.

Prior year inflationary increases have eroded Maricopa Colleges' available resources. Allocation of some funds to help cover inflation continues to be a priority in most budget development cycles. Continued development of annual 3-year financial plans, or the recently issued ten-year financial plan, is intended to anticipate and provide a mechanism for planning for such events.

- ▲▲ Installing, developing, and maintaining new software systems.

New information systems have been implemented over the past 5 years, providing the district with more information and analytic resources. However, in addition to the significant initial effort and cost to implement these systems, they require significant additional programming and functional staff to facilitate system upgrades, testing, development and maintenance. For example:

- ▲▲ Continued upgrades for Oracle Government Financials
- ▲▲ Continued upgrades and development for PeopleSoft Human Resource Management System
- ▲▲ Development and/or implementation of a student administration package to integrate with the Learner Centered System and Student Information System
- ▲▲ Continued upgrades and development of the newly implemented budget development system
- ▲▲ Single-student database allowing information sharing among all Maricopa Colleges
- ▲▲ Document imaging system to be implemented in the future
- ▲▲ Expansion of the Maricopa Electronic Messaging System (MEMO)
- ▲▲ Web portal access for student and community use

Financial Information

The Maricopa Colleges' responsibilities for stewardship, safeguarding of assets, and accountability to resource providers are fulfilled by effective management of resources through internal control, budgetary controls, cash management, and financial reporting.

Internal Control

Management is responsible for establishing and maintaining internal controls designed to ensure that assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable—but not absolute—assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires estimates and judgments by management.

The District Internal Auditor reports through the Vice Chancellor for Business Services to the Audit and Finance Committee which consists of two Board members, the Chancellor, the five Vice Chancellors, a college President, and the Director of the Skill Center. This person periodically reviews, reports on, and recommends improvements for internal controls in operational and financial areas.

The annual financial audit is conducted by the Office of the Auditor General, State of Arizona, and tests are made to determine the adequacy of the internal controls and to determine that Maricopa Colleges has complied with applicable laws and regulations. Results of the fiscal year ended June 30, 2000, tests will be issued in a separate report at a later date.

Budgetary Controls

Maricopa Colleges maintains budgetary controls in the form of line-item budgets and budget transfer restrictions by function and object. Budgetary controls ensure compliance with the annual budget adopted by the Board. The legal level of budgetary control is by summary line item of Current Funds (General, Auxiliary Enterprises, and Restricted) and Plant Funds.

Maricopa Colleges complies with state statute requiring that a report be filed annually with the State Board as to Maricopa Colleges' adopted budget for Current and Plant Funds. Maricopa Colleges also demonstrates budgetary compliance with the issuance of an annual budgeted expenditure limitation report audited by the Office of the Auditor General, State of Arizona. The expenditure limitation calculation determines the maximum allowable expenditure budget capacity supported by state appropriations and property tax levies for Current and Plant Funds.

Maricopa Colleges also maintains an encumbrance accounting system as a budgetary control. Open encumbrances are not reported as reservations of fund balance at year end, but are liquidated (lapse at year end) and reestablished at the beginning of the next fiscal year as an obligation against that year's adopted budget.

Schedules of budget to actual data for General Fund revenues and expenditures for the fiscal year ended June 30, 2000, follow:

General Fund: Budget to Actual
Fiscal Year Ended June 30, 2000
(Dollars in Thousands)

	Revised Budget	Actual	Percent Of Total	Variance Favorable (Unfavorable)
Revenues and Other Sources				
Property taxes	\$ 176,050	\$ 174,909	58.3%	\$(1,141)
State appropriations	46,313	44,805	15.0	(1,508)
Tuition and fees	55,108	54,383	18.1	(725)
Investment income	2,800	2,992	1.0	192
Other	306	324	0.1	18
Transfers-in	3,393	3,266	1.1	(127)
Budget allocation from 6/30/99 fund balance carry forward	<u>19,266</u>	<u>19,266</u>	<u>6.4</u>	<u>-</u>
Total revenues and other sources	<u>\$ 303,236</u>	<u>\$ 299,945</u>	<u>100.0%</u>	<u>\$(3,291)</u>
Expenditures and Transfers				
By Function				
Instruction	\$ 145,540	\$ 138,891	50.3%	\$ 6,649
Public service	221	211	0.1	10
Academic support	34,600	31,873	11.5	2,727
Student services	21,380	20,798	7.5	582
Institutional support	73,524	55,306	20.0	18,218
Operation and maintenance of plant	24,368	23,579	8.5	789
Transfers-out	<u>3,603</u>	<u>5,736</u>	<u>2.1</u>	<u>(2,133)</u>
Total expenditures and transfers	<u>\$ 303,236</u>	<u>\$ 276,394</u>	<u>100.0%</u>	<u>\$ 26,842</u>
By Object				
Personal services	\$ 194,605	\$ 192,005	69.5%	\$ 2,600
Employee benefits	32,072	30,536	11.0	1,536
Contractual services	23,138	21,953	7.9	1,185
Supplies, materials, and parts	8,213	7,653	2.8	560
Current fixed charges	4,571	3,887	1.4	684
Communications and utilities	10,671	10,240	3.7	431
Other	26,363	4,384	1.6	21,979
Transfers-out	<u>3,603</u>	<u>5,736</u>	<u>2.1</u>	<u>(2,133)</u>
Total expenditures and transfers	<u>\$ 303,236</u>	<u>\$ 276,394</u>	<u>100.0%</u>	<u>\$ 26,842</u>

Financial Information (continued)

Cash Management

In terms of the overall investment of available cash, Maricopa Colleges is governed by the Arizona Revised Statutes relating to investment of public funds. The fiduciary responsibility for such investments is entrusted to the Board and facilitated through the Audit and Finance Committee.

Daily, weekly, monthly, and annual cash flows of revenues and expenditures are projected and monitored to ensure that resources are available to meet operational needs for current and future years. The fungible nature of Maricopa Colleges' funds allows for cash from all funds to be consolidated in bank accounts from which obligations of all funds are paid. Earnings potential is maximized through daily investment of bank balances. Maricopa Colleges' investment policy requires statutory compliance, safety of principal, and liquidity as priority criteria over yield for all investment decisions.

General Fund and Retirement of Indebtedness Fund monies are on deposit with the County Treasurer and are invested on a pooled basis with interest prorated back to Maricopa Colleges. Amounts available for General, Current Auxiliary Enterprises, Current Restricted, Loan, Endowment, Unexpended Plant (including general obligation bond proceeds) and Agency Funds are invested by Maricopa Colleges in a prudent, conservative, and secure manner for the highest yield as prescribed by Maricopa Colleges' investment policy and Arizona Revised Statutes.

Financial Reporting

An automated financial record system captures all financial transactions and provides data for the preparation of the Maricopa Colleges' Comprehensive Annual Financial Report (CAFR), including the audited financial statements. These statements present information on the financial position of Maricopa Colleges and whether resources were adequate to cover the costs of providing services during the reporting period. The Maricopa Colleges' award-winning CAFR is distributed to the Board and executive management, the state legislature, federal and state agencies, bond rating agencies, and financial institutions as well as others throughout 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 allocated resources.

Supplemental Information

The supplemental schedule, "Current Unrestricted Funds – Schedule of Revenues, Expenditures, and Other Changes by College/Center" is in accordance with the terms of a Memorandum of Understanding (MOU) between Maricopa Colleges and the North Central Association of Colleges and Schools Commission on Institutions of Higher Education (NCA). The MOU outlines an appropriate pattern of evidence to be made available by Maricopa Colleges for purposes of meeting certain NCA Criteria for Accreditation related to financial resources/uses and other assurances. This schedule presents current unrestricted revenues and expenditures for each college/center.

Current Funds

Current Funds include the General Fund, the Auxiliary Enterprises Fund, and the Restricted Fund.

Fund Balances

The result of FY 2000 financial activities of the Current Funds is a combined fund balance of \$100.6 million, an increase of over \$7 million from the previous fiscal year's ending fund balances. The combined Current Fund unrestricted and restricted fund balances amount to 28% of total Current Fund expenditures and mandatory transfers and provide approximately 72 days of expenditure coverage. The ratio of fund balance to expenditures and the days of expenditure coverage are indicators of: (1) the existence of a buffer of protection from unforeseen contingencies, and (2) Maricopa Colleges' ability to pay for current operating expenditures without entering the short term debt market. These results are consistent with Maricopa Colleges' financial planning goals.

District Functions

Consistent with its mission to provide effective learning environments, instruction is the primary function of Maricopa Colleges. Major funding sources supporting all Maricopa Colleges' functions include property taxes, state appropriations, and tuition and fees. Maricopa Colleges exercises primary and secondary property tax levy authority to generate revenues for operating, capital equipment, and debt retirement purposes. Although total revenues have been increasing, in recent years the mix of funding sources has gradually been shifting. Over the past ten years, tuition and fees as a percent of total revenues has risen while the proportionate share of property taxes and state appropriations has declined.

The following schedule presents a summary of changes in Current Funds revenues for the fiscal year ended June 30, 2000, and the amount and percentage of these changes in relation to the prior year revenues.

Current Funds Revenues				
Fiscal Year Ended June 30, 2000				
(Dollars in Thousands)				
Revenues	Amount	Percent of Total	Change from 1999	Percent Change from 1999
Property taxes	\$ 174,909	46.7%	\$12,286	7.6%
State appropriations	45,138	12.1	3,580	8.6
Government grants and contracts	38,739	10.3	(4,705)	(10.8)
Private gifts, grants, and contracts	12,722	3.4	2,775	27.9
Tuition and fees	88,181	23.6	7,527	9.3
Investment income/other	<u>14,755</u>	<u>3.9</u>	<u>1,098</u>	8.0
Total revenues	<u>\$ 374,444</u>	<u>100.0%</u>	<u>\$22,561</u>	6.4%

The primary reasons for the increase in Current Funds revenues are increases in primary tax levy assessments, increases in private gifts, grants and contracts, and increases in tuition and fees.

Current Funds (continued)

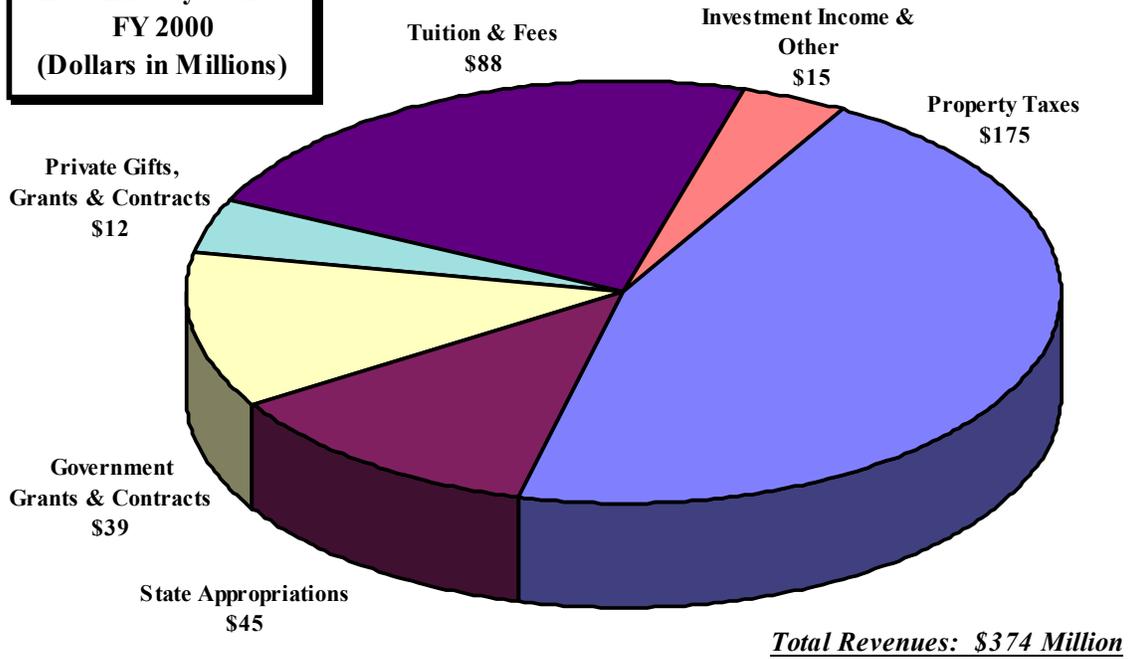
The following schedule presents a summary of changes in Current Funds expenditures for the fiscal year ended June 30, 2000, and the amount and percentage of these changes in relation to prior-year expenditures:

Current Funds Expenditures Fiscal Year Ended June 30, 2000 (Dollars in Thousands)				
<u>Expenditures (by Function)</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Change from 1999</u>	<u>Percent Change from 1999</u>
Instruction	\$149,746	41.5%	\$ 8,652	6.1%
Public service	10,835	3.0	(2,953)	(21.4)
Academic support	32,664	9.1	3,458	11.8
Student services	49,549	13.7	78	0.1
Institutional support	57,369	15.9	6,877	13.6
Operation and maintenance of plant	24,371	6.8	2,777	12.8
Scholarships	4,297	1.2	887	26.0
Auxiliary enterprises expenditures	<u>31,724</u>	<u>8.8</u>	<u>2,224</u>	7.5
Total expenditures	<u>\$360,555</u>	<u>100.0%</u>	<u>\$22,000</u>	6.5%

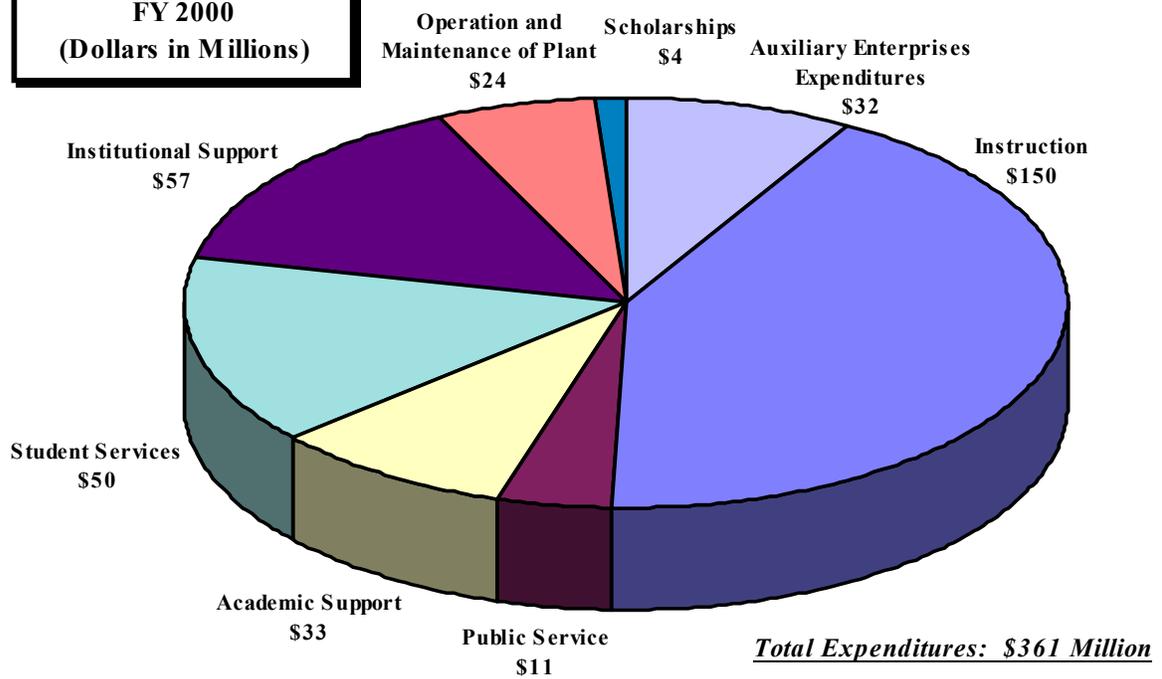
Although Current Funds expenditures rose overall by 6.5% when compared to the prior fiscal year, Maricopa Colleges' financial stability goals were maintained with an increase in Current Funds fund balances of over \$7 million. Increases in the areas of instruction, academic support, student services, and institutional support are in keeping with Maricopa Colleges' mission of providing effective teaching and learning. Increases in operation and maintenance of plant are related to increased square footage of facilities resulting from progress of the capital development program. Increases to scholarships and auxiliary enterprises expenditures are related to an increasing student population.

The charts on the following page demonstrate sources and uses of Current Funds dollars.

**Total Current Funds
Revenues by Source
FY 2000
(Dollars in Millions)**



**Total Current Funds
Expenditures by Function
FY 2000
(Dollars in Millions)**



Auxiliary Enterprises Fund

The Auxiliary Enterprises Fund accounts for transactions of substantially self-supporting auxiliary activities that perform a service primarily for students, faculty and staff, and support educational activities.

Auxiliary Enterprises Fund Major Revenue and Expenditure Categories Fiscal Year Ended June 30, 2000 (Dollars in Thousands)		
	Amount	Percent of Total
Revenues		
Tuition and course fees	\$ 9,422	23.7%
Activity fees	19,587	49.2
Other fees and charges	<u>563</u>	<u>1.4</u>
Subtotal tuition and fees	29,572	74.3
Investment income	3,313	8.3
Bookstore commissions	1,706	4.3
Food service sales	568	1.4
Other	<u>4,676</u>	<u>11.7</u>
Total revenues	<u>\$39,835</u>	<u>100.0%</u>
Expenditures (by Object)		
Salaries and benefits	\$ 13,411	42.3%
Contractual services	4,854	15.3
Supplies and materials	3,759	11.8
Other	<u>9,700</u>	<u>30.6</u>
Total expenditures	<u>31,724</u>	<u>100.0%</u>
Excess of revenues over expenditures	<u>\$ 8,111</u>	

Agency Fund

The Agency Fund accounts for resources held by Maricopa Colleges as the custodian or fiscal agent for students, faculty, staff, and other organizations.

Debt Administration

As of June 30, 2000, Maricopa Colleges' outstanding long-term debt issues and debt services requirements to maturity were as follows:

Debt Service Requirements To Maturity (Dollars in Thousands)				
Year ending June 30:	G.O. Bonds	Revenue Bonds	Capital Leases	Total
2001	\$ 26,878	\$ 2,724	\$ 79	\$ 29,681
2002	29,826	2,724	76	32,626
2003	20,296	2,714	61	23,071
Thereafter	<u>324,185</u>	<u>11,412</u>	<u>14</u>	<u>335,611</u>
Total debt service requirements	401,185	19,574	230	420,989
Less interest	<u>118,150</u>	<u>3,219</u>	<u>32</u>	<u>121,401</u>
Principal balance at June 30, 2000	<u>\$ 283,035</u>	<u>\$ 16,355</u>	<u>\$ 198</u>	<u>\$ 299,588</u>

Moody's Investors Service and Standard & Poors, bond rating agencies, have rated the Maricopa Colleges' general obligation bond debt issues as Aa1 and AA, respectively, and the Colleges' revenue bond debt issues as Aa2 and AA, respectively. These ratings indicate the high quality and strong credit attributes of Maricopa Colleges' obligations.

On February 7, 1995, Maricopa Colleges issued \$104,750,000 of general obligation bonds; on June 10, 1997, \$124,250,000 were issued; and on February 23, 1999, \$104,250,000 were issued. In April 1998, Maricopa Colleges issued \$65,145,000 in general obligation bonds to advance refund portions of the outstanding general obligation bonds issued in 1995. Of the \$385,799,000 authorized by the voters of Maricopa County, \$52,549,000 remained unissued at June 30, 2000. General obligation bond debt is funded from secondary property tax levies collected by the Maricopa County Treasurer.

In May 1998, Maricopa Colleges issued \$6,000,000 of revenue bonds to construct, furnish and equip a performing arts center. Repayments of revenue bond debt is administered by the trust department of a local bank. Revenue bond debt is repaid from student fee revenues and interest earnings on investments held by the trustee. Revenue bond proceeds and required reserves are deposited into irrevocable trust accounts pursuant to the bond indentures.

Capital lease obligations consist of direct and third party lease agreements for the acquisition of \$406,094 of capital assets. Terms of the leases range from three to five years, with interest rates ranging from 5.95 to 18.31 percent. Capital lease payments are generally funded from annual state appropriations.

Property, Buildings, and Equipment

Maricopa Colleges' property, buildings, and equipment are accounted for in the Investment in Plant Fund. As of June 30, 2000, the fixed assets of Maricopa Colleges were approximately \$530 million. Depreciation is not recognized in this fund.

Risk Management

In order to transfer the risk of financial losses, Maricopa Colleges maintains a full complement of insurance coverages, in accordance with (and usually in excess of) requirements established by the State Board:

- ▲▲ Worker's compensation: The District is self-insured for losses related to claims for bodily injury by accident or occupational disease below the level of insurance provided by a commercial policy.
- ▲▲ Liability coverage: The District is covered by an excess school liability policy, which includes general liability, errors and omissions, automobile liability, and uninsured/underinsured motorist coverage. Policy limits total \$40 million and Maricopa Colleges has a self-insured retention (SIR) of \$100,000 per occurrence.
- ▲▲ Property coverage: The District is covered by a blanket real and business personal property policy, which includes business income and extra expense. The policy also covers equipment breakdown/boiler and machinery. The SIR is \$25,000 per occurrence.
- ▲▲ Crime coverage: The District has policies, which cover public dishonesty; forgery or alteration; computer fraud; theft, disappearance and destruction; and counterfeiting. The SIR ranges from \$0 to \$10,000.

Maricopa Colleges has a full-time employee dedicated to risk management issues focusing on insurance, claims administration, and risk control.

Independent Audit

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

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 Maricopa County Community College District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 1999. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government finance reports.

In order to be awarded a Certificate of Achievement, a college or university unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report with contents conforming to program standards. Such CAFR reports must satisfy both generally accepted accounting principles and applicable legal regulations.

A Certificate of Achievement is valid for a period of one year only. Maricopa County Community College District has received a Certificate of Achievement for the last nine consecutive years. Management believes the current report continues to conform to the Certificate of Achievement program requirements and is submitting it to the GFOA.

Acknowledgment

We wish to thank the members of the Board for their interest and support in planning and conducting the financial operations of the Maricopa Colleges 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. Appreciation is expressed to the Office of the Auditor General for timely completion of the audit.

Respectfully submitted,

Rufus Glasper, Ph.D., CPA, CGFM
Vice Chancellor for Business Services

Marilyn A. Anderson, CPA, CGFM
Director of Finance/Controller

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, 1999

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



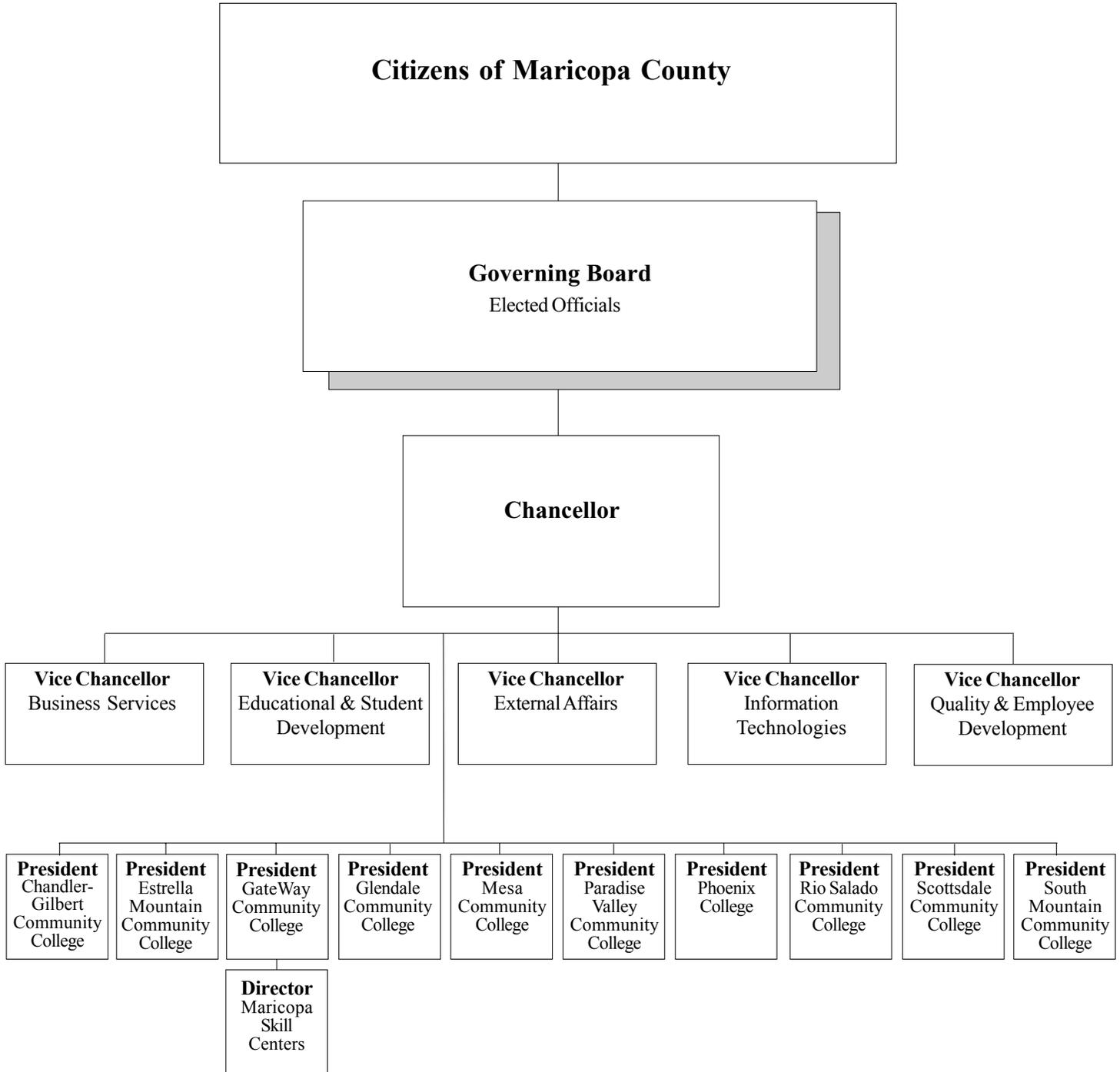
Anne Spray Kinney
President

Jeffrey L. Esall
Executive Director



Maricopa County Community College District

Organizational Chart *



* Effective July 1, 2000

Maricopa County Community College District

Principal Officers

Governing Board

Mr. Gene Eastin, *President*
Dr. Donald R. Campbell, *Secretary*
Mr. Ed Contreras, *Member*
Mrs. Linda B. Rosenthal, *Member*
Mrs. Nancy Stein, *Member*

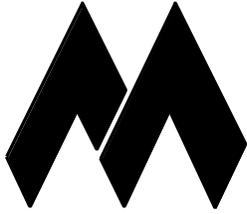
Administration

Dr. Fred Gaskin, *Chancellor **
Dr. Rufus Glasper, *Vice Chancellor Business Services*
Ms. Bertha Landrum, *Interim Vice Chancellor Educational and Student Development*
Dr. Raúl Cárdenas, *Vice Chancellor External Affairs **
Mr. Ron Bleed, *Vice Chancellor Information Technologies*
Dr. Phil Randolph, *Interim Vice Chancellor Quality and Employee Development*

College Presidents & Director

Mrs. Arnette Ward, *President, Chandler-Gilbert Community College*
Dr. Homero Lopez, *President, Estrella Mountain Community College*
Dr. Fred Gaudet, *Interim President, GateWay Community College*
Dr. Tessa Martinez Pollack, *President, Glendale Community College*
Dr. Larry Christiansen, *President, Mesa Community College*
Dr. Gina Kranitz, *Interim President, Paradise Valley Community College*
Dr. Marie Pepicello, *President, Phoenix College*
Dr. Linda Thor, *President, Rio Salado Community College*
Dr. Art DeCabooteer, *President, Scottsdale Community College*
Dr. John Cordova, *President, South Mountain Community College*
Mr. Stan Grossman, *Director, Maricopa Skill Centers*

* Effective July 1, 2000



Maricopa Community Colleges

Vision, Mission & Values

Vision

The Maricopa Community Colleges strive to exceed the changing expectations of our many communities for effective, innovative, student-centered, flexible and lifelong educational opportunities. Our employees are committed to respecting diversity, continuous quality improvement, and the efficient use of resources. We are a learning organization guided by our shared values.

Mission

The Maricopa Community Colleges create and continuously improve affordable, accessible, effective and safe learning environments for the lifelong educational needs of the diverse communities we serve.

Our Colleges Fulfill This Mission Through:

- ▲▲ University Transfer Education
- ▲▲ General Education
- ▲▲ Developmental Education
- ▲▲ Workforce Development
- ▲▲ Student Development Services
- ▲▲ Continuing Education
- ▲▲ Community Education

ADOPTED JULY 27, 1999, BY THE MARICOPA COMMUNITY COLLEGE DISTRICT GOVERNING BOARD

Statement of Values

We adhere to the philosophy that education thrives in a community bound by moral and ethical values and devotion to lifelong learning. We accept the responsibility to respond to the needs of the people in our communities who desire to fulfill their potential in life. Therefore, we operate on the basis of openness and trust, to nurture an environment where we all can be heard. We commit to living according to the following basic values which are vital to maintaining the integrity and vitality of our community of learners.

Value Education

We value lifelong learning opportunities that respond to the needs of our communities and are accessible, affordable and of the highest quality.

Value Students

We value students as the primary reason we exist. We respect their diverse life experiences, value their achievements, and appreciate their contributions to our learning community.

Value Employees

We value all our employees, respect their diverse life experiences, appreciate their contributions to our learning community, and encourage their individual professional development.

Value Excellence

We invite innovation, support creative problem-solving, and encourage risk-taking. We value teamwork, cooperation and collaboration as part of our continuous improvement efforts.

Value Diversity

We celebrate the diversity of our communities and pledge to promote and recognize the strengths as reflected in our employees and students. We believe no one is more important than another, each is important in a unique way, and we depend on each other to accomplish our mission.

Value Honesty and Integrity

We believe academic and personal honesty are essential elements in our learning environment. Employees and students must speak and act truthfully.

Value Freedom

To foster our learning environment, we respect individual rights and the privacy of our employees and students, and encourage dialogue and the free exchange of views.

Value Fairness

We advocate fairness and just treatment for all students and employees.

Value Responsibility

We believe employees are accountable for their personal and professional actions as they carry out their assignments. We are all responsible for making our learning experiences significant and meaningful. We are accountable to our communities for the efficient and effective use of resources.

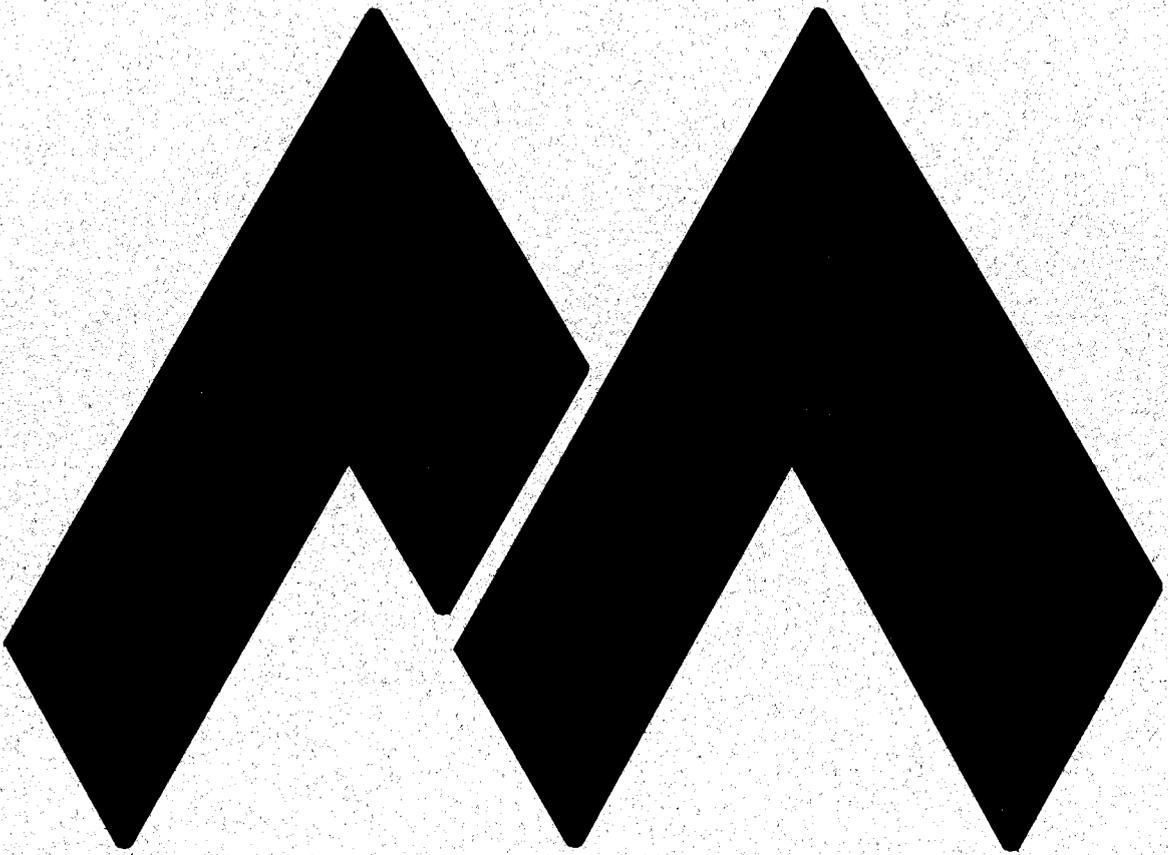
Value Public Trust

We honor the trust placed in us by the community to prepare our students for their role as productive world citizens.



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Financial Section





DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

Independent Auditors' Report

Members of the Arizona State Legislature

The Governing Board of
Maricopa County Community College District

We have audited the accompanying balance sheet of Maricopa County Community College District as of June 30, 2000, and the related statements of changes in fund balances and current funds revenues, expenditures, and other changes for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Maricopa County Community College District as of June 30, 2000, and the changes in its fund balances and its current funds revenues, expenditures, and other changes for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the financial statements of Maricopa County Community College District taken as a whole. The accompanying Current Unrestricted Funds—Schedule of Revenues, Expenditures, and Other Changes by College/Center listed as supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The information included in the introductory and statistical sections listed in the table of contents has not been subjected to the auditing procedures applied in our audit of the financial statements and, accordingly, we express no opinion on such information.

In accordance with *Government Auditing Standards*, we will also issue our report on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants at a future date. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Debbie Davenport
Auditor General

November 30, 2000

Maricopa County Community College District
Balance Sheet
June 30, 2000
(with comparative totals for 1999)

	<u>Current Funds</u>			<u>Total Current Funds</u>	
	<u>Unrestricted</u>		<u>Restricted</u>	<u>(Memorandum Only)</u>	
	<u>General</u>	<u>Auxiliary Enterprises</u>		<u>6-30-00</u>	<u>6-30-99</u>
Assets					
Cash and cash equivalents	\$ 17,498,338	\$ -	\$ 355,833	\$ 17,854,171	\$ 48,730,618
Investments	34,529,467	58,295,553	7,202,533	100,027,553	59,050,948
Cash and investments held by trustee	-	-	-	-	-
Receivables:					
Property taxes	4,163,150	-	-	4,163,150	3,767,077
Government grants, net of allowance	-	-	4,656,871	4,656,871	3,256,396
Student loans (less allowance of \$1,582,441 in FY 2000 and \$1,516,927 in FY 1999)	-	147,331	6,182	153,513	229,238
Interest	196,616	405,495	37,397	639,508	465,822
Other, net of allowances	176,578	2,539,962	2,123,778	4,840,318	4,004,894
Due from other funds	31,905,866	-	-	31,905,866	-
Inventories	201,144	21,858	36,579	259,581	261,326
Other	263,801	67,503	22,661	353,965	570,368
Property, buildings and equipment	-	-	-	-	-
Total assets	\$ 88,934,960	\$ 61,477,702	\$ 14,441,834	\$ 164,854,496	\$ 120,336,687
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 2,051,656	\$ 473,035	\$ 1,060,138	\$ 3,584,829	\$ 2,069,163
Accrued liabilities	17,204,363	2,225,178	9,867	19,439,408	19,060,374
Deposits held in custody for others	-	-	-	-	-
Interest payable	-	-	-	-	-
Deferred revenues	1,862,648	807,000	6,519,827	9,189,475	5,557,949
Due to other funds	-	31,905,866	-	31,905,866	-
Obligations under capital leases	-	-	-	-	-
Other long-term obligations	-	-	-	-	-
Bonds payable	-	-	-	-	-
Other	-	28,046	126,161	154,207	72,438
Total liabilities	21,118,667	35,439,125	7,715,993	64,273,785	26,759,924
Fund Balances:					
Restricted					
General	-	-	6,725,841	6,725,841	5,371,178
U.S. government grants refundable	-	-	-	-	-
Quasi-endowment	-	-	-	-	-
Endowment	-	-	-	-	-
Unrestricted					
Designated for future operations	45,623,255	-	-	45,623,255	42,797,514
Undesignated	22,193,038	26,038,577	-	48,231,615	45,408,071
Net investment in plant	-	-	-	-	-
Total fund balances	67,816,293	26,038,577	6,725,841	100,580,711	93,576,763
Total liabilities and fund balances	\$ 88,934,960	\$ 61,477,702	\$ 14,441,834	\$ 164,854,496	\$ 120,336,687

See accompanying notes to financial statements.

Loan Fund	Endowment and Similar Funds	Plant Funds			Agency Fund	Total All Funds (Memorandum Only)	
		Unexpended	Retirement of Indebtedness	Investment in Plant		6-30-00	6-30-99
\$ 647,012	\$ 5,400	\$ 1,957,229	\$ 26,961,933	\$ -	\$ 5,522,858	\$ 52,948,603	\$ 92,177,492
-	4,868,329	87,293,130	-	-	103,432	192,292,444	194,519,751
-	-	6,553,541	-	-	-	6,553,541	7,143,879
-	-	-	687,731	-	-	4,850,881	4,282,212
-	-	-	-	-	-	4,656,871	3,256,396
1,103,602	-	-	-	-	-	1,257,115	1,465,071
-	30,125	138,504	-	-	641	808,778	674,583
6,580	-	-	-	-	19,044	4,865,942	4,018,352
-	-	-	-	-	-	31,905,866	-
-	-	-	-	-	-	259,581	261,326
-	-	25,000	-	-	11,440	390,405	606,232
-	-	-	-	529,978,985	-	529,978,985	479,761,398
<u>\$ 1,757,194</u>	<u>\$ 4,903,854</u>	<u>\$ 95,967,404</u>	<u>\$ 27,649,664</u>	<u>\$ 529,978,985</u>	<u>\$ 5,657,415</u>	<u>\$ 830,769,012</u>	<u>\$ 788,166,692</u>
\$ 1,404	\$ -	\$ 4,650,235	\$ -	\$ -	\$ 1,039,513	\$ 9,275,981	\$ 8,096,764
-	-	-	-	-	3,414,142	22,853,550	24,217,336
-	-	-	-	-	1,203,760	1,203,760	1,177,294
-	-	-	7,456,578	-	-	7,456,578	7,683,402
-	-	-	-	-	-	9,189,475	5,557,949
-	-	-	-	-	-	31,905,866	-
-	-	62,708	-	135,154	-	197,862	772,987
-	-	2,043,165	-	-	-	2,043,165	2,528,396
-	-	54,003,669	15,025,000	230,361,331	-	299,390,000	318,445,000
-	-	-	-	-	-	154,207	72,438
<u>1,404</u>	<u>-</u>	<u>60,759,777</u>	<u>22,481,578</u>	<u>230,496,485</u>	<u>5,657,415</u>	<u>383,670,444</u>	<u>368,551,566</u>
1,007,109	-	35,207,627	5,168,086	-	-	48,108,663	36,876,268
748,681	-	-	-	-	-	748,681	1,155,748
-	4,682,456	-	-	-	-	4,682,456	4,450,066
-	221,398	-	-	-	-	221,398	221,049
-	-	-	-	-	-	45,623,255	42,797,514
-	-	-	-	-	-	48,231,615	45,408,071
-	-	-	-	299,482,500	-	299,482,500	288,706,410
<u>1,755,790</u>	<u>4,903,854</u>	<u>35,207,627</u>	<u>5,168,086</u>	<u>299,482,500</u>	<u>-</u>	<u>447,098,568</u>	<u>419,615,126</u>
<u>\$ 1,757,194</u>	<u>\$ 4,903,854</u>	<u>\$ 95,967,404</u>	<u>\$ 27,649,664</u>	<u>\$ 529,978,985</u>	<u>\$ 5,657,415</u>	<u>\$ 830,769,012</u>	<u>\$ 788,166,692</u>

Maricopa County Community College District
Statement of Changes in Fund Balances
For the Year Ended June 30, 2000
(with comparative totals for 1999)

	Current Funds			Total Current Funds	
	Unrestricted		Restricted	(Memorandum Only)	
	General	Auxiliary Enterprises		6-30-00	6-30-99
Revenues and Other Additions:					
Unrestricted current revenues	\$ 277,412,975	\$ 39,835,460	\$ -	\$ 317,248,435	\$ 293,848,064
Property taxes	-	-	-	-	-
Tuition and fees	-	-	2,222,931	2,222,931	1,961,989
State appropriations	-	-	333,243	333,243	76,656
Government grants and contracts	-	-	39,562,926	39,562,926	43,643,315
Private gifts, grants, and contracts	-	-	13,715,776	13,715,776	11,240,006
Investment income	-	-	331,720	331,720	200,737
Interest on student loans	-	-	-	-	-
Expended for plant facilities	-	-	-	-	-
Retirement of indebtedness	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Other	-	-	883,626	883,626	869,098
Total revenues and other additions	<u>277,412,975</u>	<u>39,835,460</u>	<u>57,050,222</u>	<u>374,298,657</u>	<u>351,839,865</u>
Expenditures and Other Deductions:					
Educational and general expenditures	270,658,366	-	58,173,002	328,831,368	309,054,922
Auxiliary enterprises expenditures	-	31,723,894	-	31,723,894	29,500,040
Indirect costs recovered	-	-	714,615	714,615	866,021
Refunded to grantors	-	-	180,013	180,013	169,797
Loan cancellations, write-offs and provision for bad debts	-	-	-	-	-
Expended for plant facilities	-	-	-	-	-
Retirement of indebtedness	-	-	-	-	-
Interest on indebtedness	-	-	-	-	-
Disposal of plant facilities	-	-	-	-	-
Other	-	-	-	-	-
Total expenditures and other deductions	<u>270,658,366</u>	<u>31,723,894</u>	<u>59,067,630</u>	<u>361,449,890</u>	<u>339,590,780</u>
Transfers Among Funds - Additions (Deductions):					
Mandatory transfers for -					
Principal and interest	-	(2,738,851)	-	(2,738,851)	(2,780,319)
College matching portion of:					
Government grants	(642,694)	(334,399)	977,093	-	-
Student loans	-	527	-	527	(5,347)
Total mandatory transfers	<u>(642,694)</u>	<u>(3,072,723)</u>	<u>977,093</u>	<u>(2,738,324)</u>	<u>(2,785,666)</u>
Nonmandatory transfers (net)	<u>(1,827,742)</u>	<u>(3,673,731)</u>	<u>2,394,978</u>	<u>(3,106,495)</u>	<u>(281,906)</u>
Total transfers	<u>(2,470,436)</u>	<u>(6,746,454)</u>	<u>3,372,071</u>	<u>(5,844,819)</u>	<u>(3,067,572)</u>
Net Increase (Decrease) for the Year	4,284,173	1,365,112	1,354,663	7,003,948	9,181,513
Fund Balances, July 1	<u>63,532,120</u>	<u>24,673,465</u>	<u>5,371,178</u>	<u>93,576,763</u>	<u>84,395,250</u>
Fund Balances, June 30	<u>\$ 67,816,293</u>	<u>\$ 26,038,577</u>	<u>\$ 6,725,841</u>	<u>\$ 100,580,711</u>	<u>\$ 93,576,763</u>

See accompanying notes to financial statements.

Loan Fund	Endowment and Similar Funds	Plant Funds			Total All Funds (Memorandum Only)	
		Unexpended	Retirement of Indebtedness	Investment in Plant	6-30-00	6-30-99
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 317,248,435	\$ 293,848,064
-	-	-	29,322,936	-	29,322,936	22,906,230
-	-	-	-	-	2,222,931	1,963,278
-	-	7,660,000	-	-	7,993,243	7,458,256
2,030	-	-	-	-	39,564,956	43,659,355
2,500	-	130,183	-	256,431	14,104,890	11,623,639
-	231,798	5,625,355	720,790	-	6,909,663	7,187,216
42,784	-	-	-	-	42,784	41,889
-	-	-	-	57,308,411	57,308,411	80,292,158
-	-	405,000	-	15,416,738	15,821,738	20,195,760
-	-	34,395	-	-	34,395	21,564
69,320	2,062	10,868	-	-	965,876	1,088,614
<u>116,634</u>	<u>233,860</u>	<u>13,865,801</u>	<u>30,043,726</u>	<u>72,981,580</u>	<u>491,540,258</u>	<u>490,286,023</u>
-	-	-	-	-	328,831,368	309,054,922
-	-	-	-	-	31,723,894	29,500,040
84,634	-	-	-	-	799,249	960,437
11,325	-	-	-	-	191,338	169,797
34,578	-	-	-	-	34,578	298,314
-	-	63,566,732	-	-	63,566,732	87,186,765
-	-	796,738	15,025,000	-	15,821,738	20,195,760
-	-	18,019	15,310,588	-	15,328,607	13,264,734
-	-	-	-	7,568,868	7,568,868	22,147,570
-	-	190,444	-	-	190,444	485,040
<u>130,537</u>	<u>-</u>	<u>64,571,933</u>	<u>30,335,588</u>	<u>7,568,868</u>	<u>464,056,816</u>	<u>483,263,379</u>
-	-	-	2,738,851	-	-	-
-	-	-	-	-	-	-
(527)	-	-	-	-	-	-
<u>(527)</u>	<u>-</u>	<u>-</u>	<u>2,738,851</u>	<u>-</u>	<u>-</u>	<u>-</u>
23,700	(1,121)	58,429,306	(708,768)	(54,636,622)	-	-
<u>23,173</u>	<u>(1,121)</u>	<u>58,429,306</u>	<u>2,030,083</u>	<u>(54,636,622)</u>	<u>-</u>	<u>-</u>
9,270	232,739	7,723,174	1,738,221	10,776,090	27,483,442	7,022,644
<u>1,746,520</u>	<u>4,671,115</u>	<u>27,484,453</u>	<u>3,429,865</u>	<u>288,706,410</u>	<u>419,615,126</u>	<u>412,592,482</u>
<u>\$ 1,755,790</u>	<u>\$ 4,903,854</u>	<u>\$ 35,207,627</u>	<u>\$ 5,168,086</u>	<u>\$ 299,482,500</u>	<u>\$ 447,098,568</u>	<u>\$ 419,615,126</u>

Maricopa County Community College District
Statement of Current Funds
Revenues, Expenditures, and Other Changes
For the Year Ended June 30, 2000
(with comparative totals for 1999)

	Unrestricted			Total Current Funds		
	General	Auxiliary Enterprises	Total	Restricted	(Memorandum Only)	
					6-30-00	6-30-99
Revenues:						
Property taxes	\$ 174,909,180	\$ -	\$ 174,909,180	\$ -	\$ 174,909,180	\$ 162,623,054
State appropriations	44,804,900	-	44,804,900	333,243	45,138,143	41,558,156
Government grants and contracts	-	-	-	38,738,506	38,738,506	43,444,271
Private gifts, grants, and contracts	-	39,332	39,332	12,682,853	12,722,185	9,946,621
Tuition and fees	54,382,513	29,572,381	83,954,894	4,225,961	88,180,855	80,654,178
Investment income	2,991,965	3,313,419	6,305,384	331,720	6,637,104	6,311,931
Bookstore commissions	-	1,706,255	1,706,255	-	1,706,255	1,570,518
Food services sales	-	567,588	567,588	-	567,588	573,816
Other	324,417	4,636,485	4,960,902	883,626	5,844,528	5,200,810
Total revenues	<u>277,412,975</u>	<u>39,835,460</u>	<u>317,248,435</u>	<u>57,195,909</u>	<u>374,444,344</u>	<u>351,883,355</u>
Expenditures and Mandatory Transfers:						
Educational and general expenditures -						
Instruction	138,891,443	-	138,891,443	10,854,902	149,746,345	141,093,914
Public service	210,890	-	210,890	10,623,723	10,834,613	13,788,226
Academic support	31,873,387	-	31,873,387	791,110	32,664,497	29,205,254
Student services	20,798,081	-	20,798,081	28,750,815	49,548,896	49,470,465
Institutional support	55,306,113	-	55,306,113	2,062,420	57,368,533	50,492,315
Operation and maintenance of plant	23,578,452	-	23,578,452	792,918	24,371,370	21,594,430
Scholarships	-	-	-	4,297,114	4,297,114	3,410,318
Total educational and general expenditures	<u>270,658,366</u>	<u>-</u>	<u>270,658,366</u>	<u>58,173,002</u>	<u>328,831,368</u>	<u>309,054,922</u>
Auxiliary enterprises expenditures	-	31,723,894	31,723,894	-	31,723,894	29,500,040
Total expenditures	<u>270,658,366</u>	<u>31,723,894</u>	<u>302,382,260</u>	<u>58,173,002</u>	<u>360,555,262</u>	<u>338,554,962</u>
Mandatory transfers for -						
Principal and interest	-	2,738,851	2,738,851	-	2,738,851	2,780,319
College matching portion of -						
Government grants	642,694	334,399	977,093	(977,093)	-	-
Student loans	-	(527)	(527)	-	(527)	5,347
Total mandatory transfers	<u>642,694</u>	<u>3,072,723</u>	<u>3,715,417</u>	<u>(977,093)</u>	<u>2,738,324</u>	<u>2,785,666</u>
Total expenditures and mandatory transfers	<u>271,301,060</u>	<u>34,796,617</u>	<u>306,097,677</u>	<u>57,195,909</u>	<u>363,293,586</u>	<u>341,340,628</u>
Other Transfers and Additions (Deductions):						
Excess of transfers to revenue over restricted receipts	-	-	-	(860,302)	(860,302)	(909,511)
Refunded to grantors	-	-	-	(180,013)	(180,013)	(169,797)
Nonmandatory transfers (net)	<u>(1,827,742)</u>	<u>(3,673,731)</u>	<u>(5,501,473)</u>	<u>2,394,978</u>	<u>(3,106,495)</u>	<u>(281,906)</u>
Net Increase in Fund Balances	<u>\$ 4,284,173</u>	<u>\$ 1,365,112</u>	<u>\$ 5,649,285</u>	<u>\$ 1,354,663</u>	<u>\$ 7,003,948</u>	<u>\$ 9,181,513</u>

See accompanying notes to financial statements.

Maricopa County Community College District
Notes to Financial Statements
Fiscal Year Ended June 30, 2000

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 governmental colleges and universities as set forth in the AICPA College Guide model defined in Governmental Accounting Standards Board (GASB) Statement No. 15. This authoritative pronouncement is consistent with accounting practices prescribed or permitted by the State Board of Directors for Community Colleges of Arizona. A summary of the more significant accounting policies of the District follows.

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 or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental financial reporting entity.

The financial activities of the Maricopa County Community College District Foundation, Inc., are not included in the District's financial statements. The Foundation is a nonprofit corporation controlled by a separate board of directors. The goals of the Foundation are to promote educational programs and District objectives.

Fund Accounting - The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with the activities or objectives specified for those resources. Accounts are separately maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, financial transactions are reported by fund groups as if each fund group were a single fund. Within each fund group, fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds.

Descriptions of Funds - The Current Funds account for resources that will be expended in the near term for operating purposes in performing the primary and support missions of the District, which are instruction, public service, academic support, student services, institutional support (i.e., administration), operation and maintenance of plant, scholarships, and auxiliary enterprises. The individual Current Funds are described more fully as follows:

- ▲▲ The General Fund accounts for all unrestricted current financial resources not required to be accounted for in other Current Funds.
- ▲▲ The Auxiliary Enterprises Fund accounts for transactions of substantially self-supporting auxiliary activities that provide services primarily to students, faculty and staff, and support educational activities. Such activities include food services and intercollegiate athletics.
- ▲▲ The Restricted Fund accounts for resources that are expendable for operating purposes, but restricted by donors or other outside agencies as to a specific purpose for which they may be expended. Revenues of the Restricted Fund are reported in the Statement of Current Funds Revenues, Expenditures, and Other Changes only to the extent of expenditures and net mandatory transfers. Amounts expended in excess of receipts and net mandatory transfers are reported as deductions from the fund balance during the year.

NOTE 1 - Summary of Significant Accounting Policies (continued)

The other funds of the District and their purposes are described as follows:

- ▲▲ The Loan Fund accounts for loans and resources available for loans to students, faculty, and staff. The loans are financed primarily by federal loan programs, the customary terms of which: (a) require that the District match a portion of the federal funding, and (b) provide for the ultimate cancellation of a portion of a loan if the recipient completes certain employment requirements. Interest on student loans is recorded only when received.
- ▲▲ The Endowment and Similar Funds account for assets subject to restrictions requiring that the principal be invested permanently or for a certain period of time, although investment income may be expended. The resources may either be restricted by the donor or designated by the Board.
- ▲▲ The Plant Funds account for transactions relating to the District's investment in property, buildings, and equipment (i.e., plant assets). They include the Unexpended Plant Fund, Retirement of Indebtedness Plant Fund, and Investment in Plant Fund.

The Unexpended Plant Fund accounts for resources available to finance the acquisition, construction, or improvement of plant assets for the District. Expenditures for construction in progress are accumulated in this fund until the project is completed or until the end of the fiscal year and then transferred to the Investment in Plant Fund. Resources restricted for renewals and replacements of existing District plant assets are also recorded in the Unexpended Plant Fund.

The Retirement of Indebtedness Plant Fund accounts for the accumulation of resources for payment of principal, interest, and other debt service charges, including contributions for sinking funds relating to debt incurred in the financing of District plant assets.

The Investment in Plant Fund accounts for the costs of plant assets and the related liabilities. Assets recorded in the Investment in Plant Fund may be acquired from resources in the Unexpended Plant, Auxiliary Enterprises, or Restricted Funds.

- ▲▲ The Agency Fund accounts for resources held by the District as the custodian or fiscal agent for students, faculty, staff, and other organizations. Therefore, the transactions within this fund do not affect the Statement of Changes in Fund Balances.

Total Columns (Memorandum Only) - The information in the Total Current Funds and Total All Funds columns is for comparison purposes only and does not purport to present financial position or the results of operations in conformity with generally accepted accounting principles (GAAP). Interfund eliminations have not been made and, therefore, the data is not comparable to a consolidation.

Budget - An annual budget is prepared and legally adopted for the General Fund, Auxiliary Enterprises Fund, Restricted Fund, Unexpended Plant Fund, and Retirement of Indebtedness Plant Fund. These budgets are adopted on a basis consistent with GAAP. Budget transfers within the General Fund are subject to limitations imposed by function and by object. After adoption, the budget may only be modified downward by the Board. Expenditures may not exceed the adopted budget for each fund. Unexpended balances, including state appropriations received, carry over into the next year as a financing source for the new year.

Formally adopted budgets are not prepared for the Loan Fund, Endowment and Similar Funds, or the Agency Fund. Expenditures may not exceed the available balances for each of these funds.

NOTE 1 - Summary of Significant Accounting Policies (continued)

Encumbrances - Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable fund balance, is employed as an extension of formal budgetary control. General Fund encumbrances outstanding at year-end for goods or services that were not received before fiscal year-end are canceled.

Basis of Accounting - The accompanying financial statements are presented on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenditures are recorded when materials or services are received. Grant revenues in the Restricted Fund are recognized to the extent that the related expenditures have been incurred. The Statement of Current Funds Revenues, Expenditures, and Other Changes is a statement of financial activities of current funds related to the current reporting period. It does not purport to present the results of operations, or the net income or loss for the period as would a statement of income, or a statement of revenues and expenses.

Cash and Cash Equivalents - Cash and cash equivalents include petty cash on hand, cash in the bank, cash invested in short-term U.S. Treasury securities, and cash and investments held by the County Treasurer. Cash equivalents are defined as investments with original maturities of three months or less from the date of acquisition.

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

Inventories - All inventories are stated at the lower of cost (first-in, first-out method) or market.

Property, Buildings, and Equipment - Property, buildings, and equipment are stated at cost at date of acquisition, or fair market value at date of donation in the case of gifts. Major outlays for assets or improvements to assets are capitalized as projects are constructed; interest is capitalized if material. These are categorized as Construction in Progress until completed, at which time they are reclassified to the appropriate asset type. To the extent that current funds are used to finance such assets, the amounts so provided are accounted for as: (a) expenditures in the case of normal acquisition or replacement of movable equipment and library books; (b) mandatory transfers (i.e., transfers among funds resulting from legally binding agreements) in the case of required provisions for debt amortization and interest; or (c) nonmandatory transfers (i.e., transfers among funds made at the discretion of the Board) in other cases. Depreciation on buildings and equipment is not recorded.

Compensated Absences - Compensated absences consist of vacation leave earned and a projected amount of sick leave based on accumulated balances for eligible employees. Employees may accumulate vacation balances depending on years of service and employee group, but any vacation hours in excess of the maximum amount that are unused at fiscal year-end are forfeited. Sick leave benefits provide for ordinary sick pay and are cumulative. Sick leave balances accumulate to a maximum amount per employee and unused balances are paid at retirement or death for employees having at least 10 years of service.

Investment Income - Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments. Income earned from investments purchased with pooled monies is allocated to each of the District's funds based on invested balances of each fund. Income earned by the Endowment Funds is allocated to the Restricted or Unrestricted Current Funds based on the nature of the endowment. Interest earned in the Quasi-endowment Fund is recognized in the Endowment and Similar Funds.

NOTE 1 - Summary of Significant Accounting Policies (continued)

Summer Sessions - Summer sessions revenues and expenditures are reported within the fiscal year in which the summer sessions program is predominantly conducted.

Tuition and Fees - Tuition and fees revenues (net of refunds) include \$890,730 of waivers for benefits charged to the appropriate expenditure category to which the benefited personnel or their dependents relate.

NOTE 2 - Deposits and Investments

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

The District acts as a prudent person dealing with the property of another by following statutory guidelines for investment restrictions. The District may participate in U.S. government securities, repurchase agreements, insured or collateralized deposits, certificates of deposit, and interest-bearing savings accounts. Stocks and mutual funds held by the District were donated by third parties.

Deposits

At June 30, 2000, the total petty cash on hand was \$213,630. The carrying amount of the District's deposits was \$1,216,359, and the District's bank balance was \$3,891,744. Of the bank balance, \$3,838,904 was covered by federal depository insurance or by collateral held by the District or its agent in the District's name, and \$52,840 was uninsured and uncollateralized.

Investments

The District's investments are categorized to give an indication of the level of risk assumed by the District at June 30, 2000. Category 1 includes investments that are insured or registered in the District's name, or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the District's name.

The District's investment in the State and County Treasurer's investment pools represent shares in those pools' portfolios. The shares are not identified with specific investments and are not subject to credit risk. The same is true for the District's investments in mutual funds. Repurchase agreements are limited to U.S. Treasury securities pursuant to provisions of a guaranteed investment contract.

The State Board of Deposit provides oversight for the State Treasurer's pools, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant's position in the pool approximates the value of that participant's pool shares. No comparable oversight is provided for the County Treasurer's investment pool, and the structure of that pool does not provide for shares.

NOTE 2 - Deposits and Investments (continued)

Deposits and Investments at June 30, 2000, consist of the following:

	<u>Categories</u>			<u>Fair</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Value</u>
<i>Deposits and Investments by Category</i>				
U.S. Government securities	\$ 61,873,664			\$ 61,873,664
Repurchase agreements	53,041,417			53,041,417
Certificates of deposit	181,000			181,000
Stocks held by the District	<u>57</u>			<u>57</u>
	<u>\$115,096,138</u>			115,096,138
Cash & Investments not subject to categorization:				
Cash and investments held by the County Treasurer				1,543,614
State Treasurer's investment pool				127,112,157
Mutual funds				59,149
Cash in bank				1,216,359
Petty cash				<u>213,630</u>
Total deposits and investments at June 30, 2000				<u>\$245,241,047</u>
Balance sheet:				
Cash and cash equivalents				\$ 52,948,603
Investments				<u>192,292,444</u>
Total				<u>\$245,241,047</u>

Cash and Investments Held by Trustee

Cash and investments held by trustee at June 30, 2000, are restricted as to usage and consist of U.S. government securities with a fair value of \$6,553,541. These securities, which are registered in the name of the pledging financial institution pursuant to depository trust agreements, are considered a category 3 investment.

NOTE 3 - Property Taxes Receivable

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 Maricopa County Treasurer. However, a lien assessed against real and personal property attaches on the first day of January preceding assessment and levy thereof. Property taxes are payable in two equal installments due in October and March. The delinquent tax dates are the second business days in November and May.

Property taxes receivable consist of uncollected property taxes as determined from the records of the Maricopa County Treasurer’s Office. Balances at June 30, 2000, follow:

<i>Property Taxes Receivable by Fund</i>		
<u>Fiscal Year</u>	<u>General Fund</u>	<u>Retirement of Indebtedness</u>
1999-00	\$3,829,249	\$667,206
Prior	<u>333,901</u>	<u>20,525</u>
Total property taxes receivable at June 30, 2000	<u>\$4,163,150</u>	<u>\$687,731</u>

NOTE 4 - Grants Receivable

Government grants receivable consist of unreimbursed expenditures relating to government grants and is shown net of the related allowance for doubtful accounts. A summary of this allowance for doubtful accounts for government grants receivable at June 30, 2000, follows:

<i>Government Grants Receivable Allowance for Doubtful Accounts</i>	
Federal Grants	\$623,971
State Grants	<u>209,401</u>
Total allowance for doubtful accounts at June 30, 2000	<u>\$833,372</u>

NOTE 5 - Other Receivables

Other receivables are shown net of the related allowance for doubtful accounts. A summary of the allowance for doubtful accounts for other receivables at June 30, 2000, follows:

<i>Other Receivable Allowance for Doubtful Accounts by Fund</i>	
Auxiliary Enterprises Fund	\$ 359,380
Restricted Fund	<u>5,966</u>
Total allowance for doubtful accounts at June 30, 2000	<u>\$ 365,346</u>

NOTE 6 - Property, Buildings, and Equipment

The following is a summary of changes in property, buildings, and equipment during the fiscal year:

<i>Changes in Property, Buildings, and Equipment</i>				
	Balance <u>July 1, 1999</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2000</u>
Land	\$ 28,383,791	\$ 114,656	\$ -	\$ 28,498,447
Improvements other than buildings	20,206,720	2,570,790	-	22,777,510
Buildings	296,938,264	13,094,179	549,550	309,482,893
Equipment	103,260,269	15,244,118	5,186,355	113,318,032
Library books	7,662,557	635,195	151,324	8,146,428
Telecommunications	1,681,639	-	1,681,639	-
Construction in progress	<u>21,628,158</u>	<u>38,286,037</u>	<u>12,158,520</u>	<u>47,755,675</u>
Total property, buildings, and equipment	<u>\$ 479,761,398</u>	<u>\$ 69,944,975</u>	<u>\$ 19,727,388</u>	<u>\$ 529,978,985</u>

Estimated costs to complete construction in progress at June 30, 2000, is \$62,040,538. Expended for plant facilities additions in the Investment in Plant Fund include \$1,923,120 of expenditures charged to current funds in fiscal year 2000. Expended for plant facilities deductions in the Unexpended Plant Fund include \$8,181,441 of noncapitalized expenditures in fiscal year 2000.

NOTE 7 - Compensated Absences

The District accrues amounts for compensated absences as earned, which include vacation and sick leave. As of June 30, 2000, the compensated absences accrual is \$16,239,548. Of this amount, \$15,074,125 makes up the General Fund portion and \$1,165,423 makes up the Auxiliary Enterprises Fund portion. These amounts are reported on the balance sheet as accrued liabilities.

NOTE 8 - Obligations Under Capital Leases

Capital lease obligations at June 30, 2000, consist of various capital lease agreements entered into for the acquisition of computer and office/instructional equipment. Under terms of these obligations, interest is to be paid at rates ranging from 5.95 to 18.31 percent; amortization periods range from three to five years. Assets totaling \$406,094 acquired under the provisions of these lease agreements are capitalized in the Investment in Plant Fund. The leases provide bargain purchase options.

At June 30, 2000, the future minimum lease payments, together with the present value of the net minimum lease payments, follow:

<i>Future Minimum Capital Lease Payments</i>	
Year ending June 30:	
2001	\$ 79,443
2002	75,697
2003	61,473
2004	<u>13,822</u>
Total minimum lease payments	230,435
Less amount representing interest	<u>32,573</u>
Present value of net minimum lease payments at June 30, 2000	<u>\$ 197,862</u>

NOTE 9 - Obligations Under Operating Leases

The District leases land, buildings, and equipment under the provisions of long-term lease agreements classified as operating leases. Rental expenditures under the terms of the operating leases were \$787,089 for the year ended June 30, 2000. The operating leases have remaining noncancelable lease terms from one to 66 years.

The future minimum rental payments required under operating lease agreements as of June 30, 2000, follow:

<i>Future Minimum Operating Lease Payments</i>	
Year ending June 30:	
2001	\$ 756,463
2002	469,142
2003	384,335
2004	365,347
2005	9,600
Thereafter	<u>476,800</u>
Total minimum lease payments at June 30, 2000	<u><u>\$2,461,687</u></u>

NOTE 10 - Bonds Payable

Revenue Bonds

Revenue Refunding Bonds, Series 1993

In July 1993, the District issued \$14,995,000 of revenue refunding bonds to purchase securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$13,295,000 of refunded Series 1986 debt. The bonds are noncallable.

The trustee has retired all of the defeased Series 1986 bond liability.

Revenue Bonds, Series 1998

In May 1998, the District issued \$6,000,000 of revenue bonds to construct, furnish, and equip a performing arts center and make related site improvements. Bonds maturing on or before July 15, 2007, are non-callable. Bonds maturing on or after July 15, 2008, are subject to early redemption.

Principal and interest requirements of the revenue bonds at June 30, 2000, follow:

<u>Description</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Outstanding Principal</u>
Revenue Refunding Bonds, Series 1993	4.65 - 5.10%	7/15/2000-05	\$10,665,000
Revenue Bonds, Series 1998	4.25 - 5.75%	7/15/2000-10	<u>5,690,000</u>
Total			<u><u>\$16,355,000</u></u>

NOTE 10 - Bonds Payable (continued)

Revenue bond debt service requirements to maturity, including interest of \$3,219,205, follow:

<i>Revenue Bond Debt Service Requirements to Maturity</i>	
Year ending June 30:	
2001	\$ 2,724,087
2002	2,724,300
2003	2,713,586
2004	2,709,609
2005	2,706,193
Thereafter	<u>5,996,430</u>
Total revenue bond debt service requirements at June 30, 2000	<u>\$19,574,205</u>

General Obligation Bonds

General Obligation Bonds, Project of 1994 Series C (1999)

In February 1999, the District issued \$104,250,000 of general obligation bonds. These bonds were issued to make certain improvements to the District's educational facilities and finance equipment purchases. Bonds maturing on or before July 1, 2008, are noncallable. Bonds maturing on or after July 1, 2009, are subject to early redemption.

General Obligation Refunding Bonds, Series 1998

In March 1998, the District issued \$65,145,000 of general obligation bonds to advance refund \$65,780,000 of outstanding Series A (1995) General Obligation Bonds. The District defeased these bonds by placing the proceeds of the new bonds in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds of \$61,245,000 are not included in the District's financial statements. Refunding bonds maturing on or before July 1, 2007, are noncallable. Refunding bonds maturing on or after July 1, 2008, are subject to early redemption.

NOTE 10 - Bonds Payable (continued)

General Obligation Bonds, Project of 1994 Series B (1997)

In June 1997, the District issued \$124,250,000 of general obligation bonds. These bonds were issued to make certain improvements to the District's educational facilities, and finance equipment purchases. Bonds maturing on or before July 1, 2006, are noncallable. Bonds maturing on or after July 1, 2007, are subject to early redemption.

General Obligation Bonds, Project of 1994 Series A (1995)

In February 1995, the District issued \$104,750,000 of general obligation bonds. The bonds were issued to acquire land, improve and expand existing facilities, finance various equipment purchases, and defease certain maturities of the District's outstanding debt. Bonds maturing on or after July 1, 2004, are subject to early redemption.

Of the total general obligation bonds originally authorized in 1994, \$52,549,000 remain unissued.

Principal and interest requirements of the above-described general obligations bonds at June 30, 2000, follow:

<u>Description</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Outstanding Principal</u>
General Obligation Bonds			
Refunding, Series 1998	4.00 - 5.00%	7/1/2000-09	\$ 53,360,000
Project of 1994			
Series C (1999)	3.25 - 5.25%	7/1/2000-15	104,250,000
Series B (1997)	5.00 - 6.50%	7/1/2000-13	111,170,000
Series A (1995)	5.80 - 6.00%	7/1/2004-09	<u>14,255,000</u>
Total			<u><u>\$283,035,000</u></u>

General obligation bond debt service requirements to maturity, including interest of \$118,150,348, follow:

<i>General Obligation Bond Debt Service Requirements to Maturity</i>	
Year ending June 30:	
2001	\$ 26,877,519
2002	29,826,481
2003	20,295,881
2004	22,341,819
2005	22,076,604
Thereafter	<u>279,767,044</u>
Total general obligation bond debt service requirements at June 30, 2000	<u><u>\$401,185,348</u></u>

NOTE 11 - Changes in Long-term Liabilities

During the year ended June 30, 2000, the following changes occurred in long-term liabilities reported in the Plant Funds:

<i>Changes in Plant Fund Long-term Liabilities</i>				
	<u>Balance</u> <u>July 1, 1999</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2000</u>
General Obligation Bonds	\$300,270,000	\$ -	\$17,235,000	\$283,035,000
Revenue Bonds	18,175,000	-	1,820,000	16,355,000
Certificates of Participation	905,000	-	905,000	-
Capital Leases	772,987	221,613	796,738	197,862
Rebatable Arbitrage Earnings	<u>1,623,396</u>	<u>419,769</u>	<u>-</u>	<u>2,043,165</u>
Total plant fund long-term liabilities	<u>\$321,746,383</u>	<u>\$641,382</u>	<u>\$20,756,738</u>	<u>\$301,631,027</u>

NOTE 12 - Retirement Plan

Plan Description - The District contributes to a cost-sharing multiple-employer defined benefit pension plan administered by the Arizona State Retirement System (System). Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits. The System is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

The System issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report may be obtained by writing the System, 3300 North Central Avenue, PO Box 33910, Phoenix, AZ 85067-3910 or by calling (602) 240-2000 or (800) 621-3778.

Funding Policy - The Arizona State Legislature establishes and may amend active plan members' and the District's contribution rates. For the year ended June 30, 2000, active plan members and the District were each required by statute to contribute at an actuarially determined rate of 2.66 percent (2.17 percent retirement and 0.49 percent long-term disability) of the members' annual covered payroll. The District's contributions to the System for the years ended June 30, 2000, 1999, and 1998, were \$4,582,122, \$5,360,511, and \$5,217,910, respectively, which were equal to the required contributions for the year.

NOTE 13 - Other Revenues

Auxiliary Enterprises Fund other revenues, as reported in the Statement of Current Funds Revenues, Expenditures, and Other Changes for the year ended June 30, 2000, follow:

<i>Auxiliary Enterprises Fund Other Revenues by Major Category</i>	
Sales/Services	\$1,733,865
Workshops/Seminars	868,585
Rentals	1,144,939
Miscellaneous	<u>889,096</u>
Total Auxiliary Enterprises Fund other revenues for the year ended June 30, 2000	<u>\$4,636,485</u>

NOTE 14 - Government Grants and Contracts Revenue

Restricted Fund government grants and contracts revenue reported in the Statement of Current Funds Revenues, Expenditures, and Other Changes for the year ended June 30, 2000, follows:

<i>Restricted Fund Government Grants and Contracts Revenue</i>	
Federal	\$32,535,870
State	4,881,964
Local	<u>1,320,672</u>
Total government grants and contracts revenue for the year ended June 30, 2000	<u>\$38,738,506</u>

Federal revenue includes monies received either as direct federal financial assistance or from a pass-through agency.

NOTE 15 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District carries commercial insurance for all such risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District is also exposed to various risks of loss related to claims for bodily injury by accident or occupational disease as described under the Workers' Compensation Liability Laws of the State of Arizona. Effective October 1, 1993, the District elected to establish a limited risk-management program to finance such uninsured risks of loss up to \$250,000 per occurrence, and an aggregate maximum annual liability of \$1,000,000. The District purchases commercial re-insurance to cover any additional Workers' Compensation claims above these amounts. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The General, Auxiliary Enterprises, and Restricted Funds make contributions (based on estimates of the amounts needed) to the General Fund to pay prior and current years' Workers' Compensation claims. Claims expenditures and the related liability are reported in the General Fund when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses also include an estimate of claims that have been incurred but not reported. The claims liability of \$418,496 reported in accrued liabilities of the General Fund at June 30, 2000, includes an estimate by the District and an outside risk analysis firm using historical data of the District and the industry. An independent administrator, hired by the District, provides claim and recordkeeping services. The District has established a reserve for future Workers' Compensation catastrophic losses. The amount of that reserve was \$1,384,080 at June 30, 2000, and is reported as a restriction of fund balance in the Quasi-Endowment Fund.

The summary of changes which occurred in the claims liability during the years ended June 30, follows:

<i>Changes in Worker's Compensation Claims Liability</i>		
	<u>2000</u>	<u>1999</u>
Beginning claims liability at July 1	\$ 389,072	\$ 450,893
Incurred claims	318,498	217,140
Payment on claims	<u>(289,074)</u>	<u>(278,961)</u>
Ending claims liability at June 30	<u>\$ 418,496</u>	<u>\$ 389,072</u>

Supplemental Information



Maricopa County Community College District
Current Unrestricted Funds
Schedule of Revenues, Expenditures, and Other Changes
By College/Center
For the Year Ended June 30, 2000

	Phoenix College	Glendale Community College	GateWay Community College	Mesa Community College	Scottsdale Community College
Revenues:					
Property taxes	\$ 20,931,704	\$ 23,080,013	\$ 11,709,842	\$ 27,788,725	\$ 16,979,462
State appropriations	5,218,552	8,170,628	2,303,019	10,697,250	4,392,006
Private gifts, grants, and contracts	2,625	-	-	-	31,899
Tuition and fees	8,677,138	12,789,848	3,608,601	18,909,315	8,770,437
Investment income	14,459	-	-	-	-
Bookstore commissions	-	-	-	-	-
Food services sales	-	-	-	-	429,894
Other	398,862	828,220	36,890	1,627,868	631,942
Total revenues	<u>35,243,340</u>	<u>44,868,709</u>	<u>17,658,352</u>	<u>59,023,158</u>	<u>31,235,640</u>
Expenditures and					
Mandatory Transfers:					
Educational and general expenditures -					
Instruction	18,714,125	25,732,248	8,979,654	29,986,339	16,111,023
Public service	39	51	19	4,927	34,619
Academic support	3,645,785	4,193,237	1,396,099	6,189,501	3,127,899
Student services	2,432,008	2,660,913	1,844,821	3,891,688	2,766,992
Institutional support	3,752,878	3,271,097	2,699,578	6,573,834	2,904,233
Operation and maintenance of plant	3,385,421	3,169,062	1,578,728	3,948,400	2,710,032
Total educational and general expenditures	<u>31,930,256</u>	<u>39,026,608</u>	<u>16,498,899</u>	<u>50,594,689</u>	<u>27,654,798</u>
Auxiliary enterprises expenditures	3,228,690	4,573,346	1,113,340	6,172,817	3,421,262
Total expenditures	<u>35,158,946</u>	<u>43,599,954</u>	<u>17,612,239</u>	<u>56,767,506</u>	<u>31,076,060</u>
Mandatory transfers for -					
Principal and interest	-	-	-	-	-
College matching portion of -					
Government grants	75,139	132,226	38,368	116,686	22,198
Student loans	-	-	-	-	-
Total mandatory transfers	<u>75,139</u>	<u>132,226</u>	<u>38,368</u>	<u>116,686</u>	<u>22,198</u>
Total expenditures and mandatory transfers	<u>35,234,085</u>	<u>43,732,180</u>	<u>17,650,607</u>	<u>56,884,192</u>	<u>31,098,258</u>
Other Transfers and					
Additions (Deductions):					
Nonmandatory transfers (net)	(9,255)	34,651	(7,745)	38,966	(137,382)
Net Increase in Fund Balances	<u>\$ -</u>	<u>\$ 1,171,180</u>	<u>\$ -</u>	<u>\$ 2,177,932</u>	<u>\$ -</u>

See accompanying notes to supplemental information.

	Rio Salado Community College	South Mountain Community College	Chandler/ Gilbert Community College	Paradise Valley Community College	Estrella Mountain Community College	District Support Services Center	Total All Colleges/ Center
\$	12,734,567	\$ 9,081,457	\$ 11,528,238	\$ 10,128,653	\$ 6,795,111	\$ 24,151,408	\$ 174,909,180
	6,360,056	1,258,091	2,177,732	2,685,840	1,541,726	-	44,804,900
	-	-	1,750	3,058	-	-	39,332
	10,303,318	2,447,588	3,762,089	4,664,494	2,408,954	7,613,112	83,954,894
	-	-	-	-	-	6,290,925	6,305,384
	-	-	-	-	-	1,706,255	1,706,255
	-	-	-	-	12,411	125,283	567,588
	666,204	57,764	77,570	137,667	174,439	323,476	4,960,902
	<u>30,064,145</u>	<u>12,844,900</u>	<u>17,547,379</u>	<u>17,619,712</u>	<u>10,932,641</u>	<u>40,210,459</u>	<u>317,248,435</u>
	12,680,629	5,010,149	7,031,136	9,124,434	5,017,363	504,343	138,891,443
	26	156,583	14,590	23	13	-	210,890
	3,792,178	1,908,185	2,392,285	2,391,613	786,591	2,050,014	31,873,387
	1,591,867	1,083,807	1,579,977	1,592,380	1,181,481	172,147	20,798,081
	4,169,694	2,240,134	3,292,840	1,559,924	1,851,693	22,990,208	55,306,113
	<u>1,220,189</u>	<u>1,303,807</u>	<u>2,297,650</u>	<u>1,437,307</u>	<u>1,296,927</u>	<u>1,230,929</u>	<u>23,578,452</u>
	<u>23,454,583</u>	<u>11,702,665</u>	<u>16,608,478</u>	<u>16,105,681</u>	<u>10,134,068</u>	<u>26,947,641</u>	<u>270,658,366</u>
	4,169,826	1,142,530	1,179,150	1,488,297	844,590	4,390,046	31,723,894
	<u>27,624,409</u>	<u>12,845,195</u>	<u>17,787,628</u>	<u>17,593,978</u>	<u>10,978,658</u>	<u>31,337,687</u>	<u>302,382,260</u>
	-	-	-	-	-	2,738,851	2,738,851
	11,795	-	22,739	15,119	53,983	488,840	977,093
	-	-	-	-	-	(527)	(527)
	<u>11,795</u>	<u>-</u>	<u>22,739</u>	<u>15,119</u>	<u>53,983</u>	<u>3,227,164</u>	<u>3,715,417</u>
	<u>27,636,204</u>	<u>12,845,195</u>	<u>17,810,367</u>	<u>17,609,097</u>	<u>11,032,641</u>	<u>34,564,851</u>	<u>306,097,677</u>
	(127,768)	295	262,988	(10,615)	100,000	(5,645,608)	(5,501,473)
\$	<u>2,300,173</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,649,285

Maricopa County Community College District
Notes to Supplemental Information
Fiscal Year Ended June 30, 2000

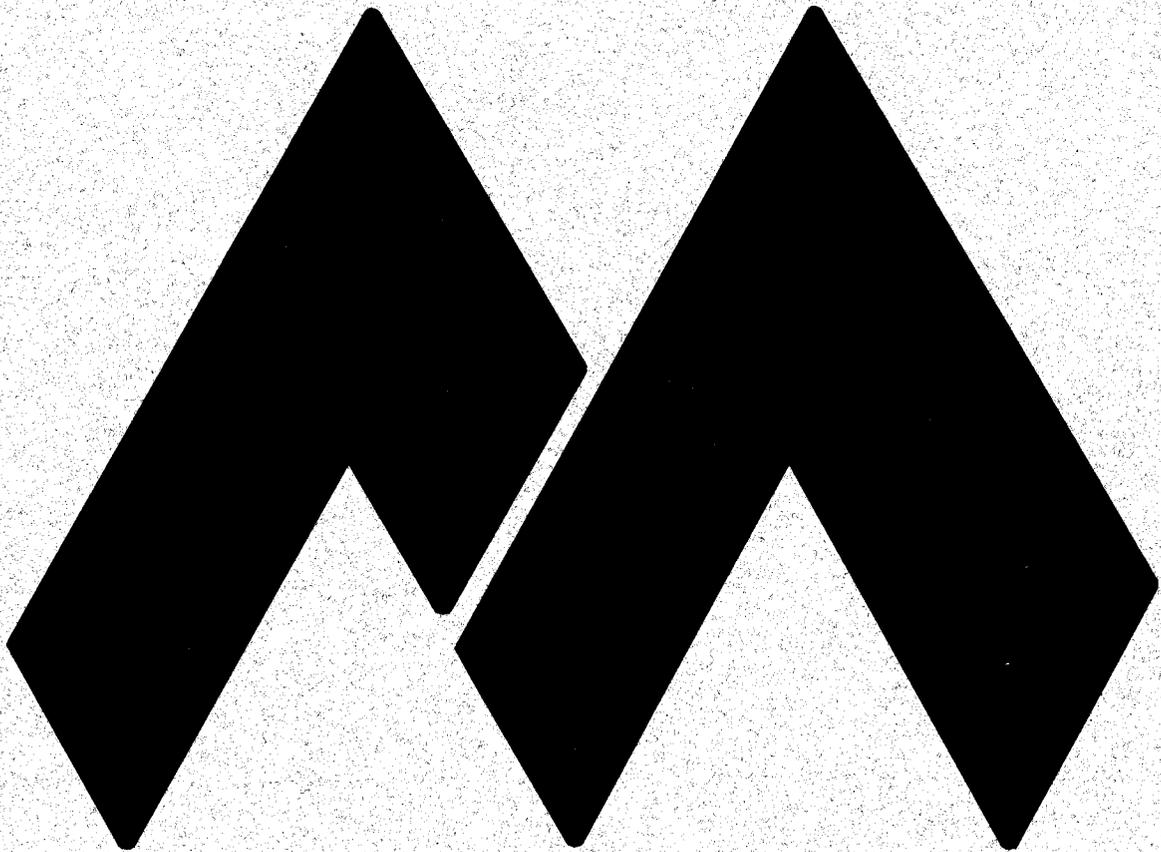
NOTE 1 - Statement of Purpose

The Maricopa County Community College District Current Unrestricted Funds Schedule of Revenues, Expenditures, and Other Changes by College/Center for the Year Ended June 30, 2000, is required by the terms of a Memorandum of Understanding (MOU) between the Maricopa County Community College District (the District) and the North Central Association of Colleges and Schools Commission on Institutions of Higher Education (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 current unrestricted revenues and expenditures for each college/center within the District.

NOTE 2 - Basis of Allocation of Property Taxes and State Appropriation Revenues

The District receives and records property taxes and state appropriations revenues on behalf of the colleges. For the purpose of this schedule, these revenues are allocated to the colleges on the basis of full time student equivalents.

Statistical Section



Maricopa County Community College District
Current Funds Expenditures By Function
Last Ten Fiscal Years

(Dollars in Thousands)

	<u>1999-00</u>	<u>1998-99</u>	<u>1997-98</u>	<u>1996-97</u>	<u>1995-96</u>	<u>1994-95</u>	<u>1993-94</u>	<u>1992-93</u>	<u>1991-92</u>	<u>1990-91</u>
Instruction	\$ 149,746	\$ 141,094	\$ 131,284	\$ 123,137	\$ 115,416	\$ 107,396	\$ 99,451	\$ 97,811	\$ 97,907	\$ 87,728
Public service	10,835	13,788	13,172	8,512	7,280	5,516	4,661	3,500	3,097	2,261
Academic support	32,664	29,205	27,439	24,311	24,296	22,327	20,858	20,638	17,516	18,346
Student services	49,549	49,471	46,999	45,972	39,157	38,674	36,252	34,874	34,354	29,492
Institutional support	57,369	50,492	44,511	42,984	38,248	35,080	30,822	31,685	31,346	28,878
Operation and maintenance of plant	24,371	21,595	17,932	17,095	16,606	16,656	16,028	16,146	16,034	15,441
Scholarships	4,297	3,410	2,858	2,729	2,559	2,237	2,204	1,782	3,209	2,826
Auxiliary enterprises expenditures	31,724	29,500	25,757	24,379	23,439	21,364	18,720	17,897	16,569	15,876
Provision for bad debts	-	-	-	-	-	-	-	-	-	487
Total expenditures	\$ 360,555	\$ 338,555	\$ 309,952	\$ 289,119	\$ 267,001	\$ 249,250	\$ 228,996	\$ 224,333	\$ 220,032	\$ 201,335

(Percent of Total Expenditures)

	<u>1999-00</u>	<u>1998-99</u>	<u>1997-98</u>	<u>1996-97</u>	<u>1995-96</u>	<u>1994-95</u>	<u>1993-94</u>	<u>1992-93</u>	<u>1991-92</u>	<u>1990-91</u>
Instruction	41.5%	41.7%	42.3%	42.6%	43.2%	43.1%	43.4%	43.6%	44.5%	43.6%
Public service	3.0	4.1	4.2	2.9	2.7	2.2	2.0	1.6	1.4	1.1
Academic support	9.1	8.6	8.9	8.4	9.1	8.9	9.1	9.2	8.0	9.1
Student services	13.7	14.6	15.2	15.9	14.7	15.5	15.8	15.5	15.6	14.7
Institutional support	15.9	14.9	14.4	14.9	14.3	14.1	13.5	14.1	14.2	14.3
Operation and maintenance of plant	6.8	6.4	5.8	5.9	6.2	6.7	7.0	7.2	7.3	7.7
Scholarships	1.2	1.0	0.9	1.0	1.0	0.9	1.0	0.8	1.5	1.4
Auxiliary enterprises expenditures	8.8	8.7	8.3	8.4	8.8	8.6	8.2	8.0	7.5	7.9
Provision for bad debts	-	-	-	-	-	-	-	-	-	0.2
Total expenditures	100.0%									

Source: Annual Reports on Financial Statements for years presented.

Note: Current Funds include the General Fund, the Auxiliary Enterprises Fund, and the Restricted Fund.

Maricopa County Community College District
Current Funds Revenues by Source
Last Ten Fiscal Years

(Dollars in Thousands)

	<u>1999-00</u>	<u>1998-99</u>	<u>1997-98</u>	<u>1996-97</u>	<u>1995-96</u>	<u>1994-95</u>	<u>1993-94</u>	<u>1992-93</u>	<u>1991-92</u>	<u>1990-91</u>
Property taxes	\$ 174,909	\$ 162,623	\$ 151,871	\$ 142,436	\$ 133,613	\$ 120,643	\$ 115,822	\$ 108,505	\$ 101,453	\$ 96,651
State appropriations	45,138	41,558	41,386	38,223	33,818	34,116	29,736	29,736	29,230	30,856
Government grants and contracts	38,739	43,444	40,147	36,787	30,770	28,929	27,101	26,255	23,376	18,595
Private gifts, grants and contracts	12,722	9,947	13,455	11,510	11,993	10,154	8,597	7,510	8,061	6,549
Tuition and fees	88,181	80,654	74,376	67,436	65,896	60,834	57,398	51,840	45,152	40,908
Investment income	6,637	6,312	5,049	4,419	2,978	2,009	977	963	1,503	2,541
Bookstore commissions	1,706	1,570	1,382	1,237	1,137	1,090	1,051	1,155	1,170	1,082
Food services sales	568	574	597	575	594	616	554	591	589	775
Other	5,844	5,201	5,715	6,230	7,912	4,437	4,437	3,172	2,582	2,456
Total revenues	\$ 374,444	\$ 351,883	\$ 333,978	\$ 308,853	\$ 288,711	\$ 262,828	\$ 245,673	\$ 229,727	\$ 213,116	\$ 200,413

(Percent of Total Revenues)

	<u>1999-00</u>	<u>1998-99</u>	<u>1997-98</u>	<u>1996-97</u>	<u>1995-96</u>	<u>1994-95</u>	<u>1993-94</u>	<u>1992-93</u>	<u>1991-92</u>	<u>1990-91</u>
Property taxes	46.7%	46.2%	45.5%	46.1%	46.3%	45.9%	47.1%	47.2%	47.6%	48.2%
State appropriations	12.1	11.8	12.4	12.4	11.7	13.0	12.1	12.9	13.7	15.4
Government grants and contracts	10.3	12.3	12.0	12.0	10.7	11.0	11.0	11.4	11.0	9.3
Private gifts, grants and contracts	3.4	2.8	4.0	3.7	4.2	3.9	3.6	3.3	3.8	3.3
Tuition and fees	23.6	22.9	22.3	21.8	22.8	23.1	23.4	22.6	21.2	20.4
Investment income	1.8	1.8	1.5	1.4	1.0	0.8	0.4	0.4	0.7	1.3
Bookstore commissions	0.4	0.5	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5
Food services sales	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.4
Other	1.5	1.5	1.7	2.0	2.7	1.7	1.8	1.4	1.2	1.2
Total revenues	100.0%									

Source: Annual Reports on Financial Statements for years presented.

Note: Current Funds include the General Fund, the Auxiliary Enterprises Fund, and the Restricted Fund.

Maricopa County Community College District
Expenditure Limitation
Statutory Limit to Budgeted Expenditures
Last Ten Fiscal Years

Fiscal Year	Statutory Expenditure Limitation	Adopted Budget Expenditures	Amount Below Legal Limit
1990-91	\$ 138,320,596	\$ 136,005,328	\$ 2,315,268
1991-92	172,040,939	148,644,221	23,396,718
1992-93	180,277,122	152,974,446	27,302,676
1993-94	186,674,312	160,835,265	25,839,047
1994-95	183,795,851	172,633,157	11,162,694
1995-96	187,012,331	183,516,266	3,496,065
1996-97	188,737,382	188,235,660	501,722
1997-98	201,298,280	200,867,689	430,591
1998-99	209,241,921	209,042,664	199,257
1999-00	222,181,459	222,081,121	100,338

Source: District records.

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

Note 2: Budgeted expenditures are net of allowable exclusions.

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

<u>Fiscal Year</u>	<u>Total Primary Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Taxes Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections (1)</u>	<u>Ratio of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes (2)</u>	<u>Ratio of Delinquent Taxes to Total Tax Levy</u>
1990-91	\$ 99,770,455	\$ 92,638,101	92.85 %	\$ 4,434,211	\$ 97,072,312	97.30 %	\$ 7,320,433	7.34 %
1991-92	103,498,374	95,847,759	92.61	5,395,892	101,243,651	97.82	7,783,879	7.52
1992-93	108,000,734	102,814,923	95.20	5,498,986	108,313,909	100.29	5,755,264	5.33
1993-94	113,438,216	109,538,404	96.56	3,720,515	113,258,919	99.84	3,868,899	3.41
1994-95	118,830,665	113,568,756	95.57	2,550,033	116,118,789	97.72	3,642,646	3.07
1995-96	127,583,438	125,004,270	97.98	2,365,494	127,369,764	99.83	3,640,693	2.85
1996-97	136,915,672	133,679,652	97.64	2,641,902	136,321,554	99.57	3,399,451	2.48
1997-98	146,266,234	143,074,486	97.82	2,625,323	145,699,809	99.61	3,564,529	2.44
1998-99	158,025,622	155,061,199	98.12	2,411,702	157,472,901	99.65	3,859,439	2.44
1999-00	171,524,256	167,695,007	97.77	3,457,923	171,152,930	99.78	4,230,766	2.47

<u>Fiscal Year</u>	<u>Maximum Primary Tax Levy (3)</u>	<u>Tax Revenue Recognized (4)</u>
1990-91	\$ 99,594,804	\$ 98,270,654
1991-92	103,498,218	101,792,157
1992-93	108,558,401	106,246,700
1993-94	113,429,840	110,885,431
1994-95	119,654,428	115,439,066
1995-96	127,583,281	128,030,334
1996-97	136,570,230	137,000,323
1997-98	147,151,489	146,648,910
1998-99	158,026,342	157,558,395
1999-00	170,115,611	169,540,072

Source: Maricopa County Department of Finance, Maricopa County Treasurer's Office, and District records.

- (1) Cash basis; excludes payments in lieu of taxes.
- (2) Delinquencies for unsecured personal property are not included since collections often vary from the levy amount. This variance is due to the fact that the unsecured personal property tax levy is based on a conservative estimate of the assessed value.
- (3) Pursuant to Arizona Revised Statutes, the amount of total primary property taxes levied is limited. The levy limit grows by 2% each year plus new construction. 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.
- (4) Accrual basis; excludes payments in lieu of taxes.

Maricopa County Community College District
 Primary Assessed Value and Current Market Value
 Of All Taxable Property
 Last Ten Fiscal Years

(Dollars in Thousands)

Fiscal Year	Secured Property Values		Unsecured Property Values		Total Property Values		Total Primary Assessed Value As a Percent of Total Market Value
	Assessed	Current Market	Assessed	Current Market	Assessed	Current Market	
1990-91	\$ 13,543,667	\$ 94,829,048	\$ 1,229,482	\$ 5,445,310	\$ 14,773,149	\$ 100,274,358	14.7%
1991-92	12,967,078	92,667,731	1,268,098	5,590,095	14,235,176	98,257,826	14.5
1992-93	12,445,915	91,766,875	1,362,899	5,043,287	13,808,814	96,810,162	14.3
1993-94	12,300,837	90,277,507	1,203,271	5,328,743	13,504,108	95,606,250	14.1
1994-95	12,072,197	91,542,251	1,448,978	6,344,921	13,521,175	97,887,172	13.8
1995-96	13,322,347	100,603,839	797,088	4,722,441	14,119,435	105,326,280	13.4
1996-97	13,568,692	103,760,455	774,464	4,173,257	14,343,156	107,933,712	13.3
1997-98	14,854,238	115,551,926	869,260	4,724,629	15,723,498	120,276,555	13.1
1998-99	15,891,850	122,914,557	921,167	5,256,748	16,813,017	128,171,305	13.1
1999-00	17,749,278	137,565,447	927,553	5,226,790	18,676,831	142,792,237	13.1

Source: Maricopa County Department of Finance.

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.

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			Maricopa County	State Of Arizona	Education Equalization	Central Arizona Water Conservation District	Other Special Districts	School Districts	Cities
	Primary Levy	Secondary Levy	Total							
1990-91	\$.7047	\$.0916	\$.7963	\$ 1.61	\$.47	\$.53	\$.10	\$ 0 - 2.81	\$.12 - 9.92	\$ 0 - 2.77
1991-92	.7459	.0943	.8402	1.65	.47	.53	.14	0 - 3.47	.13 - 11.20	0 - 3.46
1992-93	.7938	.0572	.8510	1.65	.47	.53	.14	0 - 3.94	.09 - 9.57	0 - 2.18
1993-94	.8532	-	.8532	1.65	.47	.53	.14	0 - 3.93	.13 - 18.99	0 - 2.39
1994-95	.8934	-	.8934	1.65	.47	.53	.14	0 - 3.93	.14 - 10.27	0 - 2.95
1995-96	.9455	.1675	1.1130	1.65	.47	.53	.14	0 - 3.93	.08 - 11.98	0 - 2.90
1996-97	.9772	.0704	1.0476	1.65	.00	.53	.14	1 - 6.46	.11 - 10.22	0 - 2.21
1997-98	.9747	.1599	1.1346	1.65	.00	.53	.14	0 - 4.35	.83 - 12.04	0 - 2.20
1998-99	.9866	.1259	1.1125	1.65	.00	.53	.14	0 - 3.49	.11 - 10.64	0 - 2.20
1999-00	.9741	.1544	1.1285	1.62	.00	.52	.14	0 - 2.99	.28 - 10.05	0 - 2.25

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
June 30, 2000

Taxpayer	Type of Property/Business	Estimated 1999-00 Secondary Assessed Value	Percentage of 1999-00 Secondary Assessed Value
Arizona Public Service	electric utility	\$ 783,320,617	4.19 %
U.S. West New Vector Group, Inc.	telephone/microwave systems	321,615,550	1.72
Southern California Edison Company	electric utility	236,027,104	1.26
El Paso Electric Co.	electric utility	204,045,244	1.09
Motorola Computer Group, SPS, GEG	industrial park, commercial buildings	173,500,012	0.93
Public Service Company of New Mexico	electric utility	112,181,397	0.60
Southwest Gas Corporation	gas utility	97,038,350	0.52
Southern California Public Power Authority	electric utility	88,506,537	0.48
Intel Corporation	industrial parks, warehouse	87,504,788	0.47
A T & T/Wireless Service	telephone/microwave systems	73,811,195	0.40
City of Los Angeles Dept. of Water & Power	electric utility	62,328,889	0.33
Scottsdale Fashion Square Partnership	shopping center	47,334,672	0.25
MCI Telecommunications Corp.	telecommunication services/products	46,843,769	0.25
Sheraton the Phoenician	resort	39,045,493	0.21
Safeway Inc.	shopping center, warehouse	37,194,029	0.20
McDonnell Douglas Helicopter Co.	industrial park, vacant land	31,509,634	0.17
First American Tax Valuation	property tax consulting	28,456,171	0.15
Air Touch Communication	telephone/microwave systems	28,429,563	0.15
Southwest Wireless	telephone/microwave systems	28,104,547	0.15
The Mills Corp.	shopping center	24,775,774	0.13
DMB Associates Inc.	land developers	24,081,675	0.13
Shorenstein Co./Realty Investors LP	multi-story office buildings	23,235,134	0.13
Albertsons	shopping center, warehouse	23,177,104	0.12
Gainey Ranch Financial Ltd Partnership	multi-story office buildings	21,268,641	0.11
Phoenix Newspaper Inc.	publisher	20,437,068	0.11
Gainey Drive Associates	resort	18,195,181	0.10
Biltmore Hotel Limited Partnership	resort	17,949,676	0.10
Paradise Valley Investments Company	shopping center, restaurants, office buildings	15,197,632	0.08
Biltmore Shopping Center Partners	shopping center	14,912,180	0.08
Scottsdale Plaza Resort LLC	resort	10,237,501	0.06
Phoenix Corporation Center LLP	property management	9,010,101	0.05
Scottsdale Fiesta Plaza LP	shopping center	6,902,150	0.04
Phoenix Coca Cola Bottling Co.	soft drink manufacturer/distributor	6,210,430	0.03
Total Principal Taxpayers		<u>\$ 2,762,387,808</u>	<u>14.79 %</u>
Countywide Secondary Valuation		<u>\$ 18,676,830,848</u>	<u>100.00 %</u>

Maricopa County Community College District
 Computation of Legal Debt Margin
 Fiscal Year Ended June 30, 2000

Secondary Assessed Value of Real and Personal Property	\$	<u>18,676,830,848</u>
Debt Limit, 15% of Secondary Assessed Value	\$	<u>2,801,524,627</u>
Amount of Debt Applicable to Debt Limit:		
General Obligation Bonded Debt		283,035,000
Amount Available for Debt Repayment		(13,045,000)
Leases for Real Property (Note)		<u>2,402,803</u>
Total Debt Applicable to Debt Limit		<u>272,392,803</u>
Legal Debt Margin	\$	<u>2,529,131,824</u>

Source: Maricopa County Department of Finance and District records.

Note: Leases for real property are operating leases of land and buildings.

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

Fiscal Year	Population (1)	Secondary Assessed Value of Real Estate (2)	General Obligation Bonds Payable	Amount Available For Retirement of General Obligation Bonded Debt	General Obligation Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1990-91	2,122,101	\$ 14,773,149,205	\$ 32,600,000	\$ 14,074,625	\$ 18,525,375	0.13 %	\$ 8.73
1991-92	2,180,575	14,235,175,875	19,600,000	13,052,260	6,547,740	0.05	3.00
1992-93	2,233,700	13,808,814,077	7,515,000	7,515,000	-	-	-
1993-94	2,291,200	13,504,107,816	-	-	-	-	-
1994-95	2,355,900	13,521,174,915	104,750,000	-	104,750,000	0.77	44.46
1995-96	2,551,765	14,119,434,946	104,750,000	18,000,000	86,750,000	0.61	34.00
1996-97	2,634,625	14,343,156,861	211,000,000	5,915,000	205,085,000	1.43	77.84
1997-98	2,720,575	15,723,498,194	205,085,000	9,065,000	196,020,000	1.25	72.05
1998-99	2,806,100	16,813,017,261	300,270,000	17,235,000	283,035,000	1.68	100.86
1999-00	2,954,157	18,676,830,848	283,035,000	13,045,000	269,990,000	1.45	91.39

Source: Arizona Department of Economic Security, Maricopa County Department of Finance, and District records.

Note 1: Population figures are estimates as of July 1 of each fiscal year except for FY 1995-96 which reflects the actual population determined from a special census taken in October 1995.

Note 2: 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.

Maricopa County Community College District
Ratio of Annual Debt Service Expenditures
for General Bonded Debt to
Current Funds Expenditures
Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total Current Funds Expenditures	Ratio of Debt Service to Current Funds Expenditures
1990-91	\$ 13,000,000	\$ 1,064,362	\$ 14,064,362	\$ 201,334,941	6.99%
1991-92	12,085,000	972,553	13,057,553	220,031,503	5.93%
1992-93	7,515,000	383,266	7,898,266	224,333,378	3.52%
1993-94	-	-	-	228,995,658	-
1994-95	-	2,556,553	2,556,553	249,250,453	1.03%
1995-96	18,000,000	6,547,269	24,547,269	267,000,955	9.19%
1996-97	5,915,000	6,395,946	12,310,946	289,119,227	4.26%
1997-98	9,065,000	9,740,067	18,805,067	309,951,751	6.07%
1998-99	17,235,000	12,255,554	29,490,554	338,554,962	8.71%
1999-00	13,045,000	14,470,562	27,515,562	360,555,262	7.63%

Source: District records.

Maricopa County Community College District
 Computation of Direct and Overlapping Bonded Debt
 General Obligation Bonds
 June 30, 2000

Jurisdiction

Direct Debt:

Maricopa County Community College District	\$	283,035,000
Less: Amount available for retirement		13,045,000
Net general obligation debt		269,990,000

Overlapping Debt:

Maricopa County		80,684,488
School Districts		2,566,478,992
Cities and Towns		1,866,995,982
Special Districts		453,135,749
Total direct general obligation and overlapping debt	\$	5,237,285,211

Source: District records and Maricopa County Department of Finance.

Note: All jurisdictions are within the boundaries of the District.

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

Fiscal Year	Auxiliary Enterprises Fund		Debt Service Requirements			Gross Coverage	Net Coverage
	Gross Revenues	Net Revenue Available for Debt Service (1)	Principal	Interest	Total		
1990-91	\$ 19,463,374	\$ 3,312,291	\$ 690,000	\$ 2,685,685	\$ 3,375,685	5.8	1.0
1991-92	19,748,125	2,894,407	830,000	1,778,963	2,608,963	7.6	1.1
1992-93	20,473,908	5,083,206	975,000	1,681,092	2,656,092	7.7	1.9
1993-94	23,403,968	7,445,836	1,060,000	1,325,540	2,385,540	9.8	3.1
1994-95	27,367,717	9,412,629	945,000	1,063,858	2,008,858	13.6	4.7
1995-96	30,405,422	14,253,562	1,035,000	809,596	1,844,596	16.5	7.7
1996-97	31,368,758	18,235,443	1,365,000	736,046	2,101,046	14.9	8.7
1997-98	34,432,022	24,915,611	1,435,000	708,966	2,143,966	16.1	11.6
1998-99	34,665,465	27,453,784	1,820,000	873,827	2,693,827	12.9	10.2
1999-00	39,835,460	28,777,428	1,980,000	796,007	2,776,007	14.3	10.4

Source: District records.

Note: Repayment of revenue bond debt is secured by a pledge of District gross revenues as defined by the bond indentures. Gross revenues include all District Auxiliary Enterprises Fund revenues.

- (1) Net revenue available for debt service consists of gross revenues plus beginning fund balance less expenditures and all transfers not applicable to debt retirement. Fund balance is included in net revenue since it represents unexpended pledged revenues.

Maricopa County Community College District
 Historic Enrollment
 Last Ten Fiscal Years

Historic Headcount

<u>College/Center</u>	<u>1999-00</u>	<u>1998-99</u>	<u>1997-98</u>	<u>1996-97</u>	<u>1995-96</u>	<u>1994-95</u>	<u>1993-94</u>	<u>1992-93</u>	<u>1991-92</u>	<u>1990-91</u>
Phoenix	21,533	20,660	19,342	19,441	20,387	20,142	20,143	21,220	24,253	22,078
Glendale	32,965	30,975	29,180	29,205	30,056	30,402	29,057	29,963	31,433	30,695
GateWay	15,525	14,860	15,185	14,097	13,730	12,512	12,485	13,976	16,320	16,138
Mesa	38,270	38,589	37,247	36,185	36,300	33,902	32,842	32,588	34,453	33,371
Scottsdale	17,763	16,817	16,074	16,260	17,005	16,742	15,797	17,019	18,127	17,029
Rio Salado	30,410	31,072	25,733	24,717	21,807	21,797	21,913	22,920	27,861	27,177
South Mountain	5,286	5,105	4,470	4,457	4,110	4,069	4,868	5,157	6,008	5,882
Chandler-Gilbert	9,377	7,975	6,872	6,113	5,764	5,419	5,156	5,540	5,538	5,763
Paradise Valley	11,020	10,355	9,965	9,937	9,341	9,048	8,577	8,734	8,948	9,362
Estrella Mountain	7,303	6,836	5,338	4,676	3,836	3,653	3,060	2,405	1,598	1,402
Skill Center	1,961	1,868	1,505	3,137	3,150	3,039	1,784	1,346	1,437	1,798
Adult Basic Education	21,288	24,368	12,649	-	-	-	-	-	-	-
Total	<u>212,701</u>	<u>209,480</u>	<u>183,560</u>	<u>168,225</u>	<u>165,486</u>	<u>160,725</u>	<u>155,682</u>	<u>160,868</u>	<u>175,976</u>	<u>170,695</u>

Historic FTSE

<u>College/Center</u>	<u>1999-00</u>	<u>1998-99</u>	<u>1997-98</u>	<u>1996-97</u>	<u>1995-96</u>	<u>1994-95</u>	<u>1993-94</u>	<u>1992-93</u>	<u>1991-92</u>	<u>1990-91</u>
Phoenix	5,998	5,826	5,592	5,704	5,908	5,936	6,267	6,755	7,473	6,520
Glendale	9,391	9,070	8,707	8,702	8,718	8,816	8,912	9,342	9,517	8,904
GateWay	2,647	2,601	2,576	2,438	2,516	2,418	2,455	2,534	2,592	2,536
Mesa	12,294	12,341	11,822	11,506	11,258	10,770	10,666	10,794	10,873	10,289
Scottsdale	5,049	4,819	4,624	4,643	4,716	4,773	4,638	4,890	5,042	4,776
Rio Salado	7,310	7,196	6,076	5,647	4,807	4,289	4,078	3,439	3,751	4,088
South Mountain	1,446	1,440	1,367	1,348	1,249	1,283	1,368	1,438	1,461	1,381
Chandler-Gilbert	2,503	2,172	1,913	1,740	1,649	1,596	1,565	1,643	1,561	1,478
Paradise Valley	3,087	2,819	2,571	2,565	2,395	2,239	2,202	2,194	2,214	2,240
Estrella Mountain	1,772	1,641	1,243	1,010	794	728	621	462	172	129
Skill Center	962	831	885	832	901	810	734	960	904	1,033
Adult Basic Education	1,174	1,115	500	-	-	-	-	-	-	-
Total	<u>53,633</u>	<u>51,871</u>	<u>47,876</u>	<u>46,135</u>	<u>44,911</u>	<u>43,658</u>	<u>43,506</u>	<u>44,451</u>	<u>45,560</u>	<u>43,374</u>

Source: District records.

Note: 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

<u>Fiscal Year</u>	<u>Attendance</u>		<u>Enrollment Status</u>			<u>Residency</u>			
	<u>FT</u>	<u>PT</u>	<u>Continuing</u>	<u>First Time</u>	<u>Readmit</u>	<u>Resident</u>	<u>Out of County</u>	<u>Out of State</u>	<u>Foreign</u>
1990-91	20%	80%	44%	40%	16%	94%	1%	4%	1%
1991-92	21	79	44	40	16	95	1	3	1
1992-93	22	78	48	36	16	95	1	3	1
1993-94	22	78	46	38	16	95	1	3	1
1994-95	22	78	44	39	17	94	1	4	1
1995-96	22	78	44	39	17	94	2	3	1
1996-97	22	78	44	39	17	94	2	3	1
1997-98	22	78	44	40	16	94	2	3	1
1998-99	22	78	43	41	16	94	2	3	1
1999-00	22	78	43	42	15	94	2	3	1

<u>Fiscal Year</u>	<u>Gender</u>		<u>Ethnic Background</u>					<u>Median Age</u>
	<u>M</u>	<u>F</u>	<u>Native American</u>	<u>Asian</u>	<u>African American</u>	<u>Anglo</u>	<u>Other</u>	
1990-91	42%	58%	2%	2%	3%	78%	5%	27
1991-92	42	58	2	2	3	77	5	27
1992-93	42	58	2	3	4	75	5	26
1993-94	43	57	2	3	4	74	5	26
1994-95	43	57	2	3	4	73	6	26
1995-96	43	57	3	3	4	71	6	26
1996-97	43	57	3	3	4	70	6	25
1997-98	44	56	3	3	4	68	7	25
1998-99	44	56	3	3	4	66	8	24
1999-00	44	56	3	4	4	64	9	24

Source: District records.

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	
	Current Unrestricted Fund	Current Auxiliary Fund	Combined Total		Dollars	Percent
	1990-91	\$ 15.50	\$ 8.50		\$ 24.00	\$ 30.00
1991-92	17.50	8.50	26.00	60.00	8.33	
1992-93	20.50	8.50	29.00	90.00	11.54	
1993-94	22.50	9.50	32.00	90.00	10.34	
1994-95	22.50	9.50	32.00	-	-	
1995-96	24.00	10.00	34.00	60.00	6.25	
1996-97	24.00	10.00	34.00	-	-	
1997-98	26.00	11.00	37.00	90.00	8.82	
1998-99	27.00	11.00	38.00	30.00	2.70	
1999-00	28.00	12.00	40.00	60.00	5.26	

**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	
	Annual Cost	Percent Change	Annual Cost	Percent Change	Annual Cost	Percent Change
1990-91	\$ 720.00	4.35%	\$ 824.00	8.99%	\$ 1,478.00	8.52%
1991-92	780.00	8.33	936.00	13.59	1,528.00	3.38
1992-93	870.00	11.54	1,025.00	9.51	1,528.00	-
1993-94	960.00	10.34	1,125.00	9.76	1,778.00	16.36
1994-95	960.00	-	1,192.00	5.96	1,828.00	2.81
1995-96	1,020.00	6.25	1,239.00	3.94	1,884.00	3.06
1996-97	1,020.00	-	1,276.00	2.99	1,940.00	2.97
1997-98	1,110.00	8.82	1,314.00	2.98	1,988.00	2.47
1998-99	1,140.00	2.70	1,328.00	1.07	2,088.00	5.03
1999-00	1,200.00	5.26	1,382.00	4.07	2,188.00	4.79

Source: District records and National Center for Education Statistics, U.S. Department of Education.

(1) Information for public 2-year institutions.

Maricopa County Community College District
 Maricopa County Property Values, Construction, and Bank Deposits
 Last Ten Fiscal Years
 (Dollars in Millions)

Fiscal Year	Current Market Property Values (1)				Construction (2)						Bank Deposits (3)
					Commercial		Industrial		Residential		
	Commercial	Industrial	Residential	Total	# of Units	Value	# of Units	Value	# of Units	Value	
1990-91	\$20,858	\$35,993	\$43,423	\$100,274	1,391	\$ 402	286	\$ 92	19,009	\$1,321	\$18,992
1991-92	20,117	34,358	43,783	98,258	1,276	376	242	65	21,796	1,614	19,448
1992-93	19,536	32,862	44,412	96,810	1,946	550	107	39	26,085	2,160	19,358
1993-94	19,379	31,044	45,183	95,606	4,170	548	129	50	28,409	2,433	19,486
1994-95	18,996	30,884	48,007	97,887	3,205	960	132	145	35,458	3,209	20,017
1995-96	20,260	32,029	53,038	105,327	2,741	1,044	201	414	37,474	3,200	21,172
1996-97	20,497	32,153	55,284	107,934	3,371	1,422	356	788	38,129	3,509	17,806
1997-98	21,976	32,858	65,443	120,277	4,325	1,840	242	234	40,561	3,944	20,297
1998-99	24,210	34,870	69,091	128,171	3,606	2,230	264	378	45,712	4,779	24,940
1999-00	27,959	38,517	76,316	142,792	3,939	1,879	198	211	47,106	5,143	22,331

- Sources:
- (1) Maricopa County Department of Finance.
 - (2) "Arizona Business" Arizona Real Estate Center, Arizona State University.
 - (3) Arizona Bankers' Association.

Note 1: Construction figures exclude Other Construction, such as sheds, fences, signs, and other land improvements.

Note 2: All data is as of December 31.

Maricopa County Community College District
Economic Indicators for the Metro Phoenix Area
June 30, 2000

Phoenix-Mesa Metropolitan Area Employment (1)
(In Thousands)

<u>Type of Industry</u>	<u>September 2000</u>	<u>September 1999</u>	<u>Percent Change</u>
Manufacturing	166.3	170.2	-2.3 %
Mining and Quarrying	2.9	2.9	0.0
Construction	117.3	115.2	1.8
Transportation, Communications, and Public Utilities	85.7	79.8	7.4
Trade	375.3	364.9	2.9
Finance, Insurance, and Real Estate	125.1	124.4	0.6
Services and Miscellaneous	532.0	467.8	13.7
Government	<u>197.7</u>	<u>190.4</u>	3.8
Total Wage and Salary Employment	<u><u>1,602.3</u></u>	<u><u>1,515.6</u></u>	5.7

Civilian Labor Force Data (2)
(In Thousands)

**Unemployment
Rate (2)**

<u>Metropolitan Statistical Area</u>	<u>June 2000 Employment</u>	<u>June 1999 Employment</u>	<u>Percent Change</u>	<u>June 2000</u>	<u>June 1999</u>
Phoenix-Mesa Metro Area	1,600.4	1,597.3	0.2 %	2.6 %	3.2 %
Albuquerque, NM	372.3	368.4	1.1	4.6	5.2
Dallas, TX	1,995.9	1,948.1	2.5	3.7	3.6
Denver, CO	1,187.4	1,164.1	2.0	2.5	3.1
Los Angeles-Long Beach, CA	4,763.2	4,583.3	3.9	5.4	5.8
Salt Lake City-Ogden, UT	717.1	718.5	(0.2)	3.4	3.7
San Diego, CA	1,389.8	1,344.3	3.4	3.5	3.5
Seattle-Bellvue-Everett, WA	1,415.4	1,397.8	1.3	3.4	3.4
United States	140,762.0	141,633.7	(0.6)	4.0	4.4

Sources:

(1) Arizona Department of Economic Security.

(2) U.S. Department of Labor, Bureau of Labor Statistics.

Maricopa County Community College District
 Top 25 Employers in Maricopa County
 (Ranked by the number of full-time equivalent employees in Arizona)

Employer	Type of Business	Number of Full-Time Equivalent Employees in Arizona
State of Arizona	government	63,961
Motorola	wireless communications, semiconductors, electronics	18,500
City of Phoenix	government	13,300
Maricopa County	government	12,963
Wal-Mart Stores Inc.	retail stores	11,900
U.S. Postal Service-Arizona District	mail delivery	10,772
AlliedSignal Inc.	aerospace, auto products, and engineered materials	9,000
American Express Co.	global travel, financial and network services provider	9,000
Banc One Corp.	banking and financial services	9,000
Samaritan Health System	health care	9,000
Mesa Public Schools	education	8,694
America West Holdings Corp.	airline, tour operator	8,446
Wells Fargo Bank (1)	banking and financial services	8,300
Intel Corp.	microcomputer components and related products	8,150
Safeway Stores	supermarkets	8,012
Honeywell Inc.	automation/control systems, products and services	7,800
Fry's Food Stores of Arizona Inc.	supermarkets	7,500
Bank of America Corp.	banking and financial services	6,725
Luke Air Force Base, 56th Fighter Wing	government	6,500
Pinnacle West Capital Corp.	holding company	6,300
Arizona State University	university	6,065
Boeing Co.	commercial/military aircraft and other transportation	5,300
Tosco Marketing Co.	convenience-store chain, Circle K	5,276
US West Communications Inc.	telecommunications	5,000
Walgreen Co.	drug stores	4,662

Source: The Business Journal's 1999 AZ Annual Report; page 130.

(1) Wells Fargo and Norwest merged Nov. 1998.

Maricopa County Community College District
 Miscellaneous Statistics
 June 30, 2000

Established:	1962	
Geographical location:	South-central portion of the State of Arizona	
Altitude:	1,117 feet	
Acreage:	1,282 acres	
Students served:	264,000	(County Population: 2,954,157)
Number of faculty:	Full time	1,091
	Part time	4,861
Number of administrative and support staff:	2,204	
Average class size:	20 students	
Degrees and certificates awarded:		
Degrees:	Associate of Arts	1,475
	Associate of Applied Science	1,273
	Associate of Business	6
	Arizona General Education Curriculum	75
	Associate of General Studies	659
	Associate in Science	12
	Associate of Transfer Partnership	65
	Certificates of Completion in Occupational Programs:	6,149
Accredited by:	North Central Association of Colleges and Schools Commission on Institutions of Higher Education	

Source: Maricopa Colleges, Arizona Department of Economic Security population statistics, and Maricopa County records.





Comprehensive Annual Financial Report

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The Maricopa Community College District does not discriminate on the basis of race, color, religion, national origin, sex, sexual orientation, handicap/disability, age, or Vietnam-era/disabled veteran status in employment or in the application, admission, participation, access and treatment of persons in instructional programs and activities.