

Maricopa County Community College District

Phoenix, Arizona

Chandler-Gilbert

Estrella Mountain

GateWay

Glendale

Mesa

Paradise Valley

Phoenix

Rio Salado

Scottsdale

South Mountain



GateWay Community College

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2021





Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2021

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

Prepared by
Division of Business Services



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

Table of Contents

Introductory Section

| | |
|---|----|
| Message from the Chancellor..... | 1 |
| Letter of Transmittal..... | 4 |
| Certificate of Achievement for Excellence in Financial Reporting..... | 11 |
| Organizational Chart..... | 12 |
| Principal Officers..... | 13 |
| Vision, Mission, and Statement of Values..... | 14 |

Financial Section

| | |
|--|----|
| Independent Auditors' Report..... | 16 |
| Management's Discussion and Analysis..... | 19 |
| Basic Financial Statements: | |
| Statement of Net Position – Primary Government..... | 27 |
| Statement of Financial Position – Component Unit..... | 28 |
| Statement of Revenues, Expenses, and Changes in Net Position – Primary Government..... | 29 |
| Statement of Activities and Changes in Net Assets – Component Unit..... | 30 |
| Statement of Cash Flows – Primary Government..... | 31 |
| Notes to Financial Statements..... | 33 |
| Required Supplementary Information: | |
| Schedule of the District's Proportionate Share of the Net Pension Liability..... | 59 |
| Schedule of District Pension Contributions..... | 60 |
| Supplemental Information: | |
| Schedule of Revenues, Expenses, and Changes in Net Position by College/Center..... | 61 |
| Notes to Supplemental Information..... | 63 |

Statistical Section

| | |
|--|----|
| Financial Trends: | |
| Schedule of Net Position by Component – Last Ten Fiscal Years..... | 64 |
| Schedule of Expenses by Identifiable Activity – Last Ten Fiscal Years..... | 65 |
| Schedule of Expenses by Use – Last Ten Fiscal Years..... | 66 |
| Schedule of Revenues by Source – Last Ten Fiscal Years..... | 67 |
| Schedule of Other Changes in Net Position – Last Ten Fiscal Years..... | 68 |
| Revenue Capacity: | |
| Assessed Value and Estimated Market Value of Taxable Property – Last Ten Fiscal Years..... | 69 |
| Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years..... | 70 |
| Principal Taxpayers – Current Year and Nine Years Ago..... | 71 |
| Property Tax Levies and Collections – Last Ten Fiscal Years..... | 72 |
| Historic Tuition and Fees – Last Ten Fiscal Years..... | 73 |
| Debt Capacity: | |
| Schedule of Ratios of Outstanding Debt – Last Ten Fiscal Years..... | 74 |
| Revenue Bond Coverage – Last Ten Fiscal Years..... | 75 |
| Computation of Legal Debt Margin – Last Ten Fiscal Years..... | 76 |
| Demographic and Economic Information: | |
| Schedule of Demographic and Economic Statistics – Last Ten Fiscal Years..... | 77 |
| Top 10 Employers in Maricopa County – Current Year and Nine Years Ago..... | 78 |
| Operating Information: | |
| Employee Statistics – Last Ten Fiscal Years..... | 79 |
| Enrollment and Degree Statistics – Last Ten Fiscal Years..... | 80 |
| Student Enrollment Demographic Statistics – Last Ten Fiscal Years..... | 81 |
| Schedule of Capital Asset Information – Last Ten Fiscal Years..... | 82 |



Introductory Section

January 28, 2022

To the Citizens of Maricopa County:

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

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



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

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



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

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



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

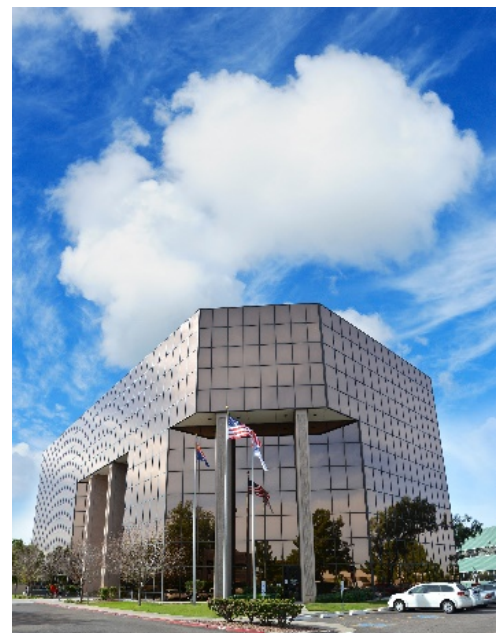
result of the COVID-19 pandemic, we see more students needing to choose between their education and providing for their families, resulting in fewer students preparing for the workforce.

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

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

Respectfully,

Dr. Steven R. Gonzales
Interim Chancellor



January 28, 2022

To the Residents of the Maricopa County Community College District:

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

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

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

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

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

Reporting Entity

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

Reporting Entity (continued)

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

Profile of Maricopa County Community College District

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

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

History

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

Geography/Population

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

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

Maricopa County has 61% of the State's total population and 66% of the total labor force. A majority of the County's labor force (88%) is employed in the service markets. These include trade, transportation, and utilities; professional and business services; educational and health services; government; leisure and hospitality; and financial activities.

Profile of Maricopa County Community College District (continued)

Types of Services

The District is the largest single provider of post-secondary education in Arizona – offering affordable education to over 162,000 individuals year-round in credit classes and nearly 3,000 individuals in special-interest/non-credit classes.

The District offers a wide range of quality academic, career and technical, and personal interest programs to meet the needs of students throughout Maricopa County. Students planning to transfer to a four-year institution may first complete the 35-credit hour Arizona General Education Curriculum core and/or an associate degree. The District offers the following associate degrees: Associate in Arts (including specialized degrees in Elementary Education and Fine Arts), Associate in Business, Associate in Science, Associate in General Studies, and Associate in Applied Sciences. Numerous Associate of Applied Science degrees and Certificates of Completion are available for students seeking technical expertise or upgrading skills in a specific career area. Non-credit personal interest courses are available in many areas including the arts, computer technology, personal development, and financial management. As indicated by racial category, the student enrollment data mirrors the population of Maricopa County: 44% Anglo, 36% Hispanic, 6% African American, 4% Asian, 2% Native American and 8% other.

The District is a major part of the community and continues to be a pipeline for the State's four-year universities, primarily Arizona State University (ASU). In academic year 2020-2021, over 34,000 undergraduates enrolled at the three state universities had transferred 12 or more credits from MCCCDC.

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

State and Local Economy

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

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

Long-term Financial and Operational Planning

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

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

This planning process and policy guidance support the development of the District's long-term operational planning which is included each year in the annual budget and related presentations. This multi-year plan helps the District align its key components of strategic and financial planning with estimated trends in funding as well as linking long-term strategic directions with estimated long-term budget resources.

Budget Process

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

Financial Reporting

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

Major Initiatives

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

Guided Pathways and Student Support

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

Industry Partnerships

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

Enterprise Performance

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

Major Initiatives (continued)

Public University Partnerships

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

Residential/Adjunct Faculty Ratio

The District has initiated a plan that calls for 60% of the instructional load at each college to be taught by residential faculty. By implementing the 60:40 ratio, the District will support student success and retention through increased workforce stability, enhanced learning environments, and improved student engagement. To achieve this goal, the District may add about 250-300 new residential faculty to the colleges with the exact number dependent on enrollment changes. The planned timeframe overall is 8 to 10 years.

Capital Development Program

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

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

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

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Maricopa County Community College District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. This was the 30th consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal regulations.

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

Acknowledgment

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

Respectfully submitted,

Kimberly Brainard Granio, CPA
Interim Chief Financial Officer

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Maricopa County Community College District
Arizona**

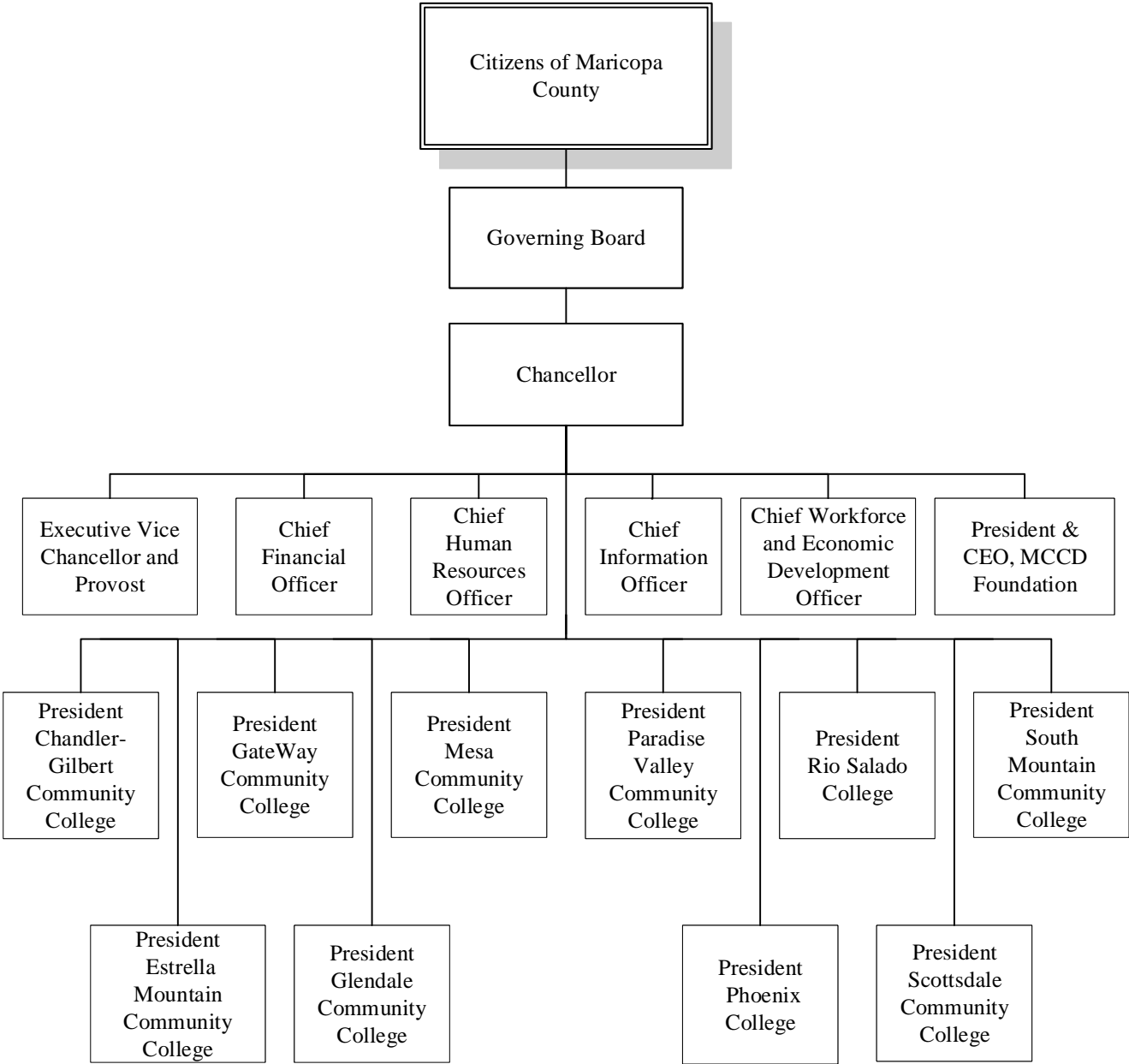
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

Maricopa County Community College District Organizational Chart



Maricopa County Community College District

Principal Officers

Governing Board

Ms. Marie Sullivan, *President*

Dr. Tom Nerini, *Secretary*

Ms. Susan Bitter Smith

Ms. Jean McGrath

Ms. Jacqueline Smith

Dr. Linda Thor

Ms. Kathleen Winn

Ms. Julissa Munoz, *Student Member*

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

Administration

Dr. Steven R. Gonzales, *Interim Chancellor*

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

Ms. Kimberly Granio, *Interim Chief Financial Officer*

Dr. Georgetta Kelly, *Chief Human Resource Officer*

Dr. Mark Koan, *Chief Information Officer*

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

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

College Presidents

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

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

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

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

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

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

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

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

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

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



Vision, Mission & Values

Vision

A Community of Colleges...Colleges for the Community

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

Mission

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

We Focus On Learning Through:

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

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

Statement of Values

The Maricopa Community Colleges are committed to:

Community

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

Excellence

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

Honesty and integrity

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

Inclusiveness

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

Innovation

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

Learning

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

Responsibility

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

Stewardship

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



Financial Section



LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent auditors' report

Members of the Arizona State Legislature

The Governing Board of
Maricopa County Community College District

Report on the financial statements

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of the Maricopa County Community College District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinions

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

Other matters

Required supplementary information

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

Supplementary information and other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of revenues, expenses, and changes in net position by college/center and the introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

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

Other reporting required by *Government Auditing Standards*

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

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

January 28, 2022

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

Our discussion and analysis introduces the basic financial statements and provides an overview of the District's financial activities for the year ended June 30, 2021. It should be read in conjunction with the transmittal letter, which precedes this section, and the financial statements, which immediately follow.

Basic Financial Statements

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

The *Statement of Net Position* reflects the financial position of the District as of June 30, 2021. It shows the assets owned or controlled, deferred outflows of resources, related liabilities and other obligations, deferred inflows of resources, and the categories of net position. Net position is an accounting concept defined as total assets and deferred outflows less total liabilities and deferred inflows. As such, it represents the residual of all other elements presented in the Statement of Net Position of the District.

The *Statement of Revenues, Expenses, and Changes in Net Position* reflects the results of operations and other changes for the year ended June 30, 2021. It shows revenues and expenses, both operating and non-operating, and reconciles the beginning net position amount to the ending net position amount, which is shown on the *Statement of Net Position* described above.

The *Statement of Cash Flows* reflects the inflows and outflows of cash and cash equivalents for the year ended June 30, 2021. It shows the cash activities by type and reconciles the beginning cash and cash equivalents amount to the ending cash and cash equivalents amount, which is shown on the *Statement of Net Position*, described above. In addition, this statement reconciles cash flows from operating activities to operating loss on the *Statement of Revenues, Expenses, and Changes in Net Position* described above.

Although the primary focus of this document is on the results and activity for fiscal year 2020-21 (FY 2021), comparative data is presented for the previous fiscal year, 2019-20 (FY 2020). This Management's Discussion and Analysis (MD&A) uses the prior fiscal year as a reference point in illustrating issues and trends for determining whether the institution's financial health may have improved or deteriorated.

Basic Financial Statements (continued)

Condensed Financial Information

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

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

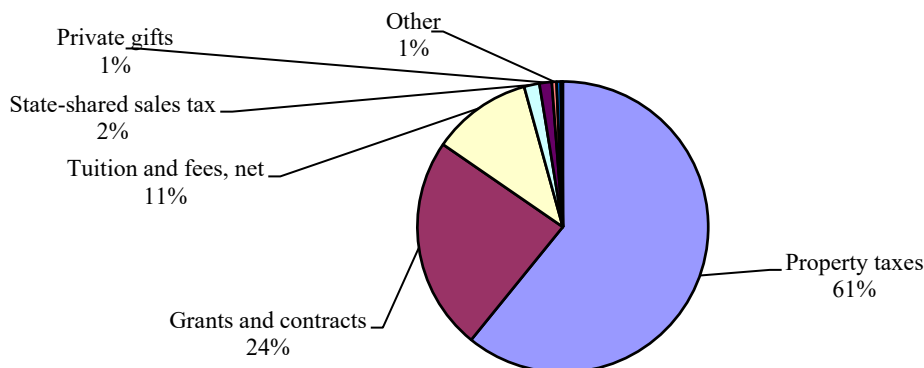
| | <i>For the Year Ended June 30, 2021</i> | <i>For the Year Ended June 30, 2020</i> |
|--|---|---|
| Operating revenues | \$115,662,908 | \$157,343,323 |
| Operating expenses: | | |
| Educational and general | 843,766,706 | 826,112,064 |
| Auxiliary enterprises | 33,624,300 | 45,265,793 |
| Depreciation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

Condensed Financial Information (continued)

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

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

Revenues by Source FY 2021

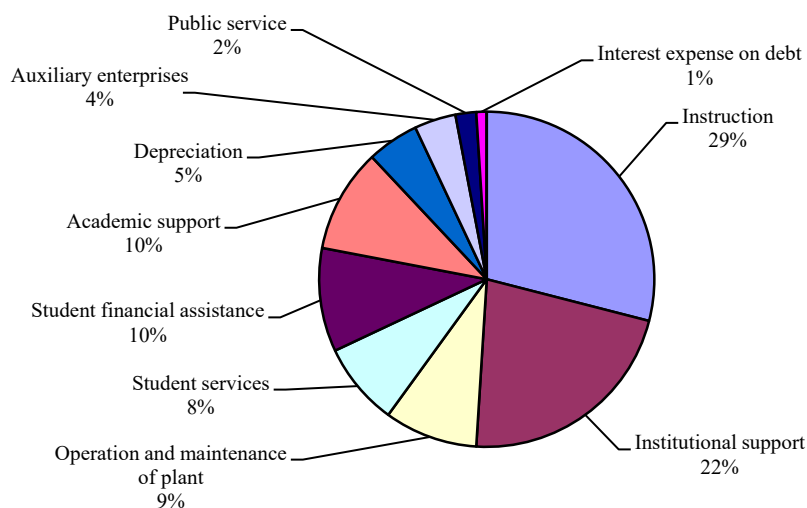


Condensed Financial Information (continued)

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

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

Expenses by Function FY 2021



Financial Highlights and Analysis

Statement of Net Position

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

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

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

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

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

Statement of Revenues, Expenses, and Changes in Net Position

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

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

Capital Assets and Debt Administration

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

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

Current Factors Having Probable Future Financial Significance

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

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

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

Requests for Information

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

Maricopa County Community College District
Statement of Net Position – Primary Government
June 30, 2021

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

See accompanying notes to financial statements.

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

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

See accompanying notes to financial statements.

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

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

See accompanying notes to financial statements.

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

Maricopa County Community College District Foundation

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

See accompanying notes to financial statements.

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

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

(continued)
See accompanying notes to financial statements.

Statement of Cash Flows (continued)

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

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

Noncash transactions:

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

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

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

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

See accompanying notes to financial statements.

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

NOTE 1 - Summary of Significant Accounting Policies

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

For the year ended June 30, 2021, the District implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*, as amended by GASB 97 *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Additionally, the District chose to early implement the provisions of GASB Statement No. 98, *The Annual Comprehensive Financial Report*.

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

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

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

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

NOTE 1 - Summary of Significant Accounting Policies (continued)

as well as relevant notes to the financial statements, are included in the District's financial statements as required by generally accepted accounting principles for public colleges and universities. The Foundation has a June 30 year-end.

During the year ended June 30, 2021, the Foundation distributed \$4,825,232 to the District for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from the Foundation Office at 2419 W. 14th Street, Tempe, AZ 85281.

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

The Statement of Net Position provides information about the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at the end of the year. Assets and liabilities are classified as either current or noncurrent. Net position is classified according to external donor restrictions or availability of assets to satisfy the District's obligations. Net investment in capital assets represents the value of capital assets, net of accumulated depreciation, less any outstanding liabilities incurred to acquire or construct the assets. Nonexpendable restricted net position includes gifts that have been received for endowment purposes and federal contributions for the Federal Perkins Loan Program, the corpus of which cannot be expended. Expendable restricted net position represents grants, contracts, gifts, and other resources that have been externally restricted for specific purposes. Unrestricted net position consists of all other resources, including those that have been designated by management to be used for other than general operating purposes.

The Statement of Revenues, Expenses, and Changes in Net Position provides information about the District's financial activities during the year. Revenues and expenses are classified as either operating or nonoperating, and all changes in net position are reported, including capital contributions and additions to endowments. Operating revenues and expenses generally result from exchange transactions. Accordingly, revenues, such as tuition and sales of auxiliary services, are considered to be operating revenues. Other revenues, such as property taxes and educational grants, are not generated from exchange transactions and are considered to be nonoperating revenues. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Other expenses, such as interest expense on debt, are considered to be nonoperating expenses. When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first. Internal transactions and activities, such as transfers between funds, revenues and expenses recorded for internal service activities, and certain internal revenues and expenses recorded for grant activity, have been eliminated for financial statement purposes.

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

NOTE 1 - Summary of Significant Accounting Policies (continued)

The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Grants and donations are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Cash and Cash Equivalents - For the Statement of Cash Flows, cash and cash equivalents include cash on hand, cash in the bank, cash and investments held by the County Treasurer, investments in the State Treasurer’s Local Government Investment Pool 7, and some investments purchased on behalf of the District by its investment manager. Cash equivalents are defined as investments with maturities of three months or less from the date of acquisition by the District.

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

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

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

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

NOTE 1 - Summary of Significant Accounting Policies (continued)

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

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

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

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

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

NOTE 2 - Deposits and Investments

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

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

NOTE 2 - Deposits and Investments (continued)

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

Deposits

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

Investments

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

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

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

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

NOTE 2 - Deposits and Investments (continued)

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

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

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

Credit Risk - The District does not have a formal policy with respect to credit risk. At June 30, 2021, credit risk for the District’s investments was as follows:

| <u>Investment Type</u> | <u>Rating</u> | <u>Rating Agency</u> | <u>Amount</u> |
|---------------------------------------|---------------|----------------------|----------------------|
| State Treasurer’s investment pool 7 | Unrated | Not applicable | \$238,237,547 |
| State Treasurer’s investment pool 700 | Unrated | Not applicable | 111,915 |
| County Treasurer’s investment pools | Unrated | Not applicable | 12,635,193 |
| U.S. agency securities | Aaa | Moody’s | 95,056,604 |
| U.S. agency securities | P-1 | Moody’s | 6,529,564 |
| Commercial paper | P-1 | Moody’s | 6,651,254 |
| Corporate bonds | Aa1 | Moody’s | 2,732,373 |
| Corporate bonds | Aa2 | Moody’s | 12,294,812 |
| Corporate bonds | Aaa | Moody’s | 2,969,662 |
| Money Market Fund FI | Aaa | Moody’s | 76,438 |
| Total | | | <u>\$377,295,362</u> |

Concentration of Credit Risk - The District does not have a formal policy with respect to concentration of credit risk. The District had investments at June 30, 2021, of 5 percent or more in Federal Home Loan Bank and Federal Home Loan Mortgage Corporation. These investments were 5.7 percent and 7.1 percent, respectively, of the District’s total investments.

Interest Rate Risk - The District’s policy states maturities shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. At June 30, 2021, the District had the following investments in debt securities:

NOTE 2 - Deposits and Investments (continued)

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

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

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

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

NOTE 3 - Current Receivables

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

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

NOTE 3 - Current Receivables (continued)

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

NOTE 4 - Capital Assets

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

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

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

NOTE 5 - Long-term Liabilities

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

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

Legal Debt Margin

The Arizona Constitution, Article 9, Section 8, states that a county or school district may become indebted for an amount not to exceed fifteen percent of taxable property. For fiscal year 2020-21, the District could issue an additional \$6.7 billion of debt and remain within the legal debt margin. See Statistical Section – Computation of Legal Debt Margin for details.

Bonds Payable

The District's bonded debt consists of various issues of general obligation bonds. Bond proceeds primarily pay for improving, acquiring or constructing capital assets. Bonds have also been issued to advance refund previously issued bonds. Of the total general obligation bonds originally authorized in 2004 (\$951,359,000), \$3,000 of authorization remains unissued. The District repays general obligation bonds from voter-approved property taxes; however, the District has no current liability for arbitrage. Federal arbitrage regulations are applicable to all of the District's bond issues. Interest payments are due on a semi-annual basis. Bonds outstanding at June 30, 2021, were as follows:

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

NOTE 5 - Long-term Liabilities (continued)

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

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

Description of Issues

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

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

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

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

General Obligation Bonds, Series 2013

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

NOTE 6 - Pension

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

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

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

*With actuarially reduced benefits.

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

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

NOTE 6 - Pension (continued)

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

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

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

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

NOTE 6 - Pension (continued)

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

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

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

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

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

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

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

NOTE 6 - Pension (continued)

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

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

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

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

NOTE 7 - Operating Expenses

The District’s operating expenses are presented by functional classification in the Statement of Revenues, Expenses, and Changes in Net Position – Primary Government. The operating expenses can also be classified into the following:

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

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

NOTE 8 - Risk Management

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

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

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

NOTE 8 - Risk Management (continued)

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

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

NOTE 9 - Contingencies and Litigation

The District is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of business. A reasonable estimate of the probable losses based on information currently available is \$565,000. This amount has been recognized as an expense and is included in accrued liabilities in the Statement of Net Position. Other reasonably possible claims have been estimated to be \$164,000. Management through legal counsel will seek denial of the claims. Management believes that the loss, if any, resulting from these claims will not have a material impact on the District's financial position, results of operations, or cash flows in future years.

NOTE 10 - Discretely Presented Component Unit Disclosures

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

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

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

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

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

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

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

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

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

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

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

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

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

Contributions received without donor restrictions are distributed as scholarships, as designated by the Board of Directors of the Foundation, or used to further the objectives of the Foundation and to secure current or future endowments through fundraising activities and programs. Contributions received with donor restrictions are distributed according to donor specification, generally as scholarships to attendees of Maricopa County Community Colleges or to support programs and projects to advance these colleges. Contributions received with donor restrictions that are perpetual in nature require the principal be invested in perpetuity; the distributable income from the related investments is reflected as net assets with donor restrictions in the statement of activities and change in net assets as specified by the donor.

Unconditional promises to give (pledges) that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are initially recorded at the fair value of their estimated future cash flows as of the date of the promise to give through the use of a present value discount technique. In periods subsequent to initial recognition, unconditional promises to give are reported at the amount management expects to collect and are discounted over the collection period using the same discount rate as determined at the time of initial recognition. The discount rate determined at the initial recognition of the unconditional promise to give is based upon management's assessment of many factors, including when the receivable is expected to be collected, the creditworthiness of the other parties, the Foundation's past collection experience and its policies concerning the enforcement of promises to give, expectations about possible variations in the amount or timing, or both, of the cash flows, and other factors concerning the receivable's collectability. Amortization of the discounts is included in support from contributions. Collectibility of promises to give is determined by management based on historical information. At June 30, 2021, promises to give presented on the statement of financial position are net of an allowance for uncollectible pledges of \$11,488, and a discount of \$38,618. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

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

Administration Fees - The Foundation charges an administration fee to defray part of the cost of managing restricted accounts held by the Foundation. A fee of 2% is charged on all new gifts, except endowment gifts. On January 1st of each year, an investment management fee of 200 basis points is charged on all accounts. This fee is not charged to endowment funds, if doing so would reduce the fund below its corpus. During the year ended June 30, 2021, the Board of Directors approved a transfer of operational reserves of \$196,552 to effectively offset administration fees charged to the funds. Total fees of \$655,546 were charged by the Foundation and this resulted in the net assets of \$458,994 to be released from restriction for the year ended June 30, 2021.

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

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

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

- Level 1: Unadjusted quoted market prices in active markets for identical assets or liabilities.
- Level 2: Unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.
- Level 3: Unobservable inputs for the asset or liability.

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

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

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

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

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

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

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

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

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

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

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

NOTE 10 b - Pledges Receivable

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

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

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

NOTE 10 c - Investments

Investments consist of the following at June 30, 2021:

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

NOTE 10 c - Investments (continued)

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

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

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

NOTE 10 d - Contributed Services

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

NOTE 10 e - Fair Value Measurements

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

NOTE 10 e - Fair Value Measurements (continued)

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

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

NOTE 10 f - Net Assets with Donor Restrictions

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

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

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

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

NOTE 10 g - Endowments

The Foundation’s endowments include only donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

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

NOTE 10 g - Endowments (continued)

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

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

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

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

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

The Foundation's policy is to distribute, for the stated purpose of each fund, 4.5% for the year ended June 30, 2021 of a three-year average of the market value of each endowed fund that is above the original contributed amount as calculated at the end of each year. For funds that were below the original contributed amount, 4.5% of the three-year average at the end of the year were not eligible for disbursement for the year ended June 30, 2021. Actual investment earnings, in excess of (or less than) distribution, are added to (subtracted from) the endowment principal and available for future disbursements. If these amounts are not fully disbursed within a one-year period, the remaining amounts are transferred back to the endowment funds. For the year ended June 30, 2021 earnings of approximately \$1,377,000 were eligible to be distributed for scholarships and program support. The unused funds of approximately \$317,000 were maintained in the endowment funds to be

NOTE 10 g - Endowments (continued)

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

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or MCFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in net assets without donor restrictions were \$126,018 as of June 30, 2021. The Foundation does not charge administrative fees to underwater funds, however will continue to spend for programs or scholarships as requested. These deficiencies resulted primarily from unfavorable market fluctuations. The balance of these funds as of June 30, 2021 is as follows:

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

Required
Supplementary
Information

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

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

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

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

Supplemental Information

Maricopa County Community College District
Schedule of Revenues, Expenses, and Changes in Net Position
By College/Center
For the Year Ended June 30, 2021

| | <u>Phoenix College</u> | <u>Glendale Community College</u> | <u>GateWay Community College</u> | <u>Mesa Community College</u> | <u>Scottsdale Community College</u> |
|---|----------------------------|---|--|---------------------------------------|---|
| Operating revenues: | | | | | |
| Tuition and fees, net of scholarship allowance | \$ 7,215,046 | \$ 12,187,774 | \$ 6,124,415 | \$ 18,256,137 | \$ 8,525,143 |
| Other | 639,010 | 342,685 | 604,821 | 989,335 | 303,378 |
| Total operating revenues | <u>7,854,056</u> | <u>12,530,459</u> | <u>6,729,236</u> | <u>19,245,472</u> | <u>8,828,521</u> |
| Operating expenses: | | | | | |
| Educational and general: | | | | | |
| Instruction | 29,112,982 | 46,591,101 | 19,989,095 | 53,676,153 | 28,096,744 |
| Public service | 306,901 | 123,722 | 58,039 | 471,466 | 32,949 |
| Academic support | 7,797,245 | 10,986,561 | 4,864,319 | 10,696,354 | 6,189,402 |
| Student services | 6,362,500 | 8,061,954 | 6,531,377 | 10,386,743 | 6,096,020 |
| Institutional support | 13,831,684 | 12,297,668 | 11,680,456 | 21,754,059 | 6,029,282 |
| Operation and maintenance of plant | 13,223,664 | 12,391,871 | 5,469,704 | 11,779,895 | 9,906,262 |
| Student financial assistance | 13,316,384 | 18,128,206 | 4,789,091 | 17,296,066 | 4,869,268 |
| Auxiliary enterprises | 1,539,752 | 1,694,734 | 12,250,267 | 2,891,143 | 1,175,118 |
| Depreciation | 5,005,394 | 4,529,776 | 4,742,894 | 6,517,975 | 4,563,462 |
| Total operating expenses | <u>90,496,506</u> | <u>114,805,593</u> | <u>70,375,242</u> | <u>135,469,854</u> | <u>66,958,507</u> |
| Operating loss | <u>(82,642,450)</u> | <u>(102,275,134)</u> | <u>(63,646,006)</u> | <u>(116,224,382)</u> | <u>(58,129,986)</u> |
| Nonoperating revenues (expenses): | | | | | |
| Property taxes | 53,438,490 | 73,409,751 | 45,259,065 | 79,573,183 | 47,626,406 |
| State appropriations | 145,658 | 220,218 | 88,569 | 264,289 | 116,305 |
| Smart and Safe AZ fund appropriations | 420,073 | 635,098 | 255,430 | 762,200 | 335,420 |
| State-shared sales tax | 152,638 | - | 178,791 | - | - |
| Government grants and contracts | 27,891,133 | 27,257,677 | 17,642,477 | 37,109,136 | 9,470,595 |
| Private grants and contracts | 74,806 | 244,546 | 137,385 | 165,968 | 8,745 |
| Private gifts | 501,287 | 724,420 | 224,410 | 1,162,487 | 597,085 |
| Investment earnings, net of investment expense | 39,905 | 74 | 52 | 35 | (18) |
| Interest expense on debt | - | - | - | - | - |
| Gain (loss) on sale/disposal of capital assets | (21,540) | (216,650) | (185,612) | (222,286) | (24,552) |
| Total nonoperating revenues and expenses | <u>82,642,450</u> | <u>102,275,134</u> | <u>63,600,567</u> | <u>118,815,012</u> | <u>58,129,986</u> |
| Income (loss) before other revenues, expenses, gains or losses | - | - | (45,439) | 2,590,630 | - |
| Capital grants and gifts | - | - | 45,439 | - | - |
| Increase in net position | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,590,630</u> | <u>-</u> |

See accompanying notes to supplemental information.

| <u>Rio Salado College</u> | <u>South Mountain Community College</u> | <u>Chandler-Gilbert Community College</u> | <u>Paradise Valley Community College</u> | <u>Estrella Mountain Community College</u> | <u>District Support Services Center</u> | <u>Total Colleges/Centers</u> |
|------------------------------------|---|---|--|--|---|-------------------------------|
| \$ 25,502,531 | \$ 2,300,094 | \$ 13,121,898 | \$ 6,409,336 | \$ 6,782,470 | \$ 2,393,129 | \$ 108,817,973 |
| 1,415,963 | 24,133 | 231,070 | 205,606 | 87,854 | 2,001,080 | 6,844,935 |
| <u>26,918,494</u> | <u>2,324,227</u> | <u>13,352,968</u> | <u>6,614,942</u> | <u>6,870,324</u> | <u>4,394,209</u> | <u>115,662,908</u> |
| 15,642,312 | 11,032,337 | 26,255,063 | 23,167,604 | 20,441,583 | 673,707 | 274,678,681 |
| 12,610,164 | 35,844 | 93,701 | 18,070 | 101,662 | 4,836,851 | 18,689,369 |
| 20,035,511 | 4,464,368 | 9,925,658 | 3,550,351 | 8,798,519 | 4,737,874 | 92,046,162 |
| 5,394,592 | 4,843,265 | 6,387,188 | 5,014,246 | 4,399,082 | 10,691,526 | 74,168,493 |
| 18,797,066 | 6,859,819 | 10,362,673 | 9,346,981 | 8,936,917 | 80,323,327 | 200,219,932 |
| 5,458,829 | 4,934,243 | 6,408,975 | 6,320,556 | 4,829,803 | 7,398,598 | 88,122,400 |
| 7,615,997 | 4,797,327 | 7,721,371 | 5,824,409 | 11,085,841 | 397,709 | 95,841,669 |
| 9,415,292 | 44,094 | 718,375 | 455,115 | 994,877 | 2,445,533 | 33,624,300 |
| 2,637,816 | 2,318,769 | 4,821,419 | 4,059,195 | 4,413,194 | 6,299,153 | 49,909,047 |
| <u>97,607,579</u> | <u>39,330,066</u> | <u>72,694,423</u> | <u>57,756,527</u> | <u>64,001,478</u> | <u>117,804,278</u> | <u>927,300,053</u> |
| <u>(70,689,085)</u> | <u>(37,005,839)</u> | <u>(59,341,455)</u> | <u>(51,141,585)</u> | <u>(57,131,154)</u> | <u>(113,410,069)</u> | <u>(811,637,145)</u> |
| 58,504,587 | 25,315,877 | 44,179,794 | 36,195,327 | 36,340,745 | 95,829,267 | 595,672,492 |
| 274,329 | 53,317 | 195,941 | 104,054 | 137,320 | - | 1,600,000 |
| 791,153 | 153,765 | 565,086 | 300,087 | 396,026 | - | 4,614,338 |
| - | - | - | - | - | 16,331,819 | 16,663,248 |
| 24,690,738 | 11,057,007 | 28,313,415 | 14,187,243 | 25,203,625 | 7,625,842 | 230,448,888 |
| 1,068,454 | 65,261 | 76,436 | 50,443 | 573,975 | (393,742) | 2,072,277 |
| 8,227,560 | 341,254 | 731,841 | 316,740 | 537,452 | 3,450 | 13,367,986 |
| 32 | 355 | - | - | - | 471,678 | 512,113 |
| - | - | - | - | - | (6,422,663) | (6,422,663) |
| <u>657,035</u> | <u>(3,267)</u> | <u>24,447</u> | <u>(12,309)</u> | <u>(378,008)</u> | <u>(35,582)</u> | <u>(418,324)</u> |
| <u>94,213,888</u> | <u>36,983,569</u> | <u>74,086,960</u> | <u>51,141,585</u> | <u>62,811,135</u> | <u>113,410,069</u> | <u>858,110,355</u> |
| 23,524,803 | (22,270) | 14,745,505 | - | 5,679,981 | - | 46,473,210 |
| 28,843 | 22,270 | 5,752 | - | - | - | 102,304 |
| <u>23,553,646</u> | <u>-</u> | <u>14,751,257</u> | <u>-</u> | <u>5,679,981</u> | <u>-</u> | <u>46,575,514</u> |
| Total net position - July 1, 2020 | | | | | | <u>502,314,151</u> |
| Total net position - June 30, 2021 | | | | | | \$ <u>548,889,665</u> |

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

NOTE 1 - Statement of Purpose

The Maricopa County Community College District Statement of Revenues, Expenses, and Changes in Net Position by College/Center for the Year Ended June 30, 2021, is required by the terms of a Memorandum of Understanding (MOU) between the Maricopa County Community College District (the District) and the Higher Learning Commission (HLC), a commission of the North Central Association of Colleges and Schools (NCA). The MOU outlines an appropriate pattern of evidence to be made available by the District for purposes of meeting certain NCA Criteria for Accreditation related to financial resources/uses and other assurances. This schedule presents revenues and expenses for each college/center within the District.

NOTE 2 - Bases of Allocations

The District receives and records property tax revenue, state appropriations, and Smart and Safe Arizona fund appropriations on behalf of the colleges. For the purpose of this schedule, these revenues are allocated to the colleges on the basis of full-time student equivalents and a distribution of District Support Services Center costs. Pension expense is allocated to the colleges on the basis of pension contributions for the fiscal year.

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



Statistical Section

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

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

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

Source: Annual Comprehensive Financial Reports for years presented.

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

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

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

Source: Annual Comprehensive Financial Reports for years presented.

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

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

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

Source: Annual Comprehensive Financial Reports for years presented.

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

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

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

Source: Annual Comprehensive Financial Reports for years presented.

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

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

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

Source: Annual Comprehensive Financial Reports for years presented.

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

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

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

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

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

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

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

| Fiscal Year | Maricopa County Community College District Direct Rate | | | Overlapping Rates | | | | | |
|-------------|--|----------------|-----------|-------------------|------------------------|---|-------------------------|------------------|-------------|
| | Primary Levy | Secondary Levy | Total | Maricopa County | Education Equalization | Central Arizona Water Conservation District | Other Special Districts | School Districts | Cities |
| 2020-21 | \$ 1.1250 | \$ 0.1631 | \$ 1.2881 | \$ 1.64 | \$ 0.44 | \$ 0.14 | \$ 0 - 5.30 | \$ 1.30 - 9.15 | \$ 0 - 3.68 |
| 2019-20 | 1.1565 | 0.1720 | 1.3285 | 1.64 | 0.46 | 0.14 | 0 - 5.80 | 1.20 - 9.01 | 0 - 3.74 |
| 2018-19 | 1.1708 | 0.2046 | 1.3754 | 1.64 | 0.47 | 0.14 | 0 - 5.69 | .99 - 10.62 | 0 - 3.96 |
| 2017-18 | 1.1956 | 0.2140 | 1.4096 | 1.64 | 0.49 | 0.14 | 0 - 6.69 | .90 - 11.05 | 0 - 3.99 |
| 2016-17 | 1.2376 | 0.2275 | 1.4651 | 1.64 | 0.50 | 0.14 | 0 - 8.70 | .75 - 11.10 | 0 - 3.97 |
| 2015-16 | 1.2628 | 0.2312 | 1.4940 | 1.58 | 0.51 | 0.14 | 0 - 7.12 | .85 - 11.14 | 0 - 3.97 |
| 2014-15 | 1.2824 | 0.2363 | 1.5187 | 1.52 | 0.51 | 0.14 | 0 - 5.61 | .77 - 10.64 | 0 - 3.75 |
| 2013-14 | 1.2896 | 0.2444 | 1.5340 | 1.46 | 0.51 | 0.14 | 0 - 5.30 | .75 - 10.22 | 0 - 4.04 |
| 2012-13 | 1.1563 | 0.2215 | 1.3778 | 1.47 | 0.47 | 0.10 | 0 - 6.15 | .77 - 10.45 | 0 - 3.89 |
| 2011-12 | 1.0123 | 0.1959 | 1.2082 | 1.47 | 0.43 | 0.10 | 0 - 4.05 | .76 - 10.80 | 0 - 2.91 |

Source: District records and Maricopa County Department of Finance.

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

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

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

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

Source: Maricopa County Assessor's Office.

Note: Salt River Project, a local utility, pays an in-lieu tax based on an estimated assessed valuation. The net assessed valuation for tax year 2020 is \$ 766,512,000.

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

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

Sources: Maricopa County Treasurer and District records.

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

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

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

District Historic Tuition and Fees

| Fiscal Year | Per Credit Hour | | | Annual Cost Per Full-time Student | Increase | |
|-------------|-----------------|------|----------------|-----------------------------------|----------|---------|
| | General Tuition | Fees | Combined Total | | Dollars | Percent |
| 2020-21 | \$ 85.00 | \$ - | \$ 85.00 | \$ 2,550.00 | \$ - | - % |
| 2019-20 | 85.00 | - | 85.00 | 2,550.00 | - | - |
| 2018-19 | 85.00 | - | 85.00 | 2,550.00 | (30.00) | (1.16) |
| 2017-18 | 86.00 | - | 86.00 | 2,580.00 | - | - |
| 2016-17 | 86.00 | - | 86.00 | 2,580.00 | 60.00 | 2.38 |
| 2015-16 | 84.00 | - | 84.00 | 2,520.00 | - | - |
| 2014-15 | 84.00 | (4) | 84.00 | 2,520.00 | 90.00 | 3.70 |
| 2013-14 | 79.00 | 2.00 | 81.00 | 2,430.00 | 150.00 | 6.58 |
| 2012-13 | 74.00 | 2.00 | 76.00 | 2,280.00 | - | - |
| 2011-12 | 74.00 | 2.00 | 76.00 | 2,280.00 | 150.00 | 7.04 |

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

| Fiscal Year | Maricopa District | | National Community College Average (1) | | Arizona Universities Average (3) | |
|-------------|-------------------|----------------|--|----------------|----------------------------------|----------------|
| | Annual Cost | Percent Change | Annual Cost | Percent Change | Annual Cost | Percent Change |
| 2020-21 | \$ 2,550.00 | - % | \$ 3,793.00 (2) | 12.32 % | \$ 11,968.00 | - % |
| 2019-20 | 2,550.00 | - | 3,377.00 | 1.96 | 11,968.00 | 3.07 |
| 2018-19 | 2,550.00 | (1.16) | 3,312.00 | 2.16 | 11,611.00 | 2.21 |
| 2017-18 | 2,580.00 | - | 3,242.00 | 2.72 | 11,360.00 | 2.73 |
| 2016-17 | 2,580.00 | 2.38 | 3,156.00 | 3.88 | 11,058.00 | 2.90 |
| 2015-16 | 2,520.00 | - | 3,038.00 | 2.81 | 10,746.00 | 3.65 |
| 2014-15 | 2,520.00 | 3.70 | 2,955.00 | 2.53 | 10,368.00 | 3.23 |
| 2013-14 | 2,430.00 | 6.58 | 2,882.00 | 3.22 | 10,044.00 | 3.81 |
| 2012-13 | 2,280.00 | - | 2,792.00 | 5.28 | 9,675.00 | 1.57 |
| 2011-12 | 2,280.00 | 7.04 | 2,652.00 | 8.73 | 9,525.00 | 28.53 |

Source: District records.

Note 1: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS).

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

Note 3: Arizona Board of Regents, Tuition History.

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

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

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

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

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

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

| Fiscal Year | Gross Revenues (1) | Debt Service Requirements | | | Coverage Ratio |
|------------------------|-------------------------------|----------------------------------|-----------------|--------------|---------------------------|
| | | Principal | Interest | Total | |
| 2020-21 | 184,839,419 | | | | |
| 2019-20 | 241,511,136 | - | - | - | - |
| 2018-19 | 246,392,131 | - | - | - | - |
| 2017-18 | 243,481,566 | - | - | - | - |
| 2016-17 | 241,487,695 | - | - | - | - |
| 2015-16 | 255,975,215 | - | - | - | - |
| 2014-15 | 256,922,245 | - | - | - | - |
| 2013-14 | 259,054,302 | - | - | - | - |
| 2012-13 | 262,851,300 | 410,000 | 8,200 | 418,200 | 628.5 |
| 2011-12 | 272,839,165 | 830,000 | 33,000 | 863,000 | 316.2 |

Source: District records.

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

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

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2020-21

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

Note: The Arizona Constitution, Article 9, Section 8, states that a county or school district may become indebted for an amount not to exceed fifteen percent of taxable property. For fiscal year 2020-21, the District was at 0.40%.

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

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

Source: Arizona Department of Administration, Office of Employment and Population Statistics at www.azstats.gov, Bureau of Labor Statistics, and Bureau of Economic Analysis.

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

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

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

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

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

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

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

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

Source: The Business Journal, Book of Lists.

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

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

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

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

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

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

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

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

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

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

Historic Headcount

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

Historic FTSE

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

Degrees and Certificates Awarded

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

Source: District records.

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

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

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

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

Source: District records.

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

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

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

Source: District records.



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