

Pinal County Community College District

(Central Arizona College)

Signal Peak

Superstition Mountain

Aravaipa

Maricopa

San Tan



Aravaipa Campus

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023



**Central
Arizona
College**

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

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023



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Prepared by the Business Affairs Department

Luisa Ott, Executive Director II, Accounting Services/Comptroller



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Pinal County Community College District
(Central Arizona College)
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023

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**Central
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Introductory Section



March 19, 2024

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, 2023, 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, 2023, 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

As of November 2023, Arizona's unemployment rate remained steady from the prior year at 4%. According to data released in December 2022, by the University of Arizona Economic and Business Research Center, inflation has decelerated to the national pace, but prices remain well above pre-pandemic levels. Housing permits are on pace to decline, driven by higher interest rates and significantly reduced housing affordability. Arizona job growth is expected to slow as past interest rate increases have reduced national gains.

U.S. Census estimates showed that since 2010 Pinal County has been steadily growing each year and will continue to grow through 2024. Pinal County is the 3rd largest county in Arizona. According to an article published in July of 2023, by AZBIGMEDIA, one of the biggest wins for Pinal County has been the establishment of new manufacturing facilities. The article states that Pinal County has seen a surge in industrial development, with major companies setting up operations and creating job opportunities for the local workforce. It also states that the investments have not only boosted the county's economy but also fostered a sense of economic resilience.

Historically, when economic conditions are improving, enrollment in community colleges decreases. The College experienced an increase in total enrollment of 19% for fiscal year 2022 and experienced a decrease in total enrollment of 3.6% for fiscal year 2023. The College experienced increases in enrollment during 2022, after significantly reducing tuition and fees. Tuition and fees slightly increased for 2023 and the College experienced a slight decrease in enrollment. Due to the surge in industrial development in Pinal County, the college plans to continue with the same tuition rate through June 30, 2025. The College has also increased efforts in educational programs that align with the development in Pinal County to promote enrollment growth as well as focus on student retention.

Major Program Initiatives

During the 2021-22 fiscal year, the District rolled out a new strategic plan that centered on 2 Wildly Important Goals: Making CAC a Great Place to Work and Creating a World-Class Learner Experience. All initiatives and activities that we engage in are focused on one of those two goals. The 2022-23 year has continued to focus on CAC's Wildly Important Goals of "Creating a World-class Learner Experience" and "Making CAC a Great Place to Work". Many great projects designed to support these goals have made significant progress. We participated in the HOPE Impact Survey of basic needs, to identify student needs across our campuses. We continue to focus on ways to remove barriers to success, identify needs of underrepresented students, and provide support to

help all students be successful in achieving their college and career goals.

Major Accomplishments in 2022-2023

- New admissions application and CRM.
- Return to in person new student orientation throughout the district.
- Implementation of new advising model with Enrollment Advisors and Success Coaches.
- High School Senior visits for Vaquero Rallies throughout the district.
- Continued increase in dual enrollment.
- Launch of the *We are Central Arizona College* campaign. The various programs, departments and services at CAC were highlighted in a weekly spotlight on social media and on the internal communication channel of One College One Team – 52 spotlights were completed, and the team is continuing these efforts.
- New digital marquees at the SPC, STC, MAR and SPC campuses to improve community visibility while promoting events, important dates and educational opportunities at CAC.
- Launch of the new digital Coursedog College Catalog.
- Increase in the number of outside entities renting CAC facilities, helping to meet community needs.
- Built a lab to utilize Virtual Reality for nursing instruction and practical experience.
- Built a state of the art lecture recording studio to facilitate high quality instruction for both students in all modalities.
- Built and facilitated a secure learning environment for instruction in Arizona prisons.
- Built a learning technology center to act as a technical and instructional resource to faculty.
- Installed a new sound system for the baseball field.
- In person and virtual counseling services are available for all students throughout the district free of charge (limited). Through partnership with Corazon Behavioral Health Services.
- Identified a liaison in Financial Aid to work with students who identify as Housing Insecure. Continuously developing resources for students internally and through community partners.
- Consistent outreach to our high school partners has spurred an increase in groups requesting campus visits.
- Developed and implemented new student registration days.
- Gave new students the option to attend orientation to college in person or virtually at the beginning of each semester.
- Implemented an advising redesign, creating two types of academic advisors: new student advisors who assist as students begin their journey at CAC and success coaches who are assigned to specific pathways and work with students through graduation and/or transfer.
- Initiated text communication with students.

- The Equity Council has identified target areas in each of the four categories (completion, access, retention, and equitable representation) and has been working with various departments to implement strategies for each category.
- Improvements in the student portal and degree audit system have made course selection and registration a much easier process.
- The Student Development office has recently created a Dean's Advisory Council to seek feedback directly from students throughout the district and support them in developing a strong student voice.
- Continued to refine a New Syllabus template that is learner friendly. It allows for consistency, clarity, and ease of access. While currently strongly encouraged, we are moving towards mandating its use, to assist students in knowing exactly how to navigate each course.
- Continued to adopt Open Educational Resource textbooks and materials, and to create support materials to accompany them, under the Open Access Rural Arizona Grant Consortium Project.
- Continued to build and implemented 8-week classes to support adult learners; focus on back-to-back sequences (ENG 101, 102; BIO 201,202)
- Modified Nursing sequence for first two years, creating classes with fewer credits, to better support student completion and success. This also allows some flexibility as we bring the new LPN to RN program on board this summer, as it is easier for students who may be missing a small piece of their training to pick up an additional short course.
- Hired a Director of Faculty Teaching and Learning to provide needed in-house professional development aimed at improvements in teaching and learning.
- Streamlined Guided Pathways Maps for clarity.
- Rolled out a new public-facing class search tool designed to improve the process for identifying courses that fulfill missing graduation requirements.

Major Issues and Resolutions in 2022-2023

- Transition in leadership for 3 different departments in Student Services.
- Transition in staffing with over half of front-line employees in registration and advising getting opportunities for growth, creating increased turnover.
- Ability to serve increase in dual enrollment with high transition levels at the high school guidance counselor position.
- Continued transition from mostly on-line enrollment and service to more in person demand.
- Lack of student engagement and physical presence on campus. Developed a model Student Advisory Council at the Maricopa Campus that is now facilitating the creation of similar groups on each campus across the district in the coming semesters as well as providing training.

Future Program Initiatives

Upcoming Issues for 2023-2024

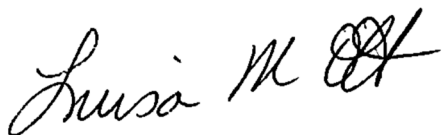
- Difficulty in recruiting faculty to meet student demand for courses.
- Challenges in the transition to the Simplified FAFSA.

- Transition of Scholarship Application Process.
- Challenges in assisting students to be successful who have still not recovered from learning loss during the pandemic.
- Construction project at SMC.
- Scheduling and Curriculum components of CourseDog
- Increased demand for basic needs for students such as food, clothing, transportation, housing, etc.
- Reach customer relations module (CRM) will be fully implemented in the coming months and will assist with creating targeted communication campaigns for students.
- As Reach rolls out, we will also introduce our new CAC admissions app designed to help students identify the proper pathway during their initial contact with CAC.
- Plan to modify Caring Campus Workshops with a more intentional DEI focus and continue workshops in the summer and fall.
- Create 1-year Nursing pre-requisite sequence, based on condensed, 8-week classes.
- Working on process to revisit and further update Guided Pathways maps, particularly with General Education changes coming from universities, and potential changes to the (AGEC)
- Beginning discussions of culturally responsive teaching and High Impact Practices (HIPs), which we hope will be supported by an expected new grant.
- Continuing to evaluate learner data (disaggregate data to learn more about under-represented learner success).
- Increase communication regarding Student Employment opportunities.
- Complete a scholarship reassessment study.
- Implement Scholarship Application software planned for Spring 2024

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,



Luisa M. Ott

Executive Director II, Accounting Services/Comptroller

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

Principal Officers

June 30, 2023



District Governing Board

Evelyn Casuga, President, District 3

Dr. David Odiorne, Vice President/Secretary, District 2

Gilbert Lopez, District 1

Ruth Smith, District 4

Jerry Walker, District 5

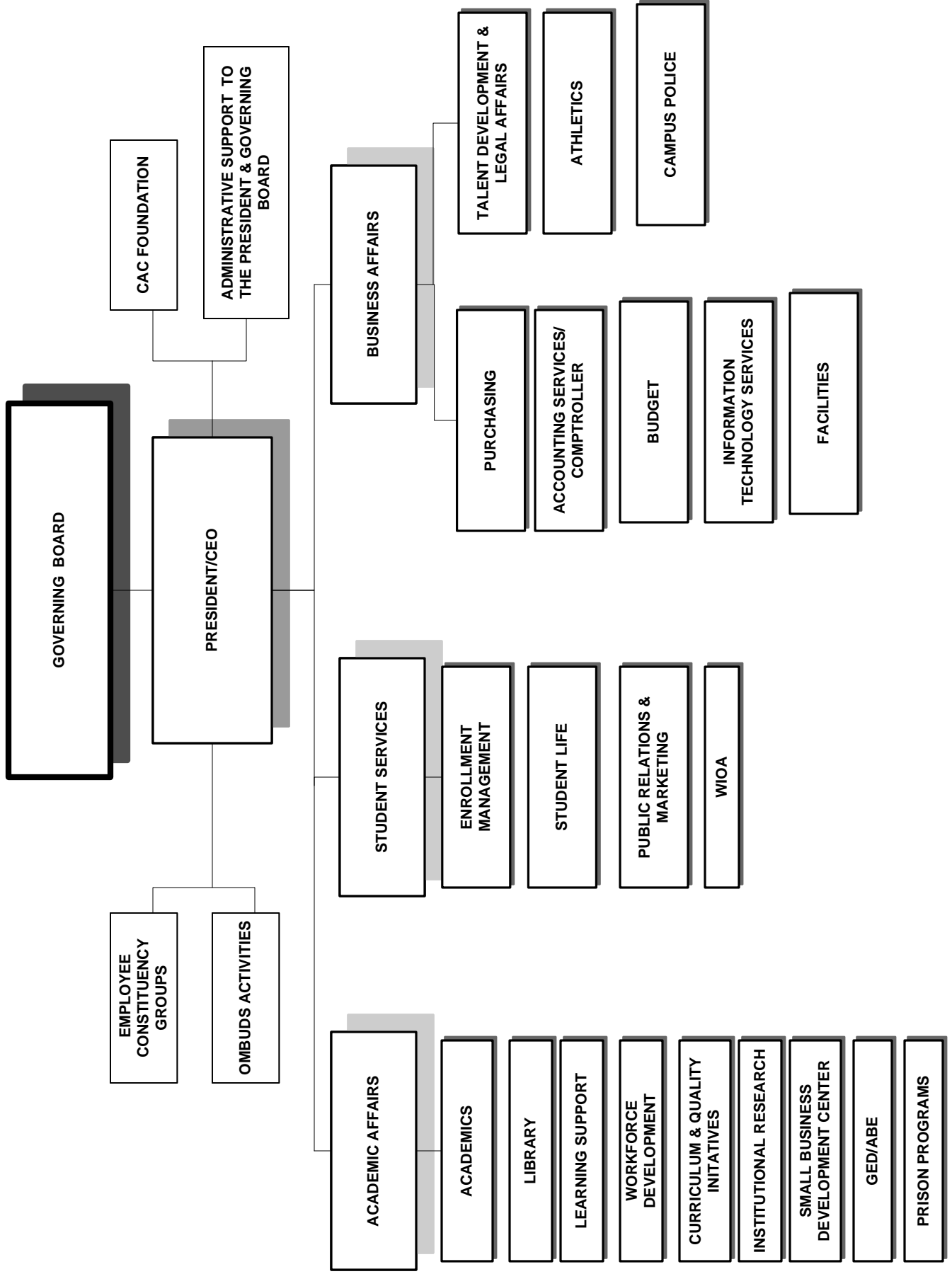
Senior Administration

Dr. Jacquelyn Elliott, President

Jenni Cardenas, Vice President Student Services

Dr. Mary K. Gilliland, Vice President Academic Affairs

**Pinal County Community College District
 (Central Arizona College)
 Organizational Chart as of June 30, 2023**





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Financial Section



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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 audit of the financial statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, 2023, 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.

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.

Basis for opinions

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 U.S. Comptroller General. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The other auditors did not audit the discretely presented component unit's financial statements in accordance with *Government Auditing Standards*.

Emphasis of matters

As discussed in Note 1 to the financial statements, for the year ended June 30, 2023, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

As discussed in Note 2 to the financial statements, the District restated beginning net position of its financial statements for the year ended June 30, 2023, to correct a misstatement in its previously issued financial statements. Our opinion is not modified with respect to this matter.

Management's responsibilities for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the audit's planned scope and timing, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required supplementary information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 14 through 21, schedule of the District's proportionate share of the net pension liability on page 59, and schedule of District pension contributions on page 60 be presented to supplement the basic financial statements. Such information is management's responsibility and, 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

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance on the other information.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

March 19, 2024

Pinal County Community College District
(Central Arizona College)
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023

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, 2023. 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 10. 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, 2023. 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, 2023. 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, 2023. 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, 2023

Condensed Financial Information

Net Position — Primary Government		
	As of June 30, 2023	As of June 30, 2022
Assets:		
Current assets	\$ 186,788,582	\$ 163,879,350
Noncurrent assets, other than capital assets	3,883,980	3,679,324
Capital assets, net	<u>170,289,274</u>	<u>167,401,704</u>
Total assets	<u>360,961,836</u>	<u>334,960,378</u>
Deferred Outflows of Resources:		
Deferred amount on refunding	2,809,347	3,054,930
Deferred outflows related to pensions	<u>4,562,579</u>	<u>6,641,900</u>
Total deferred outflows of resources	<u>7,371,926</u>	<u>9,696,830</u>
Liabilities:		
Long-term liabilities	127,814,760	125,646,845
Other liabilities	<u>8,763,357</u>	<u>6,793,663</u>
Total liabilities	<u>136,578,117</u>	<u>132,440,508</u>
Deferred Inflows of Resources:		
Deferred inflows related to pensions	<u>2,375,571</u>	<u>9,966,670</u>
Total deferred inflows of resources	<u>2,375,571</u>	<u>9,966,670</u>
Net Position:		
Net investment in capital assets	79,817,089	74,530,679
Restricted	9,362,228	9,360,098
Unrestricted	<u>140,200,757</u>	<u>118,359,253</u>
Total net position	<u>\$ 229,380,074</u>	<u>\$ 202,250,030</u>

Financial Highlights and Analysis

Total assets increased by \$26 million in the fiscal year ended June 30, 2023, due largely to an increase in current cash and investments, and an increase in accounts receivable. The increase in cash and investments classified as current was primarily from revenues received in excess of expenses. The increase in accounts receivable was primarily due to an increase in student account balances. Total liabilities increased by \$4 million primarily due to an increase in accounts payable of \$1.2 million, an increase in pension liability of \$4.8 million and a decrease in other non-current liabilities of \$2.6 million. Prior year net position is restated in the Statement of Net Position to reflect a prior period adjustment of \$2,902,015. Total net position increased by \$24.2 million (13.4 percent) in fiscal year 2023 compared with an increase of \$27.8 million (15.9 percent) over the previous year.

Pinal County Community College District
(Central Arizona College)
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023

<u>Changes in Net Position — Primary Government</u>		
	<u>Year Ended June 30, 2023</u>	<u>Year Ended June 30, 2022</u>
Operating revenues	\$ 2,734,222	\$ 1,763,328
Operating expenses	<u>66,347,153</u>	<u>66,474,747</u>
Operating Loss	<u>(63,612,931)</u>	<u>(64,711,419)</u>
Nonoperating revenues less expenses	87,784,229	62,247,386
Capital grants and gifts	<u>56,731</u>	<u>215,756</u>
Increase in net position	<u>24,228,029</u>	<u>27,751,723</u>
Net position, beginning of year	<u>202,250,030</u>	<u>174,498,307</u>
Prior period adjustment	2,902,015	
Net position, beginning of year, as restated	<u>205,152,045</u>	
Net position, end of year	<u><u>\$229,380,074</u></u>	<u><u>\$202,250,030</u></u>

During fiscal year 2023, there was a decrease in total revenues of \$3.1 million when compared with the prior year. Property tax revenues increased by \$2.3 million as a net result of amounts received. The primary assessed values and secondary assessed values increased around 8.4 percent for fiscal year 2023. Operating revenues increased by \$.9 million due mainly to increases in tuition and fee revenue. Tuition and fee revenue increased mainly due to the District offering reduced tuition and increased enrollment. Government grant revenue decreased by \$8.3 million mainly due to reduced funding provided by the U.S. Department of Education, Education Stabilization Fund grant program. Smart and Safe Arizona Fund appropriations increased by \$.9 million due to the state having increased marijuana sales. State appropriations decreased by \$1.3 million due to decreased amounts provided in the state budget.

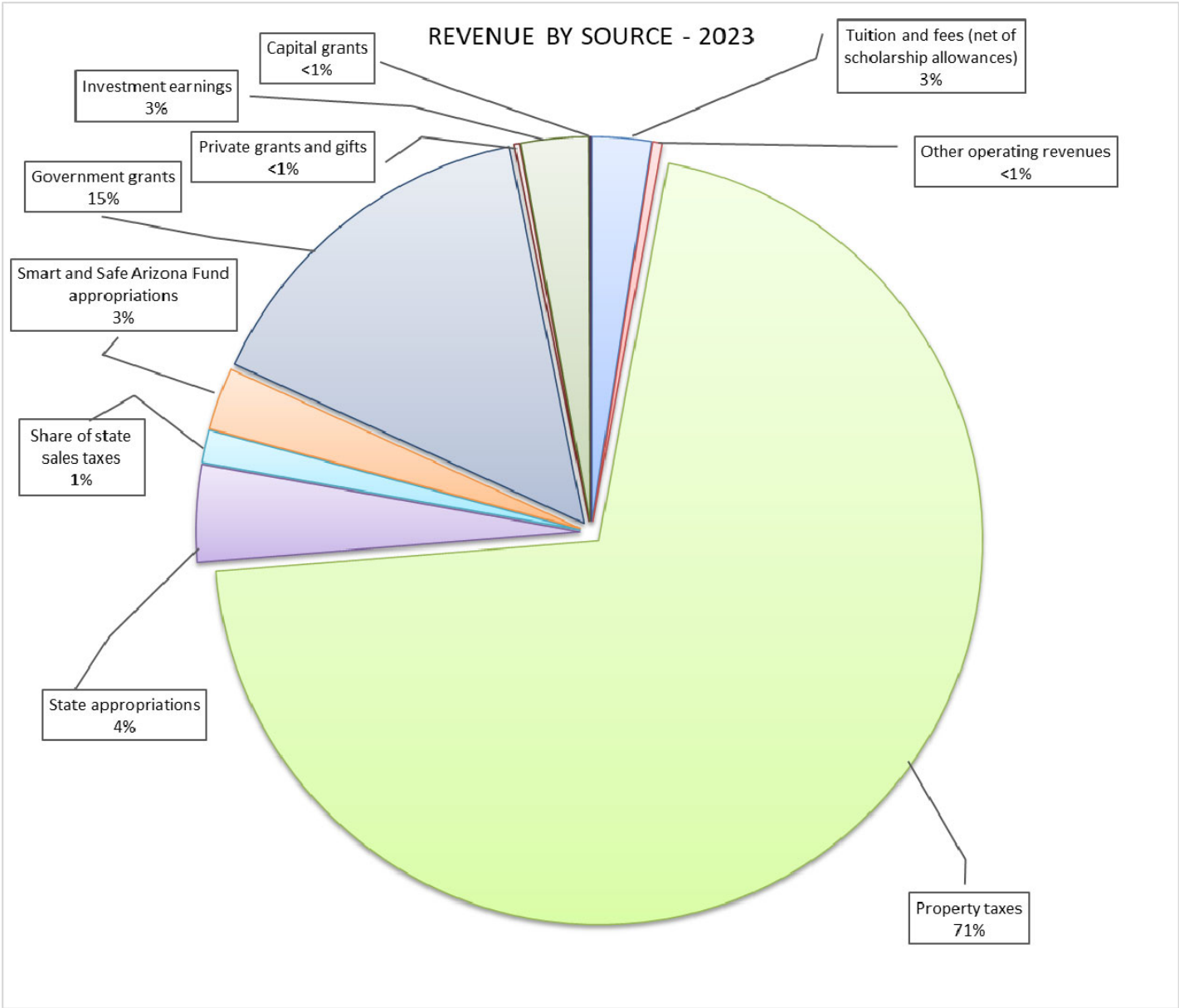
Total expenses increased by 1 percent as compared with the prior year due primarily to a \$2.2 million decrease in scholarship expenses, a \$2.4 million decrease in institutional support expenses, a \$1.4 million increase in instructional expense and a \$2.3 million increase in depreciation/amortization expense. The change in the remainder of the expense categories had a total increase of \$1.3 million to make up the increase of 1 percent. Scholarship expenses and institutional support expenses decreased mainly due to the reduced funding provided by the U.S. Department of Education, Education Stabilization Fund grant program. Instructional expenses increased mainly due to an increase in instructional wages and instructional supplies as a result of increased enrollment.

Pinal County Community College District
(Central Arizona College)
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023

The following is a summary of revenues for fiscal years ended June 30, 2023, and June 30, 2022:

Revenues by Source — Primary Government				
	<u>Year Ended June 30, 2023</u>		<u>Year Ended June 30, 2022</u>	
Operating revenues:				
Tuition and fees (net of scholarship allowances)	\$ 2,345,017	2.5%	\$ 1,396,921	1.4%
Other operating revenues	<u>389,205</u>	<u>0.4%</u>	<u>366,407</u>	<u>0.4%</u>
Total operating revenues	<u>2,734,222</u>	<u>2.9%</u>	<u>1,763,328</u>	<u>1.8%</u>
Nonoperating revenues:				
Property taxes	66,831,624	70.8%	64,584,130	66.2%
State appropriations	3,845,900	4.1%	5,119,000	5.2%
Share of state sales taxes	1,294,505	1.4%	1,016,405	1.0%
Smart and Safe Arizona				
Fund appropriations	2,470,938	2.6%	1,489,678	1.6%
Government grants	14,231,817	15.1%	22,596,172	23.2%
Private grants and gifts	196,613	0.2%	163,739	0.2%
Investment earnings	<u>2,687,140</u>	<u>2.9%</u>	<u>573,079</u>	<u>0.6%</u>
Total nonoperating revenues	<u>91,558,537</u>	<u>97.0%</u>	<u>95,542,203</u>	<u>97.9%</u>
Capital grants and gifts	<u>56,731</u>	<u>0.1%</u>	<u>215,756</u>	<u>0.2%</u>
Total revenues	<u>\$ 94,349,490</u>	<u>100.0%</u>	<u>\$ 97,521,287</u>	<u>100.0%</u>

Pinal County Community College District
(Central Arizona College)
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023

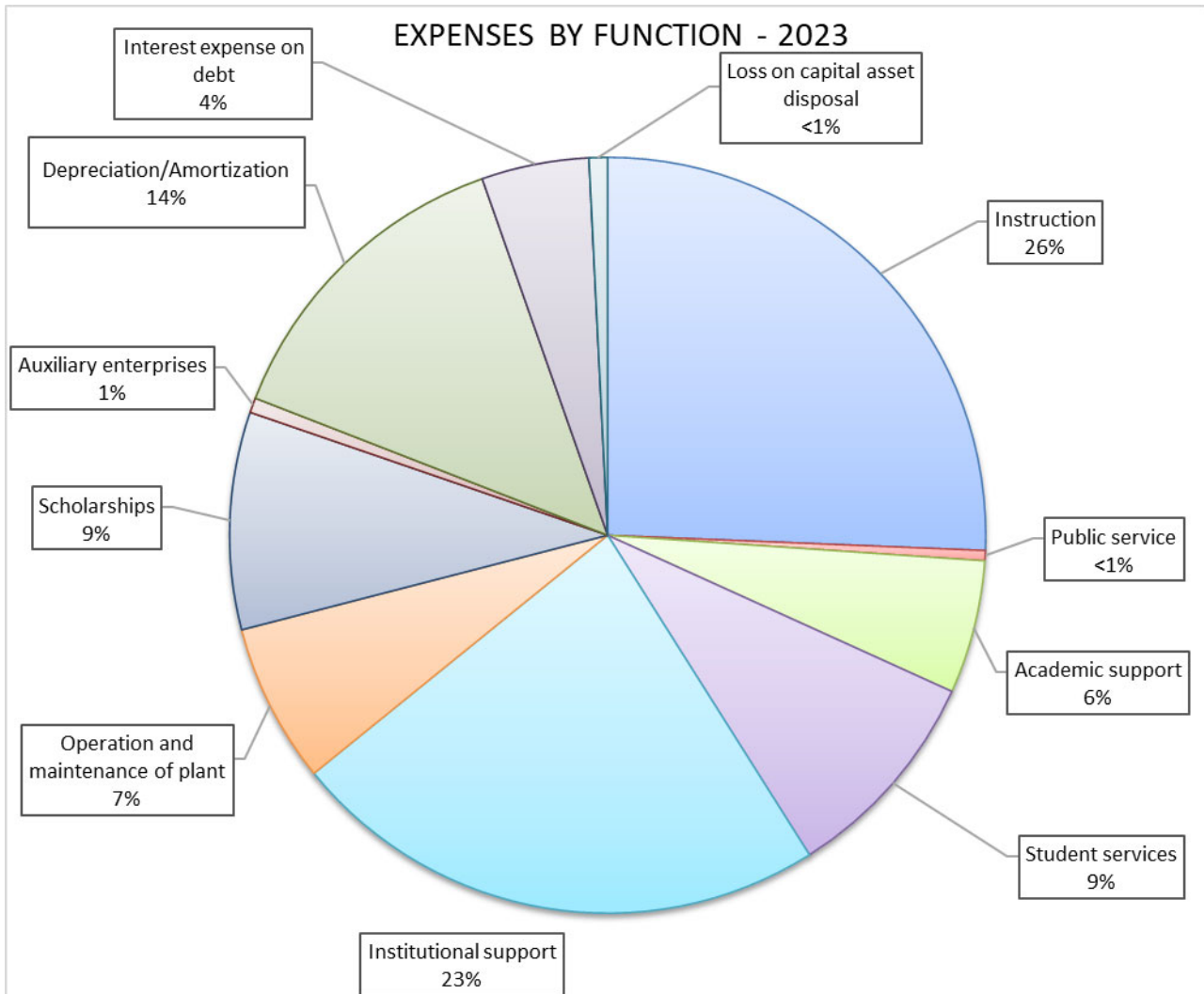


Pinal County Community College District
(Central Arizona College)
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023

The following is a summary of expenses for fiscal years ended June 30, 2023, and June 30, 2022:

Expenses by Function — Primary Government				
	Year Ended June 30, 2023		Year Ended June 30, 2022	
Operating expenses:				
Educational and general:				
Instruction	\$ 17,981,511	25.6%	\$ 16,550,320	23.7%
Public service	305,700	0.4%	195,710	0.3%
Academic support	3,997,646	5.7%	3,678,200	5.3%
Student services	6,489,944	9.2%	6,379,366	9.1%
Institutional support	16,212,435	23.1%	18,690,212	26.8%
Operation and maintenance of plant	4,780,535	6.8%	4,368,476	6.3%
Scholarships	6,521,948	9.3%	8,699,635	12.5%
Auxiliary enterprises	445,645	0.6%	579,175	0.8%
Depreciation/Amortization	9,611,789	13.7%	7,333,653	10.5%
Total operating expenses	<u>66,347,153</u>	<u>94.6%</u>	<u>66,474,747</u>	<u>95.3%</u>
Nonoperating expenses:				
Interest expense on debt	3,220,782	4.6%	3,250,579	4.6%
Loss on disposal of capital assets	553,526	0.8%	44,238	0.1%
Total nonoperating expenses	<u>3,774,308</u>	<u>5.4%</u>	<u>3,294,817</u>	<u>4.7%</u>
Total expenses	<u>\$ 70,121,461</u>	<u>100%</u>	<u>\$ 69,769,564</u>	<u>100%</u>

Pinal County Community College District
(Central Arizona College)
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023



Capital Assets and Debt Administration

As of June 30, 2023, the District's capital assets, net of accumulated depreciation/amortization, totaled \$170.3 million, an increase of \$2.9 million from the prior year, due mainly to an increase of \$3.6 million for a prior period restatement related to the correction of an error in accounting for the application of GASB Statement No. 87, *Leases*, and the implementation GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and a decrease of \$0.7 million due mainly to depreciation/amortization. Capital assets include land, equipment, buildings, improvements other than buildings, library books, water rights, other intangibles, right-to-use lease assets, right-to-use subscription assets, and construction in progress. Additional information on capital assets can be found 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, 2023

As of June 30, 2023, the District had outstanding bonds in the amount of \$77.9 million, a decrease of \$4.5 million from the prior year, due mainly to scheduled debt payments. As of June 30, 2023, the District had total lease agreements outstanding in the amount of \$4.6 million. Additional information on the District's long-term debt is discussed in Note 6 to the District's financial statements.

Current Factors Having Probable Future Financial Significance

For fiscal year 2023 the assessed value for property in the county increased by 8.4 percent. According to the Pinal County Economic Development Profile, published in November 2023, the county is seeing strong growth in the emerging manufacturing and technology sector such as aerospace and aviation, electric vehicles and batteries, biotechnology, renewable/green technologies, the supply chains related to semiconductors and building materials. Pinal County Economic Development Profile also shows the projected population of Pinal County to grow 29.5% by 2030. According to Redfin.com, Pinal County housing median sale price was around \$365,000, in December 2023, which is an increase of 4.3% from the prior year.

For fiscal year 2023 the District increased the secondary tax levy by 20 percent, and decreased the secondary tax levy by 22 percent, for fiscal year 2024, 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.

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, 2023

	Business-Type Activities
Assets	
Current assets:	
Cash and investments	\$ 175,330,451
Receivables:	
Accounts (net of allowance of \$408,688)	5,975,858
Property taxes (net of allowance of \$228,487)	1,773,094
Government grants	2,936,414
Other	281,560
Prepaid expenses	429,040
Deposits	62,165
Total current assets	186,788,582
Noncurrent assets:	
Restricted assets:	
Cash and investments held by County Treasurer	2,039,989
Cash and investments held by trustee	1,754,185
Other receivables	1,801
Deferred charges	88,005
Capital assets, not being depreciated/amortized	28,591,169
Capital assets, being depreciated/amortized, net	141,698,105
Total noncurrent assets	174,173,254
Total assets	360,961,836
Deferred Outflows of Resources	
Deferred amount on refunding	2,809,347
Deferred outflows related to pensions	4,562,579
Total deferred outflows of resources	7,371,926
Liabilities	
Current liabilities:	
Accounts payable	4,712,531
Accrued payroll and employee benefits	1,255,903
Interest payable	29,351
Unearned revenue	2,226,881
Deposits held in custody for others	538,691
Current portion of compensated absences payable	338,318
Current portion of other long-term liabilities	7,961,678
Total current liabilities	17,063,353

(Continued)

Pinal County Community College District
(Central Arizona College)
Statement of Net Position — Primary Government
June 30, 2023
(Continued)

	Business-Type Activities
Noncurrent liabilities:	
Compensated absences payable	\$ 2,668,074
Other long-term liabilities	85,361,126
Net pension liability	31,485,564
Total noncurrent liabilities	119,514,764
Total liabilities	136,578,117
Deferred Inflows of Resources	
Deferred inflows related to pensions	2,375,571
Total deferred inflows of resources	2,375,571
Net Position	
Net investment in capital assets	79,817,089
Restricted:	
Expendable:	
Grants and contracts	3,728,713
Loans	78,058
Debt service	3,756,294
Other	1,799,163
Unrestricted	140,200,757
Total net position	\$ 229,380,074

Pinal County Community College District
(Central Arizona College)
Statement of Financial Position — Component Unit
June 30, 2023

	Central Arizona College Foundation
Assets	
Current assets	
Cash and cash equivalents	\$ 332,982
Deposits	<u>1,000</u>
Total current assets	<u>333,982</u>
Noncurrent assets	
Certificates of deposits	238,353
Endowment investments held for long-term purposes	5,196,073
Investments	<u>914,333</u>
Total noncurrent assets	<u>6,348,759</u>
Total assets	<u><u>6,682,741</u></u>
Liabilities	
Accounts payable	<u>7,115</u>
Total liabilities	<u>7,115</u>
Net assets	
Without donor restrictions	
Undesignated	<u>767,151</u>
Total net assets without donor restrictions	767,151
With donor restrictions	
Donor-restricted endowments	5,196,073
Time and purpose restricted	<u>712,402</u>
Total net assets with donor restrictions	<u>5,908,475</u>
Total net assets	<u>6,675,626</u>
Total liabilities and net assets	<u><u>\$ 6,682,741</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, 2023

	<u>Business-Type Activities</u>
Operating revenues:	
Tuition and fees (net of scholarship allowances of \$2,886,022)	\$ 2,120,618
Dormitory rentals and fees (net of scholarship allowances of \$325,731)	224,399
Other	389,205
Total operating revenues	<u>2,734,222</u>
Operating expenses:	
Educational and general:	
Instruction	17,981,511
Public service	305,700
Academic support	3,997,646
Student services	6,489,944
Institutional support	16,212,435
Operation and maintenance of plant	4,780,535
Scholarships	6,521,948
Auxiliary enterprises	445,645
Depreciation and amortization	9,611,789
Total operating expenses	<u>66,347,153</u>
Operating loss	<u>(63,612,931)</u>
Nonoperating revenues (expenses):	
Property taxes	66,831,624
State appropriations	3,845,900
Government grants	14,231,817
Share of state sales taxes	1,294,505
Smart and Safe Arizona Fund appropriations	2,470,938
Private grants and gifts	196,613
Investment earnings	2,687,140
Interest expense on debt	(3,220,782)
Loss on disposal of capital assets	(553,526)
Total nonoperating revenues (expenses)	<u>87,784,229</u>
Income before other revenues, expenses, gains, or losses	24,171,298
Capital grants and gifts	<u>56,731</u>
Increase in net position	<u>24,228,029</u>
Net position, July 1, 2022, restated	<u>205,152,045</u>
Net position, June 30, 2023	<u><u>\$ 229,380,074</u></u>

Pinal County Community College District
(Central Arizona College)
Statement of Activities — Component Unit
Year Ended June 30, 2023

Central Arizona College Foundation

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support			
Contributions	\$ 18,082	\$ 85,335	\$ 103,417
Contributions - donated services, space and operating	101,045	-	101,045
Investment Income	-	160,908	160,908
Net realized and unrealized gain on investments	40,709	305,493	346,202
Net assets released from time and purpose restrictions	<u>121,877</u>	<u>(121,877)</u>	<u>-</u>
	281,713	429,859	711,572
Special Events			
Revenue from special events	44,822	-	44,822
Costs of direct donor benefits	<u>(28,101)</u>	<u>-</u>	<u>(28,101)</u>
Gross profit on special events	16,721	-	16,721
Total revenues, gains and other support	298,434	429,859	728,293
Expenses and Losses			
Scholarships	160,602	-	160,602
Office operation expenses	<u>103,509</u>	<u>-</u>	<u>103,509</u>
Total expenses and losses	264,111	-	264,111
Change in net assets	<u>34,323</u>	<u>429,859</u>	<u>464,182</u>
Net assets, beginning of year	732,828	5,478,616	6,211,444
Net assets, end of year	<u>\$ 767,151</u>	<u>\$ 5,908,475</u>	<u>\$ 6,675,626</u>

Pinal County Community College District
(Central Arizona College)
Statement of Cash Flows — Primary Government
Year Ended June 30, 2023

	Business-Type Activities
Cash flows from operating activities:	
Tuition and fees	\$ 815,074
Dormitory rentals and fees	224,399
Other receipts	123,203
Payments to suppliers and providers of goods and services	(12,302,309)
Payments for employee wages and benefits	(36,750,970)
Payments to students for scholarships	(6,521,948)
Funds held for others received	244,227
Funds held for others disbursed	(180,581)
Other payments	(636,189)
Net cash used for operating activities	<u>(54,985,094)</u>
Cash flows from noncapital financing activities:	
Property taxes	67,036,631
State appropriations	3,845,900
Grants	15,007,949
Share of state sales taxes	1,294,505
Smart and Safe Arizona Fund appropriations	2,470,938
Noncapital endowments and gifts	196,613
Federal direct lending receipts	898,682
Federal direct lending disbursements	(898,682)
Net cash provided by noncapital financing activities	<u>89,852,536</u>
Cash flows from capital and related financing activities:	
Capital endowments and gifts	56,731
Principal paid on capital debt	(5,678,823)
Interest paid on capital debt	(3,191,431)
Purchases of capital assets	(6,891,780)
Net cash used for capital and related financing activities	<u>(15,705,303)</u>
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	2,261,910
Interest received on investments	2,687,140
Purchase of investments	(2,261,910)
Net cash provided by investing activities	<u>2,687,140</u>
Net increase in cash and cash equivalents	21,849,279
Cash and cash equivalents, July 1, 2022	<u>157,275,346</u>
Cash and cash equivalents, June 30, 2023	<u>\$ 179,124,625</u>

(Continued)

Pinal County Community College District
(Central Arizona College)
Statement of Cash Flows — Primary Government
Year Ended June 30, 2023
(Continued)

	Business-Type Activities
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	\$ (63,612,931)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation and amortization	9,611,789
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Receivables, net	(2,250,292)
Accrued payroll and employee benefits	37,169
Deposits held in custody for others	57,205
Prepaid items	66,709
Compensated absences payable	(84,560)
Net pension liability	4,855,626
Accounts payable	1,166,943
Deferred outflows of resources related to pensions	2,079,321
Unearned revenue	679,026
Deferred inflows of resources related to pensions	(7,591,099)
 Net cash used for operating activities	 \$ (54,985,094)
 Noncash investing, capital, and noncapital financing activities:	
Disposal of capital assets being depreciated	\$ 3,884,542
Loss on disposal of capital assets, net	553,526
Amortization of GO bond premiums	628,727
Amortization of Revenue bond premium	156,176
Amortization of deferred amount on revenue bond refunding	245,583
New leases	3,376,082
New subscription based information technology agreements	379,652
 Reconciliation of cash and cash equivalents, as presented on the Statement of Net Position:	
Cash and investments	175,330,451
Restricted assets:	
Cash and investments held by County Treasurer	2,039,989
Cash and investments held by trustee	1,754,185
Total cash and cash equivalents, June 30, 2023	\$ 179,124,625

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2023

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, 2023, the District implemented the provisions of GASB Statement No. 96, Subscription-Based Information Technology Arrangements, which (1) defines a subscription-based information technology arrangement (SBITA); (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. As a result, the District's financial statements have been modified to reflect the implementation of this new standard.

A. Reporting Entity

The District is a special-purpose government that a separately elected governing body governs. 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.

The Central Arizona College 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, 2023, the Foundation distributed \$160,602 to the District for both restricted and unrestricted 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, 2023

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/amortization, less any outstanding liabilities 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/amortization 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. 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.

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2023

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/amortization methods, and estimated useful lives of capital assets reported in the financial statements are as follows:

	Capitalization Threshold	Depreciation/ Amortization Method	Estimated Useful Life
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
Library books	All	Straight-line	10 years
Equipment	5,000	Straight-line	5 years
Intangibles:			
Water rights	5,000	Straight-line	100 years
Right-to-use subscription assets	100,000	Straight-line	See note*
Right-to-use lease assets:			
Equipment	100,000	Straight-line	See note*
Other Intangibles	5,000	Straight-line	5 years

Depreciation/amortization 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.

*Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the District has

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2023

determined is reasonably certain of being exercised—then the lease asset is amortized over the useful life of the underlying asset.

*Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying IT assets.

E. Postemployment benefits

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.

F. Investment earnings

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

G. 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 scholarship allowances. These allowances are netted against tuition and fees revenues and dormitory rental and fees revenues in the statement of revenues, expenses, and changes in net position.

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

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2023

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.

I. **Leases and subscription-based information technology arrangements**

Leases

As lessee, the District recognizes lease liabilities with an initial, individual value of \$100,000 or more. The District uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The District's estimated incremental borrowing rate is an estimate of the interest rate that would be charged for borrowing the lease payment amounts during the lease term. The incremental borrowing rate is calculated by using the United States Treasury Yield Curve to calculate the bank's cost of funds plus a credit spread that is based on the average of what several commercial banks would reasonably expect to charge public sector borrowers based on the college's rating category and the term of the lease.

Subscription-based information technology arrangements

The District recognizes subscription liabilities with an initial, individual value of \$100,000 or more. The District uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement. The District's estimated incremental borrowing rate is calculated by using the United States Treasury Yield Curve to calculate the bank's cost of funds plus a credit spread that is based on the average of what several commercial banks would reasonably expect to charge public sector borrowers based on the college's rating category and the term of the subscription.

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2023

Note 2 — Correction of a Misstatement and Change in Accounting Principle

Net position as of July 1, 2022, has been restated for the correction of an error to properly record leases in accordance with GASB Statement No. 87, *Leases*. In addition, net position as of July 1, 2022, has been restated for the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

	Primary Government
Net position as previously reported at June 30, 2022	\$ 202,250,030
Correction of a mistatement - prior period adjustment:	
Change in capital assets	2,377,856
Change in financed purchases	2,827,722
Change in leases payable	<u>(2,360,204)</u>
Total prior period adjustment-correction of a mistatement	<u>2,845,374</u>
Prior period adjustment-implentation of GASB 96:	
Change in capital assets	1,267,697
Change in subscription liability	(1,197,113)
Change in prior year accrued interest payable	<u>(13,943)</u>
Total prior period adjustment-change in accounting principle	<u>56,641</u>
Total prior period adjustments	<u>2,902,015</u>
Net position restated, July 1, 2022	<u><u>\$ 205,152,045</u></u>

Note 3 — 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.

Deposits – At June 30, 2023, the carrying amount of the District's deposits was \$1,267,185 and the bank balance was \$2,034,375. The District does not have a policy with respect to custodial credit risk.

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Investments – The District had total investments of \$177,850,046 at June 30, 2023. The district categorizes certain investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles, as follows:

	Amount	Fair value measurement using Quoted prices in active markets for identical assets (Level 1)
Investments by fair value level		
Mutual Funds - U.S. Treasury securities	\$ 1,754,185	\$ 1,754,185
Total investments categorized by fair value level	1,754,185	1,754,185
 External investment pools measured at fair value		
County Treasurer's investment pool	176,095,861	
Total external investment pools measured at fair value	176,095,861	
Total investments measured at fair value	177,850,046	
Total investments	\$ 177,850,046	

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, 2023, credit risk for the District's investments was as follows:

Investment Type	Rating	Rating Agency	Amount
County Treasurer's investment pool	Unrated	Not applicable	\$ 176,095,861
Mutual funds - U.S. Treasury securities	Aaa	Moody's	1,754,185
Total			\$ 177,850,046

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, 2023, the District did not have any investments or collateral securities that were subject to custodial credit risk.

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Interest rate risk - The District does not have a formal policy for interest rate risk. At June 30, 2023, the District had the following investments in debt securities:

Investment Type	Amount	Weighted Average Maturity
County Treasurer's investment pool	\$ 176,095,861	1.52 months
Mutual funds - U.S. Treasury securities	1,754,185	.65 months
Total	<u>\$ 177,850,046</u>	

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	\$ 7,394	Cash and investments	\$ 175,330,451
Amount of deposits	1,267,185	Restricted assets:	
Amount of investments	177,850,046	Cash and investments held	
		by County Treasurer	2,039,989
		Cash and investments held	1,754,185
		by trustees	
Total	<u>\$ 179,124,625</u>	Total	<u>\$ 179,124,625</u>

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Note 4 — Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022 (restated)*	Increases	Decreases	Balance June 30, 2023
Capital assets not being depreciated/amortized:				
Land	\$ 25,936,873		\$ 418,064	\$ 25,518,809
Construction in progress	521,688	\$ 2,919,079	368,407	3,072,360
Total capital assets not being depreciated/amortized	<u>26,458,561</u>	<u>2,919,079</u>	<u>786,471</u>	<u>28,591,169</u>
Capital assets being depreciated/amortized:				
Buildings	172,448,493	361,872	2,161,299	170,649,066
Improvements other than buildings	31,686,452	1,109,542	49,532	32,746,462
Intangibles:				
Water rights	1,171,172			1,171,172
Other intangibles	3,490,511			3,490,511
Right-to-use lease assets:				
Equipment	2,785,136	3,376,081		6,161,217
Right-to-use subscription assets	1,267,697	389,152		1,656,849
Equipment	18,733,613	2,804,798	1,591,012	19,947,399
Library books	1,541,266	95,448	82,699	1,554,015
Total capital assets being depreciated/amortized	<u>233,124,340</u>	<u>8,136,893</u>	<u>3,884,542</u>	<u>237,376,691</u>
Less accumulated depreciation/amortization for:				
Buildings	51,158,115	4,042,484	758,872	54,441,727
Improvements other than buildings	20,223,256	1,822,614	36,264	22,009,606
Intangibles:				
Water rights	117,116	11,712		128,828
Other intangibles	690,544	232,701		923,245
Right-to-use lease assets:				
Equipment	407,280	1,171,263		1,578,543
Right-to-use subscription assets		630,117		630,117
Equipment	14,926,943	1,582,063	1,591,012	14,917,994
Library books	1,012,390	118,835	82,699	1,048,526
Total accumulated depreciation/amortization	<u>88,535,644</u>	<u>9,611,789</u>	<u>2,468,847</u>	<u>95,678,586</u>
Total capital assets being depreciated/amortized, net	<u>144,588,696</u>	<u>(1,474,896)</u>	<u>1,415,695</u>	<u>141,698,105</u>
Capital assets, net	<u>\$ 171,047,257</u>	<u>\$ 1,444,183</u>	<u>\$ 2,202,166</u>	<u>\$ 170,289,274</u>

*See Note 2 for disclosure on restatement of capital assets.

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Note 5 — Construction and other commitments

The District had two major contractual commitments related to various capital projects at June 30, 2023, for the construction of the Superstition Mountain Campus Allied Health and Skilled Trades Center and for the construction of a new police facility at the Signal Peak Campus. At June 30, 2023, the District had spent \$2,919,079 on these projects and had remaining contractual commitments with contractors of \$52,051,723. These projects are being financed using capital reserve funding.

Note 6 — Long-Term Liabilities

The following schedule details the District's long-term liability and obligation activity for the year ended June 30, 2023:

	Balance July 1, 2022 (restated)*	Additions	Reductions	Balance June 30, 2023	Due within 1 year
Bonds payable:					
General obligation bonds	\$ 58,205,000		\$ 3,300,000	\$ 54,905,000	\$ 3,460,000
Premium	10,528,772		784,903	9,743,869	784,903
Pledged revenue obligation bonds	24,235,000		1,195,000	23,040,000	1,230,000
Total bonds payable	92,968,772	-	5,279,903	87,688,869	5,474,903
Financed purchases	129,461		88,189	41,272	41,272
Leases payable	2,360,204	3,376,082	1,095,614	4,640,672	1,778,923
Subscriptions liability	1,197,113	379,652	624,774	951,991	666,580
Compensated absences payable	3,090,952	909,250	993,810	3,006,392	338,318
Net pension liability	26,629,938	4,855,626		31,485,564	
Total long-term liabilities	\$ 126,376,440	\$ 9,520,610	\$ 8,082,290	\$ 127,814,760	\$ 8,299,996

*See Note 2 for disclosure on restatement of long-term liabilities.

Bonds – The District's bonded debt consists of general obligation bonds and pledged revenue obligation bonds that are generally callable with interest payable semiannually. Bond proceeds primarily pay for acquiring or constructing capital facilities or refunding previously issued bonds. The District repays general obligation bonds from voter-approved property taxes. Bonds outstanding at June 30, 2023, were as follows:

Description	Original Amount Issued	Maturity Ranges	Interest Rates	Outstanding Principal
GO Refunding Bonds - Series 2016	\$28,895,000	7/1/23 - 34	2.0-5.0%	\$22,815,000
GO Refunding Bonds - Series 2021	\$36,035,000	7/1/23 - 36	3.0-5.0%	\$32,090,000

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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 2023, the District could issue an additional \$409 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 general obligation bonds payable at June 30, 2023:

Year Ending June 30	General Obligation Bonds	
	Principal	Interest
2024	3,460,000	2,307,150
2025	3,635,000	2,134,150
2026	3,820,000	1,952,400
2027	4,020,000	1,761,400
2028	4,215,000	1,579,250
2029-2033	24,175,000	4,924,300
2034-2036	11,580,000	648,800
Total	<u>\$ 54,905,000</u>	<u>\$ 15,307,450</u>

In prior years, the District defeased certain revenue bonds 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. At June 30, 2023, the following outstanding bonds were considered defeased:

<u>Description</u>	<u>Amount</u>
GO Bond Series A 2009	\$ 25,050,000
GO Bond Series A 2012	\$ 39,015,000

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 \$23,040,000 and \$8,357,250 respectively, with annual requirements ranging from \$2,229,850 to \$2,262,350. Pledged gross revenues have averaged approximately \$4,445,458, over the prior 5 fiscal years and principal and interest payments on revenue bonds are expected to require 50.6% of gross revenues annually. For the current year, principal and interest paid by the District was \$2,261,225 and total tuition and fees and dormitory rentals and fees, net of scholarship allowances, was \$2,345,017.

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Pledged revenue obligations outstanding at June 30, 2023, were as follows:

Description	Amount Issued	Maturity Ranges	Interest Rate	Outstanding Principal
Revenue Bonds - Series 2017	\$ 27,535,000	7/1/23 - 36	3.00% - 5.00%	\$ 23,040,000

The following schedule details debt service requirements to maturity for the District's pledged revenue obligations payable at June 30, 2023:

Year ended June 30	Pledged Revenue Obligations	
	Principal	Interest
2024	1,230,000	1,029,850
2025	1,270,000	992,350
2026	1,305,000	940,675
2027	1,370,000	873,800
2028	1,440,000	803,550
2029-2033	8,260,000	2,952,550
2034-2037	8,165,000	764,475
	<u>\$ 23,040,000</u>	<u>\$ 8,357,250</u>

Leases - The District has obtained the right to use equipment assets under the provisions of various lease agreements with First American Equipment Finance. The major types of equipment covered by leases were equipment related to renovations, computer and facilities equipment, and vehicles. The total amount of lease assets and the related accumulated amortization are as follows:

Total intangible right-to-use assets	\$ 6,161,217
Less: accumulated amortization	<u>1,578,543</u>
Carrying Value	<u>\$ 4,582,674</u>

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The following schedule details minimum lease payments to maturity for the District's leases payable at June 30, 2023:

Year ending June 30	Principal	Interest	Total Payments
2024	\$ 1,778,923	\$ 278,416	\$ 2,057,339
2025	1,706,917	150,717	1,857,634
2026	992,701	44,266	1,036,967
2027	162,131	1,870	164,001
Total	<u>\$ 4,640,672</u>	<u>\$ 475,269</u>	<u>\$ 5,115,941</u>

Subscription-based information technology arrangements (SBITAs) - The District has obtained the right to use various IT software and/or underlying IT assets under the provisions of various subscription-based information technology arrangements, primarily consisting of an enterprise resource planning system, academic scheduling, phone management system, and other operating systems.

The total amount of subscription assets and the related accumulated amortization are as follows:

Total intangible right-to-use subscription assets	\$ 1,656,849
Less: accumulated amortization	<u>630,117</u>
Carrying value	<u>\$ 1,026,732</u>

The following schedule details minimum subscription payments to maturity for the District's subscriptions liability at June 30, 2023:

Year ending June 30	Principal	Interest	Total Payments
2024	\$ 666,580	\$ 17,328	\$ 683,908
2025	236,919	4,879	241,798
2026	48,492	1,103	49,595
Total	<u>\$ 951,991</u>	<u>\$ 23,310</u>	<u>\$ 975,301</u>

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Note 7 — 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 \$1 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 \$252.3 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.

The District provides health, prescription, dental, vision, life, and short-term disability benefits to its employees and their dependents through the Cochise Combined Trust (CCT currently composed of three member entities: Cochise College, Cochise County, and Central Arizona College. CCT provides the benefits through a self-funding agreement with its participants and has contracted with a third party to administer the program. The District is responsible for paying the premium for employee coverage and employees can enroll eligible dependents, with dependent coverage the responsibility of the employee. Employees contribute 12% monthly to their premium. If the District withdraws from CCT, it is responsible for a proportional share of any claim's runout costs, including administrative costs that exceed trust fund reserves. If CCT were to terminate, the District would be responsible for its proportional share of any trust deficit.

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Note 8 — 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, 2023 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.

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, 2023 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:

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

*With actuarially reduced benefits

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

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, 2023, statute required active ASRS members to contribute at the actuarially determined rate of 12.03 percent for retirement of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 11.92 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 9.62 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 ended June 30, 2023 were \$2,731,614.

Liability – At June 30, 2023, the District reported a liability of \$31,485,564 for its proportionate share of the ASRS's net pension liability. The net liability was measured as of June 30, 2022. 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, 2021, to the measurement date of June 30, 2022.

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, 2022. The District's proportion measured as of June 30, 2022 was .193%, which was a decrease of .01 from its proportion measured as of June 30, 2021.

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Pension Expense and Deferred Outflows/Inflows of Resources – For the year ended June 30, 2023 the District recognized pension expense for ASRS of \$2,075,462. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 268,276	
Changes of assumptions or other inputs	1,562,689	
Net difference between projected and actual earnings on pension plan investments		\$ 829,360
Changes in proportion and differences between district contributions and proportionate share of contributions		1,546,211
District contributions subsequent to the measurement date	2,731,614	-
Total	\$ 4,562,579	\$ 2,375,571

The \$2,731,614 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 ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year Ending June 30	
2024	\$ 413,015
2025	(845,087)
2026	(1,439,964)
2027	1,327,430

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

Actuarial valuation date	June 30, 2021
Actuarial roll forward date	June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9 - 8.4%
Inflation	2.3%
Permanent benefit increase	Included
Mortality rates	2017 SRA Scale U-MP

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2020.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.0% 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. The target allocation percentage and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected geometric real rate of return
Equity	50%	3.90%
Fixed income - credit	20%	5.30%
Fixed income - interest rate sensitive	10%	-0.20%
Real estate	20%	6.00%
Total	100%	

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Discount Rate – At June 30, 2022, the discount rate used to measure the ASRS total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the 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 following table presents District’s proportionate share of the net pension liability calculated using the discount rate of 7.0%, 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 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability	\$ 46,456,014	\$ 31,485,564	\$ 19,002,548

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 \$48,918 of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2023.

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Note 9 — 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	\$	36,047,427
Contract services		6,133,715
Supplies and other services		2,140,346
Communications and utilities		2,589,535
Scholarships		6,521,948
Depreciation and amortization		9,611,789
Other		3,302,393
Total	<u>\$</u>	<u>66,347,153</u>

Note 10 — 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.

Cash and Cash Equivalents - For the purpose of the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less at date of acquisition to be cash equivalents.

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 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

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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.

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

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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 43 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.

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

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2023

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.

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.

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.

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2023

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, 2023, 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, 2023, 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.

Date of Management's Review - In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through January 9, 2024, the date the District 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, 2023, 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, 2023, 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, 2023

Certificates of Deposit - Certificates of deposit consisted of the following at June 30, 2023:

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
10/01/2024	3.15%	\$ 62,214
03/25/2025	2.95%	53,712
04/15/2025	2.90%	60,299
04/19/2027	2.80%	62,128
		<u>\$ 238,353</u>

Investments - The following is a summary of the value of investments at June 30, 2023:

	<u>Value</u>
Stocks	\$ 552,381
Exchange traded and closed end funds	1,967,656
Mutual funds	3,590,369
	<u>\$ 6,110,406</u>

The following schedule summarizes the investment return for the year ended June 30, 2023:

	<u>Amount</u>
Interest and dividend income	\$ 160,908
Net realized gains	35,503
Net unrealized gains	352,310
Investment fees	(41,611)
	<u>\$ 507,110</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, 2023 was \$41,611.

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).

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2023

The following is a summary of these fair values at June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Measured at fair value on a recurring basis:				
Stocks	\$ 552,381	-	-	\$ 552,381
Exchange traded and closed end funds	1,967,656	-	-	1,967,656
Mutual Funds	3,590,369	-	-	3,590,369
Total Investments	<u>\$ 6,110,406</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,110,406</u>

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. Net assets with donor restrictions also include funds temporarily restricted for scholarships. At June 30, 2023 the Foundation held 43 permanent endowments.

The nature of these restrictions is as follows:

	<u>As of 6/30/2023</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	\$ 3,714,846
The investment income on perpetual endowment funds subject to a time restriction under MCFA	<u>1,481,227</u>
	<u>\$ 5,196,073</u>
Other net assets purpose restricted:	
Scholarships non-endowed	<u>712,402</u>
	<u>\$ 712,402</u>
Total net assets with donor restrictions	<u>\$ 5,908,475</u>

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2023

Endowment Funds - Endowment funds include funds restricted in perpetuity by the donors. Endowment net asset composition by type of fund as of June 30, 2023 is as follows:

	Net assets with donor restrictions
Original donor-restricted endowment gift amounts	\$ 3,714,846
Accumulated investment gains on endowment funds	
Without purpose restrictions	-
With purpose restrictions	1,481,227
Total endowment funds	<u>\$ 5,196,073</u>

Changes in endowment funds as of June 30, 2023, are as follows:

	Without donor restrictions	With donor restrictions	Total Endowment Funds
Balance, June 30, 2022		\$ 4,597,950	\$ 4,597,950
Contributions		2,725	2,725
Contribution transfers		330,000	330,000
Interest and dividend income		129,773	129,773
Realized and unrealized loss		276,524	276,524
Amounts appropriated for expenditure		(140,899)	(140,899)
Balance, June 30, 2023	<u>\$ -</u>	<u>\$ 5,196,073</u>	<u>\$ 5,196,073</u>

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 was one deficiency totaling \$8,551 as of June 30, 2023.

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.

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2023

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:		2023
Cash and cash equivalents		\$ 332,982
Other receivables		1,000
Certificates of deposit		238,353
Investments		6,110,406
	Total financial assets	<u>\$ 6,682,741</u>
Less amounts not available within one year:		
Permanent endowment investments		\$ 3,714,846
Donor imposed restriction - purpose		1,943,783
Donor imposed restriction - time		80,154
Scholarships approved for next fiscal year		330,000
CD's - maturity date longer than one year		238,353
Financial assets not available to be used within one year		<u>\$ 6,307,136</u>
	Financial assets available to meet general expenditures within one year	<u>\$ 375,605</u>

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, 2023. 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.

Non-Cash Contributions - The College, an affiliate of the Foundation, provided donated services to the Foundation. During the year ended June 30, 2023, the Foundation recognized revenue

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2023

and related expenses of \$69,814, for contributed services received from shared services based on the fair value of comparable services provided by third parties.

The college also pays for some of the operating expenses of the Foundation. During the year ended June 30, 2023, the Foundation recognized revenue and related expenses of \$29,431, for operating expense paid by the college on the Foundation's behalf.

The Foundation also receives the use of donated facilities for its program operations and supporting services. The Foundation recognized in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of donation. Fair value is estimated using the average price per square foot of rental listings in the Foundation's service area. The total amount recognized for donated facilities is approximately \$1,800 for the year ended June 30, 2023.

The Foundation used these donated services, facilities, and operating expenses to support student scholarships and programs that enrich both campus and community life. In-kind contributions of donated services, facilities and operating expenses are recorded as contributions – donated services, space and operating on the statement of activities.



**Central
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**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, 2023

ASRS - Pension	Reporting Fiscal Year (Measurement Date)								
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
District's proportion of the net pension liability	0.19%	0.21%	0.21%	0.22%	0.23%	0.22%	0.22%	0.21%	0.22%
District's proportionate share of the net pension liability	\$ 31,485,564	\$ 26,629,938	\$ 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	\$ 22,317,310	\$ 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 proportionate share of the net pension liability as a percentage of its covered payroll	141.08%	119.81%	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	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%

2013 through 2014 - Information not available

Pinal County Community College District
(Central Arizona College)
Required Supplementary Information
Schedule of District Pension Contributions
June 30, 2023

	Reporting Fiscal Year											
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014		
ASRS - Pension												
Statutorily required contribution	\$ 2,731,614	\$ 2,769,852	\$ 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	2,731,614	2,769,852	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	\$ 22,196,382	\$ 22,317,310	\$ 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	12.31%	12.41%	11.99%	11.90%	11.18%	10.89%	10.96%	11.20%	11.06%	10.81%		



**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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net Investment in Capital Assets	\$ 79,817,089	\$ 74,530,679	\$ 91,821,496	\$ 64,416,261	\$ 66,491,129	\$ 66,762,037	\$ 63,860,469	\$ 57,763,011	\$ 60,370,065	\$ 60,212,992
Restricted - Expendable	9,362,228	9,360,098	6,387,875	6,815,049	9,012,302	11,897,569	10,910,380	6,185,680	4,468,022	5,812,903
Restricted - Nonexpendable	140,200,757	118,359,253	76,288,936	79,596,567	61,455,887	47,364,990	33,184,399	27,062,723	11,421,044	37,184,168
Unrestricted	\$ 229,380,074	\$ 202,250,030	\$ 174,498,307	\$ 150,827,877	\$ 136,959,318	\$ 126,024,596	\$ 107,955,248	\$ 91,011,414	\$ 76,259,131	\$ 103,210,063
Total Net Position										

Source: District audited financial statements

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

Fiscal Year

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Operating revenues:										
Tuition and fees* (net of scholarship allowances)	\$ 2,120,618	\$ 1,255,278	\$ 2,351,129	\$ 3,166,369	\$ 3,856,527	\$ 5,544,035	\$ 5,218,478	\$ 5,803,046	\$ 5,393,072	\$ 5,274,693
Dormitory rentals and fees* (net of scholarship allowances)	224,399	141,643	28,743	151,098	239,477	321,403	285,070	285,540	230,773	247,141
Other operating revenues	389,205	366,407	445,759	523,010	436,045	588,060	242,066	571,936	771,800	683,493
Total operating revenues	\$ 2,734,222	\$ 1,763,328	\$ 2,825,631	\$ 3,840,477	\$ 4,532,049	\$ 6,453,498	\$ 5,745,614	\$ 6,660,522	\$ 6,395,645	\$ 6,205,327
* Pledged as security for revenue obligations and bonds										
Operating expenses:										
Educational and General										
Instruction	\$ 17,981,511	\$ 16,550,320	\$ 17,553,475	\$ 18,758,197	\$ 17,896,502	\$ 22,810,303	\$ 25,294,670	\$ 22,406,606	\$ 21,167,536	\$ 21,077,842
Public service	305,700	195,710	195,429	293,530	382,361	281,528	229,182	236,315	313,846	260,855
Academic support	3,997,646	3,678,200	3,687,658	3,475,262	2,394,118	2,404,671	2,395,117	2,402,822	2,667,475	3,181,172
Student services	6,489,944	6,379,366	6,650,760	7,708,320	8,102,722	5,126,051	4,951,129	4,666,022	4,736,622	4,797,955
Institutional Support	16,212,435	18,690,212	17,452,107	14,567,640	18,072,223	13,807,763	13,377,377	14,112,505	12,402,954	13,851,937
Operation and maintenance of plant	4,720,535	4,368,476	6,722,397	6,604,992	6,484,432	6,285,267	5,981,320	5,853,781	6,123,290	6,584,000
Scholarships	6,521,948	8,699,635	3,803,994	5,480,651	5,463,973	6,299,135	7,215,802	7,686,691	8,695,427	9,035,684
Auxiliary enterprise	445,645	579,175	861,185	599,385	986,031	1,089,901	1,267,741	1,092,141	1,047,126	1,082,034
Depreciation	9,611,789	7,333,653	7,163,377	6,936,928	6,615,789	5,830,089	5,995,051	6,097,868	6,201,956	5,358,184
Total operating expenses	\$ 66,347,153	\$ 66,474,747	\$ 64,090,382	\$ 64,424,905	\$ 66,398,151	\$ 63,934,708	\$ 66,707,389	\$ 64,554,751	\$ 63,366,232	\$ 65,229,663
Operating Loss	\$ (63,612,931)	\$ (64,711,419)	\$ (61,264,751)	\$ (60,584,428)	\$ (61,866,102)	\$ (57,481,210)	\$ (60,961,775)	\$ (57,894,229)	\$ (56,960,587)	\$ (59,024,336)
Nonoperating revenues (expenses):										
Property taxes	\$ 66,831,624	\$ 64,584,130	\$ 63,964,473	\$ 57,896,090	\$ 58,666,381	\$ 60,211,680	\$ 58,663,549	\$ 57,079,404	\$ 48,307,654	\$ 46,906,012
State appropriations	3,845,900	5,119,000	1,224,800	3,343,900	1,604,300	1,717,900	1,821,200	2,000,000	3,033,200	2,392,700
Government grants	14,231,817	22,596,172	14,078,187	14,415,666	14,694,123	15,877,305	19,360,337	16,170,153	16,364,967	16,385,572
Share of state sales taxes	1,294,505	1,016,405	1,037,595	805,271	805,237	751,695	748,221	715,933	649,792	738,258
Smart and Safe Arizona fund appropriations	2,470,938	1,489,878	763,840	627,817	141,201	227,322	122,261	198,066	607,478	334,269
Private grants and gifts	196,613	163,739	163,739	551,211	1,304,045	921,783	439,054	277,354	120,475	79,625
Investment earnings	2,687,140	573,079	569,767	1,397,602	(3,990,362)	(4,225,711)	(3,260,098)	(3,769,810)	(3,994,255)	(4,382,623)
Interest expense on debt	(3,220,782)	(3,250,579)	(1,683,193)	(3,990,362)	(4,159,376)	(4,225,711)	(101,542)	(24,588)	4,591	(186,722)
Gain/(Loss) on disposal of capital assets	(553,526)	(44,238)	(84,734)	11,348	(394,087)	171	(101,542)	(24,588)	4,591	(186,722)
Net nonoperating revenues	\$ 87,784,229	\$ 92,247,386	\$ 80,498,552	\$ 74,430,726	\$ 72,661,824	\$ 75,482,145	\$ 77,792,982	\$ 72,646,512	\$ 65,093,902	\$ 62,267,091
Income before other revenues, expenses, gains and losses	\$ 24,171,298	\$ 27,535,967	\$ 19,233,801	\$ 13,846,298	\$ 10,795,722	\$ 18,000,935	\$ 16,831,207	\$ 14,752,283	\$ 8,133,315	\$ 3,242,755
Capital appropriations										
Capital grants and gifts	56,731	215,756	4,436,629	22,261	139,000	68,413	112,627	-	-	-
Increase in net position	\$ 24,228,029	\$ 27,751,723	\$ 23,670,430	\$ 13,868,559	\$ 10,934,722	\$ 18,069,348	\$ 16,943,834	\$ 14,752,283	\$ 8,133,315	\$ 3,242,755
Total net position, July 1	\$ 202,250,030	\$ 174,498,307	\$ 150,827,877	\$ 136,959,318	\$ 126,024,596	\$ 107,955,248	\$ 91,011,414	\$ 76,259,131	\$ 68,125,816	\$ 99,967,308
Prior period adjustment	\$ 2,902,015									
Total net position, June 30	\$ 229,380,074	\$ 202,250,030	\$ 174,498,307	\$ 150,827,877	\$ 136,959,318	\$ 126,024,596	\$ 107,955,248	\$ 91,011,414	\$ 76,259,131	\$ 103,210,063

¹ Net position as restated, July 1, 2014 for GASB 68.

Source: District audited financial statements

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

Fiscal Year	Statutory Expenditure Limitation¹	Budgeted Expenditures Subject to Limitation²	Unused Legal Limit
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	37,550,406	1
2022	37,374,131	-	3
2023	36,735,233	-	3

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

² Budgeted expenditures are net of allowable exclusions.

Source: Audited Annual Budgeted Expenditure Limitation Reports

³ Data not available

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

Tax Year	Original Tax Levy ¹	Adjustments	Adjusted Levy as of 06/30/23	Collected within the Fiscal Year of the Levy ²			Collections in Subsequent Years	Total Collections to 06/30/23	
				Collections Initial Tax Year	Percentage of Original Levy	Amount		Percentage of Adjusted Levy	Amount
2013	44,822,855	(709,550)	44,113,305	42,917,017	95.75%	\$ 1,160,292	44,077,309	99.92%	
2014	45,508,829	(633,054)	44,875,775	43,860,643	96.38%	\$ 982,379	44,843,022	99.93%	
2015	54,520,894	(1,015,668)	53,505,226	52,330,717	95.98%	\$ 1,124,761	53,455,478	99.91%	
2016	55,683,737	(401,375)	55,282,362	53,952,637	96.89%	\$ 1,261,353	55,213,990	99.88%	
2017	56,937,013	(303,846)	56,633,167	55,691,540	97.81%	\$ 879,543	56,571,083	99.89%	
2018	55,643,415	(115,598)	55,527,817	54,775,622	98.44%	\$ 674,703	55,450,325	99.86%	
2019	55,800,353	(501,102)	55,299,251	54,245,813	97.21%	\$ 930,117	55,175,930	99.78%	
2020	61,254,986	122,358	61,377,344	60,299,779	98.44%	\$ 965,449	61,265,228	99.82%	
2021	61,397,579	(49,777)	61,347,802	60,326,130	98.25%	\$ 910,270	61,236,400	99.82%	
2022	64,352,888	8,806	64,361,694	63,215,003	98.23%	\$ -	63,215,003	98.22%	

¹ Includes both primary and secondary taxes.

² 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 ¹	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				
2013	551,188	1,136,974	285,853	14,867	1,988,882	4.1343	17,907,662	11.11%
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%
2021	687,321	1,942,036	222,225	17,298	2,868,881	4.0129	27,390,040	10.47%
2022	742,631	2,123,950	228,456	31,926	3,126,962	3.8812	29,741,881	10.51%

¹ 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 2022 Abstract of Assessment Roll - Tax Year 2023

Note: AZDOR Abstract report is \$8,061,299 different from the Pinal County Tax Levies and Rates Documents. The AZDOR financial statements for 2022 list the assessed valuation to be \$3,126,962,457.

https://azdor.gov/sites/default/files/2023-03/REPORTS_ANNUAL_2022_ASSETS_fy22_annual_report.pdf

Page 53 - State of Arizona 2022 Primary Property Tax Levies - Net Assessed Valuation Column

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		
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		
21/22	0.43	3.69	2.15	3.47	3.19	2.58	0.05	1.59	1.92	0.00-211.39	1.98	0.17	2.15		
22/23	0.00	3.56	2.06	3.14	2.76	1.86	0.05	1.36	1.81	0.00-211.39	1.87	0.19	2.06		

Source: Pinal County 2022- 2023 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		
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	
2021/22	2,868,881	3.6900	0.0965	0.1693	0.0571	4.0129	
2022/23	3,126,962	3.5600	0.0965	0.1693	0.0554	3.8812	

Source: Pinal County 2022 - 2023 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
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
2022	2,868,881	1.9792	56,781	2,868,881	0.1706	4,894
2023	3,126,962	1.8705	58,490	3,126,962	0.1875	5,863

Source: County assessment records and Pinal County 2021-2022 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 2022 and Tax Year 2013**
(\$ Amounts expressed in thousands)

Taxpayer	2022			2013		
	Primary Assessed Value	Rank	Percent of Total Value	Primary Assessed Value	Rank	Percent of Total Value
Arizona Public Service Company	95,568	1	3.06%	83,972	1	4.22%
Corecivic Western Operations LLC	53,379	2	1.71%	49,128	3	2.47%
ASARCO LLC/Ray Copper Complex	39,365	3	1.26%	49,128	2	2.47%
El Paso Natural Gas	25,558	4	0.82%	17,445	4	0.88%
Southwest Gas Corporation	24,289	5	0.78%	10,695	6	0.54%
Unisource Energy Corporation (EPF)	19,039	6	0.61%	9,526	7	0.48%
Union Pacific Railroad	16,022	7	0.51%			
Arizona Water Company	15,541	8	0.50%	11,273	5	0.57%
Lucid USA, Inc. (FKA Atieva USA, Inc.)	12,438	9	0.40%	9,513	8	0.48%
Johnson Utilities	10,891	10	0.35%	8,966	9	0.45%
Qwest Corporation				8,663	10	0.44%
Walmart						
Total	\$ 312,090		9.99%	\$ 258,309		13.00%
Total Assessed Value	\$ 3,126,962			\$ 1,988,882		

Source: County Treasurer Tax Records - Top Fifty Taxpayers

**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	Revenue Refunding Bonds	Premium	Pledged Revenue Obligations	Financed Purchase Obligations		Leases Payable	Subscription Liability	Total Outstanding Debt	Percentage of Personal Income	Per Capita ¹
							APS	FAEF					
2014	88,680,000	-	4,185,000	-	1,928,220	5,285,000	3,512,996	-	-	-	103,591,216	0.010%	266
2015	85,940,000	-	-	7,815,000	1,840,574	-	3,190,640	-	-	-	98,786,214	0.011%	243
2016	53,875,000	28,895,000	-	6,204,970	5,891,784	-	2,853,081	-	-	-	97,719,835	0.012%	233
2017	50,970,000	28,850,000	27,535,000	4,165,000	8,541,553	-	2,499,602	-	-	-	122,561,155	0.010%	286
2018	47,960,000	28,770,000	27,535,000	2,100,000	8,067,794	-	2,129,451	-	-	-	116,562,245	0.011%	264
2019	44,845,000	28,690,000	27,535,000	-	7,594,035	-	1,741,851	-	-	-	110,405,886	0.012%	244
2020	42,955,000	27,275,000	26,470,000	-	7,120,275	-	1,335,979	-	-	-	105,156,254	0.014%	228
2021	-	61,360,000	25,375,000	-	11,313,675	-	910,982	3,010,212	-	-	101,969,869	0.017%	227
2022	-	58,205,000	24,235,000	-	10,528,772	-	465,966	2,491,216	-	-	95,925,954	0.018%	213
2023	-	54,905,000	23,040,000	-	9,743,869	-	-	41,272	4,640,672	951,991	93,322,804	0.018%	201

¹ 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 Population Pinal County (000's) ¹	Secondary Assessed Value (000's)	General Obligation Bonds ²	Amount Available for Retirement of GO Bond Debt	Net Bonded Debt	Percentage of Net Bonded Debt to Assessed Value	
						Net Bonded Debt Per Capita	Net Bonded Debt Per Capita
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
2022	450	2,868,881	68,733,772	1,842,433	66,891,339	2.3%	148.65
2023	464	3,126,962	64,648,869	2,039,989	62,608,880	2.0%	134.93

¹ Demographic and Economic Statistics for Pinal County.

² 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 Rev Obligations		Rev Refunding Bonds		Financed Purchase		Leases Payable		Subscription Liability		Total Operating Expenses / Expenditures	Percentage of Debt Service to Operating Expenses / Expenditures
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
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	980,000	6,653			322,356	149,347			8,839,219	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	2,805,000	2,149,026	45,000	1,208,410					2,039,870	75,701	353,479	120,306			8,866,892	66,707,389	13.3%	
2018	3,010,000	2,050,126	80,000	1,174,850					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					2,100,000	15,330	405,871	71,404			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	1,216,900				46,917	2,087	424,997	53,543	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	1,163,050				518,995	29,358	445,015	34,840	9,091,770	64,090,382	14.2%	
2022	-	-	3,155,000	2,613,050	1,140,000	1,112,650	1,140,000	1,112,650			88,189	4,175	465,967	15,257	9,048,908	66,474,747	13.6%	
2023	-	-	3,300,000	2,472,150	1,195,000	1,066,225							1,095,614	176,905	10,517,835	66,347,153	15.9%	

Source: District records

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

Fiscal Year ²	Pledged Revenues	Revenue Bonds ¹		Revenue Refunding Bonds ²		Pledged Revenue Obligations ¹		Total Debt Service	Coverage
		Principal	Interest	Principal	Interest	Principal	Interest		
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
2022	2,336,407	1,140,000	1,112,650	-	-	-	-	2,252,650	1.04
2023	5,421,362	1,195,000	1,066,225	-	-	-	-	2,261,225	2.40

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

² 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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Secondary assessed valuation of real and personal property	\$ 2,005,344	\$ 2,040,750	\$ 2,057,548	\$ 2,119,751	\$ 2,239,027	\$ 2,355,433	\$ 2,521,252	\$ 2,689,422	\$ 2,868,881	\$ 3,126,962
Debt Limit, 15% of secondary assessed value	300,802	306,113	308,632	317,963	335,854	353,315	378,188	403,413	430,332	469,044
Total net debt applicable to limit	88,680	85,940	85,623	82,320	78,859	75,277	71,566	65,281	61,162	60,539
Legal Debt Margin	\$ 212,122	\$ 220,173	\$ 223,009	\$ 235,643	\$ 256,995	\$ 278,038	\$ 306,622	\$ 338,132	\$ 369,170	\$ 408,505
Total net debt applicable to the limit as a percentage of debt limit	29.48%	28.07%	27.74%	25.89%	23.48%	21.31%	18.92%	16.18%	14.21%	12.91%

Source: Pinal County Assessor's Office and District Records

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

(\$ Amounts expressed in thousands)

Fiscal Year	Population¹	Personal Income²	Per Capita Income²	Unemployment Rate¹
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%
2021/22	450	17,027,700	38	3.9%
2022/23	464	17,027,700	38	4.6%

¹ Population and unemployment data was obtained from US Census Bureau Quick Facts - Pinal County, and Ycharts - Pinal County, and Ycharts - Pinal County. https://ycharts.com/indicators/pinal_county_az_unemployment_rate
<https://www.census.gov/quickfacts/pinalcountyarizona>
<https://data.bls.gov/cgi-bin/dsrv>

² Personal income, per capita, and population for 2021 is obtained from Arizona REAP Project - www.arizona.reaproject.org - 09-11-23

**Pinal County Community College District
Principal Employers for Pinal County
Fiscal Year 2022 and Fiscal Year 2013**

	2022			2013		
	Employer	Employees ¹	Rank	Percent of Total County Employment	Employees	Rank
Pinal County Government	2,910	1	1.74%	2,148	2	1.68%
State of Arizona	2,060	2	1.23%	3,000	1	2.35%
Walmart	2,010	3	1.20%	1,136	4	0.89%
Corecivic Inc (formerly Corrections Corporation of America)	1,980	4	1.18%	1,186	3	0.93%
Casa Grande Union High School District No 82	1,080	5	0.64%			
Gila River Indian Community	810	6	0.48%			
Harrahs Akchin Hotel and Casino	800	7	0.48%	600	6	0.47%
Banner Health (formerly Casa Grande Community Hospital)	770	8	0.46%	800	5	0.63%
Fry's Food Store	680	9	0.41%			
Maricopa Unified School District	670	10	0.40%			
Central Arizona Detention Center				590	7	0.46%
Hexcel Corporation				550	8	0.43%
Abbott Corporation				500	9	0.39%
Frito-Lay, Inc.				450	10	0.35%

¹ Estimated number of full-time equivalent employees

Source: Maricopa Association of Governments, Arizona Employment Map (2021 data); accessed 09-11-23
<https://geo.azmag.gov/maps/azemployer/>

Source 2013: Pinal County CAFR FY 22

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

Employment by Sector¹	# of Employees	Percent
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>	167,669	100.0%

Employment by Occupation¹	# of Employees	Percent
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>	119,437	100.0%

Unemployment Rate² 4.60%

¹ US Census Bureau - 2021 American Community Survey (ACS) 1-Year Estimates;
Occupation by Sex for the Civilian Employed Population 16 years and over.
<https://data.census.gov/cedsci/table?q=Pinal%20County,%20Arizona%20Employment&y=2021&tid=ACSST5>
https://data.census.gov/cedsci/table?q=Pinal%20County,%20Arizona%20Employment&y=2021&tid=ACSST5Y2020_S2402

² Unemployment data was obtained from Ycharts - Pinal County, AZ Unemployment Rates
https://ycharts.com/indicators/pinal_county_az_unemployment_rate

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

Established	February 1, 1875
Geographical Location	South central portion of Arizona
Total Area	5,374 Square Miles
County Seat	Florence

Population	2010	2020	2021
Pinal County	375,770	447,559	449,557
State of Arizona	6,392,310	7,174,064	7,276,316

Age Distribution	% of Total	
	Pinal County	State of Arizona
Persons under 5 years, percent, 2021	5.4%	5.5%
Persons 5 to under 19, percent 2021	18.8%	19.2%
Persons 20 to under 24, percent 2021	5.6%	6.7%
Persons 25 to under 34, percent 2021	13.1%	13.8%
Persons 35 to under 44, percent 2021	13.2%	12.6%
Persons 45 to under 54, percent 2021	11.2%	11.7%
Persons 55 to under 59, percent 2021	5.4%	5.8%
Persons 60 years and over, percent, 2021	27.3%	24.7%
Female persons, percent, 2021	49.9%	50.1%

Population Composition	% of Total	
	Pinal County	State of Arizona
White alone, percent, 2021	62.7%	58.3%
Black or African American alone, percent, 2021	4.9%	4.5%
American Indian and Alaska Native alone, percent, 2021	5.1%	4.0%
Asian alone, percent, 2021	1.6%	3.4%
Native Hawaiian or Other Pacific Islander alone, percent 2021	0.3%	0.2%
Some other race	8.5%	9.5%
Two or more races	16.9%	20.1%
	100.0%	100.0%

Source: US Census Bureau 2020: ACS 5-Year Estimates Subject Table: Age and Sex - Accessed 09/11/2023
<https://data.census.gov/cedsci/table?g=05000000US04021&y=2021&tid=ACSST5Y2020.S0101>
<https://data.census.gov/cedsci/table?g=05000000US04021&y=2021&tid=ACSDP1Y2021.DP05>
<https://data.census.gov/cedsci/table?g=04000000US04&y=2021>

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
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%
2022	1,495	6,774	35.1%	62.7%	2.2%	45.0%	46.6%	6.3%	0.0%	2.1%
2023	1,505	6,368	37.7%	62.3%	0.0%	53.7%	34.5%	9.1%	0.0%	2.8%

Degrees and Certificates Awarded		
Fiscal Year	Degrees	Certificates
	Awarded	Awarded
2014	532	360
2015	569	541
2016	589	551
2017	566	575
2018	541	736
2019	600	836
2020	523	804
2021	587	581
2022	493	563
2023	513	728

Demographic Statistics										
Fiscal Year	Age		Ethnic Background							
	Median	Average	Asian American	African American	Hawaiian-Pacific Islander	Native American	Hispanic	White	Other	Not Identified
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%
2022	21	25	2.0%	6.9%	0.4%	3.6%	36.9%	39.4%	5.2%	5.6%
2023	21	25	2.1%	7.5%	0.5%	3.1%	40.0%	39.1%	4.5%	3.2%

Source: District Records
District IPEDS Data Feedback Report 2022

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Headcount	7853	8260	6317	8093	8517	8086	9741	10,231	10,701	11,746
Full time student enrollment (FTSE) by campus	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Aravaipa	2.10	1.55	11.43	39.62	43.57	64.71	72.13	73.89	83.51	75.10
Arizona Learning System										
Arizona State Prison	147.92	71.23		98.35	173.47	186.82	131.95	135.15	150.08	171.87
Casa Grande Center		17.05	14.15	49.52	15.05	36.78	42.24	45.48	60.95	81.22
Central Corporate Center			19.30	52.28	39.83	27.45	51.81	70.97	100.47	112.40
Coolidge										
District/Statewide Programs										
Florence Center				0.10		0.35	0.40	1.97	3.58	10.80
Maricopa Campus	145.58	126.17	114.12	240.82	217.65	285.54	282.88	276.74	265.45	259.50
Saddlebrooke Center										1.90
San/Tan Johnson Ranch	150.32	114.82	118.13	297.32	286.82	325.47	319.84	329.29	287.67	216.58
Signal Peak	690.31	581.70	534.82	1,153.74	1,082.68	1,256.55	1,289.27	1,392.33	1,424.56	1,595.98
Supersition Mountain	106.48	138.47	184.60	254.18	243.90	310.23	344.20	386.42	457.15	509.71
Virtual	1,818.15	2,182.87	1,657.73	1,246.17	963.45	1,126.55	1,186.25	1,236.47	1,296.62	1,390.58
Total District FTSE	3,060.86	3,233.86	2,654.28	3,432.10	3,066.42	3,620.45	3,720.97	3,948.71	4,130.04	4,425.64

Source: District Records

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Full-Time Teaching	84	92	96	99	98	105	103	107	96	92	95
Non-Teaching Support	111	111	122	129	129	121	108	115	110	119	122
Managerial & Technical	145	148	144	144	129	138	131	127	137	130	131
Administration	16	15	20	18	15	16	15	15	14	13	15
Total Non-Teaching	272	274	286	291	273	275	254	257	261	262	268
Total Full-Time	356	366	382	390	371	380	357	364	357	354	363
Part-Time Teaching	99	124	134	182	192	245	273	272	311	381	420
Non-Teaching	110	120	109	142	198	193	228	260	244	204	194
Total Part-Time	209	244	243	324	390	438	501	532	555	585	614
Total Employees	565	610	625	714	761	818	858	896	912	939	977

Source: District Records, IPEDS Human Resources Report, FY22

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

Asset Type	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Capital assets not being depreciated/amortized										
Land	\$ 25,518,809	\$ 25,936,873	\$ 25,936,873	\$ 26,013,275	\$ 26,013,275	\$ 26,013,275	\$ 26,013,275	\$ 26,013,275	\$ 26,013,275	\$ 26,013,275
Construction in progress	3,072,360	521,688	408,968	266,654	153,281	29,252,375	6,070,742	993,854	153,281	-
Total capital assets not being depreciated/amortized	<u>28,591,169</u>	<u>26,458,561</u>	<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>
Capital assets being depreciated/amortized										
Buildings	170,649,066	172,448,493	170,892,771	166,997,330	166,287,022	140,130,164	139,665,547	138,685,393	137,871,866	137,281,629
Improvements other than buildings	32,746,462	31,686,452	29,654,259	29,581,896	28,721,882	29,293,242	29,293,242	29,717,401	29,739,695	29,705,822
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	3,490,511	3,490,511	3,377,138	3,377,138	3,377,138	-	-	-	-	-
Right-to-use lease assets - equipment	6,161,217									
Right-to-use subscription assets	1,656,849									
Equipment	19,947,399									
Library books	1,554,015	1,541,266	1,642,274	1,712,232	1,745,366	1,899,721	1,895,446	1,902,492	2,001,628	1,888,256
Total capital assets being depreciated/amortized	<u>237,376,691</u>	<u>229,071,507</u>	<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>
Less accumulated depreciation/amortization for										
Buildings	54,441,727	51,158,115	47,950,324	44,242,752	40,467,812	39,165,923	36,077,125	33,104,020	30,125,656	27,082,762
Improvements other than buildings	22,009,606	20,223,256	18,424,299	16,740,818	15,003,656	13,882,734	12,156,560	10,730,082	8,904,082	7,045,881
Water rights	128,828	105,404	105,404	93,693	81,981	70,269	58,558	46,847	35,135	11,712
Other intangibles	923,245	702,256	450,285	225,143	-	-	-	-	-	-
Right-to-use lease assets - equipment	1,578,543									
Right-to-use subscription assets	630,117									
Equipment	14,917,994	14,926,943	14,673,943	14,471,217	13,517,365	13,271,877	12,552,714	11,983,014	12,611,194	11,599,555
Library books	1,048,526	1,012,390	1,086,724	1,115,360	1,128,205	1,296,049	1,299,684	1,341,680	1,432,920	1,346,754
Total accumulated depreciation/amortization	<u>95,678,586</u>	<u>88,128,364</u>	<u>82,690,960</u>	<u>76,888,983</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>
Total capital assets being depreciated/amortized (net)	<u>141,698,105</u>	<u>140,943,143</u>	<u>141,187,282</u>	<u>143,367,036</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>
Capital assets, (net)	<u>\$ 170,289,274</u>	<u>\$ 167,401,704</u>	<u>\$ 167,533,123</u>	<u>\$ 169,646,965</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>

Source: District audited financial statements

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

Fiscal Year	Annual Tuition Rates¹	Tuition per Credit Hour
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
2022	2,580	86
2023	1,500	50

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

Source: District Records