

Annual Comprehensive Financial Report

FISCAL YEAR ENDED JUNE 30, 2021



PimaCountyCommunityCollegeDistrict



PimaCountyCommunityCollegeDistrict

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2021

Prepared by

Financial Services
4905D East Broadway Boulevard
Tucson, Arizona 85709-1220

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Introductory Section



PimaCountyCommunityCollegeDistrict



PimaCountyCommunityCollegeDistrict

To the citizens of Pima County:

During the 2020-2021 academic year, Pima Community College continued to improve so that we offer the best opportunities for our students, employees, and community.

An institution's finances reflect its values, and this Annual Comprehensive Financial Report documents the College's focus on our North Star: student success, community engagement, and diversity.

As in years past, we fully embrace the Pima County Community College District Governing Board's emphasis on open admissions. Our Education and Facility Master Plans lay out comprehensive strategies through 2025. We are refining our processes to maximize student success and completion.

Of course 2021 has been a year like no other. We have chosen to respond to the pandemic with a re-energized emphasis on our students. In 2021 we received and continued to disburse to students our funds from the federal Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) or HEERF II and American Rescue Plan Act (ARPA) or HEERF III. The College received \$63 million in HEERF funding. More than half of those funds were allocated directly to students in the form of emergency aid grants, with the remaining dollars creating the foundation for IT Infrastructure updates, program enhancements and reimbursement for lost revenues.

Our Centers of Excellence, funded through the issuance in January 2019 of \$65 million in revenue bonds, continue to progress. Our Center in Cyber/Information Technology, at East Campus, went online in December. In May 2021, we cut the ribbon on the Automotive Technology and Innovation Center, the first building in our Center of Excellence in Applied Technology at Downtown Campus.

Beyond facilities, the College is in the midst of a comprehensive, data-based curriculum review. Our goal is to create the most efficient academic pathways for students, whether they seek an affordable start to a bachelor's degree, or employment in an occupation that can withstand the coming era of rapid technological change.

This Report analyzes the College's finances and offers extensive information in a format that has earned the College awards for 29 consecutive years. We are very proud of these awards and work hard to win them. I would like to thank Executive Vice Chancellor Dr. David Bea and Finance and Business Services staff for their efforts in preparing this Report and the extensive supplemental financial information made publicly available on the College's website.

The College is committed to prudent stewardship of taxpayer dollars as we support our community through our Mission: "PCC is an open-admissions institution providing affordable, comprehensive educational opportunities that support student success and meet the diverse needs of its students and community."

Sincerely,

A handwritten signature in black ink, appearing to read "Lee D. Lambert", with a long, sweeping flourish extending to the right.

Lee D. Lambert, J.D.
Chancellor



PimaCountyCommunityCollegeDistrict

District Office

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for Finance and Administration
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December 15, 2021

To the Governing Board and Citizens of Pima County Community College District

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

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, results of operations, and cash flows of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities have been included. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the College.

Please refer to the Management's Discussion and Analysis section for summary information and comparative financial information to the prior fiscal year.

Reporting Entity

The College is an independent reporting entity within the criteria established by generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). Although the College shares the same geographic boundaries with Pima County, the College solely exercises financial accountability over all activities related to public community college education in Pima County with the exception that Pima County assesses and collects property taxes that support the College. The College is a primary government because it is a special purpose political subdivision that has a separately elected governing body, is legally separate, is fiscally independent of other state and local governments, and is not included in any other governmental financial reporting entity. The Pima Community College Foundation, Incorporated (the Foundation) is considered a component unit of the College and is discretely presented in the College's financial statements in accordance with GASB reporting guidelines.

The College's ACFR is intended to fulfill the State of Arizona Transparency Law, Arizona Revised Statutes §41-725. Additionally, federal guidelines and certain bond covenants require that the College's accounting and financial records be subject to an annual independent audit. The College's annual audit is performed by the Arizona Auditor General. The reports resulting from the audit are public documents and are publicly posted online, shared with College administration, the Governing Board, and the Finance and Audit Committee. The independent auditors' report is displayed in the front of the financial section of this ACFR.

History

The voters of Pima County established Pima County Junior College District in 1966 under the provisions of legislation enacted by the Arizona State Legislature in 1960. The first governing board was elected in 1967 concurrent with the approval of a \$5.9 million general obligation bond issue for the first College facilities. The name of the College was changed to Pima County Community College District in 1972.

The College's first classes met in the fall of 1969 at Tucson Medical Center, Villa Maria, and in the Town of Marana. In the fall of 1970, the College officially opened its doors utilizing temporary facilities until the original West Campus facility on Anklam Road west of Interstate 10 was available in January 1971. The West Campus is the largest comprehensive campus of the College and offers a variety of degree and certificate programs.

The Downtown Campus was opened in 1974 at Stone and Speedway to serve the central city area. The Downtown Campus offers a balance of developmental, university transfer, and occupational courses. In fiscal year 2019, the College began expanding the footprint of Downtown Campus in support of the Educational Master Plan and Facilities Master Plan.

Classes were first offered at the East Education Center in 1976. The current East Campus facility, just east of Davis-Monthan Air Force Base, was opened in 1981 and substantially expanded in 1989. The East Campus offers general education, university transfer, and developmental coursework, as well as selected occupational programming.

The Education Center-South was opened in 1986 to serve the south and southwest area residents in leased space. It became the comprehensive Desert Vista Campus located in a facility near Interstate 19 and Valencia Road in June of 1993. The Desert Vista Campus offers a wide range of programs and diverse courses, including university transfer, developmental, general education, and occupational courses.

In July 2003, the College opened the Northwest Campus located on Shannon Road between Ina and Magee. The Northwest Campus offers comprehensive educational programs including university transfer, professional, technical, and developmental programs, and general interest courses.

The Foundation was incorporated in the State of Arizona in 1977 as a nonprofit organization whose primary mission and purpose is to assist and support the College in carrying out the College's educational, operational, and other purposes. The Foundation has pursued its mission and purpose primarily through raising private support to make gifts of scholarship funds to the College and its students on an annual basis.

Organization and Administration

The Governing Board of the College is comprised of five members. Each member is elected for a six-year term from one of the five Districts in Pima County, the College's service area. The administrative staff of the College, led by the Chancellor, is responsible for the operation and administration of all College functions. During fiscal year 2021, the College was led by Lee D. Lambert, J.D., who has been Chancellor of the College since July 1, 2013.

Service Area

Pima County is located in the southern portion of Arizona and encompasses an area of approximately 9,240 square miles, with a section of its boundary bordering Mexico. Over 50 percent of Pima County's population resides in Tucson, the County seat of government and southern Arizona's largest city. Organized in 1864 by the Arizona Territorial Legislature as one of the State's four original counties, Pima County is the second most populous in Arizona with a total population of about one million people.

The City of Tucson is the economic and transportation center of the County, as well as southern Arizona. Tucson is situated on Interstate 10, which connects Tucson with Phoenix to the north, Los Angeles to the west, and New Mexico and Texas to the east. Interstate 19 provides access to Nogales and Mexico to the south, while State Highway 86 connects with a direct route to the Gulf of California vacation areas. The main line of Union Pacific Railroad extends across Tucson to the eastern portion of the County. Tucson

International Airport, located approximately 20 minutes from Tucson's downtown business area, provides local, regional, and national service for several airlines.

Pima County's economy is based on a variety of service industries, as well as government employment (including public education), wholesale and retail trade, manufacturing, construction, and tourism. A Schedule of Principal Employers is in the Statistical Section.

Economic Condition

Forecasts prepared by the Economic & Business Research Center at The University of Arizona's Eller College of Management indicate that overall Arizona is on pace for continued strong growth as it continues to recover to pre-pandemic levels of economic activity. Employment bounced back during fiscal year 2021 and the job gains as of July indicated that Arizona had replaced 93.7 percent of the jobs lost from the February to April 2020 economic downturn. Job gains continue to surge and housing permit activity remained very strong. The long-run outlook calls for continued strong growth. The state is forecasted to generate job, income, and population gains at a much faster pace than the nation. Retail sales, which decreased by 0.5 percent last year, rebounded in 2021 with growth of 12.1 percent compared to a year ago. The growth in the state's economy is anticipated to continue during the second half of 2021 and into 2022 with jobs surpassing their pre-pandemic peak and taxable sales remaining on track for significant gains.

Population increases will be driven by net migration gains. Pima County's population is projected to increase by 0.8 percent from 2021 to 2022. Published forecasts show population gains of 0.8 and 0.7 percent projected for 2023 and 2024, respectively. As of June 30, 2021, 500,768 persons were employed in Pima County. Employment trends showed that the Pima County unemployment rate of 7.3 percent was slightly above the state rate of 6.8 percent at June 30, 2021. Job gains will translate into income gains and per capita income is forecasted to rise at about the national pace in future years. Even so, innovation will be a main driver and it will depend in part on investments in human capital, primarily education, to help close the existing income gap with the nation. Arizona will also need to invest in infrastructure, as it will be important to accommodate future growth.

In addition, the housing market has remained strong with demand driving home prices up by 30 percent or more in June 2021. According to year over year data published June 2021 by the Tucson Association of Realtors, housing units closed sales increased by 5.5 percent while the median sales price of units sold increased by 30 percent. However, the available homes for sale have decreased 43 percent as homebuyers struggle with declining affordability amid the lack of inventory.

Long-term Financial Planning

The College has sufficient resources to support its mission, vision, goals, and values while striving to provide affordable educational programs to the residents of Pima County. The budget development processes align with implementation of the College's strategic plan, creating a link between budgeting, planning, assessment of student learning, and evaluation of operations. The budget process is a system that serves as a blueprint to monitor and control ongoing operations.

The College leverages a range of information to ensure that it has sufficient financial resources available to support its planning and priorities in the short and long terms. For financial planning, this includes, but is not limited to, projected changes in revenues and expenses, enrollment projections, expenditure limitation, property taxes, tuition and fees, capital project costs, estimated cost changes in employee benefits, and other major contractual costs. Using these data and adjusting such variables as projected enrollment, tuition and fees, and property tax revenues, the College can review and forecast different scenarios. Forecasting ensures the budget planning process fully considers possible fluctuations in both revenue sources and projected

expenses while aligning projected revenues with the College’s strategic planning and priorities. The annual budget is developed with particular emphasis on maintaining the financial stability of the College by creating adequate funding reserves for revenue shortfalls or unexpected expenditures without impairing the quality of service provided to the community.

The major factors affecting the College budget in fiscal year 2021 included the continued expectation of minimal state appropriations, declining enrollment, and ongoing reorganization of the College. In an effort to right size the College, cost reduction strategies included campus and department consolidations that emphasized efficiencies and consistency, recruitment reviews, and a reduction in staffing through the elimination of vacant positions. Other strategies included continuing to minimize capital budget expenses by lease purchasing equipment and providing funding with revenue bonds for ongoing and future capital needs and program innovation as determined by the College’s Educational Master Plan and Facilities Master Plan.

Information about the College’s finances is communicated externally and internally to the College’s many constituents. At each regular meeting of the Governing Board, monthly financial reports are included in the meeting packet. In addition, the Governing Board’s Finance and Audit Committee monitors financial reporting, investments, risk internal control, governance, and Internal Audit functions.

Major Program Initiatives

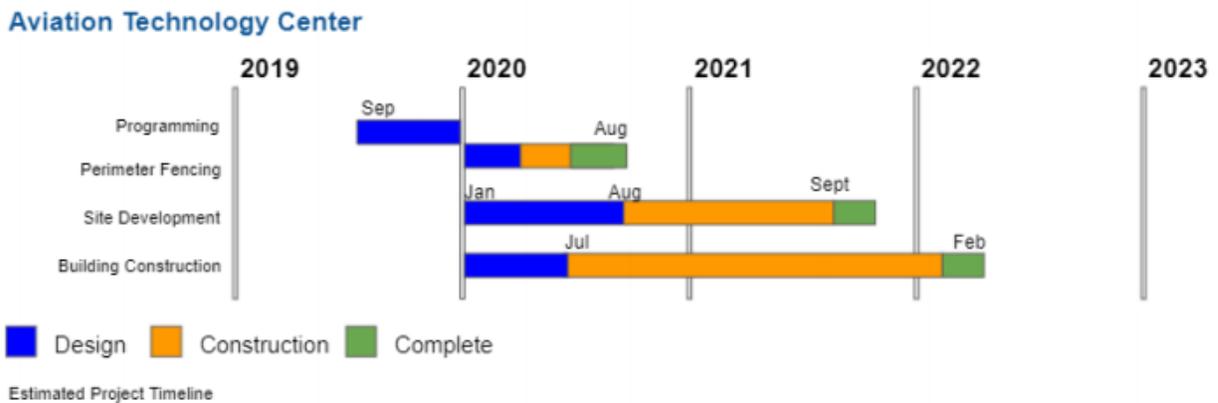
Centers of Excellence

During fiscal year 2021, work continued on capital projects related to the College’s approved Educational Master Plan and Facilities Master Plan. These strategic investments will provide premier educational facilities to prepare students for future success in their fields of study and in the workforce. However, due to the pandemic the College encountered supply chain and labor shortages which led to unforeseen expenses and changes to pedagogy. Although there were no material changes in the scope of these projects, the College will be reviewing enrollment projections and face-to-face learning requirements to determine the future impact on the facilities footprint.

Aviation Technology Center

The College continued the Aviation Technology Center expansion and construction. The construction is funded by a State capital appropriation of \$15 million. The expansion will nearly double the Aviation Technology Center and dramatically reduce or eliminate the current one-year wait time for student’s admission into the aviation program. The expansion is expected to provide more graduates to fill high-quality jobs while enhancing the State’s goals of attracting business in the aviation, aerospace, and defense sectors. The project is expected to be completed in 2022.

Construction Timeline



Downtown Campus - Applied Technology

The College continued its expansion of the Downtown Campus through the development of the new Center of Excellence in Applied Technology. The Automotive Technology and Innovation Center is in the completion stages, and in September 2021 construction began on the Advanced Manufacturing Building. The Applied Technology Center will allow the College to expand critical programs in manufacturing, welding, and automotive technology and will transform the campus and surrounding neighborhood.

West Campus - Allied Health/Science

The College has contracted with BWS Architects to provide an assessment of the existing West Campus nursing and science labs and to complete a space programming study. The College will be renovating existing West Campus facilities and additional construction will be funded by capital reserves. The science labs renovation is ongoing and is expected to be completed in spring 2022.

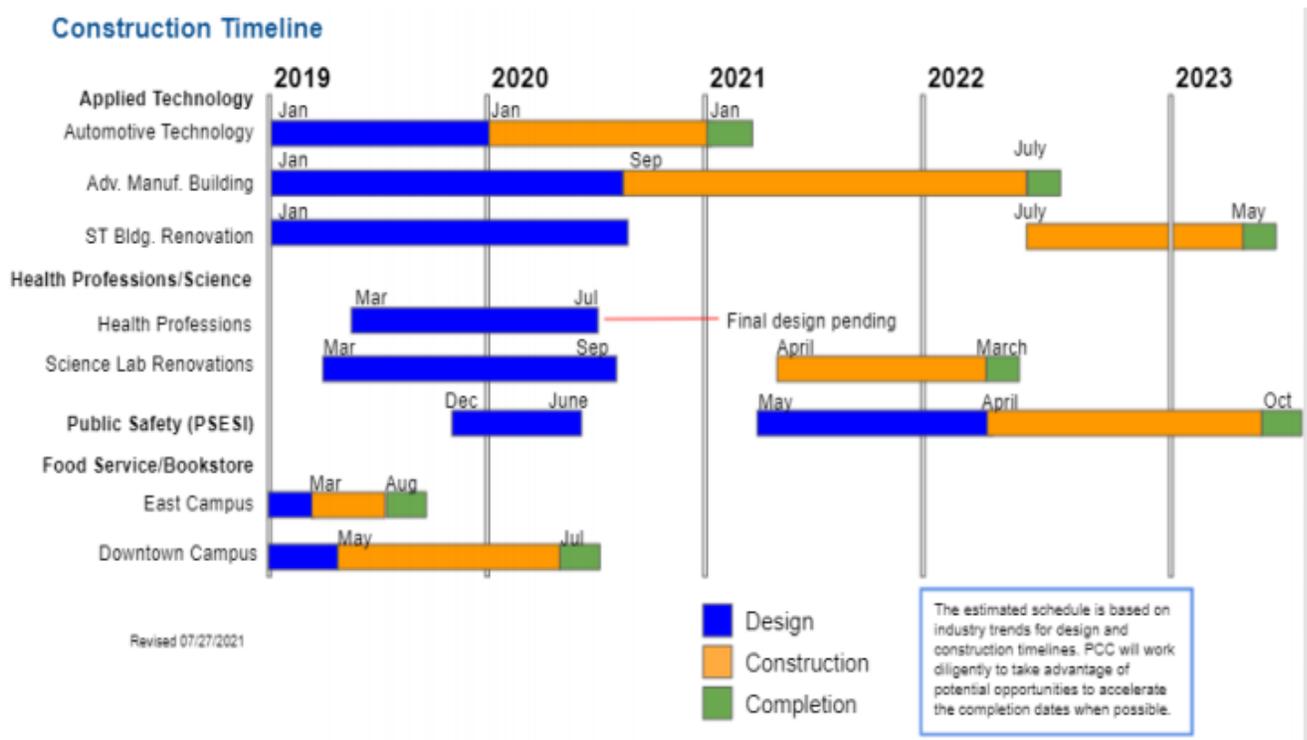
East Campus and 29th Street Coalition Center - Public Safety and Emergency Services Institute (PSESI)

The College contracted with architectural firm SWAIM to provide an assessment of the existing East Campus and 29th Street Coalition Center public safety and emergency services programs. The College completed the space programming study in 2021 and determined to move the PSESI program and related construction from the 29th Street Coalition Center to the East Campus. Construction is expected to be completed in Fall 2023.

Food Service and Bookstores

The College has contracted with Follett to provide food service, vending, and bookstore management across the District. Based on input from students, the existing Follett-managed spaces have been redesigned and will be consolidated at each campus. All renovations on the East Campus were completed in 2019, the Downtown Campus construction is nearing completion, and the design options for the Northwest Campus have been completed.

Construction Timeline



In addition, the College has completed major improvements in safety and security and completed maintenance projects, including roofing and paving. The College continues significant energy and water conservation work across all existing locations, including large photovoltaic solar energy generating installations. These deferred maintenance projects are funded through capital reserves and capital leases.

Industry Partnerships

The College has worked extensively to integrate industry partnerships in order to ensure that meaningful changes are made to traditional curriculum, instructional practices, and processes to best support the needs of the community. The College has nearly 700 active partnerships with employers, with plans to expand. These robust relationships between the College and local industry are critical to building strong workforce development programs for students and supporting economic development in Southern Arizona. Through active business development and engagement, advisory committees, grants, and college events, industry partners play a key role in curriculum development and credential validation, which ensures graduates have the skills necessary to earn high paying jobs and supports the development of a labor pool that meets employer needs. The development of the Centers of Excellence ensures that the College will meet its goal of creating partnerships and aligning with key industry sectors in the state.

COVID-19 Response

The College made a significant commitment to support students and continue the delivery of education and services from the onset of the pandemic. In fiscal years 2020 and 2021, the College received approximately \$75.2 million in federal Higher Education Emergency Relief Funds (HEERF), which were intended for direct student aid and institutional costs. The funds were allocated through the Coronavirus Aid, Relief and Economic Security Act (CARES ACT, also known as HEERF I), the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA, or HEERF II), and the American Rescue Plan Act (ARPA, or HEERF III).

At the time of writing this report, approximately \$20.5 million has been distributed to 16,964 students since March 2020. The College is utilizing the institutional funds for extensive information technology (IT) upgrades to ensure student success through virtual learning by creating a student device lending program to distribute laptops and WiFi hotspots. A large investment in IT infrastructure through the replacement of fiber optic cabling, network equipment, and software upgrades will support virtual learning models into the future. Further, the College has utilized HEERF to provide virtual tutoring, testing and placement services, and facilities remediation.

The College continues to provide community support and serve as a point of distribution for COVID-19 testing and vaccinations for Pima County residents.

Fiscal Integrity and Oversight

Internal Controls

The College's Finance and Business Services department is responsible for establishing and maintaining a system of internal controls. Internal controls are designed to ensure reasonable, but not absolute, assurance that the assets of the College are protected from loss, theft, or misuse, and that adequate accounting data are compiled to allow for the preparation of financial statements that conform to generally accepted accounting principles. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from that control element and that the evaluation of costs and benefits requires estimate and judgments from management. All internal control evaluations occur within

the above framework. The College's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The Office of the Internal Auditor (Internal Audit) is an independent, objective, assurance, and consulting entity designed to add value and improve College operations. Internal Audit assists the College in accomplishing its objectives by systematically evaluating, and helping to improve, risk management, control and governance. The scope of Internal Audit's responsibilities encompasses all College operations. The Director of Internal Audit reports directly to the College's General Counsel and provides reports to the Governing Board and the Finance and Audit Committee.

Budgetary Controls

The College complies with state statutes requiring that a report of the College's adopted budget be published annually within the prescribed format as required by the Arizona Auditor General. The College maintains budgetary controls and budget transfer restrictions by program (function) and major account category. The objective of these budgetary controls is to ensure compliance with the annual budget adopted by the Governing Board. The legal level of budgetary control is at the program category level. The College also maintains an encumbrance system to set aside funds for established commitments. Open encumbrances are eliminated for fiscal year-end reporting.

The College also demonstrates compliance with statutory expenditure limitations by issuing an annual budgeted expenditure limitation report, which is audited by the Arizona Auditor General. These and other financial reports are publicly available on the College's website.

College Functions

As a political subdivision of the State of Arizona, the College exercises direct tax levy authority for the generation of revenues for operating expenses, capital equipment, and debt retirement purposes. The Governing Board sets tuition and fee levels, as well as the budget and property tax rates and levies for the College.

Governing Board's Finance and Audit Committee

As part of the College's continuing improvements in financial accountability and transparency, the Governing Board has a Finance and Audit Committee. As stated in its Charter, the Committee is structured to provide additional oversight and monitoring responsibilities for the College's financial, audit, and investment related performance, policies, and procedures. The Committee allows for better sharing of financial information with the Governing Board and other constituencies, including the public. The Committee comprises two College Governing Board members and five to eight community representatives who are professionally knowledgeable about finance, accounting, auditing, and/or investments.

Independent Audit

The Arizona Auditor General conducts the annual financial audit of the College's finances. Testing procedures determine whether the financial statements are free of material misstatement and ensure compliance with Arizona Revised Statutes that require an annual audit of the College's financial statements. The Auditor General's Independent Auditors' Report is included in this document. For the fiscal year ended June 30, 2021, the College received an unmodified opinion.

A local independent accounting firm conducts the annual financial audit for the Foundation. The Foundation also received an unmodified opinion for the fiscal year ended June 30, 2021.

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 Pima County Community College District for the fiscal year ended June 30, 2020. This was the twenty-ninth consecutive year that the College has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The College believes that the current ACFR continues to meet the Certificate of Achievement Program's requirements, and the ACFR will be submitted to the GFOA to determine its eligibility for another certificate.

Acknowledgements

We would like to express our appreciation for members of the Governing Board and the Finance and Audit Committee, who volunteer their time and expertise on a regular basis to guide the College. The mission of the College could not be achieved without the Chancellor's leadership. We would also like to express our appreciation to the Auditor General for the timely completion of the audit. The preparation of this report could not be accomplished without the efficient and dedicated efforts of the College's Finance and Business Services and all those who contributed to the preparation of this report.

Respectfully submitted,



David W. Bea, Ph.D.
Executive Vice Chancellor
for Finance and Administration



Daniel Soza
Assistant Vice Chancellor
for Finance



Agnes Maina
Director of Financial Services



Government Finance Officers Association

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

Presented to

**Pima County
Community College District
Arizona**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

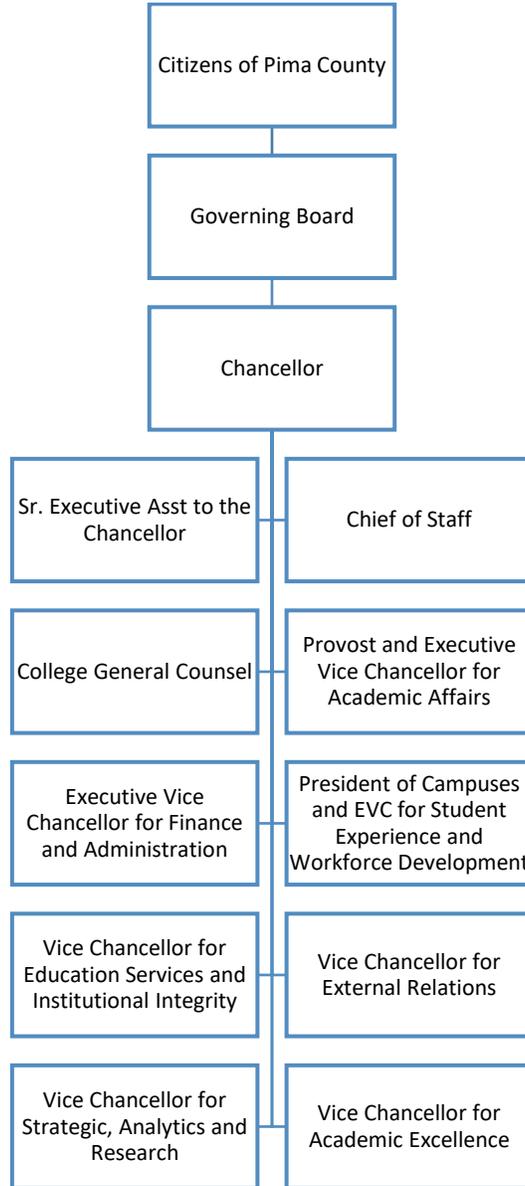
Christopher P. Morill

Executive Director/CEO

Organization Chart*



Pima County Community College District



* As of September 2021



Governing Board - 2021

Catherine Ripley, Vice Chair/Secretary, District 1
Demion Clinco, Chair, District 2
Maria D. Garcia, Member, District 3
Meredith Hay, Ph.D., Member, District 4
Luis L. Gonzales, Member, District 5

District Executive Leadership Team

Lee D. Lambert, J.D., *Chancellor*
Dr. Dolores M. Duran-Cerda, *Provost and Executive Vice Chancellor for Academic Affairs*
Dr. David W. Bea, *Executive Vice Chancellor for Finance and Administration*
Dr. David Doré, *President of Campuses and EVC for Student Experience and Workforce Development*
Jeffrey Silvyn, J.D., *College General Counsel*
Thomas A. Davis, *Chief of Staff*
Dr. Bruce Moses, *Vice Chancellor for Education Services and Institutional Integrity*
Phil Burdick, *Vice Chancellor for External Relations, Interim*
Dr. Morgan Phillips, *Vice Chancellor for Academic Excellence*
Dr. Nicola Richmond, *Vice Chancellor for Strategic, Analytics and Research*
Dr. Irene Robles-Lopez, *Vice Chancellor for Student Experience, Acting*
Vacant, *Assistant Vice Chancellor for Facilities*
Carleen Thompson, *Assistant Vice Chancellor for Human Resources*
Jack Satterfield, *Assistant Vice Chancellor for Information Technology, Acting*

*as of September 2021

College Vision, Mission and Values

College Purpose

Transforming lives through affordable education.

College Vision

As a premier community College, PCC will be a catalyst for personal transformation, economic growth, and cultural prosperity that enriches our diverse community.

College Mission

Empower every learner, every day, for every goal.

As an open-admissions community college with the diverse setting of Pima County, PCC provides comprehensive and flexible life-long learning opportunities to promote learner success and to empower every learner, every day, for every goal.

Every learner: We commit to meeting the diverse needs of every person who seeks to further themselves through education.

Every day: We strive for excellence in teaching and support services, to ensure that all of our learners experience a welcoming and supportive environment that enhances their education.

Every goal: We align our programs and services with meaningful careers, quality educational pathways, and equity-driven practices to empower learners to succeed in their college and career goals.

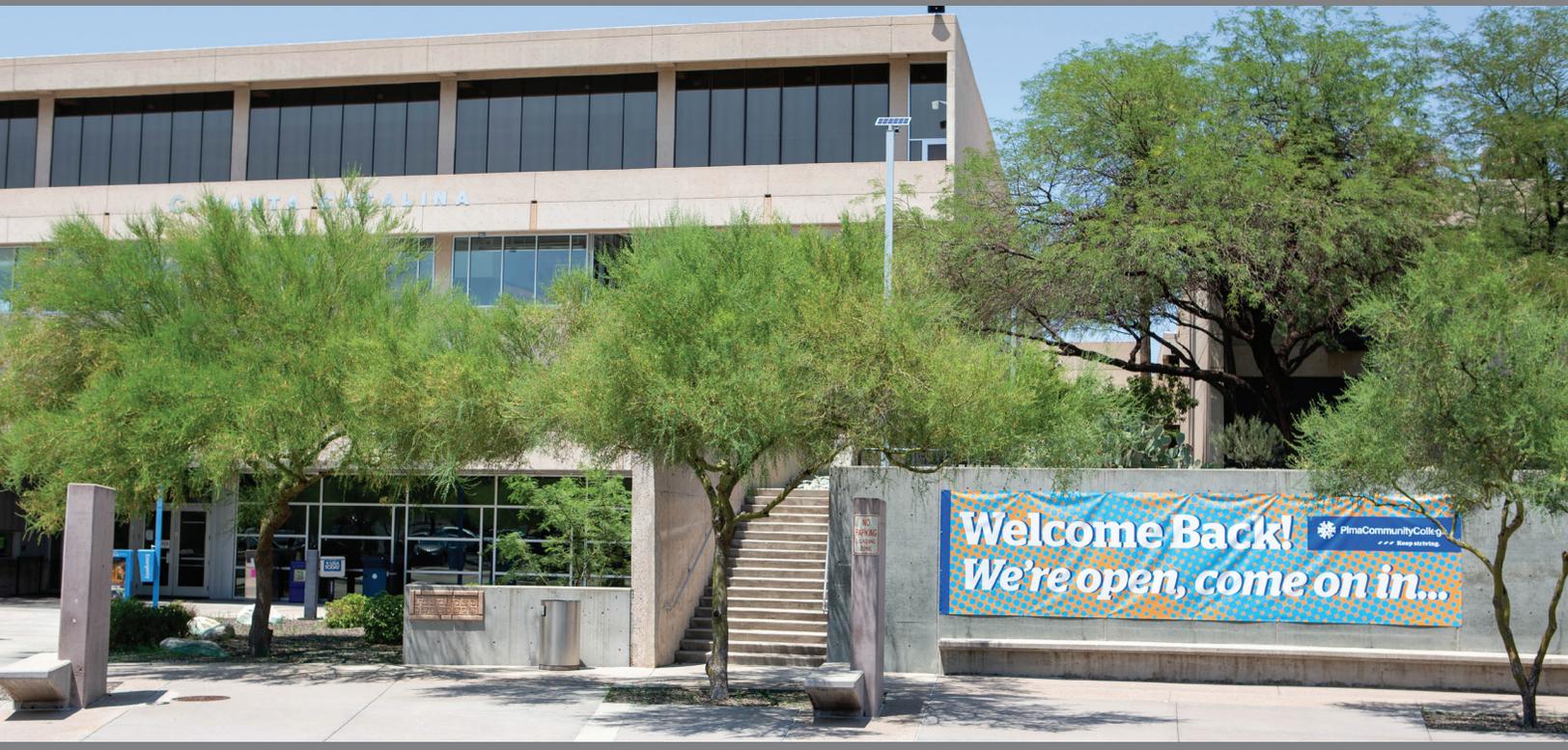
College Behaviors

We champion these behaviors that exemplify the spirit of our college to foster a compassionate, productive educational environment for our whole community.

Every employee is encouraged to:

- **Commit to equality and social justice.** Meet each learner where they are and seek to improve equity in our community through every decision that we make.
- **Have frank, open conversations and give each other the benefit of the doubt.** Act earnestly, ethically, and value integrity in everything we do.
- **Open up to change and endeavor to serve our learners and the community by soliciting, valuing and using their input.**
- **Innovate.** Actively seek new ways of serving our learners and bring creativity to everything we do. Have the courage to take risks.
- **Challenge our processes, assumptions and the status quo to remove barriers and find more efficient ways to operate.**
- **Evaluate our effectiveness.** Assess outcomes regularly to champion what is proven to work well and direct resources to the areas in greatest need of improvement.
- **Serve.** Provide outstanding service to our learners, the community and each other. Work closely with employees, employers, corporate and non-profit partners, schools and government agencies in the service of our learners.

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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
Pima 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 Pima 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 17 through 23, schedule of the District's proportionate share of the net pension/OPEB liability on page 49, and schedule of District pension/OPEB contributions on page 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

Other reporting required by *Government Auditing Standards*

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

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

December 15, 2021

Management's Discussion and Analysis

Introduction

This section of the College's Annual Comprehensive Financial Report was prepared by the College's management and presents management's discussion and analysis of the College's financial activity for the fiscal year ended June 30, 2021. Please read it in conjunction with the transmittal letter, the financial statements, and the accompanying notes to the financial statements.

Basic Financial Statements

The College's annual financial statements are presented in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments," and Statement No. 35, "Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities." These statements allow public colleges and universities to use guidance for special-purpose governments, engaged only in business-type activities. Therefore, the presentation of financial activity and balances is in a consolidated, single-column, entity-wide format.

The *Statement of Net Position* presents the financial position of the College as of June 30, 2021. It reflects the assets and deferred outflows owned or controlled by the College, the related liabilities, deferred inflows, and other obligations, and the categories of net position. The total net position consists of, net investment in capital assets, restricted net position, and unrestricted net position. The change in net position is an indicator of whether the financial condition has improved or worsened during the fiscal year.

The *Statement of Revenues, Expenses and Changes in Net Position* presents the College's revenues earned and the expenses incurred during fiscal year, regardless of when cash is received or paid. Activities are reported as either operating or non-operating. Operating expenses are incurred in the normal operation of the College, including a provision for depreciation on capital assets. Certain revenue sources that the College relies on for operations, including taxes, gifts, grants, and investment income are required by GASB Statement No. 35 to be classified as nonoperating revenues. Changes in net position are reconciled to the *Statement of Net Position* described above.

The *Statement of Cash Flows* presents the inflows and outflows of cash and cash equivalents of the College for the fiscal year. Cash flows are segregated by type and activity into the following categories: operating activities, noncapital financing activities, capital and related financing activities, and investing activities. Cash flows from operating activities are reconciled to operating income/loss on the *Statement of Revenues, Expenses and Changes in Net Position* described above.

This report focuses on the College's overall financial position, financial condition, and results of operations and cash flows for the fiscal year ended June 30, 2021. Comparative information from the previous fiscal year is provided in the condensed financial information to show the readers how the College's financial performance has changed.

Management's Discussion and Analysis

Financial Highlights and Analysis

Statement of Net Position

The College's overall financial position continued to improve in fiscal year 2021 with a total net position increase of \$24.7 million or 16.1 percent, from \$154.0 million to \$178.7 million. Restricted net position increased from \$47.6 million to \$51.5 million. This was primarily due to \$1.9 million reserved for future debt payments, \$16.3 million restricted for future capital projects, including unspent Proposition 301 proceeds, and unspent capital appropriations for the Aviation Technology expansion project. The unrestricted net position increased \$13.6 million from tax revenue collections, State appropriations from Smart and Safe Arizona Act (Prop 207) funding, and due to COVID-19 emergency relief funding from the Coronavirus Aid, Relief and Economic Security Act (HEERF I), the Coronavirus Response and Relieve Supplemental Appropriations Act (HEERF II), and the American Rescue Plan Act (HEERF III).

Total assets are measured in current or fair value, except for capital assets, which are recorded at historical cost less the applicable accumulated depreciation. During fiscal year 2021, total assets increased 7.5 percent from \$351.4 million to \$377.8 million. This change was primarily due to an increase in construction in progress of \$22.9 million as the College continues to build the Center of Excellence in Applied Technologies and expand the Aviation Technology Center, as well as a \$13.0 million increase in government grants receivables related to the HEERF federal grants.

Current liabilities consist of payables due within a short period after the close of the fiscal year. These include: current portion of long-term liabilities, accrued payroll and employee benefits, accounts payable, and accrued liabilities for invoices that have been received but not yet paid and unearned revenues for monies the College has received prior to providing services. The increase in unearned revenues is due to the federal HEERF grants. The increase in accounts payable is primary due to outstanding construction invoices of the Advanced Manufacturing Building and other renovation projects across the College. The majority of College's long-term liabilities are related to pension and other post-employment benefits at 54.6 percent and revenue bonds at 26.1 percent of total liabilities. The long-term liabilities increase of \$12.8 million was due to an increase in net pension and other postemployment benefits of \$16.4 million offset by decreases in compensated absences of \$0.2 million, capital leases of \$0.8 million, and bonds payable of \$2.6 million. The increase in the net pension and other postemployment benefits (OPEB) was primarily the result of changes in actuarial assumptions and actuarial adjustments as provided by Arizona State Retirement System (ASRS) and Public Safety Personnel Retirement System (PSPRS).

Deferred outflows and deferred inflows of resources related to pension and OPEB liabilities are a result of actuarial adjustments provided by ASRS and PSPRS. Variances primarily are driven by changes in pension plan investments, contribution rate changes, composition of employer participants, etc. Additional information on the pensions and other postemployment benefits liabilities are in Note 5 of the basic financial statements.

Condensed Financial Information – Primary Government
Summarized Schedule of Assets, Liabilities and Net Position

	<u>As of June 30, 2021</u>	<u>As of June 30, 2020</u>	<u>% Change</u>
Assets			
Current Assets	\$ 111,278,103	\$ 93,473,885	19.0%
Noncurrent Assets – Restricted	45,292,549	58,692,922	-22.8%
Capital Assets, net	122,719,968	101,541,991	20.9%
Other Noncurrent Assets	98,486,426	97,691,844	0.8%
Total Assets	377,777,046	351,400,642	7.5%
Deferred Outflows of Resources			
Deferred Outflows Related to Pensions and Other Postemployment Benefits	22,417,170	12,267,121	82.7%
Total Deferred Outflows of Resources	22,417,170	12,267,121	82.7%
Liabilities			
Other Liabilities	34,978,161	25,533,267	37.0%
Long-term Liabilities			
Compensated Absences	4,193,827	4,406,429	-4.8%
Capital Leases Payable	1,423,044	2,204,993	-35.5%
Bonds Payable	56,457,750	59,010,173	-4.3%
Net Pension and Other Postemployment Benefits Liability	117,826,497	101,428,845	16.2%
Total Liabilities	214,879,279	192,583,707	11.6%
Deferred Inflows of Resources			
Deferred Inflows Related to Pensions and Other Postemployment Benefits	6,575,519	17,090,497	-61.5%
Total Deferred Inflows of Resources	6,575,519	17,090,497	-61.5%
Net Position			
Net Investment in Capital Assets	100,032,307	92,788,602	7.8%
Restricted Net Position	51,522,969	47,633,485	8.2%
Unrestricted Net Position	27,184,142	13,571,472	100.3%
Total Net Position	\$ 178,739,418	\$ 153,993,559	16.1%

Summarized Schedule of Revenues, Expenses and Changes in Net Position

	<u>For the year ended June 30, 2021</u>	<u>For the year ended June 30, 2020</u>	<u>% Change</u>
Operating Revenues			
Tuition and Fees (net of allowances)	\$ 22,860,179	\$ 29,095,520	-21.4%
Contracts	3,645,974	2,853,094	27.8%
Commissions and Rents	272,189	621,796	-56.2%
Other Operating Revenues	446,251	965,443	-53.8%
Total Operating Revenues	27,224,593	33,535,853	-18.8%
Total Operating Expenses	184,858,673	191,944,561	-3.7%
Operating Loss	(157,634,080)	(158,408,708)	-0.5%
Nonoperating Revenues (Expenses)			
Property Taxes	123,095,091	120,192,760	2.4%
State Appropriations	2,074,314	595,000	248.6%
Federal Grants	52,388,148	47,070,759	11.3%
State and Local Grants	1,566,087	1,141,525	37.2%
Investment Income	794,012	6,293,040	-87.4%
Other Nonoperating Revenues	4,288,179	3,170,659	35.2%
Interest on Capital Asset Related Debt	(1,947,842)	(2,013,973)	-3.3%
Gain on Capital Asset Disposal	98,025	2,096,347	-95.3%
Net Nonoperating Revenues	182,356,014	178,546,117	2.1%
Income before Capital Gifts and Grants	24,721,934	20,137,409	22.8%
Capital Appropriations	0	15,000,000	-100.0%
Capital Gifts and Grants	23,925	6,420	272.7%
Increase in Net Position	24,745,859	35,143,829	-29.6%
Net Position, beginning of year	153,993,559	118,849,730	29.6%
Net Position, end of year	\$ 178,739,418	\$ 153,993,559	16.1%

Statement of Revenues, Expenses and Changes in Net Position

To further realign budgeting and strategic priorities in anticipation of declining enrollment and the impacts of COVID-19 pandemic, the College adopted the following budgetary resolutions:

1. Increased tuition by \$2.50 per credit hour in-state resident rate from \$84.50 to \$87.00.
2. Continued to reduce administrator, staff, and faculty positions and associated budgeted expenses through strategic reorganizations, holding positions vacant, and position eliminations.
3. Maintained levy neutral property tax rates.

Revenues:

The College's operating revenues consist of tuition and fees, contracts, and other income directly attributable to the day-to-day business activities of the College. Operating revenues are earned in exchange for providing goods and services. During the fiscal year, the College continued working with employers to develop programs and facilities that meet current and anticipated workforce needs. Net tuition decreased \$6.2 million from \$29.1 to \$22.9 million due to declining enrollment as result of the pandemic. The College had temporarily transitioned a majority of the courses to online classes during fall 2020 semester and spring 2021, which led to a 20 percent decrease in enrollment compared to the pre-pandemic enrollment levels. Historically, community colleges see enrollment increases during times of high unemployment and economic turmoil; however, that trend did not occur during the fiscal year as employment rapidly rebounded. The decrease in enrollment was offset by a \$0.8 million increase in contract revenue earned from instruction contracts with various agencies, employers, and other arrangements. The College is actively evaluating solutions to improve programmatic offerings, reduce operating costs, and generate new revenue streams.

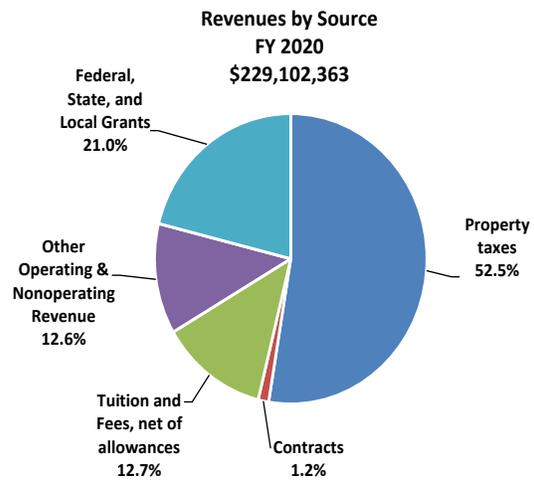
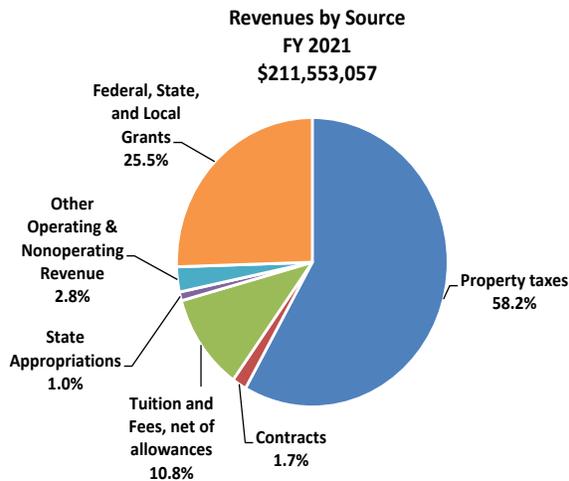
Nonoperating revenues consist of property taxes, grants, gifts, investment income, and other income sources that are related, but not directly attributable, to the day-to-day business activities of the College. Overall, nonoperating revenues increased \$3.7 million or 2.1 percent. Specifically, property tax revenue increased \$2.9 million from \$120.2 million to \$123.1 million due to new properties added to the tax roll while the College's primary property tax levy remained neutral. Investment income decreased \$5.5 million or 87.4 percent due to shifts in the investment market. Federal grant revenue increased \$5.3 million, or 11.3 percent, mainly due to additional CARES Act funding received through the Department of Education to provide HEERF Funds to students. State appropriations increased \$1.5 million due to receipt of Smart and Save Arizona Act distributions, also known as Prop 207. This proposition legalized the possession and use of marijuana in the State of Arizona and tax proceeds are formulaically distributed to community colleges based on enrollment levels. Overall, total revenues decreased by \$17.5 million.

Expenses:

Operating expenses consist of personnel, supplies, contracts, services, and other expenses that are directly attributable to the day-to-day business activities of the College and are presented by functions. During the fiscal year, the College facilities remained closed and classes and operations were primarily conducted virtually for students and employees due to the ongoing pandemic. The College also continued its policy of no domestic and international travel for students and staff. As a result, travel costs decreased by \$0.8 million or 67.2 percent compared to the previous year. Supplies and materials increased 144.4 percent as compared to the previous year due to the ongoing construction and renovations. The net personnel expenses decreased \$1.2 million, or 1.1 percent. The decrease was mainly due to a decrease in faculty and adjunct faculty expenses because the College offered fewer classes in response to lower enrollments due to the pandemic. Contractual services decreased \$11.2 million or 26.8 percent because of the pandemic related costs for cleaning, decontamination, and refurbishing were minimal in fiscal year 2021 compared to the prior year. Operating expenses overall decreased by \$7.1 million, or 3.7 percent.

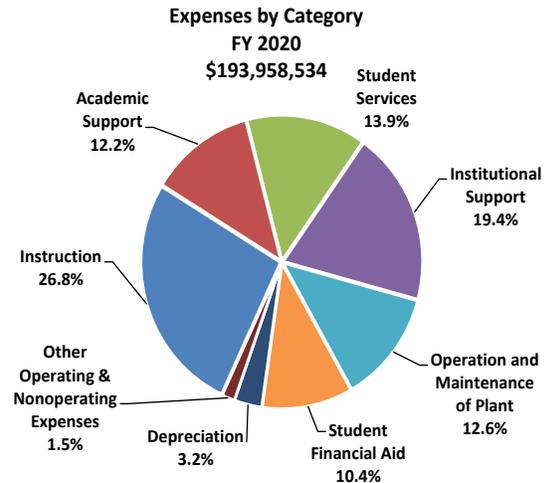
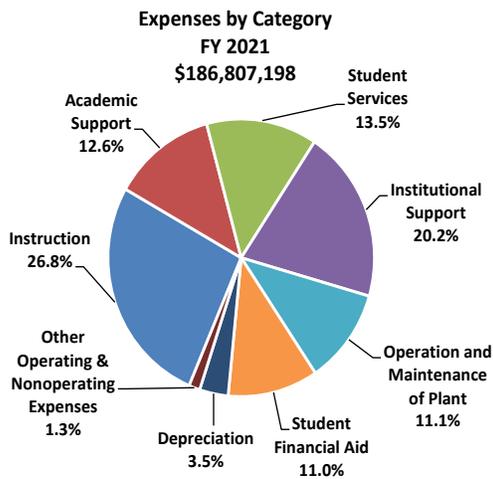
Revenues by Source

	<u>FY 2021</u>	<u>FY 2020</u>	<u>\$ Change</u>	<u>% Change</u>
Operating Revenues				
Tuition and Fees (net of allowances)	\$ 22,860,179	\$ 29,095,520	\$ (6,235,341)	-21.4%
Contracts	3,645,974	2,853,094	792,880	27.8%
Commissions and Rents	272,189	621,796	(349,607)	-56.2%
Other Operating Revenues	446,251	965,443	(519,192)	-53.8%
Total Operating Revenues	27,224,593	33,535,853	(6,311,260)	-18.8%
Nonoperating Revenues				
Property Taxes	123,095,091	120,192,760	2,902,331	2.4%
State Appropriations	2,074,314	595,000	1,479,314	248.6%
Federal Grants	52,388,148	47,070,759	5,317,389	11.3%
State and Local Grants	1,566,087	1,141,525	424,562	37.2%
Share of State Sales Tax	3,535,480	2,834,744	700,736	24.7%
Gifts	753,382	311,395	441,987	141.9%
Investment Income	794,012	6,293,040	(5,499,028)	-87.4%
Other Nonoperating Revenues	-	24,520	(24,520)	100.0%
Gain on Capital Asset Disposal	98,025	2,096,347	(1,998,322)	-95.3%
Total Nonoperating Revenues	184,304,539	180,560,090	3,744,449	2.1%
Capital Appropriations	-	15,000,000	(15,000,000)	-100.0%
Capital Gifts and Grants	23,925	6,420	17,505	272.7%
Total Revenues	\$ 211,553,057	\$ 229,102,363	(\$17,549,306)	-7.7%



Expenses by Category

	FY 2021	FY 2020	\$ Change	% Change
Operating Expenses				
Educational and General				
Instruction	\$ 50,146,277	\$ 51,995,932	\$ (1,849,655)	-3.6%
Academic Support	23,498,897	23,613,165	(114,268)	-0.5%
Student Services	25,149,012	26,918,295	(1,769,283)	-6.6%
Institutional Support	37,704,809	37,608,384	96,425	0.3%
Operation and Maintenance of Plant	20,816,787	24,419,277	(3,602,490)	-14.8%
Student Financial Aid	20,493,275	20,344,895	148,380	0.7%
Auxiliary Enterprises	547,918	857,520	(309,602)	-36.1%
Depreciation	6,501,698	6,187,093	314,605	5.1%
Total Operating Expenses	184,858,673	191,944,561	(7,085,888)	-3.7%
Nonoperating Expenses				
Other Nonoperating Expenses	683	0	683	100.0%
Interest on Capital Asset Related Debt	1,947,842	2,013,973	(66,131)	-3.3%
Total Nonoperating Expenses	1,948,525	2,013,973	(65,448)	-3.2%
Total Expenses	\$ 186,807,198	\$ 193,958,534	\$ (7,151,336)	-3.7%



Capital Assets and Debt Administration

Total net capital assets increased by \$21.2 million, to \$122.7 million, a 20.9 percent increase from the prior year. The increase is primarily due to increases in construction in progress, library books, and equipment offset by equipment and library books disposals and depreciation expenses of \$5.4 million as detailed on Note 3 and on Note 8 to the basic financial statements.

The College finances major capital improvements and renovations through the issuance of revenue bonds and capital leases. At June 30, 2021, the College had outstanding long-term debt of bonds payable of \$59.0 million and capital leases payable of \$2.2 million. Fitch assigned the College a default rating of AA and the revenue bonds at AA-, both with a stable outlook. Moody's assigned the College an Aa3 rating with a stable outlook. Detailed debt information can be found in Note 4 to the basic financial statements.

Economic Outlook

Enrollment projections developed by the College's Strategy, Analytics and Research department (STAR) indicated that enrollment growth was primarily dependent on unemployment rates in Pima County from the March prior to the relevant fall semester. College enrollment often follows the characteristic behavior seen at community colleges across the nation where enrollment growth is primarily dependent on unemployment rates. Community colleges typically see enrollment spikes during times of economic hardship and previous enrollment data for the College was consistent with those patterns indicating that individuals choose the workplace over the classroom. During the pandemic student enrollment has not followed patterns of the past. Although the unemployment rate has decreased from 9.9 percent to 6.8 percent over the last year, enrollment has not followed suit and was down 6 percent for the fall semester after decreasing approximately 20 percent last year. The enrollment downturn for both last year and this fall was consistent with peer institutions throughout the state. The College continues to monitor trends for future planning and will accordingly measure the impacts and reduce expenses to align with anticipated enrollment levels.

Expenditure limit override

In fiscal year 2021, Pima County voters approved a ballot initiative that allows the College to permanently increase the base expenditure limit by \$11.5 million. The College will utilize the additional expenditure authority for budgetary purposes such as developing programs, purchasing equipment, and hiring personnel necessary to deliver educational services to meet student career and local employer work force needs. Specifically, the College is planning to expand its workforce training programs and ensure that students are trained in high demand, real-world skills, including data analytics, artificial intelligence, robotics, and simulators, and on industry-standard and state-of-the-art equipment and technology, helping the community to have a better trained workforce to attract high-paying jobs.

Requests for Information

This discussion and analysis is designed to present a general overview of the Pima County Community College District's finances for all those who have 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 District Finance Office, Pima County Community College District, 4905D East Broadway Boulevard, Tucson, AZ, 85709-1200.

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Basic Financial Statements

**Statement of Net Position – Primary Government
As of June 30, 2021**

Assets

Current Assets

Cash and Cash Equivalents	\$ 68,646,157
Short-term Investments	14,004,269
Receivables	
Property Taxes (less allowance of \$1,133,400)	4,301,152
Accounts (less allowance of \$1,781,161)	3,816,409
Government Grants and Contracts	17,788,517
Other (less allowance of \$132,527)	883,915
Inventories	138,575
Prepaid Expenses	1,699,109
Total Current Assets	<u>111,278,103</u>

Noncurrent Assets

Restricted Cash and Cash Equivalents	105,021
Restricted Cash and Investments Held by Trustee	45,187,528
Other Long-term Investments	97,859,454
Net Other Postemployment Benefits Asset	626,972
Capital Assets	
Land and Improvements	15,247,506
Construction in Progress	39,030,198
Buildings and Improvements (net of depreciation)	58,196,734
Equipment (net of depreciation)	7,964,010
Leasehold Improvements (net of depreciation)	839,354
Library Books (net of depreciation)	1,442,166
Total Noncurrent Assets	<u>266,498,943</u>

Total Assets

377,777,046

Deferred Outflows of Resources

Deferred Outflows Related to Pensions and Other Postemployment Benefits	22,417,170
Total Deferred Outflows of Resources	<u>22,417,170</u>

Liabilities

Current Liabilities

Accrued Payroll and Employee Benefits	5,320,211
Accounts Payable and Accrued Liabilities	13,534,838
Deposits Held in Custody for Others	243,192
Unearned Revenue	8,003,032
Current Portion of Compensated Absences Payable	4,542,516
Current Portion of Capital Leases Payable	781,949
Current Portion of Bonds Payable	2,552,423
Total Current Liabilities	<u>34,978,161</u>

Noncurrent Liabilities

Long-term Liabilities	
Compensated Absences Payable	4,193,827
Capital Leases Payable	1,423,044
Bonds Payable	56,457,750
Net Pension and Other Postemployment Benefits Liability	117,826,497
Total Noncurrent Liabilities	<u>179,901,118</u>

Total Liabilities

214,879,279

Deferred Inflows of Resources

Deferred Inflows Related to Pensions and Other Postemployment Benefits	6,575,519
Total Deferred Inflows of Resources	<u>6,575,519</u>

Net Position

Net Investment in Capital Assets	100,032,307
Restricted for:	
Expendable:	
Capital Projects	16,275,652
Debt Service	1,873,084
Grants and Contracts	33,374,233
Unrestricted	27,184,142
Total Net Position	<u>\$ 178,739,418</u>

See accompanying notes to financial statements

**Statement of Financial Position – Component Unit
As of June 30, 2021**

	Pima Community College Foundation, Inc.
Assets	
Cash and cash equivalents	\$ 226,881
Unconditional promises to give, current portion	3,630
Prepaid expenses and other current assets	35,855
Total current assets	266,366
Investments	12,486,998
Property and equipment, net	6,434
Unconditional promises to give, non- current portion	500,000
Total assets	\$ 13,259,798
Liabilities and Net Assets	
Accounts payable and accrued expenses	\$ 65,662
Deferred revenue	367,755
Total current liabilities	433,417
Total liabilities	433,417
Net assets	
Without donor restrictions	
Available for operations	485,540
Board-designated endowment	277,493
Total net assets without donor restrictions	763,033
With donor restrictions	
Specified purpose	6,299,906
Permanent endowment	5,763,442
Total net assets with donor restrictions	12,063,348
Total net assets	12,826,381
Total liabilities and net assets	\$ 13,259,798

See accompanying notes to financial statements

**Statement of Revenues, Expenses and Changes in Net Position – Primary Government
For the Year Ended June 30, 2021**

Operating Revenues

Tuition and Fees (net of scholarship allowances of \$11,629,963)	\$ 22,860,179
Contracts	3,645,974
Commissions and Rents	272,189
Other Operating Revenues	446,251
Total Operating Revenues	<u>27,224,593</u>

Operating Expenses

Educational and General	
Instruction	50,146,277
Academic Support	23,498,897
Student Services	25,149,012
Institutional Support	37,704,809
Operation and Maintenance of Plant	20,816,787
Student Financial Aid	20,493,275
Auxiliary Enterprises	547,918
Depreciation	6,501,698
Total Operating Expenses	<u>184,858,673</u>
Operating Loss	<u>(157,634,080)</u>

Nonoperating Revenues (Expenses)

Property Taxes	123,095,091
State Appropriations	2,074,314
Federal Grants	52,388,148
State and Local Grants	1,566,087
Share of State Sales Tax	3,535,480
Gifts	753,382
Investment Income	794,012
Other Nonoperating Expenses	(683)
Interest on Capital Asset Related Debt	(1,947,842)
Gain on Capital Asset Disposal	98,025
Net Nonoperating Revenues	<u>182,356,014</u>

Income Before Other Revenues, Expenses, Gains, or Losses	24,721,934
Capital Gifts and Grants	23,925
Increase in Net Position	<u>24,745,859</u>

Net Position

Net Position, June 30, 2020	153,993,559
Net Position, June 30, 2021	<u>\$ 178,739,418</u>

See accompanying notes to financial statements

**Statement of Activities – Component Unit
For the Year Ended June 30, 2021**

Pima Community College Foundation, Inc.

	Without donor restrictions	With Donor Restrictions		Total
		Purpose Restrictions	Permanent Endowment	
Revenues and Support				
Contributions	\$ 93,456	\$ 3,940,540	\$ 108,476	\$ 4,142,472
Service agreement revenue	544,053			544,053
In-kind contributions		16,040		16,040
Investment income, net	181,719	1,254,040		1,435,759
Special events, net		(1,765)		(1,765)
Paycheck Protection Program revenue	61,779			61,779
Net assets released from restrictions and transfers	314,032	(419,387)	105,355	-
Total revenues and support:	\$ 1,195,039	\$ 4,789,468	\$ 213,831	\$ 6,198,338
Expenses				
Program Expenses	\$ 560,512			\$ 560,512
Management and general	257,656			257,656
Fundraising	84,141			84,141
Total expenses	\$ 902,309			\$ 902,309
Change in net assets	292,730	4,789,468	213,831	5,296,029
Net assets, beginning of year	470,303	1,510,438	5,549,611	7,530,352
Net assets, end of year	\$ 763,033	\$ 6,299,906	\$ 5,763,442	\$ 12,826,381

See accompanying notes to financial statements

**Statement of Cash Flows – Primary Government
For the Year Ended June 30, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and Fees	\$ 23,652,130
Contracts	3,799,307
Commissions and Rents	499,236
Other Receipts	415,662
Payments to Suppliers and Providers of Goods and Services	(39,771,500)
Payments for Employee Wages and Benefits	(118,474,624)
Payments for Scholarships	(20,493,275)
Funds Held for Others Received	501,284
Funds Held for Others Disbursed	(546,341)
Net Cash Used for Operating Activities	(150,418,121)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Property Taxes	122,976,856
State Appropriations	2,074,314
Grants	44,956,759
Share of State Sales Tax	3,535,480
Federal Direct Loans Received	7,727,056
Federal Direct Loans Disbursed	(7,840,170)
Gifts	693,189
Net Cash Provided by Noncapital Financing Activities	174,123,484

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds from Capital Debt	1,208,331
Proceeds from sale of capital assets	114,541
Purchases of Capital Assets	(27,672,266)
Other capital related payments	(750)
Principal Paid on Capital Debt	(2,522,034)
Interest Paid on Capital Debt	(2,693,606)
Net Cash Used for Capital and Related Financing Activities	(31,565,784)

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sales and Maturities of Investments	190,532,672
Purchases of Investments	(179,060,382)
Interest Received on Investments	3,412,917
Net Cash Provided by Investing Activities	14,885,207
Net Increase in Cash and Cash Equivalents	7,024,786
Cash and Cash Equivalents - July 1, 2020	61,726,392
Cash and Cash Equivalents - June 30, 2021	\$ 68,751,178

See accompanying notes to financial statements

(Continued)

**Statement of Cash Flows – Primary Government
For the Year Ended June 30, 2021**

RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES

Operating Loss	\$ (157,634,080)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation Expense	6,501,698
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:	
Increase in Receivables, Net	(34,355)
Decrease in Inventories	5,967
Decrease in Prepaid Expenses	41,080
Increase in Net Other Postemployment Benefits (OPEB) Asset	(266,931)
Increase in Deferred Outflows of Resources Related to Pensions and OPEB	(10,150,049)
Increase in Accrued Payroll and Employee Benefits	407,219
Increase in Accounts Payable and Accrued Liabilities	3,804,065
Decrease in Deposits Held in Custody for Others	(45,057)
Increase in Unearned Revenue	1,176,098
Decrease in Long-term Liabilities (Compensated Absences Portion)	(106,450)
Increase in Net Pension and OPEB Liability	16,397,652
Decrease in Deferred Inflows of Resources Related to Pensions and OPEB	(10,514,978)
Net Cash Used for Operating Activities	<u><u>\$ (150,418,121)</u></u>

Non-cash Transactions Not Included in Above Statement:

<i>Net Book Value of Capital Assets sold</i>	\$ 16,516
<i>Donated Capital Assets</i>	23,925
<i>Net Decrease Fair Value of Investments</i>	2,409,931
<i>Bond Amortization of Premium</i>	714,681

See accompanying notes to financial statements

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Pima County Community College District (the College) conform to generally accepted accounting principles (GAAP) 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 College 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 College 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 College 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 College is a special-purpose government that a separately elected governing body governs. It is legally separate and is fiscally independent of other state and local governments. The College has one discretely presented component unit, the Pima Community College Foundation, Inc. (the Foundation).

The Foundation is reported discretely in the financial statements to emphasize that it is legally separate from the College and the Foundation's cash flows are not presented because that information is not required by generally accepted accounting principles for public colleges. The Foundation's financial statements are prepared in accordance with Financial Accounting Standards Board Statements for nonprofit organizations. The Foundation was formed in 1977 as a nonprofit corporation controlled by a separate Board of Directors and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Foundation's primary mission and purpose is to assist and support the College in carrying out the College's educational, operational, and other purposes. The Foundation has pursued its mission and purpose primarily through raising private support to make gifts of scholarship funds to the College and its students on an annual basis. Because the resources held by the Foundation are primarily for the benefit of the College, the Foundation is considered a component unit of the College. During the year ended June 30, 2021, the Foundation distributed \$16,040 of in-kind gifts to be used for College operations and teaching programs and \$159,267 for scholarships. On October 1, 2017, the College and the Foundation entered into a services agreement that defines the relationship between the parties. In exchange for the services provided by the Foundation, in fiscal year 2021, the College paid to the Foundation an amount of \$600,000. Notes to the financial statements for the Foundation are included in Note 9. Complete financial statements can be obtained from the Foundation located at 4905C East Broadway Boulevard, Tucson, AZ 85709-1320.

Basis of Presentation and Accounting:

The financial statements include the following:

- A. Statement of Net Position: provides information about the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the College at the end of the year. Assets and liabilities are classified as either current or noncurrent. Net Position is classified into three broad categories: unrestricted, restricted, and net investment in capital assets.

Notes to Financial Statements

- B. Statement of Revenues, Expenses and Changes in Net Position: provides information about the College'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.
- C. Statement of Cash Flows: provides information about the College's sources and uses of cash and cash equivalents during the year. Increases and decreases in cash and cash equivalents are classified as operating, noncapital financing, capital and related financing, or investing.

The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. The College eliminates all internal activity.

Operating revenues generally result from exchange transactions. Accordingly, revenues such as tuition and instructional contracts are considered operating revenues. Other revenues, such as property taxes and government grants are not generated from exchange transactions and are therefore classified as nonoperating revenues. Federal, state, and local grants are classified as nonoperating revenues because the entity providing the grant generally does not receive any direct benefit from the services provided under the grants. Property taxes are recognized in the year they are levied. Grants and donations are recognized as revenue when all eligibility requirements imposed by the provider have been met.

Operating expenses are costs incurred to provide instructional services including support costs, auxiliary services, and depreciation of capital assets. All expenses not meeting this definition are reported as nonoperating expenses.

It is the College's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

Cash and Investments:

For the Statement of Cash Flows, cash and cash equivalents consist of cash on hand, demand deposits, cash and investments held by the County Treasurer, investments in the State Treasurer's Local Government Investment Pool (LGIP), and highly liquid investments with a maturity of 3 months or less when purchased. All investments are stated at fair value at fiscal year-end.

Inventories:

The physical plant inventories are valued at cost or estimated cost by specific identification.

Capital Assets:

Capital assets are recorded at cost at the date of acquisition. Donated capital assets are reported at acquisition value at the date of donation. All capital assets with a cost of \$5,000 or more are capitalized. Interest expense incurred during the construction phase of the College's facilities is capitalized as a cost of plant assets in accordance with generally accepted accounting principles. Assets (except land and improvements and construction in progress) are depreciated using the straight-line method over their estimated useful lives. For purposes of calculating depreciation, buildings and improvements are assigned useful lives of 5 to 40 years, equipment is assigned useful lives of 5 to 7 years, and library books are assigned useful lives of 10 years. Leasehold improvements are depreciated over the lease period.

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

Notes to Financial Statements

future periods.

Pension and Other Postemployment Benefits:

For purposes of measuring the net pension and other postemployment benefits (OPEB) assets and liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

Investment Income:

Investment income is comprised of interest, dividends, and net changes in the fair value of applicable investments.

Compensated Absences:

Compensated absences payable consists of annual leave and a calculated amount of sick leave earned by employees based on services already rendered.

Employees may accumulate up to 336 hours of annual leave depending on years of service and employee group classification. Annual leave is accumulated by each employee on a prorated basis. Annual leave balances are accrued as a liability on the financial statements due to the fact that they are paid to the employee upon separation from the College.

Sick leave, providing for ordinary sick pay, is cumulative (up to 1,440 hours) and unused sick leave vests after 10 years of continuous service for regular full-time employees who retire from the College under the provisions of either the Arizona State Retirement System, Optional Retirement Plan, or the Public Safety Personnel Retirement System. Vested unused sick leave is payable to regular employees upon retirement at a rate of 75 percent of the employee's then current daily rate of pay to a maximum of \$100 per day, for a maximum of 100 days (\$10,000 maximum). Vested unused sick leave benefits and a portion of unvested sick leave benefits that are expected to vest in the future are accrued as a liability on the financial statements.

Alternately, regular full-time employees hired on or after July 1, 1999 who separate from the College as a result of his/her death are eligible for the sick leave payment benefit provision described above. Similarly, this benefit is paid at 75 percent of the employee's then current daily rate of pay for all accumulated unused sick leave limited to a maximum of \$100 per day, for a maximum of 100 days (\$10,000 maximum). This death benefit is included in the sick leave liability discussed above.

Scholarship Allowances:

A scholarship allowance is the difference between the stated charge for goods and services provided by the College 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 College are considered scholarship allowances. These allowances are netted against tuition and fees revenues in the Statement of Revenues, Expenses, and Changes in Net Position.

Notes to Financial Statements

2. DEPOSITS AND INVESTMENTS

Arizona Revised Statutes (A.R.S.) require the College to deposit special tax levies for the College’s maintenance or capital outlay with the County Treasurer. A.R.S. does not require the College to deposit other public monies in its custody with the County Treasurer; however, the College must act as a prudent person dealing with another’s property when making investment decisions about those monies. A.R.S. requires collateral for deposits at 102 percent of all deposits not covered by federal depository insurance. A.R.S. does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the College’s investments. The College policy focuses on mitigation of custodial credit risk for deposits and investments.

Deposits:

At June 30, 2021, the carrying amount of the College’s deposits was \$25,631,191 and the bank balance was \$26,057,170.

Investments:

The College had total investments of \$200,160,238 at June 30, 2021. The College’s investments are categorized within the fair value hierarchy established by generally accepted accounting principles. Investments categorized as Level 1 inputs are valued using prices quoted in active markets for those investments. Investments categorized as Level 2 are valued using Interactive Data IDSI bond quotes, IDSI mortgage-backed securities (MBS), IDSI collateralized mortgage obligations (CMO), broker pricing and matrix pricing techniques. These pricing techniques are used to value securities based on relevant observable inputs, including quoted prices for other similar assets, benchmark yield curve and market corroborated inputs. Investments in the State Treasurer’s investment pools are valued at the pool’s share price multiplied by the number of shares the College held. The fair value of a participant’s position in the pool approximates the value of that participant’s pool shares. The investment in the County Treasurer’s investment pool is valued using the College’s proportionate participation in the pool because the pool’s structure does not provide for shares. The State Board of Investment provides oversight for the State Treasurer’s investment pools. No comparable oversight is provided for the County Treasurer’s investment pool. The College’s investments at June 30, 2021, were as follows:

	Amount	Fair value measurement using	
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)
Investments by fair value level			
US Treasury	\$ 72,768,209	\$ 72,768,209	
US Agency Securities	51,827,810		\$ 51,827,810
Corporate Bonds and Notes	25,509,283		25,509,283
Commercial Paper	1,249,593		1,249,593
Money Market Mutual Fund	7,445,794		7,445,794
Total investments by fair value level	\$ 158,800,689	\$ 72,768,209	\$ 86,032,480
External investment pools measured at fair value	Amount		
State Treasurer's Investment Pool #5	\$ 38,085,010		
County Treasurer's Investment Pool	3,274,539		
Total external investment pools measured at fair value	41,359,549		
Total investments	\$ 200,160,238		

Notes to Financial Statements

Credit Risk:

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The College policy focuses on mitigation of credit risk. Following is a summary of the College's investments subject to credit risk and credit ratings as determined by Standard and Poor's (S&P) rating agency as of June 30, 2021:

Investment Type	S&P Rating				Unrated	Amount
	AAAf/S1+	AAA	AA	A		
State Treasurer's Investment Pool #5	\$ 38,085,010					\$ 38,085,010
County Treasurer's Investment Pool					\$ 3,274,539	3,274,539
US Agency Securities		\$ 835,212	\$ 22,097,809		28,894,789	51,827,810
Corporate Bonds and Notes		3,398,598	21,523,083	\$ 532,305	55,297	25,509,283
Commercial Paper					1,249,593	1,249,593
Money Market Mutual Fund					7,445,794	7,445,794
Total investments subject to credit risk	\$ 38,085,010	\$ 4,233,810	\$ 43,620,892	\$ 532,305	\$ 40,920,012	\$127,392,029

Concentration of Credit Risk:

The College's investment policy limits the maximum investment percentage in any one security and in any one issuer to 5% with the exception of investments or collateralized investments that are implicitly or explicitly guaranteed by the United States. The College had investments at June 30, 2021, of 5% or more in Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC). These investments were 11.77% and 10.06%, respectively, of the College's total investments.

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect an investment's value. The College's investment policy focuses on mitigation of interest rate risk. At June 30, 2021, the College had the following investments in debt securities:

Investment Type	Amount	Investment Maturities	
		Less than 1 Year	1-5 Years
State Treasurer's Investment Pool #5	\$ 38,085,010	\$ 38,085,010	
County Treasurer's Investment Pool	3,274,539	3,274,539	
US Treasury	72,768,209	39,688,435	\$ 33,079,774
US Agency Securities	51,827,810	10,834,397	40,993,413
Corporate Bonds and Notes	25,509,283	7,910,326	17,598,957
Commercial Paper	1,249,593	1,249,593	
Money Market Mutual Fund	7,445,794	7,445,794	
Total investments	\$ 200,160,238	\$ 108,488,094	\$ 91,672,144

A reconciliation of cash, deposits, and investments to amounts shown on the statement of net position follows:

Cash, Deposits and Investments	Amount
Cash on hand	\$ 11,000
Amount of deposits	25,631,191
Amount of investments	200,160,238
Total	\$ 225,802,429
Statement of Net Position	Amount
Cash and cash equivalents	\$ 68,646,157
Current investments	14,004,269
Restricted Assets:	
Cash and cash equivalents	105,021
Cash and investments held by trustee	45,187,528
Other long-term investments	97,859,454
Total	\$ 225,802,429

Notes to Financial Statements

3. CAPITAL ASSETS

The College's capital asset activity for the year ended June 30, 2021, is detailed below:

Description	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Land and improvements	\$ 15,247,506			\$ 15,247,506
Construction in progress	16,080,909	\$ 22,949,289		39,030,198
Depreciable assets				
Buildings and improvements	181,680,716			181,680,716
Equipment	33,470,776	4,506,739	\$ 876,170	37,101,345
Leasehold improvements	3,260,062			3,260,062
Library books	6,688,150	240,163	283,268	6,645,045
Total capital assets	\$ 256,428,119	\$ 27,696,191	\$ 1,159,438	\$ 282,964,872
Less accumulated depreciation				
Buildings and improvements	\$ 119,978,159	\$ 3,505,823		\$ 123,483,982
Equipment	27,473,978	2,523,011	\$ 859,654	29,137,335
Leasehold improvements	2,301,808	118,900		2,420,708
Library books	5,132,183	353,964	283,268	5,202,879
Total accumulated depreciation	154,886,128	6,501,698	1,142,922	160,244,904
Capital assets, net	\$ 101,541,991	\$ 21,194,493	\$ 16,516	\$ 122,719,968

4. LONG-TERM LIABILITIES

The following schedule details the College's long-term liability and obligation activity for the year ended June 30, 2021:

Description	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Bonds Payable:					
Revenue Bonds	\$ 54,145,000		\$ 1,775,000	\$ 52,370,000	\$ 1,865,000
Premiums	7,354,854		714,681	6,640,173	687,423
Total bonds payable	61,499,854		2,489,681	59,010,173	2,552,423
Compensated absences	8,842,793	\$ 5,112,623	5,219,073	8,736,343	4,542,516
Capital leases payable	2,952,027		747,034	2,204,993	781,949
Net pension and other postemployment benefits liability	101,428,845	16,397,652		117,826,497	
Total long-term liabilities	\$ 174,723,519	\$ 21,510,275	\$ 8,455,788	\$ 187,778,006	\$ 7,876,888

Bonds

In February 2019, the College issued tax-exempt revenue bonds. The bonds were issued with a principal amount of \$57,415,000, an original issue premium of \$8,033,935 and have an optional call date in 10 years with interest payable semiannually and principal payable annually. Bond proceeds will be used for acquiring, designing, constructing, renovating, improving and furnishing capital facilities for College programs. Revenue bonds are repaid from tuition and fees, rentals and charges to students and others.

Notes to Financial Statements

The following bonds were outstanding at June 30, 2021:

<u>Description</u>	<u>Original amount authorized</u>	<u>Amount issued</u>	<u>Maturity Ranges</u>	<u>Interest rates</u>	<u>Outstanding principal</u>
Revenue Bonds	\$ 65,000,000	\$ 49,120,000	2022-37	5.0%	\$ 44,075,000
		8,295,000	2038-39	4.0%	8,295,000
		<u>\$ 57,415,000</u>			<u>\$ 52,370,000</u>

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

<u>Year ending June 30</u>	<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,865,000	\$ 2,488,925
2023	1,955,000	2,393,425
2024	2,055,000	2,293,175
2025	2,155,000	2,187,925
2026	2,265,000	2,077,425
2027-31	13,135,000	8,525,875
2032-36	16,770,000	4,806,000
2037-39	12,170,000	763,775
Total	<u>\$ 52,370,000</u>	<u>\$ 25,536,525</u>

The College has pledged future tuition, fees, rentals, and other charges from students, faculty, or other parties using the project buildings. The bonds are payable solely from these gross revenues and are payable through 2039. Annual principal and interest payments on the bonds are expected to require less than 16 percent of gross revenues. The total principal and interest remaining to be paid on the bonds is \$77,906,525. The total gross revenues for the current year was \$28,018,605.

Capital Leases

The College has acquired various equipment under the provisions of various long-term lease agreements classified as capital leases for accounting purposes because they provide for a bargain purchase option by the end of the lease term.

The following assets were acquired through capital leases:

<u>Description</u>	<u>Value</u>
Computer Equipment	\$ 662,190
Machinery & Equipment	500,604
Office Furniture & Fixings	30,454
Vehicles	475,924
Other	14,923
Total capital leases	1,684,095
Less: accumulated depreciation	815,570
Carrying value of assets	<u><u>\$ 868,525</u></u>

Notes to Financial Statements

The following schedule details debt service requirements to maturity for the College’s capital leases payable at June 30, 2021:

Year ending June 30:	Capital Lease Payments
2022	\$ 860,715
2023	723,459
2024	508,717
2025	260,286
Total minimum lease payments	2,353,177
Less: amount representing interest	(148,184)
Present value of net minimum lease payments	\$ 2,204,993

5. PENSION AND OTHER POSTEMPLOYMENT BENEFITS

The College contributes to two defined benefit retirement plans: the Arizona State Retirement System (ASRS) and the Public Safety Personnel Retirement System (PSPRS). Although a PSPRS net pension liability and a net other postemployment benefits (OPEB) asset has been recorded at June 30, 2021, PSPRS has not been further disclosed due to its relative insignificance to the College’s financial statements. At June 30, 2021, the College reported the following aggregate amounts related to pensions and OPEB for the two plans:

Net OPEB asset	\$ 626,972
Net pension and OPEB liability	117,826,497
Deferred outflows of resources related to pensions and OPEB	22,417,170
Deferred inflows of resources related to pensions and OPEB	6,575,519
Pension and OPEB expense	4,675,669

Arizona State Retirement System

Plan Description:

College employees, other than police, may participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. 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, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

Notes to Financial Statements

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

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Active members are eligible for a monthly long-term disability benefit equal to two-thirds of monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999, are limited to 30 years of service or the service on record as of the effective disability date if their service is greater than 30 years.

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 12.22 percent (12.04 percent for retirement and 0.18 percent for long-term disability) of the members’ annual covered payroll, and statute required the College to contribute at the actuarially determined rate of 12.22 percent (11.65 percent for retirement, 0.39 percent for health insurance premium benefit, and 0.18 percent for long-term disability) of the active members’ annual covered payroll. In addition, the College was required by statute to contribute at the actuarially determined rate of 10.21 percent (10.14 percent for retirement and 0.07 percent for long-term disability) of annual covered payroll of retired members who worked for the College in positions that an employee who contributes to ASRS would typically fill. The College’s contributions to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2021, were \$8,114,171, \$266,650, and \$124,216, respectively.

Notes to Financial Statements

Liability:

At June 30, 2021, the College reported the following asset and liabilities for its proportionate share of the ASRS' net pension/OPEB asset or liability.

<u>ASRS</u>	<u>Net pension/OPEB (asset) liability</u>
Pension	\$ 110,130,827
Health insurance premium benefit	(451,107)
Long-term disability	482,545

The net asset and net liabilities were measured as of June 30, 2020. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2019, to the measurement date of June 30, 2020. The College's proportion of the net asset or net liability was based on the College's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The College's proportion measured as of June 30, 2020, and the change from its proportions measured as of June 30, 2019, were:

<u>ASRS</u>	<u>Proportion June 30, 2020</u>	<u>Decrease from June 30, 2019</u>
Pension	0.63562%	(0.01257)
Health insurance premium benefit	0.63716%	(0.01190)
Long-term disability	0.63609%	(0.01157)

Expense:

For the year ended June 30, 2021, the College recognized the following pension and OPEB expense:

<u>ASRS</u>	<u>Pension/OPEB Expense</u>
Pension	\$ 3,463,692
Health insurance premium benefit	144,517
Long-term disability	137,103

Deferred outflows/inflows of resources:

At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to ASRS pensions and OPEB from the following sources:

	<u>Pension</u>		<u>Health insurance premium benefit</u>		<u>Long-term disability</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 996,324			\$ 888,877	\$ 41,993	\$ 12,426
Changes of assumptions or other inputs			\$ 250,090		51,991	
Net difference between projected and actual earnings on plan investments	10,622,247		461,564		53,127	
Changes in proportion and differences between college contributions and proportionate share of contributions		\$ 5,499,714	812	980		41,324
College contributions subsequent to the measurement date	8,114,171		266,650		124,216	
Total	\$ 19,732,742	\$ 5,499,714	\$ 979,116	\$ 889,857	\$ 271,327	\$ 53,750

Notes to Financial Statements

The amounts reported as deferred outflows of resources related to ASRS pensions and OPEB resulting from college contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net 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 and OPEB will be recognized as expenses as follows:

Years ended June 30:	Pension	Health Insurance Premium Benefit	Long - Term Disability
2022	\$ (3,669,245)	\$ (96,082)	\$ 15,395
2023	2,660,517	1,571	24,019
2024	3,842,180	23,080	25,600
2025	3,285,405	(24,451)	22,313
2026		(81,509)	8,556
Thereafter			(2,522)

Actuarial assumptions:

The significant actuarial assumptions used to measure the total pension/OPEB 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% for pension/not applicable for OPEB
Inflation	2.3%
Permanent benefit increase	Included for pensions/not applicable for OPEB
Mortality rates	2017 SRA Scale U-MP for pensions and health insurance premium benefit
Recovery rates	2012 GLDT for long-term disability
Healthcare cost trend rate	Not applicable

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 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 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:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
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>	

Notes to Financial Statements

Discount rate:

The discount rate used to measure the ASRS total pension/OPEB 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 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 plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Sensitivity of the College’s proportionate share of the ASRS net pension/OPEB (asset) liability to changes in the discount rate:

The following table presents the College’s proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.5 percent, as well as what the College’s proportionate share of the net pension/OPEB (asset) 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:

College's proportionate share of the	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net pension liability	\$ 150,602,411	\$ 110,130,827	\$ 76,298,661
Net health insurance premium benefit liability (asset)	591,900	(451,107)	(1,338,743)
Net long-term disability liability	526,860	482,545	439,531

Plan fiduciary net position:

Detailed information about the plans’ fiduciary net position is available in the separately issued ASRS financial report.

Contributions payable:

The College’s accrued payroll and employee benefits included \$971,931 of outstanding pension and OPEB contribution amounts payable to ASRS for the year ended June 30, 2021, which includes \$3,016 for alternate contributions for retirees.

6. RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; natural disasters; errors and omissions; and injuries to employees. The College participates in a risk retention trust for liabilities arising from general liability, pandemic liability and automobile risks. The trust operating agreement includes a provision for member assessment in the event that total claims paid by the trust exceed the contributions and reserves in any one year. The assessment is limited to the contribution amount paid by the College during the year in which the assessment is applied.

The College purchases property insurance through a property program pool with other higher learning institutions across several states. Each member institution retains a deductible that is applied to each claim. In case of a loss, the program’s loss fund is responsible for the first \$1.0 million of loss per occurrence per annum in excess of the deductible and if the program’s total claims exceed its loss fund in any given year, the excess claims are covered by the program’s insurer. The College also carries commercial insurance coverage for other risks of loss, including liability, workers’ compensation, automobile accident insurance, fiduciary

Notes to Financial Statements

and cyber liability. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

In addition, the College finances uninsured risks of loss for prescription and health benefits to eligible employees and their dependents. The prescription plan provides coverage for eligible prescription drugs with an employee-paid co-payment determined by the drug's availability within the plan's formulary. The College purchases insurance for the prescription plan, which covers claims that exceed projected claims, up to two times the original claims projection. The healthcare plan has specific stop loss coverage for claims above \$150,000 in a fiscal year and an aggregate stop loss set at 125 percent of projected medical claims. The College utilizes a consultant to determine the required funding annually based upon anticipated utilization, cost trends, and benefit levels for each plan. Third party administrators provide claim and record-keeping services for the plans. Settled claims resulting from these risks have not exceeded stop loss commercial insurance coverage in any of the past three fiscal years.

The insurance claims payable of \$532,700 at June 30, 2021, includes the amounts payable for both health and prescription benefits. This amount has been recognized as an expense and is included in accrued payroll and employee benefits 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 College's claims payable for the fiscal years ended June 30, 2020, and June 30, 2021, are as follows:

Prescription Plan	Year Ending June 30	
	2020	2021
Claims liability at beginning of year	\$ 170,100	\$ 133,032
Current year actual and estimated claims	2,707,319	2,955,768
Payments on claims	(2,744,387)	(3,020,914)
Claims liability at end of year	\$ 133,032	\$ 67,886

Health Plan	Year Ending June 30	
	2020	2021
Claims liability at beginning of year	\$ 573,300	\$ 408,668
Current year actual and estimated claims	5,466,935	5,711,420
Payments on claims	(5,631,567)	(5,655,274)
Claims liability at end of year	\$ 408,668	\$ 464,814

7. OPERATING EXPENSES

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

Description	Amount
Employee Compensation and Benefits	\$ 114,241,087
Communications and Utilities	4,932,559
Travel	396,504
Contractual Services	25,398,085
Supplies and Materials	8,296,000
Student Financial Aid	20,493,275
Other Expenses	4,599,465
Depreciation	6,501,698
Total operating expenses	\$ 184,858,673

Notes to Financial Statements

8. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

At June 30, 2021, the College had the following major contractual commitments:

Aviation Program Expansion:

The College had construction contractual commitments of \$10,585,447 to expand the current aviation structures. Funding for these expenditures will be primarily from the State capital appropriations of \$15,000,000 and capital reserves.

Allied Health Renovations:

The College had construction contractual commitments of \$2,345,555 to expand and renovate the current Allied Health Center of Excellence. Funding for these expenditures will be primarily from the capital reserves.

Applied Technology Construction:

The College had construction contractual commitments of \$17,436,747 for the Advanced Manufacturing building. In addition, the College had \$3,978,739 in construction commitments for the Science labs projects and \$950,000 for space renovations at the Downtown Campus. Funding for these expenditures will be primary from the 2019 Revenue bonds.

Technology and classroom IT upgrades:

The College had contractual commitments to upgrade various IT equipment, technology software contracts, and classrooms upgrades of \$2,256,496. Funding for these projects will be primarily from federal grants and other capital projects reserves.

Other Deferred Maintenance projects:

The College had contractual commitments for deferred maintenance of \$3,876,175 for building maintenance, physical access upgrades, and utilities infrastructure upgrades. Funding for these projects will be primarily from capital projects reserves.

9. DISCRETELY PRESENTED COMPONENT UNIT – PIMA COMMUNITY COLLEGE FOUNDATION

9a. Summary of Significant Accounting Policies

Reporting Entity:

Pima Community College Foundation, Inc. (the Foundation) was incorporated in the State of Arizona in 1977 as a nonprofit organization dedicated to supporting Pima Community College by securing private philanthropic support for scholarships, programs and other College needs, managing assets to ensure the best financial returns, and facilitating College development activities.

Basis of Accounting:

The financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. Revenue is recognized when earned and expenses are recognized when incurred.

Notes to Financial Statements

Basis of Presentation:

The Foundation reports information regarding its financial position and activities according to two classes of net assets (net assets without donor restrictions and net assets with donor restrictions), based upon the existence or absence of donor-imposed restrictions.

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 organization. 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 grantors. 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:

Contributions are recognized as support when received or unconditionally promised. The Foundation reports gifts of cash and other assets as net assets with donor restrictions support if such gifts are received with donor stipulations that limit the use of the donated assets as to either purpose or time period. When a donor restriction expires, either through the passage of time or use of the monies for the purpose intended by the donor, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions. Donor-restricted contributions are reported as net assets without donor restrictions when the restriction is met in the same period the contribution is received.

Use of Estimates:

The preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support and expenses during the reporting period. Actual results could differ from those estimates.

Income Tax Status:

The Foundation is a nonprofit organization and is exempt from federal income tax under Internal Revenue Code (IRC) Section 501(c)(3). Therefore, no provision has been made for income taxes in the accompanying financial statements. The Foundation is not classified as a private foundation under Section 509(a) of the IRC.

Cash and Cash Equivalents:

Cash and cash equivalents include all cash balances and highly liquid investments with an original maturity of three months or less.

Concentration of Risk:

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents and investment balances. The Foundation maintains its cash in bank deposit accounts, which may exceed federally insured limits. The Federal Deposit Insurance Corporation (FDIC) insures cash accounts at banks up to \$250,000 per institution. Investments held by other institutions are insured up to \$500,000 under insurance provided by the Securities Investor Protection Corporation (SIPC). However, SIPC does not protect against losses in market value. At June 30, 2021, there was \$11,974,991 in cash and cash equivalents and investment balances in excess of the FDIC and SIPC insurance limits. It is the opinion of management that the solvency of the referenced financial institutions is not of concern at this time.

Notes to Financial Statements

Investments:

In accordance with accounting principles generally accepted in the United States of America applicable to nonprofit organizations, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included with the change in net assets.

Donated Services, Materials and Facilities:

Donated goods and facilities are valued at fair market value. Donated services are recognized in the financial statements at fair market value if the following criteria are met:

- The services require specialized skills and the services are provided by individuals possessing those skills.
- The services would typically need to be purchased if not donated.

Although the Foundation may utilize the services of outside volunteers, the fair value of these services has not been recognized in the accompanying financial statements since they do not meet the criteria for recognition under generally accepted accounting principles.

Advertising:

The Foundation expenses advertising costs as incurred. The Foundation does not participate in direct-response advertising, which requires the capitalization and amortization of related costs. Advertising costs totaled \$32,731 during the year ended June 30, 2021.

9b. Cash and Investments

At June 30, 2021, the Foundation’s cash and cash equivalents were \$226,881.

The Foundation’s other long-term investments measured at fair value as of June 30, 2021, consisted of the following:

Foundation 2021	Fair Value			
	Total	Level 1	Level 2	Level 3
Mutual Funds	\$ 12,232,564	\$ 12,232,564		
Alternative investments	254,434			\$ 254,434
Total investments at fair value	\$ 12,486,998	\$ 12,232,564	\$ 0	\$ 254,434

9c. Endowment Fund

The Foundation’s endowments consist of several individual funds established under donor restriction for a variety of purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with the endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation complies with the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted by the state of Arizona with a focus on growth of such funds as well as the preservation of the value of the gift absent explicit donor stipulations to the contrary. The Foundation classifies as net assets with donor restrictions (permanent endowment), (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, if any, of the donor-restricted endowment fund that is not classified in net assets with donor restrictions (permanent endowment) is classified as net assets with donor restrictions (specific purpose) assets until those amounts

Notes to Financial Statements

are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by the UPMIFA. In accordance with UPMIFA, the Foundation considers, if relevant, the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation and (7) the Foundation's investment policies.

Endowment net assets as of June 30, 2021 comprised of:

	Without Donor Restrictions	With Donor Restrictions Specified Purpose	With Donor Restrictions Permanent Endowment
Donor-restricted endowment assets	\$ 277,493	\$ 1,540,114	\$ 5,763,442

Changes in endowment net assets for the year ended June 30, 2021 are:

	Without Donor Restrictions	With Donor Restrictions Specified Purpose	With Donor Restrictions Permanent Endowment
Endowment net assets, beginning of year	\$ 273,814	\$ 353,370	\$ 5,549,611
Contributions	3,679	3,150	108,476
Investment gain		1,254,040	
Other transfers		25,620	105,355
Appropriation of endowment assets for expenditure		(96,066)	
Endowment net assets, end of year	\$ 277,493	\$ 1,540,114	\$ 5,763,442

Required Supplementary Information

Schedule of the College's Proportionate Share of the Net Pension/OPEB Liability

Arizona State Retirement System (ASRS) – Pension

	Reporting Fiscal Year (Measurement Date)							2014 through 2012
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
College's proportion of the net pension liability	0.6356%	0.6482%	0.7402%	0.7574%	0.8152%	0.8238%	0.8210%	Information not available
College's proportionate share of the net pension liability	\$110,130,827	\$ 94,319,187	\$103,226,272	\$117,992,830	\$131,576,627	\$128,312,064	\$121,480,198	
College's covered payroll	\$70,130,383	\$ 68,450,938	\$ 73,768,417	\$ 74,350,845	\$ 77,048,076	\$ 76,259,354	\$ 74,240,051	
College's proportionate share of the net pension liability as a percentage of its covered payroll	157.04%	137.79%	139.93%	158.69%	170.77%	168.26%	163.63%	
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%	

ASRS – Health insurance premium benefit

	Reporting Fiscal Year (Measurement Date)				
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 through 2012
College's proportion of the net OPEB (asset)	0.6372%	0.6491%	0.7419%	0.7601%	Information
College's proportionate share of the net OPEB (asset)	\$ (451,107)	\$ (179,370)	\$ (267,155)	\$ (413,793)	not available
College's covered payroll	\$70,130,383	\$ 68,450,938	\$ 73,768,417	\$ 74,350,845	
College's proportionate share of the net OPEB (asset) as a percentage of its covered payroll	(0.64%)	(0.26%)	(0.36%)	(0.56%)	
Plan fiduciary net position as a percentage of the total OPEB liability	104.33%	101.62%	102.20%	103.57%	

ASRS – Long-term disability

	Reporting Fiscal Year (Measurement Date)				
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 through 2012
College's proportion of the net OPEB liability	0.6361%	0.6477%	0.7409%	0.7569%	Information
College's proportionate share of the net OPEB liability	\$ 482,545	\$ 421,915	\$ 387,129	\$ 274,355	not available
College's covered payroll	\$ 70,130,383	\$ 68,450,938	\$ 73,768,417	\$ 74,350,845	
College's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.69%	0.62%	0.52%	0.37%	
Plan fiduciary net position as a percentage of the total OPEB liability	68.01%	72.85%	77.83%	84.44%	

Required Supplementary Information

Schedule of College Pension/OPEB Contributions

Arizona State Retirement System (ASRS) – Pension

	Reporting Fiscal Year				
	2021	2020	2019	2018	2017
Statutorily required contribution	\$ 8,114,171	\$ 8,009,796	\$ 7,639,098	\$ 8,015,151	\$ 7,985,084
College’s contributions in relation to the statutorily required contribution	\$ 8,114,171	\$ 8,009,796	\$ 7,639,098	\$ 8,015,151	\$ 7,985,084
College’s contribution deficiency (excess)	-	-	-	-	-
College’s covered payroll	\$69,811,271	\$70,130,383	\$68,450,938	\$73,768,417	\$74,350,845
College’s contributions as a percentage of covered payroll	11.62%	11.42%	11.16%	10.87%	10.74%

ASRS – Pension

	Reporting Fiscal Year				
	2016	2015	2014	2013	2012
Statutorily required contribution	\$ 8,328,186	\$ 8,288,807	\$ 7,918,797	\$ 7,457,496	\$ 6,979,719
College’s contributions in relation to the statutorily required contribution	\$ 8,328,186	\$ 8,288,807	\$ 7,918,797	\$ 7,457,496	\$ 6,979,719
College’s contribution deficiency (excess)	-	-	-	-	-
College’s covered payroll	\$77,048,076	\$76,259,354	\$74,240,051	\$72,914,505	\$70,282,295
College’s contributions as a percentage of covered payroll	10.81%	10.87%	10.67%	10.23%	9.93%

ASRS – Health insurance premium benefit

	Reporting Fiscal Year					2016 through 2012
	2021	2020	2019	2018	2017	
Statutorily required contribution	\$ 266,650	\$ 335,181	\$ 306,985	\$ 318,287	\$ 410,413	Information
College’s contributions in relation to the statutorily required contribution	\$ 266,650	\$ 335,181	\$ 306,985	\$ 318,287	\$ 410,413	not
College’s contribution deficiency (excess)	-	-	-	-	-	available
College’s covered payroll	\$69,811,271	\$70,130,383	\$68,450,938	\$73,768,417	\$74,350,845	
College’s contributions as a percentage of covered payroll	0.38%	0.48%	0.45%	0.43%	0.55%	

ASRS – Long-term disability

	Reporting Fiscal Year					2016 through 2012
	2021	2020	2019	2018	2017	
Statutorily required contribution	\$ 124,216	\$ 107,779	\$ 107,649	\$ 117,496	\$ 103,438	Information
College’s contributions in relation to the statutorily required contribution	\$ 124,216	\$ 107,779	\$ 107,649	\$ 117,496	\$ 103,438	not
College’s contribution deficiency (excess)	-	-	-	-	-	available
College’s covered payroll	\$69,811,271	\$70,130,383	\$68,450,938	\$73,768,417	\$74,350,845	
College’s contributions as a percentage of covered payroll	0.18%	0.15%	0.16%	0.16%	0.14%	



Statistical Section



PimaCountyCommunityCollegeDistrict

**Pima County Community College District
Statistical Section**

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These schedules contain contextual information to help the reader assess the delivery and effectiveness of College operations.

**Pima County Community College District
Financial Trends**

Schedule of Net Position by Component
Last Ten Fiscal Years

	Fiscal Year				
	2021	2020	2019	2018	2017
Net Investment in Capital Assets	\$ 100,032,307	\$ 92,788,602	\$ 92,872,863	\$ 96,772,449	\$ 100,330,570
Restricted - expendable	51,522,969	47,633,485	29,435,074	12,451,846	11,339,876
Restricted - nonexpendable	0	0	0	0	0
Unrestricted	27,184,142	13,571,472	(3,458,207)	(20,815,356)	(39,778,165)
Total Net Position	\$ 178,739,418	\$ 153,993,559	\$ 118,849,730	\$ 88,408,939	\$ 71,892,281

	Fiscal Year				
	2016	2015	2014	2013	2012
Net Investment in Capital Assets	\$ 106,258,844	\$ 111,016,873	\$ 116,017,978	\$ 111,772,509	\$ 107,958,480
Restricted - expendable	10,126,191	8,652,563	9,091,749	8,184,292	7,771,778
Restricted - nonexpendable	0	217,399	1,573,607	1,631,278	1,682,173
Unrestricted	(50,097,749)	(51,900,890)	80,543,605	93,662,614	100,136,064
Total Net Position	\$ 66,287,286	\$ 67,985,945	\$ 207,226,939	\$ 215,250,693	\$ 217,548,495

Source: District Records

Notes: In fiscal year 2015, the College implemented GASB 68 and 71. Historical data in the statistical section has not been restated.

**Pima County Community College District
Financial Trends**

Schedule of Other Changes in Net Position

Last Ten Fiscal Years

	Fiscal Year				
	2021	2020	2019	2018	2017
Income (Loss) Before Other Changes in Net Position	\$ 24,721,934	\$ 20,137,409	\$ 30,428,217	\$ 16,271,672	\$ 5,565,475
Capital Appropriations	0	15,000,000	0	0	0
Capital Gifts and Grants	23,925	6,420	12,574	80,650	39,520
Total Change in Net Position	<u>\$ 24,745,859</u>	<u>\$ 35,143,829</u>	<u>\$ 30,440,791</u>	<u>\$ 16,352,322</u>	<u>\$ 5,604,995</u>

	Fiscal Year				
	2016	2015	2014	2013	2012
Income (Loss) Before Other Changes in Net Position	\$ (1,736,314)	\$ (7,776,128)	\$ (8,054,427)	\$ (3,097,802)	\$ 522,923
Capital Appropriations	0	0	0	0	0
Capital Gifts and Grants	37,655	136,341	30,673	800,000	66,200
Total Change in Net Position	<u>\$ (1,698,659)</u>	<u>\$ (7,639,787)</u>	<u>\$ (8,023,754)</u>	<u>\$ (2,297,802)</u>	<u>\$ 589,123</u>

Source: District Records

**Pima County Community College District
Financial Trends**

Schedule of Expenses by Identifiable Activity
Last Ten Fiscal Years

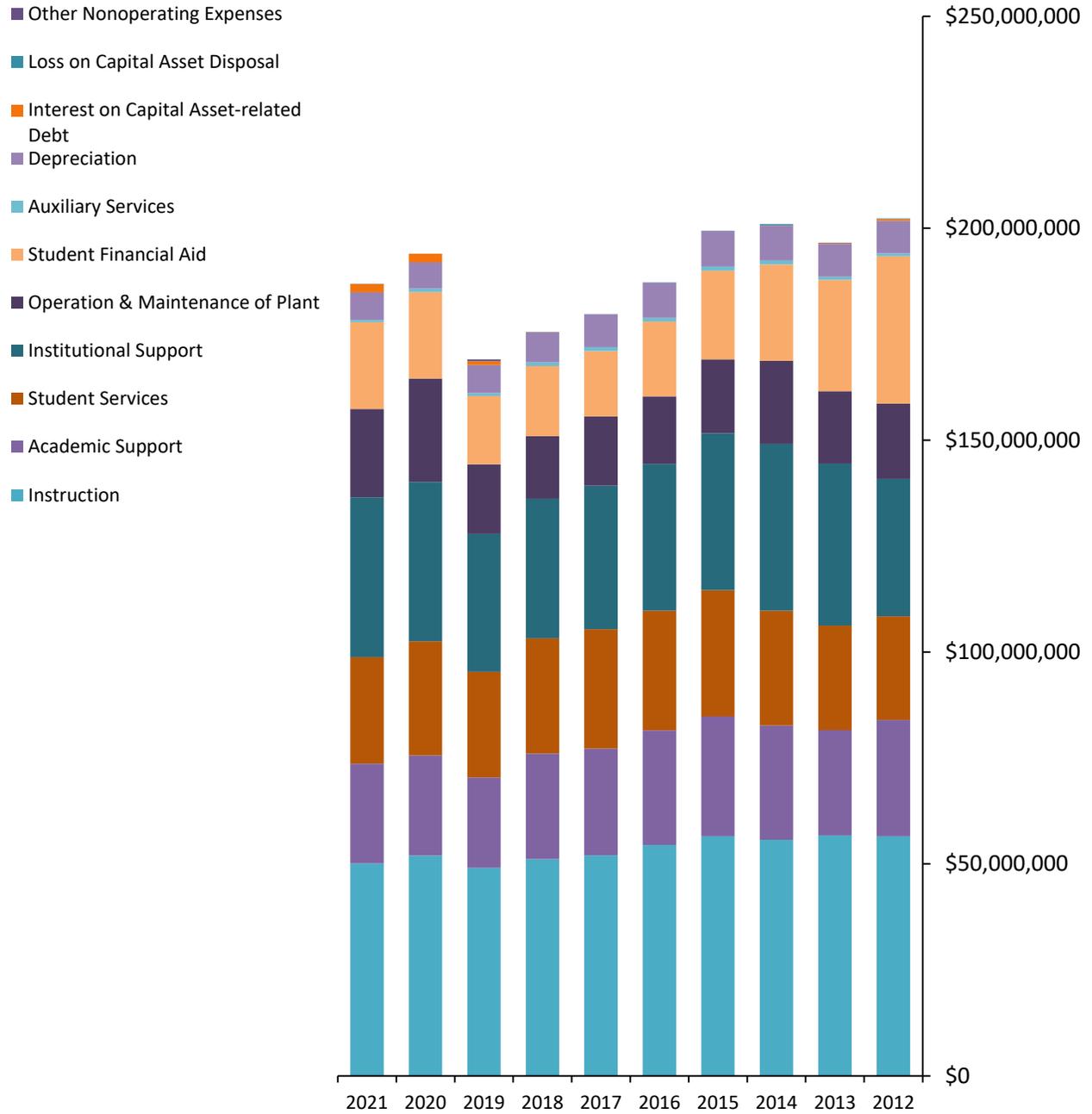
	Fiscal Year				
	2021	2020	2019	2018	2017
Operating Expenses					
Instruction	\$ 50,146,277	\$ 51,995,932	\$ 49,107,804	\$ 51,138,005	\$ 52,009,785
Academic Support	23,498,897	23,613,165	21,283,643	24,914,373	25,221,536
Student Services	25,149,012	26,918,295	24,979,942	27,188,490	28,146,761
Institutional Support	37,704,809	37,608,384	32,503,926	32,910,008	33,893,651
Operation and Maintenance of Plant	20,816,787	24,419,277	16,432,731	14,767,795	16,299,388
Student Financial Aid	20,493,275	20,344,895	16,095,595	16,557,909	15,449,569
Auxiliary Enterprises	547,918	857,520	681,532	877,258	931,331
Depreciation	6,501,698	6,187,093	6,626,827	7,117,410	7,701,083
Total Operating Expenses	184,858,673	191,944,561	167,712,000	175,471,248	179,653,104
Nonoperating Expenses					
Interest on Capital Asset-Related Debt	1,947,842	2,013,973	883,313	32,493	0
Loss on Capital Asset Disposal	0	0	0	54,672	22,066
Other Nonoperating Expenses	683	0	451,557	0	0
Total Nonoperating Expenses	1,948,525	2,013,973	1,334,870	87,165	22,066
Total Expenses	\$ 186,807,198	\$ 193,958,534	\$ 169,046,870	\$ 175,558,413	\$ 179,675,170

	Fiscal Year				
	2016	2015	2014	2013	2012
Operating Expenses					
Instruction	\$ 54,486,848	\$ 56,521,328	\$ 55,712,283	\$ 56,722,122	\$ 56,541,376
Academic Support	27,061,889	28,307,683	26,968,277	24,878,589	27,424,159
Student Services	28,184,238	29,761,778	27,093,085	24,615,986	24,475,523
Institutional Support	34,664,541	36,990,188	39,336,193	38,208,264	32,376,945
Operation and Maintenance of Plant	15,905,619	17,474,890	19,593,974	17,134,651	17,805,567
Student Financial Aid	17,646,631	20,923,754	22,739,712	26,244,500	34,764,717
Auxiliary Enterprises	876,462	972,572	917,261	755,713	694,438
Depreciation	8,321,837	8,403,706	8,224,999	7,775,302	7,637,565
Total Operating Expenses	187,148,065	199,355,899	200,585,784	196,335,127	201,720,290
Nonoperating Expenses					
Interest on Capital Asset-Related Debt	0	0	67,750	207,304	464,825
Loss on Capital Asset Disposal	19,361	24,101	266,394	10,657	106,875
Other Nonoperating Expenses	0	0	24,900	43,871	0
Total Nonoperating Expenses	19,361	24,101	359,044	261,832	571,700
Total Expenses	\$ 187,167,426	\$ 199,380,000	\$ 200,944,828	\$ 196,596,959	\$ 202,291,990

Source: District Records

Pima County Community College District Financial Trends

Graph of Expenses by Identifiable Activity
Last Ten Fiscal Years



**Pima County Community College District
Financial Trends**

**Schedule of Revenues by Source
Last Ten Fiscal Years**

	Fiscal Year				
	2021	2020	2019	2018	2017
Operating Revenues					
Tuition and Fees, net of scholarship allowances	\$ 22,860,179	\$ 29,095,520	\$ 27,441,078	\$ 28,532,331	\$ 28,834,580
Contracts	3,645,974	2,853,094	3,690,885	2,766,925	2,660,348
Commissions and Rents	272,189	621,796	1,137,559	1,067,161	1,720,067
Other Operating Revenues	446,251	965,443	1,226,272	1,008,383	924,054
Total Operating Revenues	27,224,593	33,535,853	33,495,794	33,374,800	34,139,049
Nonoperating Revenues					
Property Taxes	123,095,091	120,192,760	116,162,277	111,324,689	106,823,980
State Appropriations	2,074,314	595,000	0	0	0
Federal Grants	52,388,148	47,070,759	40,423,631	42,048,279	39,352,391
State and Local Grants	1,566,087	1,141,525	1,575,675	1,323,106	1,544,239
Share of State Sales Tax	3,535,480	2,834,744	2,651,288	2,418,985	2,341,003
Gifts and Other Nonoperating Revenues	753,382	335,915	766,260	713,930	716,073
Investment Income	794,012	6,293,040	4,305,456	626,296	323,910
Gain on Capital Asset Disposal	98,025	2,096,347	94,706	0	0
Capital Appropriations	0	15,000,000	0	0	0
Capital Gifts and Grants	23,925	6,420	12,574	80,650	39,520
Total Nonoperating Revenues	184,328,464	195,566,510	165,991,867	158,535,935	151,141,116
Total Revenues	\$ 211,553,057	\$ 229,102,363	\$ 199,487,661	\$ 191,910,735	\$ 185,280,165

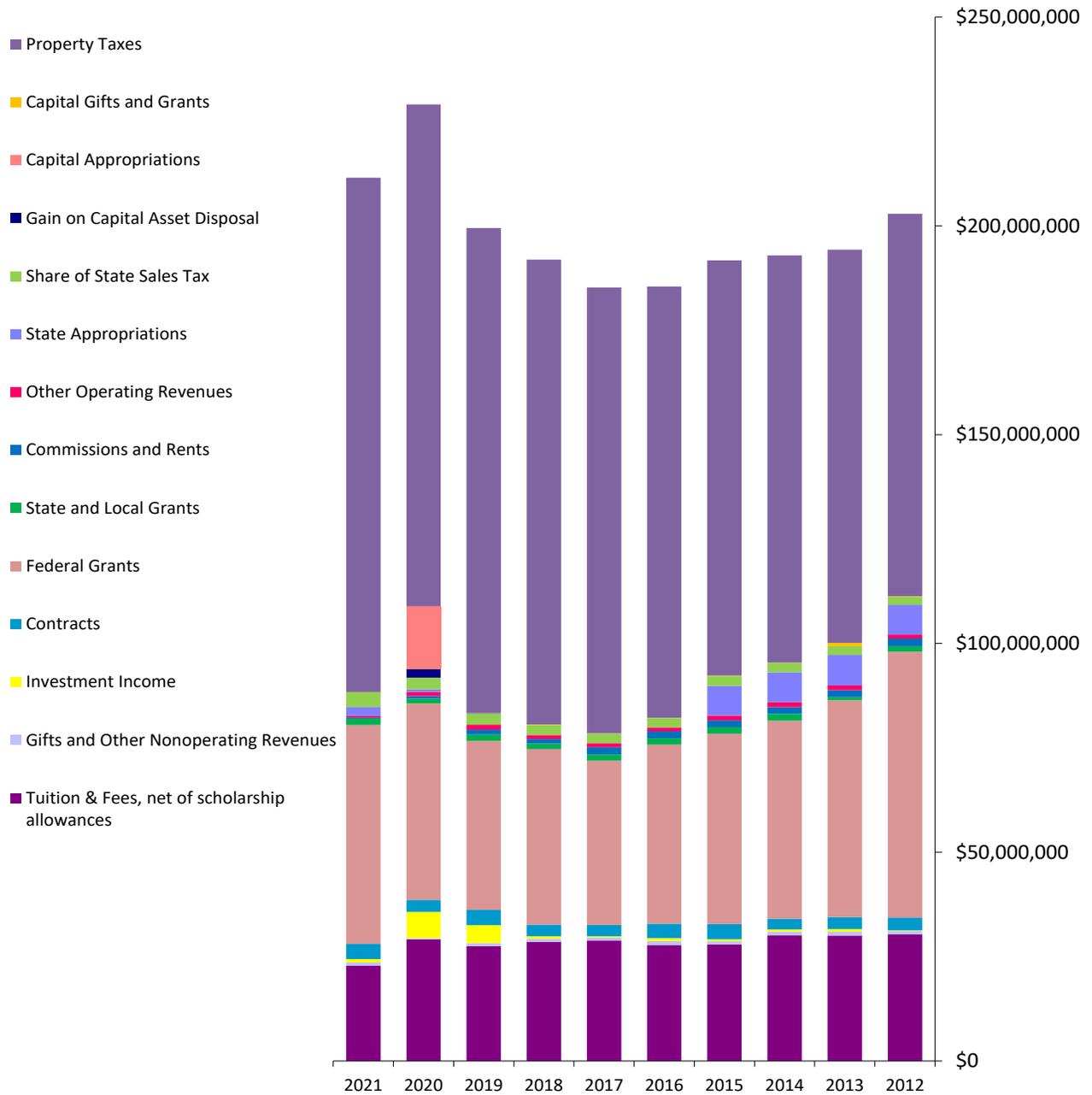
	Fiscal Year				
	2016	2015	2014	2013	2012
Operating Revenues					
Tuition and Fees, net of scholarship allowances	\$ 27,792,518	\$ 27,860,572	\$ 30,092,480	\$ 30,034,844	\$ 30,315,594
Contracts	3,485,053	3,614,371	2,565,513	2,887,596	3,096,886
Commissions and Rents	1,658,484	1,608,709	1,613,283	1,653,777	1,827,383
Other Operating Revenues	912,844	1,137,112	1,199,976	1,099,854	961,978
Total Operating Revenues	33,848,899	34,220,764	35,471,252	35,676,071	36,201,841
Nonoperating Revenues					
Property Taxes	103,274,540	99,464,621	97,523,572	94,150,821	91,581,461
State Appropriations	0	7,093,500	7,136,600	7,353,500	7,146,400
Federal Grants	42,891,284	45,616,708	47,429,534	51,918,293	63,645,052
State and Local Grants	1,523,348	1,573,775	1,666,184	770,688	1,326,419
Share of State Sales Tax	2,282,341	2,331,857	2,256,268	2,072,940	1,977,303
Gifts and Other Nonoperating Revenues	900,667	812,941	861,085	895,476	799,030
Investment Income	710,033	489,706	545,906	661,368	137,407
Gain on Capital Asset Disposal	0	0	0	0	0
Capital Appropriations	0	0	0	0	0
Capital Gifts and Grants	37,655	136,341	30,673	800,000	66,200
Total Nonoperating Revenues	151,619,868	157,519,449	157,449,822	158,623,086	166,679,272
Total Revenues	\$ 185,468,767	\$ 191,740,213	\$ 192,921,074	\$ 194,299,157	\$ 202,881,113

Source: District Records

Notes: For fiscal year 2019, Other Operating Revenues includes a rebate in the amount of \$81,326 received from JP Morgan Chase for credit card purchases.

Pima County Community College District Financial Trends

Graph of Revenues by Source
Last Ten Fiscal Years



**Pima County Community College District
Financial Trends**

Composite Financial Index Summary

Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
+ Primary Reserve Ratio	0.46	0.32	0.16	(0.03)	(0.14)	(0.20)	(0.20)	0.46	0.53	0.54
/ Strength Factor	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
= Ratio / Strength Factor	3.44	2.43	1.21	(0.26)	(1.07)	(1.51)	(1.53)	3.44	3.95	4.07
* Weighting Factor	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
= Ratio Subtotal	1.20	0.85	0.42	(0.09)	(0.38)	(0.53)	(0.54)	1.20	1.38	1.43
+ Return on Net Position / Net Assets Ratio	0.19	0.28	0.31	0.20	0.08	(0.02)	(0.09)	(0.03)	(0.01)	0.00
/ Strength Factor	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
= Ratio / Strength Factor	9.30	10.00	10.00	10.00	4.08	(0.99)	(4.00)	(1.64)	(0.46)	0.11
* Weighting Factor	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
= Ratio Subtotal	1.86	2.00	2.00	2.00	0.82	(0.20)	(0.80)	(0.33)	(0.09)	0.02
+ Net Operating Revenue Ratio	0.11	0.09	0.15	0.08	0.03	(0.01)	(0.04)	(0.04)	(0.02)	0.00
/ Strength Factor	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
= Ratio / Strength Factor	8.83	6.71	10.00	6.50	2.20	(0.70)	(3.08)	(3.21)	(1.22)	0.25
* Weighting Factor	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
= Ratio Subtotal	0.88	0.67	1.00	0.65	0.22	(0.07)	(0.31)	(0.32)	(0.12)	0.02
+ Viability Ratio	1.52	1.07	0.44	0	0	0	0	0	76.87	16.56
/ Strength Factor	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42
= Ratio / Strength Factor	3.64	2.57	1.06	10.00	10.00	10.00	10.00	10.00	10.00	10.00
* Weighting Factor	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
= Ratio Subtotal	1.28	0.90	0.37	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Composite Financial Index	5.22	4.42	3.79	6.06	4.16	2.70	1.86	4.05	4.67	4.97

The Composite Financial Index (CFI) provides a methodology for a single overall financial measurement of the institution's health based on the four core ratios. The CFI uses a reasonable weighting plan and allows a weakness or strength in a specific ratio to be off set by another ratio result, which provides a more balanced measure. The CFI provides a more holistic approach to understanding the financial health of the institution. The CFI scores are not intended to be precise measures; they are indicators of ranges of financial health that can be indicators of overall institutional well-being when combined with non-financial indicators. Composite Financial Index calculation includes Component Unit data. Ratio/Strength are capped at a maximum of 10 before the weighting factors are applied so that a higher CFI does not unduly mask a weakness in a component ratio.

Source: District Records

Notes: Includes Component Unit data indicated by CU.

Balances prior to FY 2015 have not been adjusted for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Balances prior to FY 2016 have not been adjusted for the implementation of GASB Statement No. 72, *Fair Value Measurement and Application*. Balances prior to FY 2018 have not been adjusted for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, as amended by GASB Statement No. 85, *Omnibus 2017*.

**Pima County Community College District
Financial Trends**

Financial Ratios

Last Ten Fiscal Years

Dollars in Thousands

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Primary Reserve Ratio:										
Unrestricted Net Position	\$ 27,184	\$ 13,572	\$ (3,458)	\$ (20,815)	\$ (39,778)	\$ (50,098)	\$ (51,901)	\$ 80,544	\$ 93,663	\$ 100,136
Expendable Restricted Net Position	51,523	47,634	29,435	12,452	11,340	10,126	8,653	9,092	8,184	7,772
Unrestricted Net Assets - CU	763	470	510	300	154	315	272	235	275	284
Temporarily Restricted Net Assets - CU	6,300	1,510	919	1,948	2,462	1,923	2,200	2,396	2,031	1,879
Expendable Net Position/Net Assets	\$ 85,770	\$ 63,186	\$ 27,406	\$ (6,115)	\$ (25,822)	\$ (37,734)	\$ (40,776)	\$ 92,267	\$ 104,153	\$ 110,071
Operating Expenses	\$ 184,859	\$ 191,945	\$ 167,712	\$ 175,471	\$ 179,653	\$ 187,148	\$ 199,356	\$ 200,586	\$ 196,335	\$ 201,720
Nonoperating Expenses	1,949	2,014	1,335	87	22	19	24	359	262	572
Elimination of Inter-Entity Amounts	(16)	(22)	(127)	(241)	(324)	(383)	(465)	(316)	(320)	(302)
Total Expenses - CU	902	1,280	1,698	1,981	1,304	1,152	1,487	1,286	2,001	1,226
Total Expenses	\$ 187,694	\$ 195,217	\$ 170,618	\$ 177,299	\$ 180,655	\$ 187,937	\$ 200,402	\$ 201,915	\$ 198,278	\$ 203,216
Ratio	0.46	0.32	0.16	(0.03)	(0.14)	(0.20)	(0.20)	0.46	0.53	0.54

Measures the financial strength of the institution by indicating how long the institution could function using its expendable reserves to cover operations should additional net position not be available. A positive ratio and an increase in the ratio over time denotes strength.

**Return On Net Position/
Net Assets Ratio:**

Change in Net Position	\$ 24,746	\$ 35,144	\$ 30,441	\$ 16,352	\$ 5,605	\$ (1,699)	\$ (7,640)	\$ (8,024)	\$ (2,298)	\$ 589
Change in Net Assets - CU	5,296	17	(282)	(263)	424	200	(127)	748	230	(82)
Change in Net Assets	\$ 30,042	\$ 35,161	\$ 30,159	\$ 16,090	\$ 6,029	\$ (1,499)	\$ (7,767)	\$ (7,276)	\$ (2,068)	\$ 507
Net Position (Beginning of Year)	\$ 153,994	\$ 118,850	\$ 88,409	\$ 72,057	\$ 66,287	\$ 67,986	\$ 75,626	\$ 215,251	\$ 217,549	\$ 216,959
Net Assets (Beginning of Year) - CU	7,530	7,513	7,795	8,058	7,634	7,434	7,561	6,813	6,583	6,665
Net Position/Net Assets (Beginning of Year)	\$ 161,524	\$ 126,363	\$ 96,204	\$ 80,114	\$ 73,921	\$ 75,420	\$ 83,186	\$ 222,063	\$ 224,131	\$ 223,624

Ratio	0.19	0.28	0.31	0.20	0.08	(0.02)	(0.09)	(0.03)	(0.01)	0.00
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Measures total economic return. While an increasing trend reflects strength, a decline may be appropriate and even warranted if it represents a strategy on the part of the institution to fulfill its mission.

Source: District Records

Notes: Includes Component Unit data indicated by CU.

Balances prior to FY 2015 have not been adjusted for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Balances prior to FY 2016 have not been adjusted for the implementation of GASB Statement No. 72, *Fair Value Measurement and Application*. Balances prior to FY 2018 have not been adjusted for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, as amended by GASB Statement No. 85, *Omnibus 2017*.

**Pima County Community College District
Financial Trends**

Financial Ratios (continued)

Last Ten Fiscal Years

Dollars in Thousands

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net Operating Revenue Ratio:										
Operating Loss	\$ (157,634)	\$ (158,409)	\$ (134,216)	\$ (142,096)	\$ (145,514)	\$ (153,299)	\$ (165,135)	\$ (165,115)	\$ (160,659)	\$ (165,518)
Net Non-Operating Revenues	182,356	178,546	164,644	158,368	151,080	151,563	157,359	157,060	157,561	166,041
Change in Unrestricted Net Assets - CU	(293)	(40)	210	93	(248)	42	37	(39)	(9)	138
Net Operating Income	\$ 24,429	\$ 20,097	\$ 30,638	\$ 16,365	\$ 5,317	\$ (1,694)	\$ (7,739)	\$ (8,094)	\$ (3,107)	\$ 661
Operating Revenues	\$ 27,225	\$ 33,536	\$ 33,496	\$ 33,375	\$ 34,139	\$ 33,849	\$ 34,221	\$ 35,471	\$ 35,676	\$ 36,202
Non-Operating Revenues	184,329	195,567	165,992	158,536	151,141	151,620	157,519	157,450	158,623	166,679
Unrestricted Revenues - CU	1,195	1,240	1,908	2,074	1,056	1,167	1,406	1,247	1,992	1,310
Elimination of Inter-Entity Amounts	(16)	(22)	(127)	(241)	(104)	(83)	(115)	(246)	(924)	(131)
Total Operating Revenue	\$ 212,732	\$ 230,321	\$ 201,269	\$ 193,744	\$ 186,232	\$ 186,552	\$ 193,031	\$ 193,922	\$ 195,367	\$ 204,060
Ratio	0.11	0.09	0.15	0.08	0.03	(0.01)	(0.04)	(0.04)	(0.02)	0.00
	<i>Measures whether the institution is living within available resources. A positive ratio and an increase in the ratio over time, generally reflects strength; a decline may be appropriate and even warranted if it represents a strategy on the part of the institution to fulfill its mission.</i>									
Viability Ratio:										
Unrestricted Net Position	\$ 27,184	\$ 13,572	\$ (3,458)	\$ (20,815)	\$ (39,778)	\$ (50,098)	\$ (51,901)	\$ 80,544	\$ 93,663	\$ 100,136
Expendable Restricted Net Position	51,523	47,634	29,435	12,452	11,340	10,126	8,653	9,092	8,184	7,772
Assets - CU	763	470	510	300	154	315	272	235	275	284
Temporarily Restricted Net Assets - CU	6,300	1,510	919	1,948	2,462	1,923	2,200	2,396	2,031	1,879
Expendable Net Position/ Net Assets	\$ 85,770	\$ 63,186	\$ 27,406	\$ (6,115)	\$ (25,822)	\$ (37,734)	\$ (40,776)	\$ 92,267	\$ 104,153	\$ 110,071
Long-Term Debt	\$ 56,458	\$ 59,010	\$ 62,179	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,355	\$ 6,645
Long-Term Debt - CU	0	0	0	0	0	0	0	0	0	0
Total Debt	\$ 56,458	\$ 59,010	\$ 62,179	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,355	\$ 6,645
Ratio	1.52	1.07	0.44	0	0	0	0	0	76.87	16.56
	<i>Measures the ability of the institution to cover its debt as of the statement of net position date, should the institution need to do so.</i>									

Source: District Records

Notes: Includes Component Unit data indicated by CU.

Balances prior to FY 2015 have not been adjusted for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Balances prior to FY 2016 have not been adjusted for the implementation of GASB Statement No. 72, *Fair Value Measurement and Application*. Balances prior to FY 2018 have not been adjusted for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, as amended by GASB Statement No. 85, *Omnibus 2017*.

**Pima County Community College District
Revenue Capacity**

Assessed Value and Full Cash Value of All Taxable Property

Last Ten Fiscal Years

Dollars in Thousands

<u>Fiscal Year/Levy Type ¹</u>	<u>Net Assessed Value</u>	<u>Total Direct Tax Rate ²</u>	<u>Limited and Full Cash Values ³</u>	<u>Ratio of Net Assessed to Full Cash Value</u>
2020/2021 Primary	\$9,140,426	1.3359	\$90,656,154	10.08%
2020/2021 Secondary	10,226,395	0.0000	101,016,359	10.12%
Total		<u>1.3359</u>		
2019/2020 Primary	\$8,729,965	1.3758	\$86,441,657	10.10%
2019/2020 Secondary	9,645,865	0.0000	95,293,696	10.12%
Total		<u>1.3758</u>		
2018/2019 Primary	\$8,333,893	1.3983	\$82,745,384	10.07%
2018/2019 Secondary	9,030,169	0.0000	89,027,208	10.14%
Total		<u>1.3983</u>		
2017/2018 Primary	\$8,074,958	1.3890	\$80,459,900	10.04%
2017/2018 Secondary	8,508,990	0.0000	84,772,588	10.04%
Total		<u>1.3890</u>		
2016/2017 Primary	\$7,816,700	1.3733	\$78,911,345	9.91%
2016/2017 Secondary	8,262,665	0.0000	83,520,548	9.89%
Total		<u>1.3733</u>		
2015/2016 Primary	\$7,620,361	1.3689	\$76,489,654	9.96%
2015/2016 Secondary	7,906,190	0.0000	79,550,159	9.94%
Total		<u>1.3689</u>		
2014/2015 Primary	\$7,518,482	1.3344	\$74,402,882	10.11%
2014/2015 Secondary	7,579,899	0.0000	75,389,155	10.05%
Total		<u>1.3344</u>		
2013/2014 Primary	\$7,559,129	1.2746	\$73,262,703	10.32%
2013/2014 Secondary	7,623,691	0.0187	74,590,067	10.22%
Total		<u>1.2933</u>		
2012/2013 Primary	\$8,073,938	1.1484	\$76,085,641	10.61%
2012/2013 Secondary	8,171,212	0.0257	77,731,086	10.51%
Total		<u>1.1741</u>		
2011/2012 Primary	\$8,310,120	1.0846	\$78,036,208	10.65%
2011/2012 Secondary	8,448,282	0.0248	80,152,473	10.54%
Total		<u>1.1094</u>		

Sources: Pima County Department of Finance CAFR (Fiscal years 2012-2020. June 30, 2021 statistics were unavailable at time of publication); Pima County Department of Finance (fiscal year 2020-2021 adopted budget), Pima County Assessor's Office, and District records.

- Notes:** (1) Primary - Taxes levied to pay for current operation and maintenance expenses.
 Secondary - Taxes levied to pay principal and interest on bonded indebtedness and special district assessments.
- (2) Includes separate Primary and Secondary tax rates.
- (3) Limited value is the basis for primary taxes and annual changes therein are restricted by statute; Full Cash Value or Secondary Value approximates market value.

**Pima County Community College District
Revenue Capacity**

Property Tax Levies and Collections
Last Ten Fiscal Years ^{1,4}

Fiscal Year	Original Real Property Tax Levy	Board Ordered Changes thru 6/30/2021	Adjusted Levy	Collections/ Payments Initial Tax Year ²	Percent of Original Levy	Collections/ Payments thru 6/30/2021 ²	Percent of Adjusted Levy	Taxes Receivable as of 6/30/2021 ³
2021	\$ 119,384,468	\$ 0	\$ 119,384,468	\$ 116,691,692	97.74%	\$ 116,691,692	97.74%	\$ 2,692,776
2020	116,583,759	33,024	116,616,783	113,856,884	97.66%	116,143,802	99.59%	472,981
2019	112,789,995	173,239	112,963,234	110,342,172	97.83%	112,613,190	99.69%	350,044
2018	128,257,618	170,123	128,427,741	125,803,451	98.09%	128,127,403	99.77%	300,338
2017	104,106,349	211,974	104,318,323	101,690,985	97.68%	103,979,341	99.68%	338,982
2016	100,655,943	130,979	100,786,922	97,223,208	96.59%	100,519,783	99.73%	267,139
2015	96,201,094	83,277	96,284,371	92,988,525	96.66%	96,004,889	99.71%	279,482
2014	92,461,302	142,192	92,603,494	89,226,779	96.50%	92,222,742	99.59%	380,752
2013	88,643,360	138,963	88,782,323	85,469,057	96.42%	88,414,316	99.59%	368,007
2012	86,335,655	223,293	86,558,948	83,080,271	96.23%	86,180,027	99.56%	378,921
Totals	\$ 1,045,419,543	\$ 1,307,064	\$ 1,046,726,607	\$ 1,016,373,024		\$ 1,040,897,185		\$ 5,829,422

Source: All figures are derived from Pima County Treasurer's Tax Ledgers and spreadsheets.

Notes: (1) All amounts shown are for primary property taxes only.

(2) Amounts collected are on a cash basis.

(3) Represents the difference between the adjusted levy and collected to June 30, 2021.

(4) Unsecured personal property taxes are not included in this schedule because the dates of the monthly tax rolls vary each year. For tax years 2011 - 2020 (District fiscal years 2012 - 2021), total unsecured personal property tax board ordered changes were \$20,845 and collections were \$3,843,620 (including rolls and cycles) through June 30, 2021. The total outstanding unsecured personal property tax levy at June 30, 2021 for the period cited stands at \$2,027,404.

**Pima County Community College District
Revenue Capacity**

Property Tax Rates, Direct and Overlapping Governments

Last Ten Fiscal Years (Per \$100 of Assessed Value) ⁶

Tax Year	Pima County	State of Arizona	Central	Pima County ²	Flood Control District ³	County Library District	Education Assistance	Cortaro-Marana Irrigation District ⁴		
	Community College District ¹		Arizona Conservation District						Water District	From
2020	1.3359	0.0000	0.1400	4.4836	0.3335	0.5353	0.4426	80.2500		
2019	1.3758	0.0000	0.1400	4.7326	0.3335	0.5353	0.4566	79.5000		
2018	1.3983	0.0000	0.1400	4.8037	0.3335	0.5153	0.4741	78.0000		
2017	1.3890	0.0000	0.1400	5.2055	0.3135	0.5053	0.4875	75.0000		
2016	1.3733	0.0000	0.1400	5.0364	0.3335	0.5153	0.5010	75.0000		
2015	1.3689	0.0000	0.1400	5.1344	0.3135	0.5153	0.5054	72.0000		
2014	1.3344	0.0000	0.1400	5.0251	0.3035	0.4353	0.5089	69.0000		
2013	1.2933	0.0000	0.1400	4.4921	0.2635	0.3753	0.5123	69.0000		
2012	1.1741	0.0000	0.1000	4.2425	0.2635	0.3460	0.4717	66.0000		
2011	1.1094	0.0000	0.1000	4.2396	0.2635	0.3460	0.4259	66.0000		

Tax Year	Flowing Wells	Silverbell	City of Tucson	City of South Tucson	Street Lighting Improvement District	Mobile Home Relocation District ⁵	Towns Other ⁶	School Districts Range	
	Irrigation District ⁴	Irrigation District ⁴						From	To
2020	19.3500	3.0000	1.3573	0.2527	14.4901	0.0000	11.7000	1.8371	7.4213
2019	19.3500	3.0000	1.3810	0.2434	17.9248	0.0000	12.0000	1.8954	7.8712
2018	19.3500	3.0000	1.4819	0.2512	15.3127	0.0000	9.1400	1.9679	8.6853
2017	19.3500	3.0000	1.4342	0.2487	12.4505	0.0000	7.0000	2.0234	9.0399
2016	19.3500	3.0000	1.5982	0.2528	12.4384	0.0000	7.0000	2.0793	8.9614
2015	19.3500	3.0000	1.5960	0.2528	12.3345	0.5000	7.0000	1.7677	7.6184
2014	19.3500	3.0000	1.4606	0.2528	12.0787	0.5000	7.0000	2.1123	7.5094
2013	19.3500	3.0000	1.4304	2.9776	10.1900	0.5000	7.0000	1.1287	7.4319
2012	19.3500	3.0000	1.2639	2.7640	9.6038	0.5000	7.0000	1.2484	7.3187
2011	19.3500	3.0000	1.1621	2.6603	0.0000	0.5000	7.0000	1.7682	6.9480

Source: Pima County Department of Finance (June 30, 2020 CAFR), June 30, 2021 statistics were unavailable at time of publication.

Notes: Primary and secondary tax rates (per \$100 of net assessed value) are set by the County Board of Supervisors or the governing boards of other taxing jurisdictions.

The Towns of Marana, Oro Valley, and Sahuarita do not currently levy a property tax.

The Tucson Business Improvement District levy (on a per-business basis) is not shown.

(1) Rate includes any secondary tax levy for debt service on general obligation bonds.

(2) Rate includes the secondary tax levy for debt service on general obligation bonds and fire district assistance.

(3) The Pima County Flood Control District tax levy applies only to real property.

(4) Irrigation districts' tax rates shown are levied on a per acre basis.

(5) Mobile Home Relocation levy applies only to unsecured mobile homes.

(6) The 2011 to 2020 figures represent the aggregate rate for the Community Facilities Districts of: Gladden Farms, Vanderbilt Farms, Quail Creek, Gladden Farms Phase II and Saguaro Springs; noting Vanderbilt Farms was dissolved in FY 2020.

**Pima County Community College District
Revenue Capacity**

Schedule of Tuition
Last Ten Fiscal Years

<u>Academic Year¹</u>	<u>Full-Time Tuition & Fees^{2,3}</u>		<u>Tuition per Credit Hour</u>	
	<u>In State</u>	<u>Out of State</u>	<u>In State</u>	<u>Out of State⁴</u>
2021	\$ 2,805	\$ 9,450	\$ 87.00	\$ 308.50
2020	2,730	9,375	84.50	306.00
2019	2,670	9,315	82.50	304.00
2018	2,640	9,285	81.50	303.00
2017	2,550	9,195	78.50	300.00
2016	2,460	10,755	75.50	352.00
2015	2,300	10,055	70.50	329.00
2014	2,150	10,055	65.50	329.00
2013	2,060	9,725	63.50	319.00
2012	1,910	8,975	58.50	294.00

Source: District Records

Notes: Beginning in January 2012, the College began charging additional tuition, known as differential tuition, for courses that are more costly for the College to offer. These rates are not reflected in the table.

- (1) Tuition rate changes are effective at the beginning of each academic year.
- (2) These amounts are for full-time students taking 30 credit hours during the academic year.
- (3) Amounts include: semester processing fees of \$20 per year for 2010 - 2014 and \$30 per year starting in 2015; student service fees of \$2.00 per credit hour in academic year 2010, \$2.50 per credit hour in academic years 2011 - 2013, and \$3.00 beginning in 2014; technology fees of \$2.00 per credit hour in academic years 2010 - 2013, and \$2.50 per credit hour beginning in academic year 2014.
- (4) Rates shown are for 7 or more credit hours.
- (5) In addition to tuition, course fees and additional fees may apply. For more information on course fees, check the online class schedules, the printed Schedule of Classes, or call or stop by any campus Student Services Center.
- (6) Tuition, fees, and refunds are subject to change without notice.
- (7) These rates are NOT intended to represent an estimate of the cost of attending Pima Community College.

**Pima County Community College District
Debt Capacity**

Schedule of Ratios of Outstanding Debt

Last Ten Fiscal Years

Dollars in Thousands

	Fiscal Year				
	2021	2020	2019	2018	2017
General Bonded Debt					
Total General Bonded Debt	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Per Headcount	0	0	0	0	0
Per FTSE	0	0	0	0	0
Per Capita (Pima County)	0	0	0	0	0
Other Debt					
Revenue Bonds	59,010	61,500	65,449	0	0
Capital Lease Obligations	2,204	2,952	2,300	1,329	0
Total Outstanding Debt	\$ 61,214	\$ 64,452	\$ 67,749	\$ 1,329	\$ 0
Per Headcount	1.74	1.59	1.65	0.03	0
Per FTSE	4.41	4.58	4.58	0.07	0
Per Capita (Pima County)	0.06	0.06	0.07	0	0

	Fiscal Year				
	2016	2015	2014	2013	2012
General Bonded Debt					
Total General Bonded Debt	\$ 0	\$ 0	\$ 0	\$ 1,355	\$ 3,280
Per Headcount	0	0	0	0.03	0.06
Per FTSE	0	0	0	0.07	0.15
Per Capita (Pima County)	0	0	0	0	0
Other Debt					
Revenue Bonds	0	0	0	0	0
Capital Lease Obligations	0	0	0	0	3,365
Total Outstanding Debt	\$ 0	\$ 0	\$ 0	\$ 1,355	\$ 6,645
Per Headcount	0	0	0	0.03	0.11
Per FTSE	0	0	0	0.07	0.30
Per Capita (Pima County)	0	0	0	0	0.01

Source: District Records. Per Capita calculations based on forecasted population from "Arizona Commerce".
<https://www.azcommerce.com>

**Pima County Community College District
Debt Capacity**

Revenue Bond Coverage
Last Ten Fiscal Years ¹

Fiscal Year	Gross Revenues ²	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2021	\$ 28,018,605	\$ 1,775,000	\$ 2,579,925	\$ 4,354,925	6.43
2020	39,828,893	3,270,000	2,442,758	5,712,758	6.97
2019	37,801,250	0	0	0	N/A
2018	0	0	0	0	N/A
2017	0	0	0	0	N/A
2016	0	0	0	0	N/A
2015	0	0	0	0	N/A
2014	0	0	0	0	N/A
2013	0	0	0	0	N/A
2012	0	0	0	0	N/A
Totals	\$ 105,648,748	\$ 5,045,000	\$ 5,022,683	\$ 10,067,683	

Source: District Records

- Notes:** (1) Includes revenue bonds issued in 2019. No revenue bonds were outstanding for previous fiscal years noted.
(2) Repayment of 2019 revenue bond debt is secured by a pledge of gross revenues as defined by the bond indentures.
(3) Fiscal Year 2019 had no debt service requirements for revenue bonds issued in 2019.

**Pima County Community College District
Debt Capacity**

Ratio of General Bonded Debt to Assessed Value and Net Bonded Debt per Capita
Last Ten Fiscal Years, as of June 30, 2021
Dollars in Thousands

Fiscal Year	General Obligation Bond Debt	Secondary Net Assessed Value	Percent Net General Bond Debt to Assessed Value	Population at July 1	Net General Bonded Debt per Capita
2021	\$ 0	\$ 10,226,395	0.00%	1,059,200	\$ 0
2020	0	9,645,865	0.00%	1,052,000	0
2019	0	9,030,169	0.00%	1,042,100	0
2018	0	8,508,990	0.00%	1,032,900	0
2017	0	8,262,665	0.00%	1,018,600	0
2016	0	7,906,190	0.00%	1,016,700	0
2015	0	7,579,899	0.00%	1,022,100	0
2014	0	7,623,691	0.00%	1,007,200	0
2013	1,355	8,171,212	0.02%	996,000	0
2012	3,280	8,448,282	0.04%	990,400	0

Source: District Records; secondary net assessed values and population from Pima County Department of Finance (Fiscal years 2012-2020, CAFR. June 30, 2021 statistics were unavailable at time of publication); Pima County Department of Finance (Fiscal year 2020-2021 adopted budget), and 'Arizona Commerce' population projections for 2021; <http://azcommerce.com>

**Pima County Community College District
Debt Capacity**

Computation of Direct and Overlapping Governmental Debt Outstanding

At June 30, 2021¹

Dollars in thousands

<u>Governmental unit</u>	<u>Debt Outstanding</u>	<u>Amount Overlapping³</u>
Debt repaid with property tax		
City of Tucson	\$ 120,150	\$ 120,150
School Districts	702,875	702,875
Total Overlapping		<u>\$ 823,025</u>
Debt repaid with property tax		
Pima County ²	\$ 181,428	\$ 181,428
Pima County Community College District	2,952	2,952
Total Direct		<u>\$ 184,380</u>
Other Debt:		
Certificates of Participation	\$ 161,063	\$ 161,063
Installment note payable	749	749
Transportation bonds	80,899	80,899
Total other debt		<u>\$ 242,711</u>
Total direct, overlapping, and other debt		<u><u>\$ 1,250,116</u></u>

Source: District Records and Pima County Department of Finance (June 30, 2020 CAFR)

Notes: (1) June 30, 2021 amounts were unavailable at the time of publication.

(2) Excludes improvement districts.

(3) Overlapping governments are those that coincide with the geographic boundaries of the District. All overlapping governments are 100% within the District's boundaries. This schedule estimates the portion of the outstanding debt borne by the residents and businesses in Pima County. When considering the District's ability to issue and repay long-term debt, the process should recognize the entire debt burden borne by the residents and businesses therein. However, this does not imply that every taxpayer is a resident of each government and therefore is responsible for the repayment of debt of each overlapping government.

**Pima County Community College District
Debt Capacity**

Ratio of Direct and Overlapping Debt to Property Values and per Capita

Last Ten Fiscal Years, as of June 30, 2021

Dollars in Thousands

Fiscal Year	Total Overlapping Debt	Secondary Net Assessed Value	Percentage of Assessed Value	Population at July 1¹	Debt per Capita
2020	\$ 1,250,116	\$ 9,645,865	12.96%	1,050,905	\$ 1.190
2019	1,325,724	9,030,169	14.68%	1,042,475	1.272
2018	1,337,556	8,508,990	15.72%	1,034,000	1.294
2017	1,393,757	8,262,665	16.87%	1,025,000	1.360
2016	1,445,104	7,906,190	18.28%	1,016,700	1.421
2015	1,501,691	7,579,899	19.81%	1,022,100	1.469
2014	1,153,220	7,623,691	15.13%	1,007,200	1.145
2013	1,311,417	8,171,212	16.05%	996,000	1.317
2012	1,284,219	8,448,282	15.20%	990,400	1.297
2011	1,335,431	9,342,561	14.29%	986,100	1.354

Source: District records and Pima County Department of Finance (June 30, 2020 CAFR). June 30, 2021 statistics were unavailable at the time of publication

Notes: (1) Population based on calendar year and prior year data is updated to reflect new source data.

Overlapping governments are those that coincide (at least in part), with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. When considering the District's ability to issue and repay long-term debt, the process should recognize the entire debt burden borne by the residents and businesses therein. However, this does not imply that every taxpayer is a resident and is responsible for the repayment of debt of each overlapping government.

**Pima County Community College District
Debt Capacity**

Legal Debt Margin
Last Ten Fiscal Years
Dollars in Thousands

	2021	2020	2019	2018	2017
Assessed Value	\$10,226,395	\$ 9,645,865	\$ 9,030,169	\$ 8,508,990	\$ 8,262,665
Legal Debt Margin					
Debt Limit (15% of assessed value)	1,533,959	1,446,880	1,354,525	1,276,348	1,239,400
Debt applicable to limit:					
General obligation bonds	0	0	0	0	0
Leases	2,205	2,952	2,300	1,329	0
Total net debt applicable to the limit	2,205	2,952	2,300	1,329	0
Legal debt margin	\$ 1,531,754	\$ 1,443,928	\$ 1,352,225	\$ 1,275,019	\$ 1,239,400
Total net debt applicable to the limit as a percentage of debt limit.	0.14%	0.20%	0.17%	0.10%	0.00%

	2016	2015	2014	2013	2012
Assessed Value	\$ 7,906,190	\$ 7,579,899	\$ 7,623,691	\$ 8,171,212	\$ 8,448,282
Legal Debt Margin					
Debt Limit (15% of assessed value)	1,185,929	1,143,554	1,143,554	1,225,682	1,267,242
Debt applicable to limit:					
General obligation bonds	0	0	0	1,355	3,280
Leases	0	0	0	0	3,365
Total net debt applicable to the limit	0	-	-	1,355	6,645
Legal debt margin	\$ 1,185,929	\$ 1,143,554	\$ 1,143,554	\$ 1,224,327	\$ 1,260,597
Total net debt applicable to the limit as a percentage of debt limit.	0.00%	0.00%	0.00%	0.11%	0.52%

Source: District records and Pima County Department of Finance (June 30, 2020 CAFR and FY 2020-2021 Adopted Budget)

**Pima County Community College District
Demographic and Economic Information**

Schedule of Principal Employers

Most Recent Year and Nine Years Prior as of 2021

<u>Employer</u>	<u>2021</u>			<u>2012</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percent of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percent of Total County Employment</u>
University of Arizona	15,567	1	3.1%	10,681	1	2.34%
Raytheon Technologies	13,305	2	2.7%	10,500	2	2.30%
Tucson Unified School District	7,703	3	1.5%	6,674	6	1.46%
Banner - University Medical Center	7,648	4	1.5%	*		
Pima County Government	7,412	5	1.5%	6,170	8	1.35%
Davis-Monthan AFB	6,532	6	1.3%	8,566	4	1.88%
State of Arizona	5,346	7	1.1%	9,061	3	1.99%
Wal-Mart Stores, Inc.	4,817	8	1.0%	7,300	5	1.60%
Tucson Medical Center	4,773	9	1.0%	*		
City of Tucson	4,453	10	0.9%	*		
Fort Huachuca	*			6,198	7	1.36%
US Boarder Patrol	*			6,000	8	1.32%
UA Healthcare	*			5,594	10	1.23%
Total	<u>77,556</u>		<u>15.6%</u>	<u>76,744</u>		<u>16.8%</u>
Total Work Force	497,659			455,900		

* Employer did not fall within the top 10 for the year identified

Source: The University of Arizona Annual Comprehensive Financial Report, Fiscal Year 2021.

**Pima County Community College District
Demographic and Economic Information**

Schedule of Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>County Population</u>	<u>Countywide Personal Income (in thousands)</u>	<u>Countywide Personal Income per Capita</u>	<u>Countywide Unemployment Rate</u>
2021	1,059,200	\$56,168,000	\$53,029	7.3%
2020	1,052,000	\$49,961,000	\$47,491	10.0%
2019	1,042,100	\$46,615,000	\$44,732	5.0%
2018	1,032,900	\$43,223,000	\$41,846	4.4%
2017	1,018,600	\$41,350,000	\$40,595	4.9%
2016	1,015,500	\$40,359,000	\$39,743	5.7%
2015	1,015,100	\$39,106,000	\$38,524	5.5%
2014	1,002,700	\$37,867,000	\$37,765	6.9%
2013	996,700	\$36,838,000	\$36,960	7.6%
2012	990,300	\$37,000,000	\$37,362	9.7%

Source: 2021 Population obtained from Dept of Commerce estimates. 2021 Personal income data forecast estimate obtained from "Arizona's Economy" magazine's Forecast Tables. Countywide unemployment rate for June 2021 obtained from "Arizona Economy" magazine's Arizona Economic Indicators for the Tucson Metropolitan Statistical Area (MSA). <http://www.ebr.eller.arizona.edu> and District Records.

**Pima County Community College District
Operating Information**

Administrators, Faculty and Staff Statistics

Last Ten Fiscal Years

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Administrators										
Regular	45	47	45	50	48	51	56	56	55	54
Faculty										
Regular	274	301	327	347	360	391	390	391	391	391
Adjunct	498	568	558	551	516	519	547	569	630	692
Staff										
Regular	1,034	987	987	1,058	1,084	1,121	1,090	1,051	1,019	1,059
Temporary	115	145	139	139	141	144	157	168	162	192
Student	0	26	22	27	26	25	35	38	39	39

Source: District Records

Note: Figures for Regular positions are based on budgeted full-time equivalents. Figures for Adjunct, Temporary & Student positions are based on estimates from actual costs.

**Pima County Community College District
Operating Information**

Admissions, Enrollment and Degree Statistics

Last Ten Fiscal Years

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Students Statistics ^{1,2}										
Part-Time %	71%	70%	69%	68%	69%	68%	68%	67%	66%	66%
Full-Time %	29%	30%	31%	32%	31%	32%	32%	33%	34%	34%
Degrees Awarded	1,617	2,050	2,278	2,351	2,585	2,626	2,721	2,644	2,634	2,549
Certificates Awarded	2,091	2,874	2,852	3,018	3,062	3,365	3,013	2,880	2,856	2,622
Ethnicity										
Hispanic/Latino %	46%	46%	44%	41%	41%	41%	39%	38%	36%	33%
Black or African American %	5%	5%	5%	5%	5%	4%	4%	5%	5%	5%
Asian %	3%	3%	3%	3%	3%	3%	3%	3%	4%	4%
American Indian or Alaska Native %	2%	2%	2%	2%	2%	2%	2%	2%	2%	3%
Two or More Races %	2%	2%	2%	4%	4%	4%	3%	3%	3%	3%
White %	38%	36%	38%	41%	41%	42%	43%	45%	47%	47%
Not Reported %	4%	6%	6%	4%	4%	4%	6%	4%	3%	5%
Gender										
Male %	40%	42%	43%	43%	44%	44%	44%	45%	45%	44%
Female %	59%	56%	51%	51%	50%	50%	51%	51%	52%	53%
Not Reported %	1%	2%	6%	6%	6%	6%	5%	4%	3%	3%

Source: District Records

(1) Student statistics are based on credit students only.

(2) Full-Time and Part-Time status is based on Fall data.

**Pima County Community College District
Operating Information**

Historic Enrollment – Headcount and Full Time Student Equivalent (FTSE)

Last Ten Fiscal Years

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Headcount										
Total District	31,095	35,128	40,557	40,983	41,976	42,787	44,513	49,504	53,550	59,303

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
FTSE										
Campus										
Community*	4,386	3,910	3,588	3,351	2,963	2,264	2,145	2,255	2,500	2,688
Desert Vista	1,048	1,385	1,215	1,291	1,358	1,728	1,749	1,882	1,998	2,317
Downtown	1,237	2,003	2,079	2,341	2,517	2,655	2,948	3,411	3,773	4,271
East	1,037	1,472	1,568	1,730	1,804	2,152	2,437	2,652	2,845	3,302
Northwest	849	1,262	1,323	1,497	1,543	1,663	1,972	2,182	2,382	2,881
West	2,460	3,425	3,600	3,777	3,704	4,091	4,358	4,747	5,188	5,702
Center for Training & Development	113	0	214	197	255	235	201	245	256	296
Public Safety Institute	358	417	471	600	635	594	648	589	572	570
Total District	11,488	13,874	14,058	14,784	14,779	15,382	16,458	17,963	19,514	22,027

Source: District Records

Note: Although the Community Campus was sold in FY 20, the Community Campus figures include Adult Basic Education, Workforce & Business Development and Pima Online.

**Pima County Community College District
Operating Information**

Schedule of Capital Asset Information
Last Ten Fiscal Years

	Fiscal Year				
	2021	2020	2019	2018	2017
Computer / Audio Visual	\$ 9,299,455	\$ 7,614,159	\$ 6,151,466	\$ 6,261,708	\$ 6,941,501
Education & Recreation	1,168,768	1,084,003	1,050,203	1,041,380	1,041,380
Library Books	6,645,045	6,688,150	6,662,764	6,630,026	7,052,667
Medical & Technical	11,373,408	11,370,781	10,905,113	11,840,597	11,206,162
Office Equipment & Furniture	409,232	351,935	325,043	285,676	158,526
Other	8,014,113	6,983,795	6,730,333	5,538,675	4,874,522
Physical Plant	1,061,313	1,061,313	1,061,313	1,672,125	1,782,590
Vehicles	5,775,056	5,004,790	4,387,332	3,928,535	3,816,431
Buildings	181,680,716	181,680,716	190,452,158	190,452,158	190,452,158
Construction in Progress	39,030,198	16,080,909	5,836,825	2,361,583	47,392
Land	10,954,401	10,954,401	10,971,088	10,971,088	10,971,088
Land Improvements	4,293,105	4,293,105	4,320,223	4,320,223	4,320,223
Leasehold Improvements	3,260,062	3,260,062	3,260,062	3,260,062	3,260,062
	<u>\$ 282,964,872</u>	<u>\$ 256,428,119</u>	<u>\$ 252,113,923</u>	<u>\$ 248,563,836</u>	<u>\$ 245,924,702</u>

	Fiscal Year				
	2016	2015	2014	2013	2012
Computer / Audio Visual	\$ 7,151,494	\$ 7,035,466	\$ 6,920,823	\$ 7,923,704	\$ 8,025,772
Education & Recreation	809,372	837,034	923,817	1,217,677	1,192,609
Library Books	7,307,717	7,165,411	7,322,133	7,401,241	7,248,861
Medical & Technical	10,765,663	9,992,965	8,661,480	7,390,865	6,033,567
Office Equipment & Furniture	199,884	216,382	250,107	421,304	479,842
Other	4,675,145	3,933,473	3,507,462	3,218,678	2,259,692
Physical Plant	1,881,053	2,006,180	1,980,542	2,127,709	2,242,208
Vehicles	3,766,376	3,720,857	3,664,253	3,606,332	3,441,151
Buildings	190,452,158	189,947,916	189,670,381	178,676,673	178,480,684
Construction in Progress	0	0	0	3,851,830	1,450,322
Land	10,971,088	10,971,088	10,971,088	10,971,088	10,971,088
Land Improvements	4,320,223	4,320,223	4,320,223	4,320,223	4,320,223
Leasehold Improvements	3,260,062	3,260,062	3,260,062	3,260,062	3,260,062
	<u>\$ 245,560,235</u>	<u>\$ 243,407,057</u>	<u>\$ 241,452,371</u>	<u>\$ 234,387,387</u>	<u>\$ 229,406,080</u>

Source: District Records

Note: Amounts shown are historical cost and do not include depreciation.

**Pima County Community College District
Operating Information**

Statutory Limit to Budgeted Expenditures - Expenditure Limitation

Pima County Community College District, like all community colleges in Arizona, is subject to numerous budgetary and related legal requirements. Article 9, Section 21, of the Arizona Constitution sets limits on the College's legal budget capacity. In general, the Governing Board, as the governing body of the College, cannot authorize expenditures from local revenues in excess of the expenditure limitation determined annually for the College by the Arizona Economic Estimates Commission. The expenditure limitation is determined each year by adjusting the amount of actual payments of local revenues received by the College during fiscal year 1979-1980 to reflect inflation and subsequent student enrollment for the College.

Fiscal Year	Statutory Expenditure Limitation ¹	Budgeted Expenditures Subject to the Limitation ²	Unused Legal Limit
2020	\$ 101,393,690	\$ 101,393,689	\$ 1
2019	\$ 101,218,447	\$ 101,218,446	\$ 1
2018	\$ 101,399,448	\$ 101,399,447	\$ 1
2017	\$ 100,884,152	\$ 100,884,151	\$ 1
2016	\$ 114,444,168	\$ 105,319,375	\$ 9,124,793
2015	\$ 112,293,950	\$ 110,712,581	\$ 1,581,369
2014	\$ 115,829,735	\$ 108,736,671	\$ 7,093,064
2013	\$ 126,021,541	\$ 126,021,540	\$ 1
2012	\$ 125,892,320	\$ 125,892,319	\$ 1
2011	\$ 122,989,612	\$ 122,989,611	\$ 1
2010	\$ 105,379,583	\$ 105,379,582	\$ 1
2009	\$ 98,068,940	\$ 98,068,939	\$ 1

Source: State of Arizona Office of the Auditor General Expenditure Limitation Reports

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

(2) Budgeted expenditures are net of allowable exclusions.

Pima Community College is an equal opportunity, affirmative action employer, and educational institution committed to excellence through diversity. Upon request, reasonable accommodations will be made for individuals with disabilities to support access to all programs and services. Every effort will be made to provide reasonable accommodations in a timely manner. For student, public, and employee accommodation requests and for information related to the ADA compliance process, please contact 504-ADAhelp@pima.edu, 520-206-6688, or West Campus Room C130, 2202 W. Anklam Road, Tucson, AZ 85709-0095.

Additional information about Pima Community College is available on our website: www.pima.edu.