

# Pinal County Community College District (Central Arizona College)

Signal Peak

Superstition Mountain

Aravaipa

Maricopa

San Tan



Maricopa Campus

## Annual Comprehensive Financial Report Fiscal Year Ended June 30, 2021



**Central  
Arizona  
College**

**Pinal County Community College District  
(Central Arizona College)**

**Annual Comprehensive Financial Report**  
Fiscal Year Ended June 30, 2021



**Central  
Arizona  
College**

Prepared by the Business Affairs Department

Chris Wodka, VP Business Affairs



**Central  
Arizona  
College**

**This Page Intentionally Left Blank**

Pinal County Community College District  
(Central Arizona College)  
Annual Comprehensive Financial Report  
Fiscal Year Ended June 30, 2021

**Table of Contents**

**INTRODUCTORY SECTION**

|                            |   |
|----------------------------|---|
| Letter of Transmittal      | 1 |
| List of Principal Officers | 6 |
| Organizational Chart       | 7 |

**FINANCIAL SECTION**

|   |    |
|---|----|
| Independent Auditors' Report  | 10 |
| Required Supplementary Information — Management's Discussion and Analysis         | 12 |
| Basic Financial Statements  |    |
| Statement of Net Position — Primary Government                                    | 20 |
| Statement of Financial Position — Component Unit                                  | 22 |
| Statement of Revenues, Expenses, and Changes in Net Position — Primary Government | 23 |
| Statement of Activities — Component Unit  | 24 |
| Statement of Cash Flows — Primary Government                                      | 25 |
| Notes to Financial Statements   | 27 |
| Other Required Supplementary Information  |    |
| Schedule of the District's Proportionate Share of the Net Pension Liability       | 57 |
| Schedule of District Pension Contributions  | 58 |

**STATISTICAL SECTION**

|  |    |
|--|----|
| Narrative to the Statistical Section   | 60 |
| Financial Trends   |    |
| Net Position by Component  | 61 |
| Changes in Net Position  | 62 |
| Statutory Limit to Budgeted Expenditures   | 63 |
| Revenue Capacity   |    |
| Property Tax Levies and Collections  | 64 |
| Pinal County Assessed Value and Estimated Actual Value of Taxable Property                           | 65 |
| Direct and Overlapping Property Tax Rates  | 66 |
| Pinal County Direct Property Tax Rates   | 67 |
| Assessed Valuation, Tax Rate and Levy History  | 68 |
| Principal Property Taxpayers for Pinal County  | 69 |
| Debt Capacity  |    |
| Ratios of Outstanding Debt by Type   | 70 |
| Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Bonded Debt Per Capita | 71 |
| Ratio of Annual Debt Service Expenditures to Operating Expenses/Expenditures                         | 72 |
| Ratio of Pledged Revenue Obligations to Annual Debt Service Expenditures                             | 73 |
| Legal Debt Margin Information  | 74 |

Pinal County Community College District  
(Central Arizona College)  
Annual Comprehensive Financial Report  
Fiscal Year Ended June 30, 2021

|   |    |
|---|----|
| Demographic and Economic Information                  |    |
| Principal Employers for Pinal County                  | 75 |
| Pinal County Demographic and Economic Statistics      | 76 |
| Economic Indicators for Pinal County                  | 77 |
| Miscellaneous Statistics for Pinal County             | 78 |
| Operating Information                                 |    |
| Student Enrollment, Degree and Demographic Statistics | 79 |
| Historic Enrollment                                   | 80 |
| Faculty and Staff Statistics                          | 81 |
| Capital Asset Information                             | 82 |
| Tuition Schedule                                      | 83 |



**Central  
Arizona  
College**

## **Introductory Section**



September 26, 2022

The District Governing Board of Pinal County Community College District:

The Annual Comprehensive Financial Report of the Pinal County Community College District (the "District"), for the fiscal year ended June 30, 2021, is submitted herewith.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. Please read the management's discussion and analysis in conjunction with the Vice President of Business Affairs and Executive Director II, Accounting Services/Comptroller's transmittal letter.

This report is prepared in accordance with U.S. generally accepted accounting principles (GAAP) as prescribed by the Government Accounting Standards Board (GASB) using the guidelines as recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Management is responsible for establishing and maintaining internal controls designed to ensure that assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. Because the cost of a control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements.

The District is required to undergo an annual audit. Audit services are provided to the District by the Arizona Auditor General. For the year ended June 30, 2021, the Arizona Auditor General has issued an unmodified opinion of the District's financial statements. The independent auditors' report is displayed in the front of the financial section of these statements.

## The Reporting Entity

The District is an independent reporting entity within the criteria established by the GASB. According to GASB Statement No. 14, the financial reporting entity consists of “a primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.” The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. Although the District shares the same geographic boundaries with Pinal County, financial accountability for all activities related to public community college education in Pinal County is exercised solely by the District. In accordance with GASB Statement No. 39, the financial activity of the Central Arizona College Foundation is presented as a component unit of the District. The District is not included in any other governmental financial reporting entity.

## History

The District was established in 1961, when the Arizona Legislature passed a bill permitting counties with the necessary assessed valuation and potential numbers of students to form junior college districts. Groundbreaking ceremonies were held at Signal Peak on Nov. 8, 1968 and Central Arizona College opened its doors in the fall of 1969 near the base of Signal Peak Mountain.

The District began extending its accessibility throughout Pinal County, becoming an important community-building entity that still exists today.

For 50 plus years now, the District has been serving and educating the diverse communities of Pinal County. With a total of five campuses and three centers located strategically throughout the county, the District provides accessible, educational, economic, cultural, and personal growth opportunities for those of all ages.

## Service Area

Pinal County was formed from portions of Maricopa and Pima counties on Feb. 1, 1875, in response to the petition of residents of the upper Gila River Valley, as Act #1 of the Eighth Territorial Legislature. Florence, established in 1866, was designated and has remained the county seat.

The county encompasses 5,374 square miles, of which 4.5 are water. In both economy and geography, Pinal County has two distinct regions. The eastern portion is characterized by mountains with elevations to 6,000 feet and copper mining. The western area is primarily low desert valleys and irrigated agriculture.

The county is home to many interesting attractions, including the Old West Highway 60, Casa Grande Ruins National Monument, Picacho Peak State Park, Picacho Reservoir,



Boyce Thompson Southwestern Arboretum, Oracle State Park and Columbia University's Biosphere II, McFarland State Park, Lost Dutchman State Park, Skydive Arizona, the world's largest skydiving drop-zone, and the Florence Historical District, with 120 buildings on the National Register.

## Economic Outlook

Prior to the Coronavirus Pandemic impacting Arizona, the Office of Economic Opportunity within the Arizona Department of Administration projected Arizona's economy to grow steadily for the calendar years of 2019-2021. As of July 2022, Arizona's unemployment rate was 3%. According to data released, in May 2022, by the University of Arizona Economic and Business Research Center, Arizona job recovery was up from February 2020 to April 2022 although were down compared to where they would have been had the pandemic not occurred.

U.S. Census estimates showed that since 2011 Pinal County has been steadily growing each year. Big projects like Lucid Motors and Nikola, of which Lucid completed construction of their manufacturing facility in 2020, are often credited for spurring more interest and development in Pinal County. The county's population has grown by about 24,000 residents, according to 2021 census estimates. Lucid began construction on an expansion of their manufacturing plant in Casa Grande in late 2021. The continued growth of the manufacturing plant will continue to affect the population growth in Pinal County.

According to realtor.com July 2022 data published, housing median list price was trending up 16.9% year over year and the median list price is up 38.8% in July 2022 compared to July 2021.

Historically, when economic conditions are improving, enrollment in community colleges decreases. In addition, the pandemic that hit in the last quarter of fiscal year 2020 caused additional enrollment decreases. The College experienced a decrease in total enrollment of 23% for fiscal year 2021. As a result of the enrollment decline the College decided to make some changes with tuition and fees to promote enrollment. As a result, enrollment returned to pre-pandemic levels and continues to grow. The College plans to continue with lower tuition and fees to continue to promote enrollment growth as well as focus on student retention.

## Major Program Initiatives

### Major Accomplishments in 2020-2021

- Quickly awarded Federal COVID pandemic aid dollars to 5,637 students
  - \$1,119,300 in Technology Funds
  - \$233,3500 in Emergency Funds
  - \$912,800 in CARES II Funds
  - \$227,300 in CRRSAAR Relief Funds
  - \$61,600 in CRRSAA Veteran/Military Funds
- Continued equity work through Achieving the Dream, including hosting Capacity Cafes with CAC's Achieving The Dream coaches
- Expanded online services (including library, advising, registration) and expanded hours of availability
- Worked with partnering government agencies to have the Drive48 Workforce Training Center built and donated to CAC
- With declining enrollment, advisors were able to allocate more time on advising enrolled students
- SBDC helped 400 business owners receive their payroll protection plan (PPP) money
- Implemented Integrated Education and Training program with Adult Basic Education
- There was no reduction in workforce
- Invested in a new fundraising and donor management software to improve efficiencies and communications with prospects, donors, and volunteers
- Development & deployment of a suite of dashboards to college leadership using PowerBI
- Created a One College One Team Channel in Teams for recognition, praise, and communication

### Major Issues & Resolutions in 2020-2021

- Closed the Corporate Center
- Working with our ERP Vendor, we successfully completed 2 financial audits.
- Expansion of Web QA to include an Artificially Intelligent (AI) option to provide 24/7 access to students in addition to live support.
- Admissions application converted to DocuSign
- Significant decline in enrollment, primarily due to the COVID-19 pandemic
- CampusNexus improvement project continues to produce improvements in the student information system
- Reopening the campuses for faculty & staff in April 2021
- Students returned to residence halls Jan-2021  
Re-implemented athletics programs

## Future Program Initiatives

### Upcoming Issues for 2021-2022

- Surge in enrollment due to free tuition
- Adding classes to meet the increased demand
- CampusNexus Improvement Project will continue to focus on 3 key items:
  - Degree Progress Audit
  - Class Schedule Search
  - Admissions Application/CRM
- Due to expenditure limitation relief, many deferred maintenance projects will be completed in 2021-22, along with other projects that will increase the services and offerings of the institution.
- Need to fully expend all federal dollars (CARES, CRRSSA, etc.) we have received
- Completing 2 additional financial audits will bring us current
- CAC is changing from a committee structure to a project team structure
- CAC's strategic plan will be redeveloped
- Improve Student Portal functionality
- Evaluation of all course fees annually to reduce/simplify course fee structure
- Transition of dashboards to new tool: ZogoTech
- Implementation CAC Mentorship Program to provide staff with mentorship opportunities
- Revising the employee and faculty (including adjunct) evaluation processes to include Annual Goal Setting
- Implementation of new CAC student application and Customer Relationship Management (CRM) system to support student onboarding and retention

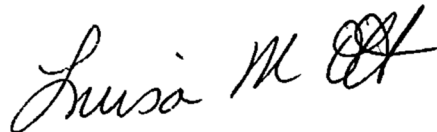
## Acknowledgements

The preparation of this report could not be accomplished without the efficient and dedicated efforts of the Business Office staff. We would like to express our appreciation to all those who assisted in, and contributed to, the preparation of this report.

Respectfully submitted,



Chris Wodka  
Vice President of Business Affairs



Luisa M. Ott  
Executive Director II, Accounting  
Services/Comptroller

**Pinal County Community College District  
(Central Arizona College)**

**Principal Officers**

June 30, 2021



**District Governing Board**

Evelyn Casuga, Vice President, District 3

Dr. David Odiorne, President, District 2

Gladys S. Christensen, District 1

Daniel Miller, District 4

Jerry Walker, District 5

**Senior Administration**

Dr. Jacquelyn Elliott, President

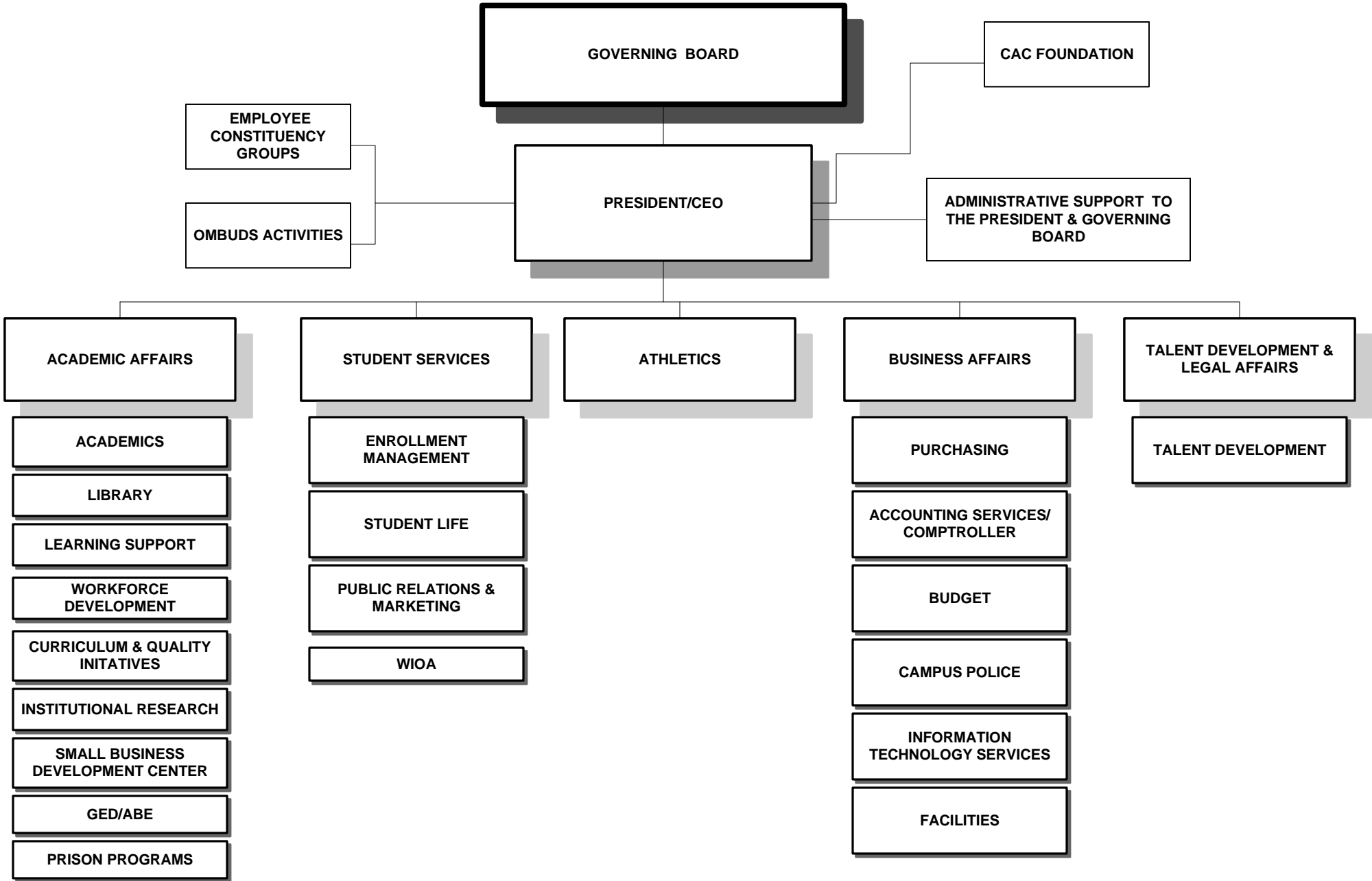
Jenni Cardenas, Vice President Student Services

Chris Wodka, Vice President Business Affairs

Dr. Mary K. Gilliland, Vice President Academic Affairs

Brandi Clark, Vice President Talent Development & Legal Affairs

**Pinal County Community College District  
(Central Arizona College)  
Organizational Chart as of June 30, 2021**





**Central  
Arizona  
College**

## **Financial Section**



**Central  
Arizona  
College**

**This Page Intentionally Left Blank**



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  
Pinal 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 Pinal 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 12 through 19, schedule of the District's proportionate share of the net pension liability on page 57, and schedule of District pension contributions on page 58 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

September 26, 2022

Pinal County Community College District  
(Central Arizona College)  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2021

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the year ended June 30, 2021. Please read it in conjunction with the transmittal letter on page 1 and the District's financial statements, which immediately follow.

## Basic Financial Statements

The District'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 for the presentation in a consolidated, single-column, entity-wide format. This format is similar to the type of financial statements typical of a business enterprise. In accordance with GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, the District reports as a component unit those organizations that raise and hold economic resources for the direct benefit of the District. Based on GASB Statement No. 39, the District has one component unit, the Central Arizona College Foundation (Foundation). The Foundation is audited separately from the District, and its financial activity is presented in conjunction with the District's financial statements.

Information on the component unit can be found in the report in the component unit's Statement of Financial Position and Statement of Activities, as well as Note 9. Management's Discussion and Analysis focuses only on the District and does not address the component unit.

The Statement of Net Position reflects the financial position of the District at June 30, 2021. The statement shows the District's assets, deferred outflows and inflows of resources, liabilities, and net position. Net position reflects the institutional equity in the District's total assets.

The Statement of Revenues, Expenses, and Changes in Net Position reflects the results of operations and changes for the fiscal year ended June 30, 2021. This statement reports revenues and expenses, categorized as operating and nonoperating, and the changes in net position for the year.

The Statement of Cash Flows reflects the cash and cash equivalent inflows and outflows for the year ended June 30, 2021. It shows cash flows from operating activities, noncapital financing activities, capital and related financing activities, and investing activities. It also provides for a reconciliation of beginning and ending cash and cash equivalent balances for the year and a reconciliation of the cash flows from operating activities to the operating loss as reported on the Statement of Revenues, Expenses, and Changes in Net Position.

Pinal County Community College District  
(Central Arizona College)  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2021

Condensed Financial Information

| <b>Net Position — Primary Government</b>     |                                |                                |
|--|--------------------------------|--------------------------------|
|  | <b>As of<br/>June 30, 2021</b> | <b>As of<br/>June 30, 2020</b> |
| <b>Assets:</b>                               |                                |                                |
| Current assets                               | \$ 142,200,994                 | \$ 119,584,539                 |
| Noncurrent assets, other than capital assets | 4,310,635                      | 2,975,794                      |
| Capital assets, net                          | <u>167,533,123</u>             | <u>169,646,965</u>             |
| Total assets                                 | <u>314,044,752</u>             | <u>292,207,298</u>             |
| <b>Deferred Outflows of Resources:</b>       |                                |                                |
| Deferred amount on refunding                 | 3,300,514                      | 2,682,644                      |
| Deferred outflows related to pensions        | <u>6,581,129</u>               | <u>3,902,186</u>               |
| Total deferred outflows of resources         | <u>9,881,643</u>               | <u>6,584,830</u>               |
| <b>Liabilities:</b>                          |                                |                                |
| Long-term liabilities                        | 142,109,990                    | 140,668,131                    |
| Other liabilities                            | <u>6,319,108</u>               | <u>4,683,642</u>               |
| Total liabilities                            | <u>148,429,098</u>             | <u>145,351,773</u>             |
| <b>Deferred Inflows of Resources:</b>        |                                |                                |
| Deferred inflows related to pensions         | <u>998,990</u>                 | <u>2,612,478</u>               |
| Total deferred inflows of resources          | <u>998,990</u>                 | <u>2,612,478</u>               |
| <b>Net Position:</b>                         |                                |                                |
| Net investment in capital assets             | 91,821,496                     | 64,416,261                     |
| Restricted                                   | 6,387,875                      | 6,815,049                      |
| Unrestricted                                 | <u>76,288,936</u>              | <u>79,596,567</u>              |
| Total net position                           | <u>\$ 174,498,307</u>          | <u>\$ 150,827,877</u>          |

Financial Highlights and Analysis

Total assets increased by \$21.8 million in the fiscal year ending June 30, 2021, due largely to an increase in current cash and investments, an increase in government grants receivable, and a decrease in capital assets, net of depreciation. The increase in cash and investments classified as current was primarily from revenues received in excess of expenses. The increase in government grants receivable was primarily due to a year-end accrual of amounts due from the US Department of Education. The decrease in capital assets, net of depreciation was primarily due to depreciation of assets being greater than additions to capital assets in the current year. Total liabilities increased by \$3.1 million primarily due to an increase in current liabilities of \$1.7 million and an increase in non-

Pinal County Community College District  
(Central Arizona College)  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2021

current liabilities of \$1.4 million. The current liabilities increase was primarily due to increases in accrued payroll and accounts payable. The non-current liabilities increase was due to pensions liability increase of \$4.8 million and a decrease in other non-current liabilities of \$1.4 million. Total net position increased by \$23.7 million (15.7 percent) in fiscal year 2021 compared with an increase of \$13.9 million (10 percent) over the previous year.

| <b><u>Changes in Net Position — Primary Government</u></b> |  |  |
|--|--|--|
|  | <b><u>Year Ended<br/>June 30, 2021</u></b> | <b><u>Year Ended<br/>June 30, 2020</u></b> |
| Operating revenues   | \$ 2,825,631                               | \$ 3,840,477                               |
| Operating expenses   | <u>64,090,382</u>                          | <u>64,424,905</u>                          |
| Operating Loss   | <u>(61,264,751)</u>                        | <u>(60,584,428)</u>                        |
| Nonoperating revenues less expenses                        | 80,498,552                                 | 74,430,726                                 |
| Capital grants and gifts                                   | <u>4,436,629</u>                           | <u>22,261</u>                              |
| Increase in net position                                   | <u>23,670,430</u>                          | <u>13,868,559</u>                          |
| Net position, beginning of year                            | <u>150,827,877</u>                         | <u>136,959,318</u>                         |
| Net position, end of year                                  | <u><u>\$ 174,498,307</u></u>               | <u><u>\$ 150,827,877</u></u>               |

During fiscal year 2021, there was an increase in total revenues of \$7.2 million when compared with the prior year. Property tax revenues increased by \$6 million as a net result of amounts received. The primary assessed values and secondary assessed values increased around 7 percent for fiscal year 2021. The District received \$4.4 million in donated capital in the current year. Operating revenues decreased by \$1 million due mainly to decreases in tuition and fee revenue. Tuition and fee revenue decreased mainly because of decreased enrollment as well as the District offering reduced tuition. State appropriations decreased by \$2.1 million due to decreased amounts provided in the state budget.

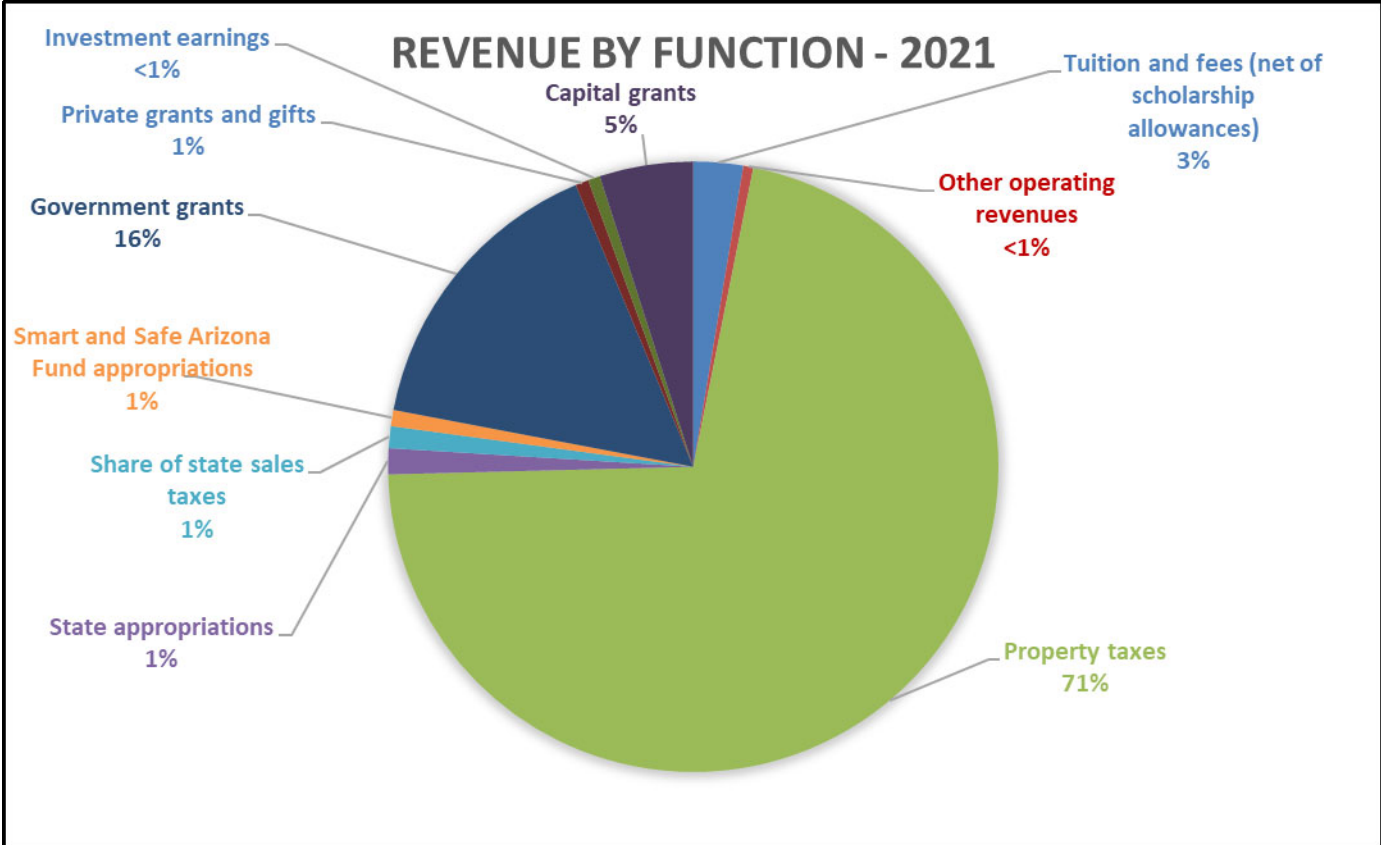
Total expenses decreased by 4 percent as compared with the prior year due primarily to a \$1.2 million decrease in instruction expenses, \$1 million decrease in student services expenses, \$1.6 million decrease in scholarship expenses, \$2.3 million decrease in interest expense as well as a \$2.8 million increase in institutional support expenses.

Pinal County Community College District  
(Central Arizona College)  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2021

The following is a summary of revenues for fiscal years ended June 30, 2021, and June 30, 2020:

| <b>Revenues by Source — Primary Government</b>   |                                     |               |                                     |               |
|--|-------------------------------------|---------------|-------------------------------------|---------------|
|  | <u>Year Ended<br/>June 30, 2021</u> |               | <u>Year Ended<br/>June 30, 2020</u> |               |
| Operating revenues:                              |                                     |               |                                     |               |
| Tuition and fees (net of scholarship allowances) | \$ 2,351,129                        | 2.6%          | \$ 3,166,369                        | 3.9%          |
| Other operating revenues                         | <u>474,502</u>                      | <u>0.5%</u>   | <u>674,108</u>                      | <u>0.8%</u>   |
| Total operating revenues                         | <u>2,825,631</u>                    | <u>3.2%</u>   | <u>3,840,477</u>                    | <u>4.7%</u>   |
| Nonoperating revenues:                           |                                     |               |                                     |               |
| Property taxes                                   | 63,964,473                          | 71.4%         | 57,896,090                          | 70.3%         |
| State appropriations                             | 1,224,800                           | 1.4%          | 3,343,900                           | 4.1%          |
| Share of state sales taxes                       | 1,037,595                           | 1.1%          | 805,271                             | 1.0%          |
| Smart and Safe Arizona Fund appropriations       | 763,840                             | 0.9%          | -                                   | 0.0%          |
| Government grants                                | 14,078,187                          | 15.7%         | 14,415,666                          | 17.5%         |
| Private grants and gifts                         | 627,817                             | 0.7%          | 551,211                             | 0.7%          |
| Investment earnings                              | 569,767                             | 0.6%          | 1,397,602                           | 1.7%          |
| Gain on disposal of capital assets               | -                                   | 0.0%          | 11,348                              | 0.0%          |
| Total nonoperating revenues                      | <u>82,266,479</u>                   | <u>91.8%</u>  | <u>78,421,088</u>                   | <u>95.3%</u>  |
| Capital grants and gifts                         | <u>4,436,629</u>                    | <u>5.0%</u>   | <u>22,261</u>                       | <u>0.0%</u>   |
| Total revenues                                   | <u>\$ 89,528,739</u>                | <u>100.0%</u> | <u>\$ 82,283,826</u>                | <u>100.0%</u> |

Pinal County Community College District  
(Central Arizona College)  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2021

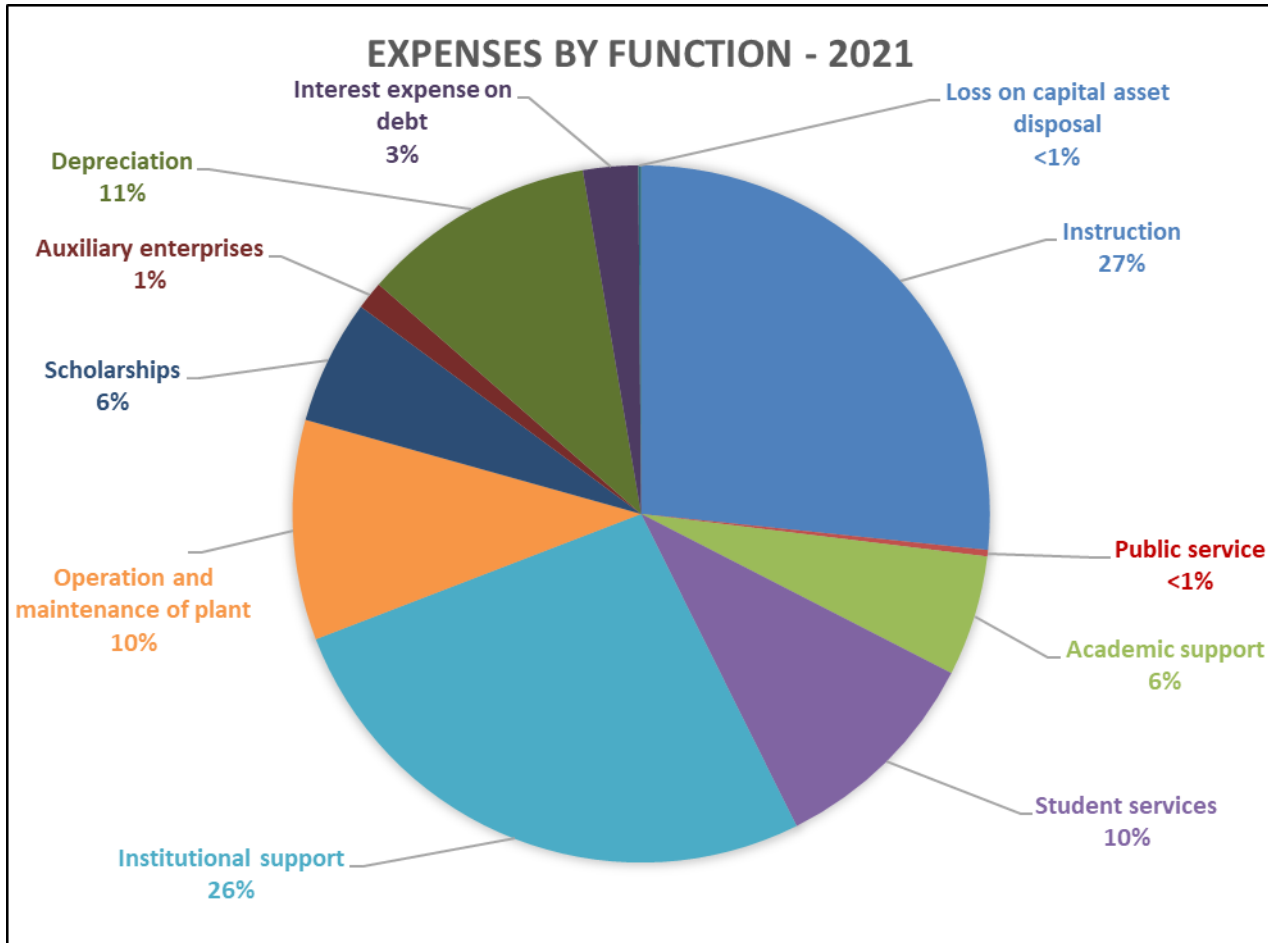


Pinal County Community College District  
(Central Arizona College)  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2021

The following is a summary of expenses for fiscal years ended June 30, 2021, and June 30, 2020:

| <b>Expenses by Function — Primary Government</b> |                                     |              |                                     |              |
|--|-------------------------------------|--------------|-------------------------------------|--------------|
|  | <b>Year Ended<br/>June 30, 2021</b> |              | <b>Year Ended<br/>June 30, 2020</b> |              |
| Operating expenses:                              |                                     |              |                                     |              |
| Educational and general:                         |                                     |              |                                     |              |
| Instruction                                      | \$ 17,553,475                       | 26.7%        | \$ 18,758,197                       | 27.4%        |
| Public service                                   | 195,429                             | 0.3%         | 293,530                             | 0.4%         |
| Academic support                                 | 3,687,658                           | 5.6%         | 3,475,262                           | 5.1%         |
| Student services                                 | 6,650,760                           | 10.1%        | 7,708,320                           | 11.3%        |
| Institutional support                            | 17,452,107                          | 26.5%        | 14,567,640                          | 21.3%        |
| Operation and maintenance of plant               | 6,722,397                           | 10.2%        | 6,604,992                           | 9.7%         |
| Scholarships                                     | 3,803,994                           | 5.8%         | 5,480,651                           | 8.0%         |
| Auxiliary enterprises                            | 861,185                             | 1.3%         | 599,385                             | 0.9%         |
| Depreciation                                     | 7,163,377                           | 10.8%        | 6,936,928                           | 10.1%        |
| Total operating expenses                         | <u>64,090,382</u>                   | <u>97.3%</u> | <u>64,424,905</u>                   | <u>94.2%</u> |
| Nonoperating expenses:                           |                                     |              |                                     |              |
| Interest expense on debt                         | 1,683,193                           | 2.6%         | 3,990,362                           | 5.8%         |
| Loss on disposal of capital assets               | 84,734                              | 0.1%         | -                                   | 0.0%         |
| Total nonoperating expenses                      | <u>1,767,927</u>                    | <u>2.7%</u>  | <u>3,990,362</u>                    | <u>5.8%</u>  |
| Total expenses                                   | <u>\$ 65,858,309</u>                | <u>100%</u>  | <u>\$ 68,415,267</u>                | <u>100%</u>  |

Pinal County Community College District  
 (Central Arizona College)  
 Management's Discussion and Analysis  
 Fiscal Year Ended June 30, 2021



### Capital Assets and Debt Administration

As of June 30, 2021, the District's capital assets, net of accumulated depreciation, totaled \$167.5 million, a decrease of \$2.1 million from the prior year, due mainly to depreciation expense being higher than purchases of new capital assets. Capital assets include land, equipment, buildings, improvements other than buildings, library books, water rights, intangibles, and construction in progress. Additional information on capital assets can be found in Note 3 to the District's financial statements.

As of June 30, 2021, the District had outstanding bonds in the amount of \$86.7 million, a decrease of \$10 million from the prior year, due mainly to scheduled debt payments as well refunding bonds that resulted from the college issuing new debt that was \$5 million less. The District also entered into new lease purchase agreements. As of June 30, 2021, the District had total lease purchase agreements outstanding in the amount of \$3.9 million, an increase of \$2.6 million from the prior year. Additional information on the District's long-term debt is discussed in Note 4 to the District's financial statements.



Pinal County Community College District  
(Central Arizona College)  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2021

### Current Factors Having Probable Future Financial Significance

For fiscal year 2021 the assessed value for property in the county increased by 6.7 percent. AZ Economics stated that there was an increase in home prices of 32.2 percent from March 2021 to March 2022.

For fiscal year 2021 the District increased the secondary tax levy by 133 percent, although decreased the secondary tax levy by 36 percent, for fiscal year 2022, and increased the secondary tax levy by 20 percent, for fiscal year 2023, to maintain compliance over restrictions in levy amounts required to absorb any excess cash from prior year levies. The District is continuing to develop budgetary strategies to fund its commitment to expand access to postsecondary education for Pinal County residents.

The District received federal coronavirus aid in the amount of \$21.5 million throughout the fiscal years ending June 30, 2020, and 2021. In the environment of the COVID-19 pandemic, the District used this aid to encourage enrollment by offering free tuition to Pinal County residents and three free credit hours to non-Pinal County residents beginning in the Fall 2021 semester. These actions are expected to encourage students to continue their education during the challenging time.

### Requests for Information

This discussion and analysis is designed to provide a general overview of the Pinal County Community College District's finances for all those with an interest in such matters. Written requests for additional financial information should be addressed to the Office of the Vice President of Business Affairs, Pinal County Community College District, 8470 N. Overfield Rd., Coolidge, AZ 85128.

Pinal County Community College District  
(Central Arizona College)  
Statement of Net Position — Primary Government  
June 30, 2021

|   | <b>Business-Type<br/>Activities</b> |
|---|-------------------------------------|
| <b>Assets</b>                                   |                                     |
| Current assets:                                 |                                     |
| Cash and investments                            | \$ 126,681,316                      |
| Receivables:                                    |                                     |
| Accounts (net of allowance of \$619,539)        | 8,192,466                           |
| Property taxes (net of allowance of \$142,191)  | 1,633,787                           |
| Government grants                               | 5,679,750                           |
| Student loans (net of allowance of \$2,291)     | -                                   |
| Other   | 13,675                              |
| Total current assets                            | 142,200,994                         |
| Noncurrent assets:                              |                                     |
| Restricted assets:                              |                                     |
| Cash and investments held by County Treasurer   | 2,588,712                           |
| Cash and investments held by trustee            | 1,719,148                           |
| Other receivables                               | 2,775                               |
| Capital assets, not being depreciated           | 26,345,841                          |
| Capital assets, being depreciated, net          | 141,187,282                         |
| Total noncurrent assets                         | 171,843,758                         |
| Total assets                                    | 314,044,752                         |
| <b>Deferred Outflows of Resources</b>           |                                     |
| Deferred amount on refunding                    | 3,300,514                           |
| Deferred outflows related to pensions           | 6,581,129                           |
| Total deferred outflows of resources            | 9,881,643                           |
| <b>Liabilities</b>                              |                                     |
| Current liabilities:                            |                                     |
| Accounts payable                                | 2,225,461                           |
| Accrued payroll and employee benefits           | 1,500,834                           |
| Unearned revenue                                | 2,162,241                           |
| Deposits held in custody for others             | 430,572                             |
| Current portion of compensated absences payable | 397,324                             |
| Current portion of other long-term liabilities  | 6,074,585                           |
| Total current liabilities                       | 12,791,017                          |

(Continued)

Pinal County Community College District  
(Central Arizona College)  
Statement of Net Position — Primary Government  
June 30, 2021  
(Continued)

|                                      | <b>Business-Type<br/>Activities</b> |
|--------------------------------------|-------------------------------------|
| Noncurrent liabilities:              |                                     |
| Compensated absences payable         | \$ 2,618,995                        |
| Other long-term liabilities          | 95,895,284                          |
| Net pension liability                | 37,123,802                          |
| Total noncurrent liabilities         | 135,638,081                         |
| Total liabilities                    | 148,429,098                         |
| <b>Deferred Inflows of Resources</b> |                                     |
| Deferred inflows related to pensions | 998,990                             |
| Total deferred inflows of resources  | 998,990                             |
| <b>Net Position</b>                  |                                     |
| Net investment in capital assets     | 91,821,496                          |
| Restricted:                          |                                     |
| Expendable:                          |                                     |
| Grants and contracts                 | 2,050,822                           |
| Loans                                | 77,425                              |
| Debt service                         | 2,275,791                           |
| Other                                | 1,983,837                           |
| Unrestricted                         | 76,288,936                          |
| Total net position                   | \$ 174,498,307                      |

Pinal County Community College District  
(Central Arizona College)  
Statement of Financial Position — Component Unit  
June 30, 2021

|   | <b>Central Arizona<br/>College Foundation</b> |
|---|---|
| <b>Assets</b>                               |   |
| Current Assets                              |   |
| Cash and cash equivalents                   | \$ 134,998                                    |
| Certificate of deposit - current            | 124,105                                       |
| Deposits                                    | 1,447   |
| Promises to give                            | 2,500   |
| Total Current Assets                        | <u>263,050</u>                                |
| Noncurrent assets                           |   |
| Certificates of Deposits                    | 341,106                                       |
| Investments                                 | 5,954,950                                     |
| Total noncurrent assets                     | <u>6,296,056</u>                              |
| Total assets                                | <u><u>6,559,106</u></u>                       |
| <b>Liabilities</b>                          |   |
| Accounts payable                            | <u>5,714</u>                                  |
| Total liabilities                           | <u>5,714</u>                                  |
| <b>Net Assets</b>                           |   |
| Without donor restrictions                  |   |
| Undesignated                                | <u>780,354</u>                                |
| Total net assets without donor restrictions | <u>780,354</u>                                |
| With donor restrictions                     |   |
| Donor-restricted endowments                 | 5,229,400                                     |
| Time and purpose restricted                 | 543,638                                       |
| Total net assets with donor restrictions    | <u>5,773,038</u>                              |
| Total net assets                            | <u>6,553,392</u>                              |
| Total liabilities and net assets            | <u><u>\$ 6,559,106</u></u>                    |

Pinal County Community College District  
(Central Arizona College)  
Statement of Revenues, Expenses, and Changes in Net Position — Primary Government  
Year Ended June 30, 2021

|  | <u><b>Business-Type<br/>Activities</b></u> |
|--|--|
| Operating revenues:  |  |
| Tuition and fees (net of scholarship allowances of \$5,064,179)        | \$ 2,351,129                               |
| Dormitory rentals and fees (net of scholarship allowances of \$65,465) | 28,743                                     |
| Other  | 445,759                                    |
| Total operating revenues   | <u>2,825,631</u>                           |
| Operating expenses:  |  |
| Educational and general:   |  |
| Instruction  | 17,553,475                                 |
| Public service   | 195,429                                    |
| Academic support   | 3,687,658                                  |
| Student services   | 6,650,760                                  |
| Institutional support  | 17,452,107                                 |
| Operation and maintenance of plant                                     | 6,722,397                                  |
| Scholarships   | 3,803,994                                  |
| Auxiliary enterprises  | 861,185                                    |
| Depreciation   | 7,163,377                                  |
| Total operating expenses   | <u>64,090,382</u>                          |
| Operating loss   | <u>(61,264,751)</u>                        |
| Nonoperating revenues (expenses):                                      |  |
| Property taxes   | 63,964,473                                 |
| State appropriations   | 1,224,800                                  |
| Government grants  | 14,078,187                                 |
| Share of state sales taxes   | 1,037,595                                  |
| Smart and Safe Arizona Fund appropriations                             | 763,840                                    |
| Private grants and gifts   | 627,817                                    |
| Investment earnings  | 569,767                                    |
| Interest expense on debt   | (1,683,193)                                |
| Loss on disposal of capital assets                                     | (84,734)                                   |
| Total nonoperating revenues (expenses)                                 | <u>80,498,552</u>                          |
| Income before other revenues, expenses, gains, or losses               | 19,233,801                                 |
| Capital grants and gifts   | <u>4,436,629</u>                           |
| Increase in net position   | <u>23,670,430</u>                          |
| Net position, July 1, 2020   | <u>150,827,877</u>                         |
| Net position, June 30, 2021  | <u><u>\$ 174,498,307</u></u>               |

Pinal County Community College District  
(Central Arizona College)  
Statement of Activities — Component Unit  
June 30, 2021

**Central Arizona College Foundation**

|  | <b>Without Donor<br/>Restrictions</b> | <b>With Donor<br/>Restrictions</b> | <b>Total</b>        |
|--|---------------------------------------|------------------------------------|---------------------|
| Revenues, gains and other support                      |                                       |                                    |                     |
| Contributions  | \$ 23,214                             | \$ 71,425                          | \$ 94,639           |
| Contributions - donated services, space and operating  | 84,711                                | -                                  | 84,711              |
| Contributions - in kind gifts, non cash                | 53,569                                | -                                  | 53,569              |
| Investment Income                                      | 8,364                                 | 110,710                            | 119,074             |
| Net realized and unrealized gain on investments        | 102,750                               | 1,424,192                          | 1,526,942           |
| Net assets released from time and purpose restrictions | 542,817                               | (542,817)                          | -                   |
|  | <u>815,425</u>                        | <u>1,063,510</u>                   | <u>1,878,935</u>    |
| Special Events   |                                       |                                    |                     |
| Revenue from special events                            | -                                     | -                                  | -                   |
| Costs of direct donor benefits                         | (5,503)                               | -                                  | (5,503)             |
|  | <u>(5,503)</u>                        | <u>-</u>                           | <u>(5,503)</u>      |
| Gross profit on special events                         | (5,503)                               | -                                  | (5,503)             |
| Total revenues, gains and other support                | 809,922                               | 1,063,510                          | 1,873,432           |
| Expenses and Losses                                    |                                       |                                    |                     |
| Scholarships   | 267,817                               | -                                  | 267,817             |
| Program donations                                      | 3,569                                 | -                                  | 3,569               |
| Fundraising  | 275,000                               | -                                  | 275,000             |
| Public Relations                                       | -                                     | -                                  | -                   |
| Office operation expenses                              | 85,819                                | -                                  | 85,819              |
|  | <u>632,205</u>                        | <u>-</u>                           | <u>632,205</u>      |
| Total expenses and losses                              | 632,205                               | -                                  | 632,205             |
| Change in net assets                                   | <u>177,717</u>                        | <u>1,063,510</u>                   | <u>1,241,227</u>    |
| Net assets, beginning of year                          | 602,637                               | 4,709,528                          | 5,312,165           |
| Net assets, end of year                                | <u>\$ 780,354</u>                     | <u>\$ 5,773,038</u>                | <u>\$ 6,553,392</u> |

See accompanying notes to financial statements

Pinal County Community College District  
(Central Arizona College)  
Statement of Cash Flows — Primary Government  
Year Ended June 30, 2021

|  | <b>Business-Type<br/>Activities</b> |
|--|-------------------------------------|
| Cash flows from operating activities:                      |                                     |
| Tuition and fees   | \$ 2,398,123                        |
| Dormitory rentals and fees                                 | 28,743                              |
| Payments received for loans to students                    | 1,263                               |
| Other receipts   | 451,463                             |
| Payments to suppliers and providers of goods and services  | (18,798,359)                        |
| Payments for employee wages and benefits                   | (35,254,458)                        |
| Payments to students for scholarships                      | (3,803,994)                         |
| Funds held for others received                             | 263,314                             |
| Funds held for others disbursed                            | (80,567)                            |
| Other payments   | (463,545)                           |
| Net cash used for operating activities                     | <u>(55,258,017)</u>                 |
| Cash flows from noncapital financing activities:           |                                     |
| Property taxes   | 64,256,515                          |
| State appropriations                                       | 1,224,800                           |
| Grants   | 10,210,466                          |
| Share of state sales taxes                                 | 1,037,595                           |
| Smart and Safe Arizona Fund appropriations                 | 763,840                             |
| Noncapital endowments and gifts                            | 627,817                             |
| Federal direct lending receipts                            | 1,114,903                           |
| Federal direct lending disbursements                       | (1,114,903)                         |
| Net cash provided by noncapital financing activities       | <u>78,121,033</u>                   |
| Cash flows from capital and related financing activities:  |                                     |
| Proceeds from the issuance of capital debt                 | 41,552,193                          |
| Proceeds from the sale of capital assets                   | 144                                 |
| Capital endowments and gifts                               | 4,436,629                           |
| Proceeds from capital leaseback financing                  | 257,499                             |
| Principal paid on capital debt and leases                  | (46,471,913)                        |
| Interest paid on capital debt                              | (3,624,856)                         |
| Purchases of capital assets                                | (2,152,039)                         |
| Net cash used for capital and related financing activities | <u>(6,002,343)</u>                  |
| Cash flows from investing activities:                      |                                     |
| Proceeds from sales and maturities of investments          | 2,281,157                           |
| Interest received on investments                           | 569,767                             |
| Purchase of investments                                    | (2,281,157)                         |
| Net cash provided by investing activities                  | <u>569,767</u>                      |
| Net increase in cash and cash equivalents                  | 17,430,440                          |
| Cash and cash equivalents, July 1, 2020                    | <u>113,558,736</u>                  |
| Cash and cash equivalents, June 30, 2021                   | <u>\$ 130,989,176</u>               |

(Continued)

Pinal County Community College District  
(Central Arizona College)  
Statement of Cash Flows — Primary Government  
Year Ended June 30, 2021  
(Continued)

|  | <b>Business-Type<br/>Activities</b> |
|--|-------------------------------------|
| Reconciliation of operating loss to net cash used for operating activities:                        |                                     |
| Operating loss   | \$ (61,264,751)                     |
| Adjustments to reconcile operating loss to net cash used for operating activities:                 |                                     |
| Depreciation   | 7,163,377                           |
| Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources: |                                     |
| Receivables, net   | (2,946,440)                         |
| Accrued payroll and employee benefits  | 675,377                             |
| Student loans receivable   | 1,263                               |
| Compensated absences payable   | (239,992)                           |
| Net pension liability  | 4,868,238                           |
| Accounts payable   | 577,507                             |
| Deferred outflows of resources related to pensions   | (2,678,943)                         |
| Unearned revenue   | 199,835                             |
| Deferred inflows of resources related to pensions  | (1,613,488)                         |
| Net cash used for operating activities   | \$ (55,258,017)                     |
| Noncash investing, capital, and noncapital financing activities:                                   |                                     |
| Disposal of capital assets being depreciated   | \$ 1,369,827                        |
| Loss on disposal of capital assets, net  | 84,734                              |
| Amortization of GO bond premiums   | 2,031,070                           |
| Amortization of Revenue bond premium   | 156,176                             |
| Amortization of deferred amount on revenue bond refunding  | 245,583                             |
| Reconciliation of cash and cash equivalents, as presented on the Statement of Net Position:        |                                     |
| Cash and investments   | 126,681,316                         |
| Restricted assets:   |                                     |
| Cash and investments held by County Treasurer  | 2,588,712                           |
| Cash and investments held by trustee   | 1,719,148                           |
| Total cash and cash equivalents, June 30, 2021   | \$ 130,989,176                      |



Pinal County Community College District  
(Central Arizona College)  
Notes to Financial Statements  
June 30, 2021

Note 1 — Summary of Significant Accounting Policies

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

For the year ended June 30, 2021, the District implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*. GASB Statement 84 establishes criteria for identifying and reporting fiduciary activities and provides an exception for business-type activities that normally expect to hold custodial assets for three months or less. Fiduciary activities for the District qualify for the three-month exception and will not require separate fiduciary fund financial statements. The District has chosen to report such assets and liabilities in its Statement of Net Position. Additions and deductions have been reported as cash inflows and cash outflows, respectively, in the operating activities category of the Statement of Cash Flows.

A. Reporting Entity

The District is a special-purpose government that is governed by a separately elected governing body. It is legally separate and fiscally independent of other state and local governments. The accompanying financial statements present the activities of the District (the primary government) and its discretely presented component unit, the Central Arizona College Foundation (Foundation).

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

For financial reporting purposes, the Foundation follows the Financial Accounting Standards Board statements for not-for-profit organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information included in the District's financial report. Accordingly, those financial statements have been reported on separate pages following the District's respective counterpart financial statements. For financial reporting purposes, only the Foundation's statements of financial position and activities are included in the District's financial statements as required by generally accepted accounting principles for public colleges and universities. The Foundation has a June 30 year-end.

During the year ended June 30, 2021, the Foundation distributed \$542,817 to the District for restricted purposes. Complete financial statements for the Foundation can be obtained from the Central Arizona College Foundation, 8470 North Overfield Road, Coolidge, AZ 85128.

Pinal County Community College District  
(Central Arizona College)  
Notes to Financial Statements  
June 30, 2021

**B. Basis of Presentation and Accounting**

The financial statements include a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows.

A statement of net position provides information about the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at the end of the year. Assets and liabilities are classified as either current or noncurrent. Net position is classified according to external donor restrictions or availability of assets to satisfy the District's obligations. Net investment in capital assets represents the value of capital assets, net of accumulated depreciation, less any outstanding debt incurred to acquire or construct the assets. Expendable restricted net position represents grants, contracts, gifts, and other resources that have been externally restricted for specific purposes. Unrestricted net position consists of all other resources, including those that have been designated by management to be used for other than general operating purposes.

A statement of revenues, expenses, and changes in net position provides information about the District's financial activities during the year. Revenues and expenses are classified as either operating or nonoperating, and all changes in net position are reported, including capital contributions and additions to endowments. Operating revenues and expenses generally result from exchange transactions. Accordingly, revenues, such as tuition and dormitory charges, in which each party receives and gives up essentially equal values, are considered operating revenues. Other revenues, such as property taxes, state appropriations, and government grants result from transactions in which parties do not exchange equal values and are considered nonoperating revenues. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Other expenses, such as interest expense on debt, are considered nonoperating expenses.

A statement of cash flows provides information about the District's sources and uses of cash and cash equivalents during the year. Increases and decreases in cash and cash equivalents are classified as either operating, noncapital financing, capital 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. Property taxes are recognized as revenue in the year for which they are levied. State appropriations are recognized as revenue in the year in which the appropriation is first made available for use. Grants and donations are recognized as revenue as soon as all eligibility requirements the provider imposed have been met. It is the District's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Pinal County Community College District  
(Central Arizona College)  
Notes to Financial Statements  
June 30, 2021

Internal transactions and activities, such as transfers between funds, revenues and expenses recorded for internal service activities, and certain internal revenues and expenses recorded for grant activity have been eliminated for financial statement purposes.

**C. Cash and Investments**

For the statement of cash flows, the District’s cash and cash equivalents are considered to be cash on hand, demand deposits, cash and investments held by the County Treasurer, and only those highly liquid investments with a maturity of 3 months or less when purchased. All investments are stated at fair value.

**D. Capital Assets**

Capital assets are reported at actual cost (or estimated historical cost if historical records are not available). Donated assets are reported at acquisition value.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the financial statements are as follows:

|                                   | <b>Capitalization<br/>Threshold</b> | <b>Depreciation<br/>Method</b> | <b>Estimated<br/>Useful Life</b> |
|-----------------------------------|-------------------------------------|--------------------------------|----------------------------------|
| Land                              | All                                 | N/A                            | N/A                              |
| Buildings                         | \$5,000                             | Straight-line                  | 40 years                         |
| Modular buildings                 | 5,000                               | Straight-line                  | 20 years                         |
| Improvements other than buildings | 5,000                               | Straight-line                  | 15 years                         |
| Equipment                         | 5,000                               | Straight-line                  | 5 years                          |
| Intangibles                       |                                     |                                |                                  |
| Water rights                      | 5,000                               | Straight-line                  | 100 years                        |
| Software                          | 5,000                               | Straight-line                  | 5 years                          |
| Library books                     | All                                 | Straight-line                  | 10 years                         |

Depreciation is accounted for using a half-year convention. Buildings and improvements other than buildings that are classified as construction in progress are not depreciated until completed. Upon completion, these capital assets are reclassified and reported as buildings and improvements other than buildings.

Pinal County Community College District  
(Central Arizona College)  
Notes to Financial Statements  
June 30, 2021

E. Deferred Outflows and Inflows of Resources

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

F. Pensions

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

G. Investment Earnings

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

H. Compensated Absences

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

Employees may accumulate up to 320 hours of vacation, but they forfeit any unused vacation hours in excess of the maximum amount at fiscal year-end. Upon terminating employment, the District pays all unused and unforfeited vacation benefits to employees. Accordingly, vacation benefits are accrued as a liability in the financial statements.

Employees may accumulate up to 960 hours of sick leave. Generally, sick leave benefits provide for ordinary sick pay and are cumulative, but employees forfeit them upon terminating employment. However, for employees who have 5 or more years of service, 50 percent of the unused sick leave benefits do vest at employee termination. Sick leave benefits are accrued to the extent it is probable that the District will compensate employees through cash payments upon termination. Those amounts are accrued as a liability in the financial statements.

Pinal County Community College District  
(Central Arizona College)  
Notes to Financial Statements  
June 30, 2021

I. Scholarship Allowances

A scholarship allowance is the difference between the stated charge for goods and services the District provides and the amount that the student or third parties making payments on the student's behalf pays. Accordingly, some types of student financial aid, such as Pell grants and scholarships the District awards, are considered to be scholarship allowances. These allowances are netted against tuition and fees revenues in the statement of revenues, expenses, and changes in net position.

Note 2 — Deposits and Investments

Arizona Revised Statutes (A.R.S.) requires the District to deposit special tax levies for the District's maintenance or capital outlay with the County Treasurer. Although not statutorily required, the District has also chosen to deposit other public monies in its custody with the County Treasurer. 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 District's investments.

Pinal County Community College District  
(Central Arizona College)  
Notes to Financial Statements  
June 30, 2021

**Deposits** – At June 30, 2021, the carrying amount of the District’s deposits was \$9,262,472 and the bank balance was \$10,317,283. The District does not have a policy with respect to custodial credit risk.

**Investments** – The District’s investments at June 30, 2021, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

|   | <b>Amount</b>  | <b>Fair value<br/>measurement using<br/>Quoted prices in<br/>active markets for<br/>identical assets<br/>(Level 1)</b> |
|---|----------------|--|
| <b>Investments by fair value level</b>                      |                |  |
| Mutual Funds - U.S. Treasury securities                     | \$ 1,719,148   | \$ 1,719,148   |
| Total investments by fair value level                       | 1,719,148      | \$ 1,719,148   |
| <br>  |                |  |
| <b>External investment pools<br/>measured at fair value</b> |                |  |
| County Treasurer's investment pool                          | 119,987,152    |  |
| Total external investment pools<br>measured at fair value   | 119,987,152    |  |
| Total investments measured at fair<br>value                 | 121,706,300    |  |
| Total investments   | \$ 121,706,300 |  |

Investments categorized as Level 1 are valued using prices quoted in active markets for those investments. The investment in the County Treasurer’s pool is valued using the District’s proportionate participation in the pool because the pool’s structure does not provide for shares. The County Treasurer’s investment pool is not registered with the Securities and Exchange Commission as an investment company, and there is no regulatory oversight of its operations.

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

| <b>Investment Type</b>                  | <b>Rating</b> | <b>Rating Agency</b> | <b>Amount</b>  |
|---|---------------|----------------------|----------------|
| County Treasurer's investment pool      | Unrated       | Not applicable       | \$ 119,987,152 |
| Mutual funds - U.S. Treasury securities | Aaa           | Moody's              | 1,719,148      |
| Total                                   |               |                      | \$ 121,706,300 |

Pinal County Community College District  
 (Central Arizona College)  
 Notes to Financial Statements  
 June 30, 2021

**Custodial credit risk** - For an investment, custodial credit risk is the risk that, in the event of the counterparty's failure, the District will not be able to recover the value of its investments or collateral securities that are in an outside party's possession. The District does not have a formal policy with respect to custodial credit risk. At June 30, 2021, the District did not have any investments or collateral securities that were subject to custodial credit risk.

**Interest rate risk** - The District does not have a formal policy for interest rate risk. At June 30, 2021, the District had the following investments in debt securities:

| Investment Type                         | Amount         | Weighted<br>Average Maturity |
|---|----------------|------------------------------|
| County Treasurer's investment pool      | \$ 119,987,152 | 1.80 months                  |
| Mutual funds - U.S. Treasury securities | 1,719,148      | .46 months                   |
| Total                                   | \$ 121,706,300 |                              |

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

| Cash, deposits, and investments: |                | Statement of Net Position: |                |
|----------------------------------|----------------|----------------------------|----------------|
| Cash on hand                     | \$ 20,404      | Cash and investments       | \$ 126,681,316 |
| Amount of deposits               | 9,262,472      | Restricted assets:         |                |
| Amount of investments            | 121,706,300    | Cash and investments held  |                |
|                                  |                | by County Treasurer        | 2,588,712      |
|                                  |                | Cash and investments held  | 1,719,148      |
|                                  |                | by trustees                |                |
| Total                            | \$ 130,989,176 | Total                      | \$ 130,989,176 |

Pinal County Community College District  
(Central Arizona College)  
Notes to Financial Statements  
June 30, 2021

**Note 3 — Capital Assets**

Capital asset activity for the year ended June 30, 2021, was as follows:

|   | <b>Balance<br/>July 1, 2020</b> | <b>Increases</b>      | <b>Decreases</b> | <b>Balance<br/>June 30, 2021</b> |
|---|---------------------------------|-----------------------|------------------|----------------------------------|
| Capital assets not being depreciated:       |                                 |                       |                  |                                  |
| Land  | \$ 26,013,275                   |                       | \$ 76,402        | \$ 25,936,873                    |
| Construction in progress                    | 266,654                         | \$ 142,314            |                  | 408,968                          |
| Total capital assets not being depreciated  | <u>26,279,929</u>               | <u>142,314</u>        | <u>76,402</u>    | <u>26,345,841</u>                |
| Capital assets being depreciated:           |                                 |                       |                  |                                  |
| Buildings                                   | 166,997,330                     | 4,093,690             | \$ 198,249       | 170,892,771                      |
| Improvements other than buildings           | 29,581,896                      | 145,003               | 72,640           | 29,654,259                       |
| Water rights                                | 1,171,172                       |                       |                  | 1,171,172                        |
| Intangibles                                 | 3,377,138                       |                       |                  | 3,377,138                        |
| Equipment                                   | 17,416,251                      | 677,032               | 952,635          | 17,140,648                       |
| Library books                               | 1,712,232                       | 76,345                | 146,303          | 1,642,274                        |
| Total capital assets being depreciated      | <u>220,256,019</u>              | <u>4,992,070</u>      | <u>1,369,827</u> | <u>223,878,262</u>               |
| Less accumulated depreciation for:          |                                 |                       |                  |                                  |
| Buildings                                   | 44,242,752                      | 3,897,113             | 189,541          | 47,950,324                       |
| Improvements other than buildings           | 16,740,818                      | 1,756,121             | 72,640           | 18,424,299                       |
| Water rights                                | 93,693                          | 11,711                |                  | 105,404                          |
| Intangibles                                 | 225,143                         | 225,142               |                  | 450,285                          |
| Equipment                                   | 14,471,217                      | 1,155,622             | 952,896          | 14,673,943                       |
| Library books                               | 1,115,360                       | 117,668               | 146,303          | 1,086,725                        |
| Total accumulated depreciation              | <u>76,888,983</u>               | <u>7,163,377</u>      | <u>1,361,380</u> | <u>82,690,980</u>                |
| Total capital assets being depreciated, net | <u>143,367,036</u>              | <u>(2,171,307)</u>    | <u>8,447</u>     | <u>141,187,282</u>               |
| Capital assets, net                         | <u>\$ 169,646,965</u>           | <u>\$ (2,028,993)</u> | <u>\$ 84,849</u> | <u>\$ 167,533,123</u>            |



Pinal County Community College District  
(Central Arizona College)  
Notes to Financial Statements  
June 30, 2021

**Note 4 — Long-Term Liabilities**

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

|                              | Balance<br>July 1, 2020 | Additions            | Reductions           | Balance<br>June 30, 2021 | Due within<br>1 year |
|------------------------------|-------------------------|----------------------|----------------------|--------------------------|----------------------|
| Bonds payable:               |                         |                      |                      |                          |                      |
| General obligation bonds     | \$ 70,230,000           | \$ 36,035,000        | \$ 44,905,000        | \$ 61,360,000            | \$ 3,155,000         |
| Premium                      | 7,120,276               | 6,380,646            | 2,187,247            | 11,313,675               | 784,903              |
| Revenue bonds                | 26,470,000              |                      | 1,095,000            | 25,375,000               | 1,140,000            |
| Total bonds payable          | <u>103,820,276</u>      | <u>42,415,646</u>    | <u>48,187,247</u>    | <u>98,048,675</u>        | <u>5,079,903</u>     |
| Capital leases payable       | 1,335,980               | 3,057,128            | 471,914              | 3,921,194                | 994,682              |
| Compensated absences payable | 3,256,311               | 832,349              | 1,072,341            | 3,016,319                | 397,324              |
| Net pension liability        | 32,255,564              | 4,868,238            |                      | 37,123,802               |                      |
| Total long-term liabilities  | <u>\$ 140,668,131</u>   | <u>\$ 51,173,361</u> | <u>\$ 49,731,502</u> | <u>\$ 142,109,990</u>    | <u>\$ 6,471,909</u>  |

**Bonds** – The District's bonded debt consists of general obligation bonds and revenue bonds that are generally callable with interest payable semiannually. Bond proceeds primarily pay for acquiring or constructing capital facilities or refunding previously issued bonds. In fiscal year 2012, the District issued general obligation bonds totaling \$59 million to fund the purchase of land, the construction of new facilities, the renovation of existing facilities, and the purchase of equipment. On April 6, 2021, the District issued General Obligation Refunding Bonds, Series 2021, in the amount of \$36 million with an interest rate varying from 3 - 5% and maturing July 1, 2036. The amount of premium was \$6,380,646. The proceeds from the bonds were used to advance refund the outstanding balance of the 2012, Series B, General Obligation Bonds, at the date of refunding, in the amount of \$41.8 million. The remaining proceeds were used for related debt issuance costs. Details of the refunding are as follows:

|                                    | <u>General Obligation<br/>Refunding Bond</u> |
|------------------------------------|--|
| Amount of refunding bonds issued   | \$ 36,035,000                                |
| Amount of bonds refunded           | 41,005,000                                   |
| Reduction in debt service payments | 8,054,024                                    |
| Economic gain                      | 7,140,058                                    |

The District defeased certain general obligation bonds in fiscal years 2021 and 2016 by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for these defeased bonds are not included in the District's financial statements.

Pinal County Community College District  
 (Central Arizona College)  
 Notes to Financial Statements  
 June 30, 2021

on the old bonds. Accordingly, the trust account assets and the liability for these defeased bonds are not included in the District's financial statements.

At June 30, 2021, the following outstanding bonds were considered defeased:

| <u>Description</u>    | <u>Amount</u> |
|-----------------------|---------------|
| GO Bond Series A 2009 | \$ 29,255,000 |
| GO Bond Series B 2012 | 41,005,000    |

The District repays general obligation bonds from voter-approved property taxes. Bonds outstanding at June 30, 2021, were as follows:

| <u>Description</u>               | <u>Original<br/>Amount<br/>Issued</u> | <u>Maturity<br/>Ranges</u> | <u>Interest<br/>Rates</u> | <u>Outstanding<br/>Principal</u> |
|----------------------------------|---------------------------------------|----------------------------|---------------------------|----------------------------------|
| GO Refunding Bonds - Series 2016 | 28,895,000                            | 7/1/21 - 34                | 2.0-5.0%                  | 25,830,000                       |
| GO Refunding Bonds - Series 2021 | 36,035,000                            | 7/1/21 - 36                | 3.0-5.0%                  | 35,530,000                       |

The Arizona Constitution, Article 9, Section 8, states that a district may become indebted for an amount not to exceed fifteen percent of taxable property. For fiscal year 2021, the District could issue an additional \$338 million of debt and remain within the legal debt margin. See Statistical Section – Legal Debt Margin Information for details. Federal arbitrage regulations are applicable to all of the District's bond issues; however, the District has no current liability for arbitrage.

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

| <u>Year Ending June 30</u> | <u>General Obligation Bonds</u> |                      |
|----------------------------|---------------------------------|----------------------|
|                            | <u>Principal</u>                | <u>Interest</u>      |
| 2022                       | 3,155,000                       | 2,613,050            |
| 2023                       | 3,300,000                       | 2,472,150            |
| 2024                       | 3,460,000                       | 2,307,150            |
| 2025                       | 3,635,000                       | 2,134,150            |
| 2026                       | 3,820,000                       | 1,952,400            |
| 2027-2031                  | 22,105,000                      | 6,896,150            |
| 2032-2036                  | 21,885,000                      | 2,017,600            |
| Total                      | <u>\$ 61,360,000</u>            | <u>\$ 20,392,650</u> |

Pinal County Community College District  
(Central Arizona College)  
Notes to Financial Statements  
June 30, 2021

**Pledged revenue obligations** - During the year ended June 30, 2017, the District issued revenue bonds totaling \$27,535,000 to fund the construction of the new facilities and the purchase of equipment. Series 2017 Revenue Bonds are pledged with gross revenues and are currently repaid from tuition and fees and dormitory rentals and fees. The total principal and interest remaining on the Revenue Bonds – Series 2017 is \$25,375,000 and \$10,536,125 respectively, with annual requirements ranging from \$2,229,850 to \$2,262,350. Pledged gross revenues have averaged approximately \$5,605,904, over the prior 5 fiscal years and principal and interest payments on revenue bonds are expected to require 40.25% of gross revenues annually. For the current year, principal and interest paid by the District was \$2,258,050 and total tuition and fees and dormitory rentals and fees, net of scholarship allowances, was \$2,379,872.

Pledged revenue obligation requirements at June 30, 2021, were as follows:

| <b>Description</b>          | <b>Amount<br/>Issued</b> | <b>Maturity<br/>Ranges</b> | <b>Interest<br/>Rate</b> | <b>Outstanding<br/>Principal</b> |
|-----------------------------|--------------------------|----------------------------|--------------------------|----------------------------------|
| Revenue Bonds - Series 2017 | 27,535,000               | 7/1/21 - 36                | 3.00% - 5.00%            | 25,375,000                       |

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

| Year ended June 30 | <b>Revenue Bonds</b> |                      |
|--------------------|----------------------|----------------------|
|                    | Principal            | Interest             |
| 2022               | 1,140,000            | 1,112,650            |
| 2023               | 1,195,000            | 1,066,225            |
| 2024               | 1,230,000            | 1,029,850            |
| 2025               | 1,270,000            | 992,350              |
| 2026               | 1,305,000            | 940,675              |
| 2027-2031          | 7,545,000            | 3,678,825            |
| 2032-2036          | 9,500,000            | 1,671,750            |
| 2037               | 2,190,000            | 43,800               |
|                    | <b>\$ 25,375,000</b> | <b>\$ 10,536,125</b> |

Pinal County Community College District  
(Central Arizona College)  
Notes to Financial Statements  
June 30, 2021

**Capital leases** - The District has two types of leases under the provisions of long-term lease agreements classified as capital leases for accounting purposes because they provide for a bargain purchase option or a transfer of ownership by the end of the lease term.

The energy-savings equipment assets acquired through a capital lease are as follows:

|                                   |                    |
|-----------------------------------|--------------------|
| Improvements other than buildings | \$ 2,810,296       |
| Equipment                         | 2,249,586          |
| Less accumulated depreciation     | <u>(4,778,852)</u> |
| Carrying value                    | <u>\$ 281,030</u>  |

The following schedule details debt service requirements to maturity for the District's capital lease for energy-savings equipment payable at June 30, 2021:

|   |                   |
|---|-------------------|
| Year ending June 30                         |                   |
| 2022  | 479,856           |
| 2023  | <u>481,222</u>    |
| Total minimum lease payments                | 961,078           |
| Less amount representing interest           | <u>(50,096)</u>   |
| Present value of net minimum lease payments | <u>\$ 910,982</u> |

Various equipment assets acquired through capital leases are as follows:

|                                |                     |
|--------------------------------|---------------------|
| Computer equipment             | 435,860             |
| Machinery and equipment        | 1,252,175           |
| Office furniture               | 332,472             |
| Vehicles                       | 128,527             |
| Other                          | 908,084             |
| Less: accumulated depreciation | <u>(1,195,549)</u>  |
| Carrying value of assets       | <u>\$ 1,861,569</u> |

Pinal County Community College District  
(Central Arizona College)  
Notes to Financial Statements  
June 30, 2021

The following schedule details debt service requirements to maturity for the District’s capital lease for various equipment payable at June 30, 2021:

| Year ending June 30:                        | Capital lease<br>payments  |
|---|----------------------------|
| 2022  | 580,481                    |
| 2023  | 1,093,411                  |
| 2024  | 1,044,407                  |
| 2025  | <u>512,930</u>             |
| Total minimum lease payments                | 3,231,229                  |
| Less amount representing interest           | <u>(221,017)</u>           |
| Present value of net minimum lease payments | <u><u>\$ 3,010,212</u></u> |

### Note 5 — Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates with other Arizona community college districts and more than 200 Arizona school districts in the Arizona School Risk Retention Trust, Inc. (Trust), a public-entity risk pool. The Trust insures the District against liabilities arising from general liability; professional liability; property, automobile, boiler and machinery liability; and commercial crime risks. The coverage limit for general liability is \$10 million with no deductible except for employer’s liability and cyber liability, which is \$2 million with a \$500,000 deductible and \$5 million with a \$5,000 deductible, respectively. The coverage limit for professional liability is \$10 million with no deductible (except for student’s clinical practicum, the coverage limit is \$3 million, no deductible). The coverage limit for property insurance is equal to the total insurable property value of \$224.2 million with a \$1,000 deductible. The coverage limit for automobile liability is \$10 million with no deductible. The coverage limit for commercial crime is \$1.5 million with a \$100 deductible. The Trust’s operating agreement includes a provision for the member to be charged an additional assessment in the event that total claims paid by the Trust exceed the members’ contributions and reserves in any single year. The District will be charged for any such assessment in the following year.

The District also carries commercial insurance for other risks of loss, including workers’ compensation, accidental death and dismemberment for students and employees, employee travel, and extended reporting for errors and omissions. Settled claims resulting from any of these risks have not exceeded commercial insurance coverage in any of the past 3 fiscal years.

Pinal County Community College District  
(Central Arizona College)  
Notes to Financial Statements  
June 30, 2021

Note 6 — Pension and Other Postemployment Benefits

A. Arizona State Retirement System (ASRS)

**Plan Descriptions** – District employees 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 net OPEB liability for ASRS has not been recorded at June 30, 2021 and no further OPEB disclosures are presented due to its relative insignificance to the District’s financial statements. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 2. The ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at [www.azasrs.gov](http://www.azasrs.gov).

The District also contributes to the Public Safety Personnel Retirement System (PSPRS), a state administered agent multiple-employer defined benefit pension plan. The net pension liability for PSPRS, nor the net OPEB liability for PSPRS have been recorded at June 30, 2021 and no further disclosures are presented due to its relative insignificance to the District’s financial statements.

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

| <b>Retirement</b>                                    |   |   |
|--|---|---|
| <b>Initial membership date:</b>                      |   |   |
|  | <b>Before July 1, 2011</b>  | <b>On or after July 1, 2011</b>   |
| Years of service and age required to receive benefit | Sum of years and age equals 80<br>10 years, age 62<br>5 years, age 50*<br>any years, age 65 | 30 years, age 55<br>25 years, age 60<br>10 years, age 62<br>5 years, age 50*<br>any years, age 65 |
| Final average salary 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

Pinal County Community College District  
(Central Arizona College)  
Notes to Financial Statements  
June 30, 2021

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

**Contributions** – In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2021, statute required active ASRS members to contribute at the actuarially determined rate of 12.04 percent for retirement of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 11.65 percent for retirement of the active members' annual covered payroll. In addition, the District was required by statute to contribute at the actuarially determined rate of 10.14 percent for retirement of annual covered payroll of retired members who worked for the District in positions that an employee who contributes to the ASRS would typically fill. The District's contributions to the pension plan for the year ending June 30, 2021 were \$2,664,646.

**Liability** – At June 30, 2021, the District reported a liability of \$37,123,802 for its proportionate share of the ASRS's net pension liability. The net liability was measured as of June 30, 2020. The total liability used to calculate the 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 District's proportion of the net liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The District's proportion measured as of June 30, 2020 was .214%, which was a decrease of .008 from its proportion measured as of June 30, 2019.

Pinal County Community College District  
(Central Arizona College)  
Notes to Financial Statements  
June 30, 2021

**Pension Expense and Deferred Outflows/Inflows of Resources** – For the year ended June 30, 2021 the District recognized pension expense for ASRS of \$3,240,453. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred Inflows<br/>of Resources</b> |
|---|---|--|
| Differences between expected and actual experience  | \$ 335,849                                    |  |
| Net difference between projected and actual earnings on pension plan investments                              | 3,580,634                                     |  |
| Changes in proportion and differences between district contributions and proportionate share of contributions |   | \$ 998,990                               |
| District contributions subsequent to the measurement date   | 2,664,646                                     | -  |
| Total   | <u>\$ 6,581,129</u>                           | <u>\$ 998,990</u>                        |

The \$2,664,646 reported as deferred outflows of resources related to ASRS pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

|      |           |
|------|-----------|
| 2022 | (232,901) |
| 2023 | 747,769   |
| 2024 | 1,295,154 |
| 2025 | 1,107,471 |



Pinal County Community College District  
 (Central Arizona College)  
 Notes to Financial Statements  
 June 30, 2021

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

**Assumptions**

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

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

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.5% 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 percentage and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| <b>Asset class</b>                     | <b>Target<br/>allocation</b> | <b>Long-term<br/>expected<br/>geometric<br/>real rate of<br/>return</b> |
|--|------------------------------|---|
| Equity                                 | 50%                          | 6.39%   |
| Fixed income - credit                  | 20%                          | 5.44%   |
| Fixed income - Interest rate sensitive | 10%                          | 0.22%   |
| Real estate                            | 20%                          | 5.85%   |
| Total                                  | 100%                         |   |

Pinal County Community College District  
 (Central Arizona College)  
 Notes to Financial Statements  
 June 30, 2021

**Discount Rate** – The discount rate used to measure the ASRS total pension liability was 7.5%. 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 plans’ fiduciary net position was projected to be available to make all the 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 liability.

**Sensitivity of the District’s proportionate share of the ASRS net pension liability to changes in the discount rate** – The table below presents District’s proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the Districts’ proportionate share of the net pension liability would be if it were calculated using the discount rate that is 1% lower (6.5%) or 1% higher (8.5%) than the current rate:

|   | <b>1% Decrease<br/>(6.5%)</b> | <b>Current<br/>Discount Rate<br/>(7.5%)</b> | <b>1% Increase<br/>(8.5%)</b> |
|---|-------------------------------|---|-------------------------------|
| District's proportionate share of the net pension liability | \$ 50,766,295                 | \$ 37,123,802                               | \$ 25,719,378                 |

**Plan Fiduciary Net Position** – Detailed information about the plans’ fiduciary net position is available in the separately issued ASRS financial report.

**Contributions Payable** – The District’s accrued payroll and employee benefits included \$29,459 of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2021.

Pinal County Community College District  
(Central Arizona College)  
Notes to Financial Statements  
June 30, 2021

**Note 7 — Operating Expenses**

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

|                              |           |                   |
|------------------------------|-----------|-------------------|
| Personal services            | \$        | 36,265,650        |
| Contract services            |           | 5,792,495         |
| Supplies and other services  |           | 2,171,562         |
| Communications and utilities |           | 2,295,057         |
| Scholarships                 |           | 3,803,994         |
| Depreciation                 |           | 7,163,377         |
| Other                        |           | 6,598,247         |
| Total                        | <u>\$</u> | <u>64,090,382</u> |

**Note 8 — Subsequent Events**

On November 29, 2021, Pinal County Community College District entered into an agreement with De Rito Acquisition Co., L.L.C. for the sale of the Casa Grande Center, located at the southwest corner of Florence Boulevard & Trekell Road in Casa Grande, Arizona. The sales price is \$1.15M with an expected closing date October 19, 2022.

**Note 9 — Central Arizona College Foundation**

**Nature of Activities** - The Central Arizona College Foundation (the “Foundation”) was formed in 1968 as an Arizona not-for-profit corporation. The Foundation’s mission and purpose is to support the programs and activities of Central Arizona College (the “College”). The Foundation supports student scholarships, faculty development and programs that enrich both campus and community life.

The major activities of the Foundation include providing scholarships to college students, sponsorship of community events and college development activities. Resources to fund these activities are provided mainly from investment income, contributions and grants.

**Basis of Accounting and Financial Statement Presentation** - 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.

**Promises to Give** - Unconditional promises to give are recognized as revenues in the period the promise is received and as assets, decreases of liabilities or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which

Pinal County Community College District  
(Central Arizona College)  
Notes to Financial Statements  
June 30, 2021

they depend are substantially met. Unconditional promises to give that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using rates as determined by management applicable to the years in which the promises are received. Amortization of the discounts is included in contribution support.

**Fair Value Measurements and Investments** - A framework for measuring fair value has been established by Accounting Standards and provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under Accounting Standards are as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified term (contractual term), the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement, and usually reflect the Foundation's own assumptions that market participants would use in pricing the assets (i.e. real estate valuations, broker quotes).

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

Investment income or loss (including realized and unrealized gains and losses) on endowment funds are included in the change in net assets with donor restrictions in the accompanying statement of activities. Investment income on other funds is included in the change in net assets without donor restrictions, unless the income or loss is restricted by donor or law. The Foundation invests most of the endowments in an investment pool which is managed by an investment advisor to the Foundation. This is a fee based account and fees are assessed on the value of the account.

Pinal County Community College District  
(Central Arizona College)  
Notes to Financial Statements  
June 30, 2021

**Risks and Uncertainty** - The Foundation invests in various types of investments which are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amount reported in the statement of financial position.

**Endowment Funds** - The Foundation's endowment funds consist of approximately 39 funds established for a variety of purposes. The endowment funds include donor-restricted endowment funds. Net assets associated with these endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation follows the Arizona's Management of Charitable Funds Act (MCFA) and its own governing documents. MCFA requires the preservation of endowment funds. When a donor's intent is not expressed, MCFA directs the Foundation to spend an amount that is prudent and consistent with the purposes of the fund, relevant economic factors and the donor's intent that the fund continue in perpetuity.

The Foundation classifies as net assets with donor restrictions (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 donor-restricted endowment fund also includes accumulated earnings in the fund that are also classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by MCFA.

In accordance with MCFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various 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) the Foundation's other resources, and (7) the Foundation's investment policies.

*Investment Return Objectives, Risk Parameters and Strategies* - The investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. The Foundation's primary objective is to obtain the best possible return on investments with the appropriate degree of risk and to meet the priorities of the Foundation and Central Arizona College over time. Endowment assets are invested in a well-diversified asset mix that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution, while growing the funds if possible. The Foundation has contracted with an asset manager to actively manage the investment portfolio with set objectives.

Pinal County Community College District  
(Central Arizona College)  
Notes to Financial Statements  
June 30, 2021

*Spending Policy* – The Foundation has adopted a spending policy that governs the overall spending from the endowment funds. Under this policy, the amount of funds allocated for expenditure will typically range from 0% to 3% of the rolling prior 28 quarter average market value of the endowment funds, never to exceed 7% of that value. In establishing this practice, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation. The Foundation expects the current spending practice to allow its endowment funds to grow over time.

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

Contributions of donated non-monetary assets are recorded at their fair value in the period received. Contributions of donated services are recorded if they create or enhance non-financial assets; or if they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donated services. Donated services received from personnel of the College are recognized as revenue by the Foundation at the amount of the personnel cost recognized by the College. In-kind donations during the year ended June 30, 2021 include donated services for the Foundation Director's salary and benefits of \$49,796, donated services for the Foundation Secretary's salary and benefits of \$9,496, donated services for Student Intern's salary and benefits of \$360, donated operating expenses of \$16,210, donated administrative costs of \$7,049 and donated facility space of \$1,800.

**Scholarship Expense and Scholarships Payable** - The College's Financial Aid Office is responsible for determining student eligibility and qualifications under the various scholarship funds and provides the Foundation with a detail of total scholarship funds awarded. Scholarships are expensed for financial statement purposes when the funds are committed by the College's financial aid office.

**Net Assets** – The Foundation reports information regarding its financial position and activities according to two classes of net assets as follows:

Net assets without donor restrictions – net assets available for use in general operations and not subject to donor or grantor restrictions.

Net assets with donor restrictions – net assets whose use is limited by donor-imposed time and/or purpose restrictions. Gifts of long-lived assets and gifts of cash restricted for acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled or both.

Pinal County Community College District  
(Central Arizona College)  
Notes to Financial Statements  
June 30, 2021

**Functional Expenses** – The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among program services and supporting services. Management and general expenses include direct office operation expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

**Income Taxes** - The Foundation is exempt from payment of income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. In addition, the Foundation has been classified as a Foundation that is not a private foundation under Section 509(a)(3).

The Foundation recognizes uncertain tax positions in the financial statements when it is more-likely-than-not the positions will not be sustained upon examination by the tax authorities. At June 30, 2021, the Foundation had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

The Foundation recognizes interest and penalties associated with income taxes in operating expenses. During the year ended June 30, 2021, the Foundation did not have any income tax related interest and penalty expense.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Reclassifications** – Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

**Date of Management’s Review** - In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through September 3, 2021, the date the financial statements were available to be issued.

**Concentration of Credit Risk** - Financial instruments that subject the Foundation to potential concentrations of credit risk consist principally of cash and cash equivalent and investments. The Foundation maintains its cash in bank accounts, which at times may exceed federally insured limits. At June 30, 2021, the bank balances did not exceed the federally insured limits.

The Foundation also maintains cash in accounts with stock brokerage firms. The accounts contain cash and securities. Balances are insured up to \$500,000 (with a limit of \$250,000 for cash) by the Securities Investor Protection Corporation (SIPC). Balances over \$500,000 are insured by the brokerage firms. At June 30, 2021, balances held with the stock brokerage firms exceeded the federally insured limits although, were insured by the brokerage firm. The Foundation has not experienced any losses in such amounts and believes it is not exposed to any significant credit risk on its cash balances.

Pinal County Community College District  
(Central Arizona College)  
Notes to Financial Statements  
June 30, 2021

Promises to give includes an amount due from one donor for the year ended June 30, 2021, this represents the entire promises to give balance.

**Certificates of Deposit** - Certificates of deposit consisted of the following at June 30, 2021:

| <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Amount<br/>6/30/2021</u> |
|----------------------|----------------------|-----------------------------|
| 12/21/2021           | 3.00%                | 63,924                      |
| 04/05/2022           | 2.80%                | 60,181                      |
| 04/04/2023           | 3.05%                | 66,102                      |
| 10/01/2024           | 3.15%                | 69,700                      |
| 03/25/2025           | 2.95%                | 61,214                      |
| 04/15/2025           | 2.90%                | 68,821                      |
| 04/19/2027           | 2.80%                | 75,269                      |
|                      |                      | <u>\$ 465,211</u>           |

**Investments** - The following is a summary of the value of investments at June 30, 2021:

|                                      | <u>Value</u>        |
|--------------------------------------|---------------------|
| Stocks                               | \$ 752,057          |
| Exchange traded and closed end funds | 2,141,688           |
| Mutual funds                         | 3,061,205           |
|                                      | <u>\$ 5,954,950</u> |

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

|                              | <u>Amount</u>       |
|------------------------------|---------------------|
| Interest and dividend income | \$ 119,074          |
| Net realized gains           | 26,097              |
| Net unrealized gains         | 1,500,845           |
|                              | <u>\$ 1,646,016</u> |

Investment return is reported net of related investment expenses in the statement of activities. The amount of expense/commissions netted with income for the year ended June 30, 2021 was \$39,330.



**Pinal County Community College District**  
**(Central Arizona College)**  
**Notes to Financial Statements**  
**June 30, 2021**

**Fair Value of Financial Instruments** - Investments with readily determinable fair values are measured at fair value in the statement of financial position as determined by quoted market prices in active markets (Level 1).

The following is a summary of these fair values at June 30, 2021:

|   | <u>Level 1</u>      | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u>        |
|---|---------------------|----------------|----------------|---------------------|
| Measured at fair value<br>on a recurring basis: |                     |                |                |                     |
| Stocks  | \$ 752,057          | -              | -              | \$ 752,057          |
| Exchange traded and<br>closed end funds         | 2,141,688           | -              | -              | \$ 2,141,688        |
| Mutual Funds                                    | 3,061,205           | -              | -              | 3,061,205           |
| Total Investments                               | <u>\$ 5,954,950</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 5,954,950</u> |

Pinal County Community College District  
 (Central Arizona College)  
 Notes to Financial Statements  
 June 30, 2021

**Net Assets with Donor Restrictions** – Net assets with donor restrictions are restricted to investment in perpetuity, the income from which is expendable to support services and programs to Central Arizona College and the students of Central Arizona College as designated by the donors. At June 30, 2021 the Foundation held 39 permanent endowments and 48 donor restricted net asset funds to be used for scholarships.

The nature of these restrictions is as follows:

|  | As of<br><u>6/30/2021</u> |
|--|---------------------------|
| Donor restricted endowment funds   |                           |
| The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by MCFA | \$ 3,382,016              |
| The investment income on perpetual endowment funds subject to a time restriction under MCFA  | \$ 1,847,384              |
|  | \$ 5,229,400              |
| Other net assets purpose restricted:   |                           |
| Scholarships non-endowed   | 541,138                   |
| Promises to give   | 2,500                     |
|  | \$ 543,638                |
| Total net assets with donor restrictions   | \$ 5,773,038              |

Pinal County Community College District  
(Central Arizona College)  
Notes to Financial Statements  
June 30, 2021

**Endowment Funds** - Endowment funds include funds restricted in perpetuity by the donors. Endowment net asset composition by type of fund as of June 30, 2021 is as follows:

|  | Net assets<br>with donor<br>restrictions |
|--|--|
| Original donor-restricted endowment gift amounts | \$ 3,382,016                             |
| Accumulated investment gains on endowment funds  |  |
| Without purpose restrictions                     | -  |
| With purpose restrictions                        | 1,847,384                                |
| Total endowment funds                            | \$ 5,229,400                             |

Changes in endowment funds as of June 30, 2021, are as follows:

|   | Without donor<br>restrictions | With donor<br>restrictions | Total<br>Endowment<br>Funds |
|---|-------------------------------|----------------------------|-----------------------------|
| Balance, June 30, 2020                  |                               | \$ 4,006,176               | \$ 4,006,176                |
|   |                               |                            | \$ -                        |
| Contributions                           |                               | 30,620                     | \$ 30,620                   |
| Interest and dividend income            |                               | 100,552                    | \$ 100,552                  |
| Realized and unrealized gains           |                               | 1,293,302                  | \$ 1,293,302                |
| Amounts appropriated for<br>expenditure |                               | (201,250)                  | \$ (201,250)                |
| Administrative fees                     |                               | -                          | \$ -                        |
| Balance, June 30, 2021                  | \$ -                          | \$ 5,229,400               | \$ 5,229,400                |

Central Arizona College Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of the original value of initial and subsequent gift amounts donated to the fund that are required to be maintained in perpetuity in accordance with the directions of the applicable donor gift instrument. Central Arizona College Foundation has interpreted MCFA to permit spending from underwater funds in accordance with the prudent measures required under law.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or MCFA requires. There are no deficiencies of this nature as of June 30, 2021.

Pinal County Community College District  
(Central Arizona College)  
Notes to Financial Statements  
June 30, 2021

**Liquidity and Availability** - The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs. In addition, the Foundation receives support without donor restrictions; such support has historically represented approximately 100% of annual program funding needs, with the remainder funded by investment income without donor restrictions and appropriated earnings from gifts with donor restrictions.

The Foundation considers investment income without donor restrictions, appropriated earnings from donor-restricted and board-designated endowments, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses and grant commitments expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Foundation's fiscal year.

The Foundation manages its cash available to meet general expenditures following three guiding principles: (1) Operating within a prudent range of financial soundness and stability; (2) Maintaining adequate liquid assets, and; (3) Maintaining sufficient reserves to provide reasonable assurance that long term grant commitments and obligations under endowments with donor restrictions that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

| Financial assets at year end:  | 2021         |
|--|--------------|
| Cash and cash equivalents  | \$ 134,998   |
| Promises to give   | 2,500        |
| Other receivables  | 1,447        |
| Certificates of deposit  | 465,211      |
| Investments  | 5,954,950    |
| Total financial assets   | \$ 6,559,106 |
| Less amounts not available to be used within one year:                     |              |
| Permanent endowment investments  | \$ 3,382,016 |
| Donor imposed restriction - purpose  | 1,989,065    |
| Donor imposed restriction - time   | 71,957       |
| Scholarships approved for next fiscal year                                 | 330,000      |
| CD's - maturity date longer than one year                                  | 341,106      |
| Financial assets not available to be used within one year                  | \$ 6,114,144 |
| Financial assets available to meet general expenditures<br>within one year | \$ 444,962   |

Pinal County Community College District  
(Central Arizona College)  
Notes to Financial Statements  
June 30, 2021

**Related Party Transactions** - The staff members of the Foundation are employees of Central Arizona College. The College donated the cost of salaries and benefits for the time spent by the college's Institutional Development Director, Institutional Development Assistant, Executive Director of Accounting Services, and the Senior Accountant for the year ending June 30, 2021. Other College employees, by virtue of their position provide advisory services within the Foundation. As a result, Central Arizona College has significant input regarding the operations and goals of the Foundation. The current Foundation investment advisor is also a voting member of the foundation board. The current Foundation treasurer was the President/CEO of the bank that holds the Foundation operating accounts through November 30, 2020.



**Central  
Arizona  
College**

**Other Required Supplementary  
Information**

Pinal County Community College District  
(Central Arizona College)  
Required Supplementary Information  
Schedule of the District's Proportionate Share of the Net Pension Liability  
June 30, 2021

**ASRS - Pension**

**Reporting Fiscal Year  
(Measurement Date)**

|  | <b>2021<br/>(2020)</b> | <b>2020<br/>(2019)</b> | <b>2019<br/>(2018)</b> | <b>2018<br/>(2017)</b> | <b>2017<br/>(2016)</b> | <b>2016<br/>(2015)</b> | <b>2015<br/>(2014)</b> |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| District's proportion of the net pension liability   | 0.21%                  | 0.22%                  | 0.23%                  | 0.22%                  | 0.22%                  | 0.21%                  | 0.22%                  |
| District's proportionate share of the net pension liability  | \$ 37,123,802          | \$ 32,255,564          | \$ 31,697,561          | \$ 33,986,633          | \$ 35,984,756          | \$ 33,405,777          | \$ 32,057,173          |
| District's covered payroll   | \$ 22,742,999          | \$ 22,726,279          | \$ 22,586,107          | \$ 21,150,671          | \$ 20,647,346          | \$ 19,528,236          | \$ 19,327,742          |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 163.23%                | 141.93%                | 140.34%                | 160.69%                | 174.28%                | 171.06%                | 165.86%                |
| 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%                 |

2012 through 2014 - Information not available

Pinal County Community College District  
(Central Arizona College)  
Required Supplementary Information  
Schedule of District Pension Contributions  
June 30, 2021

**ASRS - Pension**

**Reporting Fiscal Year**

|   | <b>2021</b>   | <b>2020</b>   | <b>2019</b>   | <b>2018</b>   | <b>2017</b>   | <b>2016</b>   | <b>2015</b>   | <b>2014</b>   |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Statutorily required contribution   | \$ 2,664,646  | \$ 2,706,898  | \$ 2,540,798  | \$ 2,459,913  | \$ 2,317,219  | \$ 2,311,647  | \$ 2,160,799  | \$ 2,089,676  |
| District's contributions in relation to the statutorily required contribution | 2,664,646     | 2,706,898     | 2,540,798     | 2,459,913     | 2,317,219     | 2,311,647     | 2,160,799     | 2,089,676     |
| District's contribution deficiency (excess)                                   | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| District's covered payroll  | \$ 22,226,948 | \$ 22,742,999 | \$ 22,726,279 | \$ 22,586,107 | \$ 21,150,671 | \$ 20,647,346 | \$ 19,528,236 | \$ 19,327,742 |
| District's contributions as a percentage of covered payroll                   | 11.99%        | 11.90%        | 11.18%        | 10.89%        | 10.96%        | 11.20%        | 11.06%        | 10.81%        |

2012 through 2013 - Information not available





**Central  
Arizona  
College**

**Statistical Section**

## **NARRATIVE TO THE STATISTICAL SECTION**

### **Financial Trends**

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

- Net Position by Component
- Changes in Net Position
- Statutory Limit to Budgeted Expenditures

### **Revenue Capacity**

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

- Property Tax Levies and Collections
- Pinal County Assessed Value and Estimated Actual Value of Taxable Property
- Direct and Overlapping Property Tax Rates
- Pinal County Direct Property Tax Rates
- Assessed Valuation, Tax Rate and Levy History
- Principal Property Tax Payers for Pinal County

### **Debt Capacity**

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

- Ratios of Outstanding Debt by Type
- Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Bonded Debt Per Capita
- Ratio of Annual Debt Service Expenditures to Operating Expenses/Expenditures
- Ratio of Pledged Revenue Obligations to Annual Debt Service Expenditures
- Legal Debt Margin Information

### **Demographic and Economic Information**

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

- Principal Employers for Pinal County
- Pinal County Demographic and Economic Statistics
- Economic Indicators for Pinal County
- Miscellaneous Statistics for Pinal County

### **Operating Information**

These schedules provide contextual information about the operations and resources to assist readers in using financial statement information to understand and assess the District's economic information.

- Student Enrollment, Degree and Demographic Statistics
- Historic Enrollment
- Faculty and Staff Statistics
- Capital Asset Information
- Tuition Schedule

**Pinal County Community College District**  
**Net Position by Component**  
**Last Ten Fiscal Years**

|                                  | Fiscal Year    |                |                |                |                |               |               |                |               |               |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|----------------|---------------|---------------|
|                                  | 2021           | 2020           | 2019           | 2018           | 2017           | 2016          | 2015          | 2014           | 2013          | 2012          |
| Net Investment in Capital Assets | \$ 91,821,496  | \$ 64,416,261  | \$ 66,491,129  | \$ 66,762,037  | \$ 63,860,469  | \$ 57,763,011 | \$ 60,370,065 | \$ 60,212,992  | \$ 54,487,137 | \$ 22,232,514 |
| Restricted - Expendable          | 6,387,875      | 6,815,049      | 9,012,302      | 11,897,569     | 10,910,380     | 6,185,680     | 4,468,022     | 5,812,903      | 10,016,468    | 2,210,949     |
| Restricted - Nonexpendable       | 76,288,936     | 79,596,567     | 61,455,887     | 47,364,990     | 33,184,399     | 27,062,723    | 11,421,044    | 37,184,168     | 35,463,703    | 72,733,072    |
| Unrestricted                     | \$ 174,498,307 | \$ 150,827,877 | \$ 136,959,318 | \$ 126,024,596 | \$ 107,955,248 | \$ 91,011,414 | \$ 76,259,131 | \$ 103,210,063 | \$ 99,967,308 | \$ 97,176,535 |
| Total Net Position               |                |                |                |                |                |               |               |                |               |               |

Source: District audited financial statements

**Pinal County Community College District  
Changes in Net Position  
Last Ten Fiscal Years**

|   | Fiscal Year     |                 |                 |                 |                 |                 |                 |                 |                 |                 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|   | 2021            | 2020            | 2019            | 2018            | 2017            | 2016            | 2015            | 2014            | 2013            | 2012            |
| <b>Operating revenues:</b>                                  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Tuition and fees* (net of scholarship allowances)           | \$ 2,351,129    | \$ 3,166,369    | \$ 3,856,527    | \$ 5,544,035    | \$ 5,218,478    | \$ 5,803,046    | \$ 5,393,072    | \$ 5,274,693    | \$ 5,997,913    | \$ 5,783,033    |
| Dormitory rentals and fees* (net of scholarship allowances) | 28,743          | 151,098         | 239,477         | 321,403         | 285,070         | 285,540         | 230,773         | 247,141         | 281,699         | 256,706         |
| Other operating revenues                                    | 445,759         | 523,010         | 436,045         | 588,060         | 242,066         | 571,936         | 771,800         | 683,493         | 1,050,519       | 706,729         |
| Total operating revenues                                    | \$ 2,825,631    | \$ 3,840,477    | \$ 4,532,049    | \$ 6,453,498    | \$ 5,745,614    | \$ 6,660,522    | \$ 6,395,645    | \$ 6,203,327    | \$ 7,330,131    | \$ 6,746,468    |
| * Pledged as security for revenue obligations and bonds     |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Operating expenses:</b>                                  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Educational and General                                     |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Instruction   | \$ 17,553,475   | \$ 18,758,197   | \$ 17,896,502   | \$ 22,810,303   | \$ 25,294,670   | \$ 22,406,606   | \$ 21,167,536   | \$ 21,077,842   | \$ 20,884,600   | \$ 20,278,756   |
| Public service  | 196,429         | 293,530         | 382,361         | 281,528         | 229,182         | 236,315         | 313,846         | 260,855         | 372,572         | 254,705         |
| Academic support  | 3,687,658       | 3,475,262       | 2,394,118       | 2,404,671       | 2,395,117       | 2,402,822       | 2,667,475       | 3,181,172       | 2,964,889       | 4,340,455       |
| Student services  | 6,650,760       | 7,708,320       | 8,102,722       | 5,126,051       | 4,951,129       | 4,666,022       | 4,797,955       | 4,797,955       | 4,008,712       | 4,440,378       |
| Institutional Support                                       | 17,452,107      | 14,567,640      | 18,072,223      | 13,807,763      | 13,377,377      | 14,112,505      | 12,402,954      | 13,851,937      | 13,638,518      | 12,151,296      |
| Operation and maintenance of plant                          | 6,722,397       | 6,604,992       | 6,484,432       | 6,285,267       | 5,981,320       | 6,123,290       | 6,123,290       | 6,584,000       | 5,659,506       | 4,833,938       |
| Scholarships  | 3,803,994       | 5,480,651       | 5,463,973       | 6,289,135       | 7,215,802       | 7,686,691       | 8,695,427       | 9,035,684       | 10,171,074      | 11,009,844      |
| Auxiliary enterprise  | 861,185         | 599,385         | 986,031         | 1,089,901       | 1,267,741       | 1,092,141       | 1,047,126       | 1,082,034       | 1,281,191       | 955,375         |
| Depreciation  | 7,163,377       | 6,936,928       | 6,615,789       | 5,830,089       | 5,995,051       | 6,097,868       | 6,201,956       | 5,358,184       | 4,524,884       | 3,198,550       |
| Total operating expenses                                    | \$ 64,090,382   | \$ 64,424,905   | \$ 66,398,151   | \$ 63,934,708   | \$ 66,707,389   | \$ 64,554,751   | \$ 63,356,232   | \$ 65,229,663   | \$ 63,505,946   | \$ 61,463,297   |
| Operating Loss  | \$ (61,264,751) | \$ (60,584,428) | \$ (61,866,102) | \$ (57,481,210) | \$ (60,961,775) | \$ (57,894,229) | \$ (56,960,587) | \$ (59,024,336) | \$ (56,175,815) | \$ (54,716,829) |
| <b>Nonoperating revenues (expenses):</b>                    |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Property taxes  | \$ 63,964,473   | \$ 57,896,090   | \$ 58,666,381   | \$ 60,211,680   | \$ 58,663,549   | \$ 57,079,404   | \$ 48,307,654   | \$ 46,906,012   | \$ 41,792,777   | \$ 41,240,729   |
| State appropriations  | 1,224,800       | 3,343,900       | 1,604,300       | 1,717,900       | 1,821,200       | 2,000,000       | 3,033,200       | 2,392,700       | 2,107,800       | 2,086,200       |
| Government grants   | 14,078,187      | 14,415,666      | 14,694,123      | 15,877,305      | 19,360,337      | 16,170,153      | 16,364,967      | 16,385,572      | 18,162,631      | 18,712,367      |
| Share of state sales taxes                                  | 1,037,595       | 805,271         | 805,237         | 751,695         | 748,221         | 715,933         | 649,792         | 738,258         | 630,814         | 643,450         |
| Smart and Safe Arizona fund appropriations                  | 763,840         |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Private grants and gifts                                    | 627,817         | 551,211         | 141,201         | 227,322         | 122,261         | 198,066         | 607,478         | 334,269         | 434,386         | 777,473         |
| Investment earnings   | 569,767         | 1,397,602       | 1,304,045       | 921,783         | 439,054         | 277,354         | 120,475         | 79,625          | 210,634         | 308,390         |
| Interest expense on debt                                    | (1,683,193)     | (3,990,362)     | (4,159,376)     | (4,225,711)     | (3,260,098)     | (3,769,810)     | (3,994,255)     | (4,382,623)     | (4,507,546)     | (3,390,240)     |
| Gain/(Loss) on disposal of capital assets                   | (84,734)        | 11,348          | (394,087)       | 171             | (101,542)       | (24,588)        | 4,591           | (186,722)       | 109,093         | (799,302)       |
| Net nonoperating revenues                                   | \$ 80,498,552   | \$ 74,430,726   | \$ 72,661,824   | \$ 75,482,145   | \$ 77,792,982   | \$ 72,646,512   | \$ 65,093,902   | \$ 62,267,091   | \$ 58,940,589   | \$ 59,579,067   |
| Income before other revenues, expenses, gains and losses    | \$ 19,233,801   | \$ 13,846,298   | \$ 10,795,722   | \$ 18,000,935   | \$ 16,831,207   | \$ 14,752,283   | \$ 8,133,315    | \$ 3,242,755    | \$ 2,764,774    | \$ 4,862,238    |
| Capital appropriations                                      | 4,436,629       | 22,261          | 139,000         | 68,413          | -               | -               | -               | -               | -               | -               |
| Capital grants and gifts                                    | 23,670,430      | 13,868,559      | 10,934,722      | 18,069,348      | 16,943,834      | 14,752,283      | 8,133,315       | 3,242,755       | 2,764,774       | 4,862,238       |
| Increase in net position                                    | \$ 150,827,877  | \$ 136,959,318  | \$ 150,827,877  | \$ 126,024,596  | \$ 107,955,248  | \$ 76,259,131   | \$ 68,125,816   | \$ 99,967,308   | \$ 97,176,535   | \$ 92,314,297   |
| Total net position, July 1                                  | \$ 174,498,307  | \$ 150,827,877  | \$ 136,959,318  | \$ 126,024,596  | \$ 107,955,248  | \$ 91,011,414   | \$ 76,259,131   | \$ 103,210,063  | \$ 99,967,308   | \$ 97,176,535   |

\* Net position as restated, July 1, 2014 for GASB 68.  
 † Net position, June 30

Source: District audited financial statements

**Pinal County Community College District  
Statutory Limit to Budgeted Expenditures  
Last Ten Fiscal Years**

| Fiscal Year | Statutory Expenditure<br>Limitation <sup>1</sup> | Budgeted Expenditures<br>Subject to Limitation <sup>2</sup> | Unused Legal Limit |
|-------------|--|---|--------------------|
| 2011        | 44,661,427                                       | 44,661,426  | 1                  |
| 2012        | 48,815,447                                       | 48,815,446  | 1                  |
| 2013        | 47,407,363                                       | 47,407,362  | 1                  |
| 2014        | 50,575,442                                       | 50,575,441  | 1                  |
| 2015        | 47,753,245                                       | 47,753,244  | 1                  |
| 2016        | 46,455,464                                       | 46,455,463  | 1                  |
| 2017        | 44,851,258                                       | 44,851,257  | 1                  |
| 2018        | 41,140,760                                       | 41,140,759  | 1                  |
| 2019        | 41,566,098                                       | 41,566,097  | 1                  |
| 2020        | 42,636,737                                       | 42,636,736  | 1                  |
| 2021        | 37,550,407                                       | -   | 3                  |

<sup>1</sup> 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).

<sup>2</sup> Budgeted expenditures are net of allowable exclusions.

Source: Audited Annual Budgeted Expenditure Limitation Reports

<sup>3</sup> Data not available

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

| Tax Year | Original Tax Levy <sup>1</sup> | Adjustments | Adjusted Levy as of 06/30/21 | Collected within the Fiscal Year of the Levy <sup>2</sup> |        |                             | Collections in Subsequent Years | Total Collections to 06/30/21 |                             |
|----------|--------------------------------|-------------|------------------------------|---|--------|-----------------------------|---------------------------------|-------------------------------|-----------------------------|
|          |                                |             |                              | Collections   | Year   | Percentage of Original Levy |                                 | Amount                        | Percentage of Adjusted Levy |
|          |                                |             |                              |   |        |                             |                                 |                               |                             |
| 2010     | 40,750,139                     | (260,339)   | 40,489,800                   | 38,631,260  | 94.80% | \$ 1,819,589                | 40,450,849                      | 99.90%                        |                             |
| 2011     | 40,169,269                     | (838,329)   | 39,330,940                   | 37,884,199  | 94.31% | \$ 1,392,463                | 39,276,662                      | 99.86%                        |                             |
| 2012     | 40,522,956                     | (535,947)   | 39,987,009                   | 38,640,453  | 95.35% | \$ 1,303,666                | 39,944,119                      | 99.89%                        |                             |
| 2013     | 44,822,855                     | (708,624)   | 44,114,231                   | 42,917,017  | 95.75% | \$ 1,154,483                | 44,071,500                      | 99.90%                        |                             |
| 2014     | 45,508,829                     | (632,397)   | 44,876,432                   | 43,860,643  | 96.38% | \$ 975,675                  | 44,836,318                      | 99.91%                        |                             |
| 2015     | 54,520,894                     | (1,015,342) | 53,505,552                   | 52,330,717  | 95.98% | \$ 1,113,434                | 53,444,151                      | 99.89%                        |                             |
| 2016     | 55,683,737                     | (399,780)   | 55,283,957                   | 53,952,637  | 96.89% | \$ 1,247,758                | 55,200,395                      | 99.85%                        |                             |
| 2017     | 56,937,013                     | (299,806)   | 56,637,207                   | 55,691,540  | 97.81% | \$ 862,494                  | 56,554,034                      | 99.85%                        |                             |
| 2018     | 55,643,415                     | (164,739)   | 55,478,676                   | 54,775,622  | 98.44% | \$ 604,536                  | 55,380,158                      | 99.82%                        |                             |
| 2019     | 55,800,353                     | (569,203)   | 55,231,150                   | 54,245,813  | 97.21% | \$ 820,784                  | 55,066,597                      | 99.70%                        |                             |
| 2020     | 61,254,986                     | -           | 61,254,986                   | 60,299,779  | 98.44% | \$ (0)                      | 60,299,779                      | 98.44%                        |                             |

<sup>1</sup> Includes both primary and secondary taxes.

<sup>2</sup> Amounts collected are on a cash basis.

Source: Pinal County Treasurer's Office Tax Distribution Report and District records

**Pinal County Community College District**  
**Pinal County Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Tax Years**

(\$ Amounts expressed in thousands)

| Tax Year | Primary Assessed Value |                                 |                |        | Total Taxable Assessed Value <sup>1</sup> | Total Direct Tax Rate | Estimated Actual Value | Assessed Value as a Percentage of Actual Value |
|----------|------------------------|---------------------------------|----------------|--------|---|-----------------------|------------------------|--|
|          | Commercial Property    | Residential and Vacant Property | Vacant/Ag Land | Other  |   |                       |                        |  |
| 2010     | 561,560                | 1,470,541                       | 504,035        | 10,813 | 2,546,949                                 | 4.3213                | 22,166,148             | 11.49%   |
| 2011     | 581,044                | 1,216,288                       | 353,163        | 9,656  | 2,160,151                                 | 4.3304                | 18,877,720             | 11.44%   |
| 2012     | 613,223                | 1,203,181                       | 325,002        | 12,377 | 2,153,783                                 | 4.1464                | 18,747,927             | 11.49%   |
| 2013     | 551,188                | 1,136,974                       | 285,853        | 14,867 | 2,088,882                                 | 4.1343                | 17,907,662             | 11.66%   |
| 2014     | 603,138                | 1,184,374                       | 202,173        | 15,467 | 2,005,152                                 | 4.1324                | 18,408,874             | 10.89%   |
| 2015     | 499,188                | 1,262,332                       | 282,841        | 13,187 | 2,057,548                                 | 4.3324                | 19,104,777             | 10.77%   |
| 2016     | 508,805                | 1,326,227                       | 262,787        | 21,932 | 2,119,751                                 | 4.2014                | 20,091,668             | 10.55%   |
| 2017     | 530,329                | 1,418,170                       | 264,023        | 26,505 | 2,239,027                                 | 4.2001                | 21,243,904             | 10.54%   |
| 2018     | 602,105                | 1,513,386                       | 213,177        | 26,766 | 2,355,434                                 | 4.1601                | 22,283,528             | 10.57%   |
| 2019     | 654,416                | 1,630,718                       | 221,183        | 14,934 | 2,521,252                                 | 4.1173                | 23,797,662             | 10.59%   |
| 2020     | 673,429                | 1,776,784                       | 223,796        | 15,413 | 2,689,422                                 | 4.0749                | 25,441,918             | 10.57%   |

<sup>1</sup> Property in Pinal County is assessed annually with values being set by either the County Assessor or the Arizona Department of Revenue.

The values are the basis for Primary Taxes and annual changes therein are restricted by State Constitution. Assessment ratios are set by the Legislature for individual property types. The taxable assessed value is arrived at by multiplying an assessment ratio that has varied from ten percent for residential property, to twenty-five percent for commercial property. Tax rates are per \$100 of assessed value.

Source: AZDOR State and County 2020 Abstract of Assessment Roll - Tax Year 2020

Pinal County Community College District  
Direct and Overlapping Property Tax Rates  
Last Ten Tax Years

| Tax Year | State Equalization | County | Overlapping Rates          |  |                                      |                                   |  |                     |                  |             |         |           | District Tax Rates |  |  |
|----------|--------------------|--------|----------------------------|--|--------------------------------------|-----------------------------------|--|---------------------|------------------|-------------|---------|-----------|--------------------|--|--|
|          |                    |        | Community College District | Casa Grande Elementary School District | Stanfield Elementary School District | Toltec Elementary School District | Central Arizona Valley Institute of Technology | City of Casa Grande | City of Coolidge | Other       | Primary | Secondary | Total              |  |  |
| 11/12    | 0.43               | 4.00   | 1.85                       | 3.14                                   | 3.06                                 | 2.33                              | 0.05   | 1.53                | 1.51             | 0.04-35.00  | 1.61    | 0.25      | 1.86               |  |  |
| 12/13    | 0.47               | 3.80   | 1.88                       | 3.47                                   | 2.83                                 | 2.93                              | 0.05   | 1.58                | 1.51             | 0.04-35.00  | 1.61    | 0.27      | 1.88               |  |  |
| 13/14    | 0.51               | 3.80   | 2.25                       | 3.82                                   | 2.78                                 | 3.76                              | 0.05   | 1.63                | 1.86             | 0.04-35.01  | 1.89    | 0.36      | 2.25               |  |  |
| 14/15    | 0.51               | 3.80   | 2.26                       | 3.60                                   | 2.24                                 | 3.76                              | 0.05   | 1.63                | 1.85             | 0.04-35.01  | 1.91    | 0.35      | 2.26               |  |  |
| 15/16    | 0.51               | 4.00   | 2.65                       | 3.54                                   | 2.83                                 | 3.76                              | 0.05   | 1.63                | 1.93             | 0.04-35.00  | 2.30    | 0.35      | 2.65               |  |  |
| 16/17    | 0.50               | 3.87   | 2.63                       | 3.60                                   | 2.85                                 | 3.76                              | 0.05   | 1.63                | 1.93             | 0.04-38.00  | 2.29    | 0.34      | 2.63               |  |  |
| 17/18    | 0.49               | 3.87   | 2.54                       | 3.51                                   | 3.59                                 | 2.95                              | 0.05   | 1.60                | 1.90             | 0.04-38.00  | 2.23    | 0.31      | 2.54               |  |  |
| 18/19    | 0.47               | 3.83   | 2.36                       | 3.49                                   | 3.31                                 | 2.83                              | 0.05   | 1.59                | 1.88             | 0.04-38.00  | 2.18    | 0.19      | 2.36               |  |  |
| 19/20    | 0.46               | 3.79   | 2.21                       | 3.41                                   | 3.20                                 | 2.63                              | 0.05   | 1.34                | 1.88             | 0.00-79.00  | 2.08    | 0.13      | 2.21               |  |  |
| 20/21    | 0.44               | 3.75   | 2.30                       | 3.41                                   | 3.10                                 | 2.56                              | 0.05   | 1.34                | 2.18             | 0.00-211.39 | 2.02    | 0.28      | 2.30               |  |  |

Source: Pinal County 2020- 2021 Tax Levies/Rates per \$100 of Valuation - A.R.S. Sec. 42-17151



**Pinal County Community College District  
Pinal County Direct Property Tax Rates  
Last Ten Tax Years**

(\$ Amounts expressed in thousands)

| Fiscal Year | Assessed Value | County       |         |        |        |        | Total |
|-------------|----------------|--------------|---------|--------|--------|--------|-------|
|             |                | Primary Rate | Library | Flood  | Fire   |        |       |
| 2010/11     | 2,546,949      | 3.9999       | 0.0970  | 0.1700 | 0.0544 | 4.3213 |       |
| 2011/12     | 2,160,151      | 3.9999       | 0.0970  | 0.1700 | 0.0635 | 4.3304 |       |
| 2012/13     | 2,153,783      | 3.7999       | 0.0970  | 0.1700 | 0.0795 | 4.1464 |       |
| 2013/14     | 2,088,882      | 3.7999       | 0.0970  | 0.1700 | 0.0674 | 4.1343 |       |
| 2014/15     | 2,005,152      | 3.7999       | 0.0970  | 0.1700 | 0.0688 | 4.1357 |       |
| 2015/16     | 2,057,548      | 3.9999       | 0.0970  | 0.1700 | 0.0655 | 4.3324 |       |
| 2016/17     | 2,119,751      | 3.8699       | 0.0965  | 0.1693 | 0.0657 | 4.2014 |       |
| 2017/18     | 2,239,027      | 3.8699       | 0.0965  | 0.1693 | 0.0644 | 4.2001 |       |
| 2018/19     | 2,355,434      | 3.8300       | 0.0965  | 0.1693 | 0.0643 | 4.1601 |       |
| 2019/20     | 2,521,252      | 3.7900       | 0.0965  | 0.1693 | 0.0615 | 4.1173 |       |
| 2020/21     | 2,689,422      | 3.7500       | 0.0965  | 0.1693 | 0.0591 | 4.0749 |       |

Source: Pinal County 2020 - 2021 Tax Levies/Rates Per \$100 of Valuation - A.R.S. Sec. 42-17151

**Pinal County Community College District  
Assessed Valuation, Tax Rate and Levy History  
Last Ten Fiscal Years**

(\$ Amounts expressed in thousands)

| Fiscal Year | Primary            |          |          | Secondary          |          |          |
|-------------|--------------------|----------|----------|--------------------|----------|----------|
|             | Assessed Valuation | Tax Rate | Tax Levy | Assessed Valuation | Tax Rate | Tax Levy |
| 2011        | 2,546,949          | 1.4700   | 37,440   | 2,673,415          | 0.1154   | 3,085    |
| 2012        | 2,160,151          | 1.6070   | 34,714   | 2,218,642          | 0.2459   | 5,456    |
| 2013        | 2,153,783          | 1.6118   | 34,715   | 2,177,012          | 0.2668   | 5,808    |
| 2014        | 2,088,882          | 1.8918   | 39,517   | 2,005,344          | 0.3589   | 7,197    |
| 2015        | 2,005,152          | 1.9103   | 38,304   | 2,040,750          | 0.3530   | 7,204    |
| 2016        | 2,057,548          | 2.3000   | 47,324   | 2,057,548          | 0.3498   | 7,197    |
| 2017        | 2,119,751          | 2.2874   | 48,487   | 2,119,751          | 0.3395   | 7,197    |
| 2018        | 2,239,027          | 2.2330   | 49,997   | 2,239,027          | 0.3099   | 6,939    |
| 2019        | 2,355,433          | 2.1766   | 51,268   | 2,355,433          | 0.1857   | 4,374    |
| 2020        | 2,521,252          | 2.0833   | 52,525   | 2,521,252          | 0.1299   | 3,275    |
| 2021        | 2,689,422          | 2.0193   | 54,308   | 2,689,422          | 0.2836   | 7,627    |

Source: County assessment records and Pinal County 2020-2021 Tax Levies/Rates Per \$100 of Valuation - A.R.S. §42-17151

**Pinal County Community College District**  
**Principal Property Taxpayers for Pinal County**  
 Tax Year 2021 and Tax Year 2012  
 (\$ Amounts expressed in thousands)

| Taxpayer                           | 2021                   |      |                        | 2012                   |      |                        |
|------------------------------------|------------------------|------|------------------------|------------------------|------|------------------------|
|                                    | Primary Assessed Value | Rank | Percent of Total Value | Primary Assessed Value | Rank | Percent of Total Value |
| Arizona Public Service Company     | \$ 85,756              | 1    | 3.64%                  | \$ 84,561              | 2    | 2.94%                  |
| CCA Properties of Arizona LLC      | 40,187                 | 2    | 1.71%                  | 25,958                 | 3    | 0.90%                  |
| ASARCO LLC/Ray Copper Complex      | 28,838                 | 3    | 1.22%                  | 102,296                | 1    | 3.55%                  |
| El Paso Natural Gas                | 24,763                 | 4    | 1.05%                  | 17,680                 | 4    | 0.61%                  |
| Southwest Gas Corporation          | 20,252                 | 5    | 0.86%                  | 11,123                 | 8    | 0.39%                  |
| Unisource Energy Corporation (EPF) | 19,422                 | 6    | 0.82%                  |                        |      |                        |
| Arizona Water Company              | 15,103                 | 7    | 0.64%                  | 11,266                 | 7    | 0.39%                  |
| Union Pacific Railroad             | 14,654                 | 8    | 0.62%                  |                        |      |                        |
| Corrections Corporation of America | 14,546                 | 9    | 0.62%                  | 13,437                 | 5    | 0.47%                  |
| Johnson Utilities                  | 11,236                 | 10   | 0.48%                  | 10,204                 | 9    | 0.35%                  |
| Qwest Corporation                  |                        |      |                        | 11,615                 | 6    | 0.40%                  |
| Walmart                            |                        |      |                        | 8,732                  | 10   | 0.30%                  |
| <b>Total</b>                       | <b>\$ 274,757</b>      |      | <b>11.66%</b>          | <b>\$ 296,872</b>      |      | <b>10.31%</b>          |
| <b>Total Assessed Value</b>        | <b>\$ 2,355,433</b>    |      |                        | <b>\$ 2,880,552</b>    |      |                        |

Source: County Treasurer Tax Records - Top Fifty Taxpayers - Run 4/18/22

**Pinal County Community College District**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

| Fiscal Year | General Obligation Bonds |            | GO Refunding Bonds |           | Revenue Bonds |           | Premium    |           | Pledged Revenue Obligations |           | Capital Lease Obligations |      | Total Outstanding Debt |  | Percentage of Personal Income <sup>4</sup> |  | Per Capita <sup>1</sup> |
|-------------|--------------------------|------------|--------------------|-----------|---------------|-----------|------------|-----------|-----------------------------|-----------|---------------------------|------|------------------------|--|--|--|-------------------------|
|             |                          |            |                    |           |               |           |            |           |                             |           | APS                       | FAEF |                        |  |  |  |                         |
| 2011        | 38,175,000               | -          | 6,300,000          | -         | -             | -         | -          | -         | 8,015,000                   | 4,395,559 | 56,885,559                | 151  | 0.016%                 |  |  |  |                         |
| 2012        | 93,930,000               | -          | 5,625,000          | -         | 2,103,512     | 7,135,000 | 2,103,512  | 4,114,812 | 112,908,324                 | 295       | 0.008%                    |      |                        |  |  |  |                         |
| 2013        | 91,340,000               | -          | 4,920,000          | -         | 2,015,866     | 6,225,000 | 2,015,866  | 3,820,835 | 108,321,701                 | 280       | 0.009%                    |      |                        |  |  |  |                         |
| 2014        | 88,680,000               | -          | 4,185,000          | -         | 1,928,220     | 5,285,000 | 1,928,220  | 3,512,996 | 103,591,216                 | 266       | 0.010%                    |      |                        |  |  |  |                         |
| 2015        | 85,940,000               | -          | -                  | 7,815,000 | 1,840,574     | -         | 1,840,574  | 3,190,640 | 98,786,214                  | 243       | 0.011%                    |      |                        |  |  |  |                         |
| 2016        | 53,875,000               | 28,895,000 | -                  | 6,204,970 | 5,891,784     | -         | 5,891,784  | 2,853,081 | 97,719,835                  | 233       | 0.012%                    |      |                        |  |  |  |                         |
| 2017        | 50,970,000               | 28,850,000 | 27,535,000         | 4,165,000 | 8,541,553     | -         | 8,541,553  | 2,499,602 | 122,561,155                 | 286       | 0.010%                    |      |                        |  |  |  |                         |
| 2018        | 47,960,000               | 28,770,000 | 27,535,000         | 2,100,000 | 8,067,794     | -         | 8,067,794  | 2,129,451 | 116,562,245                 | 264       | 0.011%                    |      |                        |  |  |  |                         |
| 2019        | 44,845,000               | 28,690,000 | 27,535,000         | -         | 7,594,035     | -         | 7,594,035  | 1,741,851 | 110,405,886                 | 244       | 0.012%                    |      |                        |  |  |  |                         |
| 2020        | 42,955,000               | 27,275,000 | 26,470,000         | -         | 7,120,275     | -         | 7,120,275  | 1,335,979 | 105,156,254                 | 228       | 0.014%                    |      |                        |  |  |  |                         |
| 2021        | -                        | 61,360,000 | 25,375,000         | -         | 11,313,675    | -         | 11,313,675 | 910,982   | 101,969,868                 | 227       | 0.017%                    |      |                        |  |  |  |                         |

<sup>1</sup> Pinal County Demographic and Economic Statistics .

Source: District records, Bureau of Economic Analysis and Arizona Department of Economic Security

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

| Fiscal Year | Estimated<br>Population<br>Pinal<br>County<br>(000's) <sup>1</sup> | Secondary<br>Assessed<br>Value (000's) | General<br>Obligation<br>Bonds <sup>2</sup> | Amount<br>Available for<br>Retirement of<br>GO Bond Debt | Net Bonded<br>Debt | Percentage<br>of Net<br>Bonded<br>Debt to<br>Assessed<br>Value |                                  |
|-------------|--|--|---|--|--------------------|--|----------------------------------|
|             |  |  |   |  |                    | Net Bonded<br>Debt Per<br>Capita                               | Net Bonded<br>Debt Per<br>Capita |
| 2011        | 376  | 2,673,415                              | 38,175,000                                  | 14,679,551   | 23,495,449         | 0.9%   | 62.49                            |
| 2012        | 383  | 2,218,642                              | 96,033,512                                  | 21,436,424   | 74,597,088         | 3.4%   | 194.77                           |
| 2013        | 387  | 2,177,013                              | 93,355,866                                  | 2,072,835  | 91,283,031         | 4.2%   | 235.87                           |
| 2014        | 389  | 2,005,344                              | 90,608,220                                  | 520,040  | 90,088,180         | 4.5%   | 231.59                           |
| 2015        | 379  | 2,040,750                              | 87,780,574                                  | 3,267,049  | 84,513,525         | 4.1%   | 222.99                           |
| 2016        | 417  | 2,057,548                              | 88,661,784                                  | 3,932,263  | 84,729,521         | 4.1%   | 203.19                           |
| 2017        | 428  | 2,119,751                              | 88,361,553                                  | 7,914,392  | 80,447,161         | 3.8%   | 187.96                           |
| 2018        | 441  | 2,239,027                              | 84,797,793                                  | 5,749,219  | 79,048,574         | 3.5%   | 179.25                           |
| 2019        | 453  | 2,355,433                              | 81,129,035                                  | 4,043,450  | 77,085,585         | 3.3%   | 170.17                           |
| 2020        | 462  | 2,521,252                              | 77,350,275                                  | 54,524,927   | 22,825,348         | 0.9%   | 49.41                            |
| 2021        | 450  | 2,689,422                              | 72,673,675                                  | 2,588,712  | 70,084,963         | 2.6%   | 155.74                           |

<sup>1</sup> Demographic and Economic Statistics for Pinal County.

<sup>2</sup> Presented net of original issuance discounts and premiums.

Source: District records, Pinal County Assessors Office, and Arizona Department of Economic Security

Pinal County Community College District  
 Ratio of Annual Debt Service Expenditures to Operating Expenses/Expenditures  
 Last Ten Fiscal Years

| Fiscal Year | GO Bonds  |           | GO Refunding Bonds |           | Revenue Bonds |           | Pledged Revenue Obligations |          | Revenue Refunding Bonds |          | Capital Lease |          | Total Debt Service | Total Operating Expenses / Expenditures | Percentage of Debt Service to Operating Expenses / Expenditures |
|-------------|-----------|-----------|--------------------|-----------|---------------|-----------|-----------------------------|----------|-------------------------|----------|---------------|----------|--------------------|---|---|
|             | Principal | Interest  | Principal          | Interest  | Principal     | Interest  | Principal                   | Interest | Principal               | Interest | Principal     | Interest |                    |   |   |
| 2012        | 3,220,000 | 2,773,319 | -                  | -         | 675,000       | 257,478   | 880,000                     | 290,650  | -                       | -        | 280,746       | 188,187  | 8,565,380          | 61,463,297                              | 13.9%   |
| 2013        | 2,590,000 | 3,962,018 | -                  | -         | 705,000       | 228,134   | 910,000                     | 262,663  | -                       | -        | 293,978       | 175,832  | 9,127,625          | 63,505,946                              | 14.4%   |
| 2014        | 2,660,000 | 3,890,118 | -                  | -         | 735,000       | 196,175   | 940,000                     | 229,075  | -                       | -        | 307,839       | 162,895  | 9,121,102          | 65,229,663                              | 14.0%   |
| 2015        | 2,740,000 | 3,816,018 | -                  | -         | 765,000       | 5,647     | 960,000                     | 6,653    | -                       | 54,197   | 322,356       | 149,347  | 8,639,218          | 63,356,232                              | 14.0%   |
| 2016        | 2,810,000 | 3,739,418 | -                  | -         | -             | -         | -                           | -        | 1,610,030               | 100,920  | 337,559       | 65,765   | 8,663,692          | 64,554,751                              | 13.4%   |
| 2017        | 2,905,000 | 2,149,026 | 45,000             | 1,208,410 | -             | -         | -                           | -        | 2,039,970               | 75,701   | 353,479       | 120,306  | 8,896,692          | 66,707,369                              | 13.3%   |
| 2018        | 3,010,000 | 2,050,126 | 80,000             | 1,174,850 | -             | 1,132,393 | -                           | -        | 2,065,000               | 45,735   | 370,149       | 104,751  | 10,033,004         | 63,934,708                              | 15.7%   |
| 2019        | 3,115,000 | 1,947,576 | 80,000             | 1,173,250 | -             | 1,216,900 | -                           | -        | 2,100,000               | 15,330   | 387,601       | 88,461   | 10,124,118         | 66,398,151                              | 15.2%   |
| 2020        | 1,890,000 | 1,892,526 | 1,415,000          | 1,171,650 | 1,065,000     | 1,200,925 | -                           | -        | -                       | -        | 405,871       | 71,404   | 9,112,376          | 64,424,905                              | 14.1%   |
| 2021        | 1,950,000 | 905,413   | 1,950,000          | 1,500,763 | 1,095,000     | 1,163,050 | -                           | -        | -                       | -        | 46,917        | 2,087    | 9,091,770          | 64,090,382                              | 14.2%   |

Source: District records

**Pinal County Community College District**  
**Ratio of Pledged Revenue Obligations to Annual Debt Service Expenditures**  
**Last Ten Fiscal Years**

| Fiscal Year <sup>2</sup> | Pledged Revenues | Revenue Bonds <sup>1</sup> |           | Revenue Refunding Bonds <sup>2</sup> |          | Pledged Revenue Obligations <sup>1</sup> |          | Total Debt Service | Coverage |
|--------------------------|------------------|----------------------------|-----------|--------------------------------------|----------|--|----------|--------------------|----------|
|                          |                  | Principal                  | Interest  | Principal                            | Interest | Principal                                | Interest |                    |          |
| 2012                     | 6,039,739        | 675,000                    | 257,478   | -                                    | -        | 880,000                                  | 290,650  | 2,103,128          | 2.87     |
| 2013                     | 6,279,612        | 705,000                    | 228,134   | -                                    | -        | 910,000                                  | 262,663  | 2,105,797          | 2.98     |
| 2014                     | 5,521,834        | 735,000                    | 196,175   | -                                    | -        | 940,000                                  | 229,075  | 2,100,250          | 2.63     |
| 2015                     | 5,623,845        | 765,000                    | 5,647     | -                                    | 54,197   | 980,000                                  | 6,653    | 1,811,497          | 3.10     |
| 2016                     | 6,937,876        | -                          | -         | 1,610,030                            | 100,920  | -  | -        | 1,710,950          | 4.05     |
| 2017                     | 6,184,668        | -                          | -         | 2,039,970                            | 75,701   | -  | -        | 2,115,671          | 2.92     |
| 2018                     | 7,375,281        | -                          | 1,132,393 | 2,065,000                            | 45,735   | -  | -        | 3,243,128          | 2.27     |
| 2019                     | 5,836,094        | -                          | 1,216,900 | 2,100,000                            | 15,330   | -  | -        | 3,332,230          | 1.75     |
| 2020                     | 5,238,079        | 1,065,000                  | 1,200,925 | -                                    | -        | -  | -        | 2,265,925          | 2.31     |
| 2021                     | 3,395,398        | 1,095,000                  | 1,163,050 | -                                    | -        | -  | -        | 2,258,050          | 1.50     |

<sup>1</sup> Revenue bonds and pledged revenue obligations are secured by the District's tuition and fees and dormitory rental and fees revenue.

<sup>2</sup> Revenue refunding bonds issued in 2015, used to refund the outstanding balances of the revenue and pledged revenue bonds, are secured by the District's gross revenues.

Source: District records

**Pinal County Community College District**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
 (Amounts expressed in thousands)

|  | 2012         | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Secondary assessed valuation of real and personal property           | \$ 2,218,642 | \$ 2,177,012 | \$ 2,005,344 | \$ 2,040,750 | \$ 2,057,548 | \$ 2,119,751 | \$ 2,239,027 | \$ 2,355,433 | \$ 2,521,252 | \$ 2,689,422 |
| Debt Limit, 15% of secondary assessed value                          | 332,796      | 326,552      | 300,802      | 306,113      | 308,632      | 317,963      | 335,854      | 353,315      | 378,188      | 403,413      |
| Total net debt applicable to limit                                   | 93,930       | 91,340       | 88,680       | 85,940       | 85,623       | 82,320       | 78,859       | 75,277       | 71,566       | 65,281       |
| Legal Debt Margin  | \$ 238,866   | \$ 235,212   | \$ 212,122   | \$ 220,173   | \$ 223,009   | \$ 235,643   | \$ 256,995   | \$ 278,038   | \$ 306,622   | \$ 338,132   |
| Total net debt applicable to the limit as a percentage of debt limit | 28.22%       | 27.97%       | 29.48%       | 28.07%       | 27.74%       | 25.89%       | 23.48%       | 21.31%       | 18.92%       | 16.18%       |

Source: Pinal County Assessor's Office and District Records



**Pinal County Community College District  
Principal Employers for Pinal County  
Fiscal Year 2020 and Fiscal Year 2011**

|   | 2020     |                        |       | 2011                               |           |       |
|---|----------|------------------------|-------|------------------------------------|-----------|-------|
|   | Employer | Employees <sup>1</sup> | Rank  | Percent of Total County Employment | Employees | Rank  |
| Pinal County Government                                     | 2,920    | 1                      | 1.74% | 2,471                              | 2         | 2.18% |
| State of Arizona  | 2,500    | 2                      | 1.49% | 2,910                              | 1         | 2.57% |
| Corecivic Inc (formerly Corrections Corporation of America) | 1,980    | 3                      | 1.18% | 2,430                              | 3         | 2.14% |
| Walmart   | 1,750    | 4                      | 1.04% | 1,660                              | 5         | 1.46% |
| Casa Grande Union High School District                      | 970      | 5                      | 0.58% |                                    |           |       |
| Harrahs Akchin Hotel and Casino                             | 800      | 6                      | 0.48% |                                    |           |       |
| Gila River Indian Community                                 | 790      | 7                      | 0.47% | 2050                               | 4         | 1.81% |
| Banner Health (formerly Casa Grande Community Hospital)     | 730      | 8                      | 0.44% | 820                                | 9         | 0.72% |
| Fry's Food Store  | 680      | 9                      | 0.41% |                                    |           |       |
| Maricopa Unified School District                            | 670      | 10                     | 0.40% |                                    |           |       |
| Ray Mines Plant   |          |                        |       | 830                                | 7         | 0.73% |
| Hu Hu Kam Memorial Hospital                                 |          |                        |       | 820                                | 8         | 0.72% |
| Pinal County Community College District                     |          |                        |       | 910                                | 6         | 0.80% |
| Federal Government  |          |                        |       | 790                                | 10        | 0.70% |

<sup>1</sup> Estimated number of full-time equivalent employees

2020 Source: Maricopa Association of Governments - Data 2019/2020  
<https://geo.azmag.gov/maps/azemployer/>

Sort - Pinal County Employers

2011 Source: FY 10-11 Pinal County CAFR

**Pinal County Community College District**  
**Pinal County Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

(\$ Amounts expressed in thousands)

| <b>Fiscal Year</b> | <b>Population<sup>1</sup></b> | <b>Personal Income<sup>2</sup></b> | <b>Per Capita Income<sup>2</sup></b> | <b>Unemployment Rate<sup>1</sup></b> |
|--------------------|-------------------------------|------------------------------------|--------------------------------------|--------------------------------------|
| 2010/11            | 384                           | 8,848,824                          | 23                                   | 10.9%                                |
| 2011/12            | 389                           | 9,301,945                          | 25                                   | 9.1%                                 |
| 2012/13            | 394                           | 9,537,601                          | 25                                   | 8.6%                                 |
| 2013/14            | 396                           | 10,027,602                         | 26                                   | 7.3%                                 |
| 2014/15            | 406                           | 10,665,065                         | 27                                   | 6.6%                                 |
| 2015/16            | 413                           | 11,259,846                         | 28                                   | 5.8%                                 |
| 2016/17            | 428                           | 11,827,274                         | 28                                   | 5.2%                                 |
| 2017/18            | 441                           | 12,609,714                         | 29                                   | 5.2%                                 |
| 2018/19            | 453                           | 13,701,923                         | 31                                   | 5.5%                                 |
| 2019/20            | 462                           | 14,893,430                         | 32                                   | 6.2%                                 |
| 2020/21            | 450                           | 17,285,148                         | 36                                   | 5.7%                                 |

<sup>1</sup> Population and unemployment data was obtained from US Census Bureau Quick Facts - Pinal County, and Ycharts - Pinal County, AZ Unemployment Rates

[https://ycharts.com/indicators/pinal\\_county\\_az\\_unemployment\\_rate](https://ycharts.com/indicators/pinal_county_az_unemployment_rate)

<https://www.census.gov/quickfacts/pinalcountyarizona>

<sup>2</sup> Personal income 2020 and per capital income data is obtained from Arizona REAP Project - [www.arizona.reaproject.org](http://www.arizona.reaproject.org)

<https://arizona.reaproject.org/>

**Pinal County Community College District  
Economic Indicators for Pinal County**

| <b>Employment by Sector<sup>1</sup></b>               | <b># of Employees</b> | <b>Percent</b> |
|---|-----------------------|----------------|
| Education, healthcare and social assistance           | 36,349                | 21.7%          |
| Retail trade  | 21,481                | 12.8%          |
| Arts, entertainment and recreation                    | 15,485                | 9.2%           |
| Manufacturing   | 14,291                | 8.5%           |
| Professional, scientific, and management              | 18,038                | 10.8%          |
| Public administration                                 | 11,971                | 7.1%           |
| Finance and insurance                                 | 11,266                | 6.7%           |
| Construction  | 11,288                | 6.7%           |
| Other services (except public transportation)         | 7,275                 | 4.3%           |
| Transportation, warehousing and utilities             | 9,709                 | 5.8%           |
| Agriculture, forestry, fishing and mining             | 4,396                 | 2.6%           |
| Wholesale trade                                       | 3,281                 | 2.0%           |
| Information   | 2,839                 | 1.7%           |
| <i>Civilian employed population 16 years and over</i> | <b>167,669</b>        | <b>100.0%</b>  |

| <b>Employment by Occupation<sup>1</sup></b>           | <b># of Employees</b> | <b>Percent</b> |
|---|-----------------------|----------------|
| Management, business, science and arts                | 41,024                | 34.3%          |
| Sales and office                                      | 25,830                | 21.6%          |
| Service   | 22,205                | 18.6%          |
| Natural resources, construction and maintenance       | 13,826                | 11.6%          |
| Production, transportation and material moving        | 16,552                | 13.9%          |
| <i>Civilian employed population 16 years and over</i> | <b>119,437</b>        | <b>100.0%</b>  |

**Unemployment Rate<sup>2</sup> 5.70%**

<sup>1</sup> US Census Bureau - 2020 American Community Survey (ACS) 1-Year Estimates;  
Accessed 04/27/22

*Occupation by Sex for the Civilian Employed Population 16 years and over.*

<https://data.census.gov/cedsci/table?q=Pinal%20County,%20Arizona%20Employment&y=2020&tid=ACSST5>

<https://data.census.gov/cedsci/table?q=Pinal%20County,%20Arizona%20Employment&y=2020&tid=ACSST5Y2020.S2402>

<sup>2</sup> Unemployment data was obtained from Ycharts - Pinal County, AZ Unemployment Rates

[https://ycharts.com/indicators/pinal\\_county\\_az\\_unemployment\\_rate](https://ycharts.com/indicators/pinal_county_az_unemployment_rate)

**Pinal County Community College District  
Miscellaneous Statistics for Pinal County**

|                              |                                  |
|------------------------------|----------------------------------|
| <b>Established</b>           | February 1, 1875                 |
| <b>Geographical Location</b> | South central portion of Arizona |
| <b>Total Area</b>            | 5,374 Square Miles               |
| <b>County Seat</b>           | Florence                         |

| <b>Population</b> | <b>2000</b> | <b>2010</b> | <b>2020</b> |
|-------------------|-------------|-------------|-------------|
| Pinal County      |             | 375,770     | 447,559     |
| State of Arizona  | 5,130,632   | 6,392,310   | 7,174,064   |

| <b>Age Distribution</b>                  | <b>% of Total</b>   |                         |
|--|---------------------|-------------------------|
|  | <b>Pinal County</b> | <b>State of Arizona</b> |
| Persons under 5 years, percent, 2019     | 5.6%                | 6.0%                    |
| Persons 5 to under 19, percent 2019      | 19.3%               | 19.6%                   |
| Persons 20 to under 24, percent 2019     | 5.6%                | 6.8%                    |
| Persons 25 to under 34, percent 2019     | 13.2%               | 13.8%                   |
| Persons 35 to under 44, percent 2019     | 13.0%               | 12.3%                   |
| Persons 45 to under 54, percent 2019     | 11.1%               | 11.9%                   |
| Persons 55 to under 59, percent 2019     | 5.9%                | 6.1%                    |
| Persons 60 years and over, percent, 2019 | 26.3%               | 23.5%                   |
| Female persons, percent, 2019            | 48.1%               | 50.3%                   |

| <b>Population Composition</b>                                  | <b>% of Total</b>   |                         |
|--|---------------------|-------------------------|
|  | <b>Pinal County</b> | <b>State of Arizona</b> |
| White alone, percent, 2020                                     | 56.4%               | 53.4%                   |
| Hispanic or Latino   | 28.6%               | 30.7%                   |
| Black or African American alone, percent, 2020                 | 4.9%                | 4.4%                    |
| American Indian and Alaska Native alone, percent, 2020         | 4.0%                | 3.7%                    |
| Asian alone or Native Hawaiian or other Pacific Islander alone | 1.7%                | 3.7%                    |
| Some other race alone or two or more races                     | 4.3%                | 4.2%                    |
|  | 100.00%             | 100.00%                 |

Source: US Census Bureau 2020: ACS 5-Year Estimates Subject Table: Age and Sex - Accessed 04/28/22

<https://data.census.gov/cedsci/table?g=0500000US04021&tid=ACST5Y2020.S0101>

Arizona Department of Economic Security: *Arizona Counties Demographics and DES Client/Provider*

**Pinal County Community College District  
Student Enrollment, Degree and Demographic Statistics  
Last Ten Fiscal Years**

| Student Enrollment |            |           |        |        |              |           |               |              |         |                |
|--------------------|------------|-----------|--------|--------|--------------|-----------|---------------|--------------|---------|----------------|
| Fiscal Year        | Enrollment |           | Gender |        |              | Residency |               |              |         |                |
|                    | Full-Time  | Part-Time | Male   | Female | Not Recorded | Resident  | Out of County | Out of State | Foreign | Not Identified |
| 2012               | 2,656      | 11,752    | 42.3%  | 57.1%  | 0.6%         | 76.3%     | 17.5%         | 4.0%         | 0.2%    | 2.0%           |
| 2013               | 2,367      | 10,849    | 41.0%  | 58.9%  | 0.1%         | 76.5%     | 17.0%         | 4.3%         | 0.2%    | 2.0%           |
| 2014               | 2,103      | 9,643     | 40.3%  | 59.4%  | 0.3%         | 77.4%     | 16.4%         | 4.2%         | 0.2%    | 1.8%           |
| 2015               | 2,017      | 8,684     | 40.2%  | 59.2%  | 0.6%         | 78.3%     | 16.4%         | 4.2%         | 0.3%    | 0.9%           |
| 2016               | 1,901      | 8,330     | 40.3%  | 58.8%  | 0.9%         | 77.7%     | 16.7%         | 3.7%         | 0.3%    | 1.5%           |
| 2017               | 1,821      | 7,920     | 40.1%  | 58.5%  | 1.3%         | 77.6%     | 15.8%         | 3.1%         | 0.3%    | 3.2%           |
| 2018               | 1,302      | 6,784     | 42.0%  | 57.2%  | 0.8%         | 82.4%     | 13.9%         | 3.3%         | 0.4%    | 0.0%           |
| 2019               | 1,199      | 6,177     | 40.0%  | 59.0%  | 1.0%         | 64.0%     | 11.0%         | 4.0%         | 0.0%    | 21.0%          |
| 2020               | 2,229      | 5,864     | 41.7%  | 57.8%  | 0.6%         | 52.7%     | 38.0%         | 3.6%         | 0.0%    | 5.8%           |
| 2021               | 1,275      | 5,042     | 35.1%  | 64.2%  | 0.7%         | 45.1%     | 51.0%         | 3.9%         | 0.0%    | 0.0%           |

| Degrees and Certificates Awarded |         |              |
|----------------------------------|---------|--------------|
| Fiscal Year                      | Degrees | Certificates |
|                                  | Awarded | Awarded      |
| 2012                             | 518     | 513          |
| 2013                             | 552     | 563          |
| 2014                             | 532     | 360          |
| 2015                             | 569     | 541          |
| 2016                             | 589     | 551          |
| 2017                             | 566     | 575          |
| 2018                             | 541     | 736          |
| 2019                             | 600     | 836          |
| 2020                             | 523     | 804          |
| 2021                             | 587     | 581          |

| Demographic Statistics |        |         |                   |                  |                           |                 |          |       |       |                |
|------------------------|--------|---------|-------------------|------------------|---------------------------|-----------------|----------|-------|-------|----------------|
| Fiscal Year            | Age    |         | Ethnic Background |                  |                           |                 |          |       |       | Not Identified |
|                        | Median | Average | Asian American    | African American | Hawaiian-Pacific Islander | Native American | Hispanic | White | Other |                |
| 2012                   | 26     | 30      | 1.4%              | 7.3%             | 0.5%                      | 5.3%            | 28.0%    | 48.6% | 2.6%  | 6.3%           |
| 2013                   | 25     | 29      | 1.4%              | 7.3%             | 0.5%                      | 5.1%            | 28.9%    | 47.1% | 3.1%  | 6.6%           |
| 2014                   | 24     | 28      | 1.7%              | 7.0%             | 0.5%                      | 5.1%            | 29.1%    | 45.9% | 3.3%  | 7.4%           |
| 2015                   | 24     | 28      | 1.7%              | 6.6%             | 0.5%                      | 4.8%            | 28.6%    | 45.5% | 3.7%  | 8.7%           |
| 2016                   | 23     | 28      | 1.9%              | 6.6%             | 0.5%                      | 5.1%            | 29.5%    | 43.9% | 3.9%  | 8.5%           |
| 2017                   | 23     | 27      | 2.1%              | 7.2%             | 0.5%                      | 5.2%            | 31.0%    | 41.6% | 3.7%  | 8.7%           |
| 2018                   | 23     | 29      | 1.8%              | 7.2%             | 0.5%                      | 5.1%            | 31.9%    | 40.4% | 4.6%  | 8.4%           |
| 2019                   | 22     | 27      | 2.0%              | 7.0%             | 0.0%                      | 5.0%            | 35.0%    | 39.0% | 4.0%  | 8.0%           |
| 2020                   | 22     | 26      | 1.8%              | 6.9%             | 0.3%                      | 4.3%            | 36.6%    | 39.7% | 3.8%  | 6.6%           |
| 2021                   | 21     | 25      | 2.0%              | 6.6%             | 0.3%                      | 3.8%            | 37.8%    | 39.5% | 4.7%  | 5.3%           |

Source: District Records  
District IPEDS Data Feedback Report 2020

**Pinal County Community College District  
Historic Enrollment  
Last Ten Fiscal Years**

|  | 2021           | 2020          | 2019           | 2018           | 2017           | 2016            | 2015            | 2014            | 2013            | 2012            |
|--|----------------|---------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Headcount</b>                                     |                | 8093          | 8517           | 8086           | 9741           | 10,231          | 10,701          | 11,746          | 13,216          | 14,408          |
| <b>Full time student enrollment (FTSE) by campus</b> | <b>2021</b>    | <b>2020</b>   | <b>2019</b>    | <b>2018</b>    | <b>2017</b>    | <b>2016</b>     | <b>2015</b>     | <b>2014</b>     | <b>2013</b>     | <b>2012</b>     |
| Aravaipa   | 11.43          | 39.62         | 43.57          | 64.71          | 72.13          | 73.89           | 83.51           | 75.10           | 95.95           | 134.68          |
| Arizona Learning System                              |                |               |                |                |                |                 |                 |                 |                 |                 |
| Arizona State Prison                                 |                | 98.35         | 173.47         | 186.82         | 131.95         | 135.15          | 150.08          | 171.87          | 301.92          | 410.70          |
| Casa Grande Center                                   | 14.15          | 49.52         | 15.05          | 36.78          | 42.24          | 45.48           | 60.95           | 81.22           | 83.97           | 18.80           |
| Central Corporate Center                             | 19.30          | 52.28         | 39.83          | 27.45          | 51.81          | 70.97           | 100.47          | 112.40          | 123.11          | 96.94           |
| Coolidge   |                |               |                |                |                |                 |                 |                 | 65.84           | 25.08           |
| District/Statewide Programs                          |                |               |                |                |                |                 |                 |                 | 1.20            | 732.73          |
| Florence Center                                      |                | 0.10          |                | 0.35           | 0.40           | 1.97            | 3.58            | 10.80           | 10.77           | 10.43           |
| Maricopa Campus                                      | 114.12         | 240.82        | 217.65         | 285.54         | 282.88         | 276.74          | 265.45          | 259.50          | 180.58          | 122.15          |
| Saddlebrooke Center                                  |                |               |                |                |                |                 |                 | 1.90            | 4.45            | 6.16            |
| San/Tan Johnson Ranch                                | 118.13         | 297.32        | 286.82         | 325.47         | 319.84         | 329.29          | 287.67          | 216.58          | 213.12          | 201.22          |
| Signal Peak  | 534.82         | 1,153.74      | 1,082.68       | 1,256.55       | 1,289.27       | 1,392.33        | 1,424.56        | 1,595.98        | 1,733.90        | 2,603.57        |
| Superstition Mountain                                | 184.60         | 254.18        | 243.90         | 310.23         | 344.20         | 386.42          | 457.15          | 509.71          | 603.32          | 588.35          |
| Virtual <sup>2</sup>                                 | 1,657.73       | 1,246.17      | 963.45         | 1,126.55       | 1,186.25       | 1,236.47        | 1,296.62        | 1,390.58        | 1,475.23        | 193.42          |
| WFD-East <sup>1</sup>                                |                |               |                |                |                |                 |                 |                 |                 | 5.10            |
| WFD-North <sup>1</sup>                               |                |               |                |                |                |                 |                 |                 |                 | 29.00           |
| WFD-West <sup>1</sup>                                |                |               |                |                |                |                 |                 |                 |                 | 67.95           |
| <b>Total District FTSE</b>                           | <b>2654.28</b> | <b>3432.1</b> | <b>3066.42</b> | <b>3620.45</b> | <b>3720.97</b> | <b>3,948.71</b> | <b>4,130.04</b> | <b>4,425.64</b> | <b>4,893.36</b> | <b>5,246.28</b> |

<sup>1</sup> Starting in 2013 WFD (Workforce Development) numbers were combined with the other campuses.

<sup>2</sup> Beginning in 2012 FTSE from online classes is being counted as a separate campus. In previous years online courses were credited to the campus that originated the course.

Source: District Records

**Pinal County Community College District  
Faculty and Staff Statistics  
Last Ten Fiscal Years**

|                        | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|------------------------|------|------|------|------|------|------|------|------|------|------|
| Full-Time Teaching     | 96   | 99   | 98   | 105  | 103  | 107  | 96   | 92   | 95   | 91   |
| Non-Teaching Support   | 122  | 129  | 129  | 121  | 108  | 115  | 110  | 119  | 122  | 125  |
| Managerial & Technical | 144  | 144  | 129  | 138  | 131  | 127  | 137  | 130  | 131  | 127  |
| Administration         | 20   | 18   | 15   | 16   | 15   | 15   | 14   | 13   | 15   | 16   |
| Total Non-Teaching     | 286  | 291  | 273  | 275  | 254  | 257  | 261  | 262  | 268  | 268  |
| Total Full-Time        | 382  | 390  | 371  | 380  | 357  | 364  | 357  | 354  | 363  | 359  |
| Part-Time Teaching     | 134  | 182  | 192  | 245  | 273  | 272  | 311  | 381  | 420  | 428  |
| Non-Teaching           | 109  | 142  | 198  | 193  | 228  | 260  | 244  | 204  | 194  | 254  |
| Total Part-Time        | 243  | 324  | 390  | 438  | 501  | 532  | 555  | 585  | 614  | 682  |
| Total Employees        | 625  | 714  | 761  | 818  | 858  | 896  | 912  | 939  | 977  | 1041 |

Source: District Records, IPEDS Human Resources Report, FY21

**Pinal County Community College District**  
**Capital Asset Information**  
**Last Ten Fiscal Years**

| Asset Type                                   | 2021                  | 2020                  | 2019                  | 2018                  | 2017                  | 2016                  | 2015                  | 2014                  | 2013                  | 2012                  |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Capital assets not being depreciated         |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Land   | \$ 25,936,873         | \$ 26,013,275         | \$ 26,013,275         | \$ 26,013,275         | \$ 26,013,275         | \$ 26,013,275         | \$ 26,013,275         | \$ 26,013,275         | \$ 26,013,275         | \$ 26,013,275         |
| Construction in progress                     | 408,968               | 266,654               | 153,281               | 29,252,375            | 6,070,742             | 993,854               | 153,281               | -                     | 44,097,762            | 41,350,472            |
| Total capital assets not being depreciated   | <u>26,345,841</u>     | <u>26,279,929</u>     | <u>26,166,556</u>     | <u>55,265,650</u>     | <u>32,084,017</u>     | <u>27,007,129</u>     | <u>26,166,556</u>     | <u>26,013,275</u>     | <u>70,111,037</u>     | <u>67,363,747</u>     |
| Capital assets being depreciated:            |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Buildings                                    | 170,892,771           | 166,997,330           | 166,287,022           | 140,130,164           | 139,665,547           | 138,685,393           | 137,871,866           | 137,281,629           | 96,647,063            | 61,076,660            |
| Improvements other than buildings            | 29,654,259            | 29,581,896            | 28,721,882            | 29,293,242            | 29,293,242            | 29,717,401            | 29,739,695            | 29,705,822            | 22,217,817            | 14,536,352            |
| Water rights                                 | 1,171,172             | 1,171,172             | 1,171,172             | 1,171,172             | 1,171,172             | 1,171,172             | 1,171,172             | 1,171,172             | 1,171,172             | 1,171,172             |
| Other intangibles                            | 3,377,138             | 3,377,138             | 3,377,138             | -                     | -                     | -                     | -                     | -                     | 25,999                | 11,750                |
| Equipment                                    | 17,140,648            | 17,416,251            | 16,752,638            | 15,045,854            | 14,526,303            | 14,204,932            | 15,314,349            | 14,830,718            | 15,149,558            | 13,595,640            |
| Library books                                | 1,642,274             | 1,712,232             | 1,745,366             | 1,899,721             | 1,895,446             | 1,902,492             | 2,001,628             | 1,888,256             | 1,683,083             | 1,499,840             |
| Total capital assets being depreciated       | <u>223,878,262</u>    | <u>220,256,019</u>    | <u>218,055,218</u>    | <u>187,540,153</u>    | <u>186,551,710</u>    | <u>185,681,390</u>    | <u>186,098,710</u>    | <u>184,877,597</u>    | <u>136,894,692</u>    | <u>91,891,414</u>     |
| Less accumulated depreciation for:           |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Buildings                                    | 47,950,324            | 44,242,752            | 40,467,812            | 39,165,923            | 36,077,125            | 33,104,020            | 30,125,656            | 27,082,762            | 24,899,090            | 22,953,066            |
| Improvements other than buildings            | 18,424,299            | 16,740,818            | 15,003,656            | 13,882,734            | 12,156,560            | 10,730,082            | 8,904,082             | 7,045,881             | 5,368,570             | 4,264,299             |
| Water rights                                 | 105,404               | 93,693                | 81,981                | 70,269                | 58,558                | 46,847                | 35,135                | 11,712                | -                     | -                     |
| Other intangibles                            | 450,285               | 225,143               | -                     | -                     | -                     | -                     | -                     | -                     | 13,000                | 1,175                 |
| Equipment                                    | 14,673,943            | 14,471,217            | 13,517,365            | 13,271,877            | 12,552,714            | 11,983,014            | 12,611,194            | 11,599,555            | 12,650,299            | 11,389,781            |
| Library books                                | 1,086,724             | 1,115,360             | 1,128,205             | 1,296,049             | 1,299,684             | 1,341,680             | 1,432,920             | 1,346,754             | 1,265,932             | 1,195,653             |
| Total accumulated depreciation               | <u>82,690,980</u>     | <u>76,888,982</u>     | <u>70,199,019</u>     | <u>67,686,852</u>     | <u>62,144,641</u>     | <u>57,205,643</u>     | <u>53,108,987</u>     | <u>47,086,664</u>     | <u>44,196,891</u>     | <u>39,803,974</u>     |
| Total capital assets being depreciated (net) | <u>141,187,282</u>    | <u>143,367,037</u>    | <u>147,856,199</u>    | <u>119,853,301</u>    | <u>124,407,069</u>    | <u>128,475,747</u>    | <u>132,989,723</u>    | <u>137,790,933</u>    | <u>92,697,801</u>     | <u>52,087,440</u>     |
| <b>Capital assets, (net)</b>                 | <u>\$ 167,533,123</u> | <u>\$ 169,646,966</u> | <u>\$ 174,022,755</u> | <u>\$ 175,118,951</u> | <u>\$ 156,491,086</u> | <u>\$ 155,482,876</u> | <u>\$ 159,156,279</u> | <u>\$ 163,804,208</u> | <u>\$ 162,808,838</u> | <u>\$ 119,451,187</u> |

Source: District audited financial statements



**Pinal County Community College District  
Tuition Schedule  
Last Ten Fiscal Years**

| <b>Fiscal Year</b> | <b>Annual Tuition Rates<sup>1</sup></b> | <b>Tuition per Credit Hour</b> |
|--------------------|---|--------------------------------|
| 2011               | 1,950                                   | 65                             |
| 2012               | 2,100                                   | 70                             |
| 2013               | 2,160                                   | 72                             |
| 2014               | 2,310                                   | 77                             |
| 2015               | 2,400                                   | 80                             |
| 2016               | 2,460                                   | 82                             |
| 2017               | 2,520                                   | 84                             |
| 2018               | 2,580                                   | 86                             |
| 2019               | 2,580                                   | 86                             |
| 2020               | 2,580                                   | 86                             |
| 2021               | 2,580                                   | 86                             |

<sup>1</sup> Tuition based on one year of full-time equivalent credit for in-state students at District's base tuition rate.

Source: District Records