Maricopa County Community College District

Phoenix, Arizona

Chandler-Gilbert

Estrella Mountain

GateWay

Glendale

Mesa

Paradise Valley

Phoenix

Rio Salado

Scottsdale

South Mountain

Rio Salado College

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2017

MARICOPA COMMUNITY COLLEGES

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2017

Maricopa County Community College District
Phoenix, Arizona

Prepared by
Division of Business Services

Maricopa County Community College District Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2017

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Introductory Section

MARICOPA COMMUNITY COLLEGES | Office of the Chancellor

2411 West 14th Street, Tempe, AZ. 85281 • T: 480.731.8100 • F: 480.731.8120 • www.maricopa.edu

December 18, 2017

To the Citizens of Maricopa County:

I am pleased to submit the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017.

During a year of dynamic transformation at the Maricopa County Community College District, our Governing Board has continued the prudent exercise of its fiduciary responsibilities, maintained its commitment to affordable tuition, and held the line on property taxes. With the continued lack of state support, our financial management team continued the District's strong strategic and long-term financial planning processes and maintained our strong financial position.

We know that to continue to serve our students and the community with excellence, we must push ourselves to make necessary changes in our system. Maricopa Community Colleges are undergoing a system-wide transformation focused on building on our history of innovation and service while strengthening the experience and education we offer our students. As we work to remain competitive and bring Maricopa in alignment with the expectations of our community, we aim to innovate, collaborate, and respond to the needs of our students and to those of local industry.

It is more important than ever that we partner with local businesses and industry leaders to understand their needs and ensure our students are ready for the jobs of today and tomorrow. It is also essential that we help support our students' success and make our processes clear and consistent. We will implement strategic changes to our internal operations and infrastructure. These changes promise great returns for our students, employees, and the community.

Respectfully,

Dr. Maria Harper-Marinick
Chancellor

2411 West 14th Street, Tempe, AZ. 85281 • T: 480.731.8100 • F: 480.731.8120 • www.maricopa.edu

December 18, 2017

To the Residents of the Maricopa County Community College District:

We are pleased to provide you with the Comprehensive Annual Financial Report (CAFR) of the Maricopa County Community College District (MCCCD; the District) for the fiscal year ended June 30, 2017 (FY 2017).

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

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

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

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

Reporting Entity

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

Reporting Entity (continued)

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

Profile of Maricopa County Community College District

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

The District serves the educational needs of Maricopa County through ten accredited colleges, two skill centers, and the Maricopa Corporate College. The colleges and skill centers are managed by eleven college presidents and two directors. District-wide administrative and support services are centralized and administered by the Chancellor and five Vice Chancellors: Executive Vice Chancellor and Provost, Vice Chancellor for Business Services, Vice Chancellor for Human Resources, Vice Chancellor for Information Technology Services, and Vice Chancellor for Resource Development & Community Relations.

History

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

Geography/Population

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

Maricopa County continues to have one of the fastest growing populations in the United States. According to the U.S. Census Bureau Population Division, the County's population increased by 24% in the 10-year period between the official census dates of April 2000 and April 2010. As of July 2016, the Office of Employment and Population Statistics of the Arizona Department of Administration estimated the County's population to be 4,137,076, making it the fourth most populated county in the nation.

Maricopa County has slightly more than 60% of the State's total population and 64% of the total labor force. A majority of the County's labor force (88%) is employed in the service markets. These include trade, transportation and utilities; professional and business services; educational and health services; government; leisure and hospitality; and financial activities.

Profile of Maricopa County Community College District (continued)

Types of Services

The District is the largest single provider of post-secondary education in Arizona – offering affordable education to nearly 202,000 individuals year-round in credit classes and 14,000 individuals in special-interest/non-credit classes.

The District offers a wide range of quality academic, career and technical, and personal interest programs to meet the needs of students throughout Maricopa County. Students planning to transfer to a four-year institution may first complete the 35-credit hour Arizona General Education Curriculum core and/or an associate degree. The District offers the following associate degrees: Associate in Arts (including specialized degrees in Elementary Education and Fine Arts), Associate in Business, Associate in Science, Associate in General Studies, and Associate in Applied Sciences. Numerous Associate of Applied Science degrees and Certificates of Completion are available for students seeking technical expertise or upgrading skills in a specific career area. Non-credit personal interest courses are available in many areas including the arts, computer technology, personal development, and financial management. As indicated by racial category, the student enrollment data mirrors the population of Maricopa County: 45% Anglo, 29% Hispanic, 8% African American, 5% Asian, 3% Native American and 10% other.

The District is a major part of the community and continues to be a pipeline for the State's four-year universities, primarily Arizona State University (ASU). In academic year 2016-17, approximately 33,000 undergraduates enrolled at the three state universities had transferred 12 or more credits from MCCCD.

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

State and Local Economy

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

State and Local Economy (continued)

According to the Office of Economic Opportunity within the Arizona Department of Administration, Arizona's economy is forecasted to grow steadily for the calendar years 2016-2018. Specifically, Arizona's jobs are projected to increase from 2,852,181 in the third quarter of 2016 to 2,990,734 in the second quarter of 2018 which indicates an estimated gain of 138,553 jobs. This translates into 2.4% annualized growth for the two-year period. The overall employment situation in Arizona continues to improve. This suggests that the positive signs of economic improvement outweigh the risks associated with any uncertainties. As of September 2017, Arizona's seasonally adjusted unemployment rate was 4.7%.

Long-term Financial and Operational Planning

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

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

This planning process and policy guidance support the development of the District's long-term operational planning which is finalized each year in the "Maricopa Financial Plan". This 15-year plan helps the District align its key components of strategic and financial planning with estimated trends in funding as well as linking long-term strategic directions with estimated long-term budget resources.

Budget Process

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

Financial Reporting

An automated financial accounting system captures all financial transactions and provides data for the preparation of this CAFR, including the audited financial statements. These statements present information on the financial position of the District and confirm that resources were adequate to cover the costs of providing services during the reporting period. The District's award-winning CAFR is distributed to the Board, executive management, the state legislature, federal and state agencies, bond-rating agencies, financial institutions and the general public. Internal management reports, customized to

Long-term Financial and Operational Planning (continued)

meet the information and decision-making needs at all levels of the organization, aid in the management of financial resources. The District also routinely monitors and reports on revenue collections and actual expenses compared to budget at each college. It carefully reviews fluctuations and implements strategies to remedy variances throughout the year.

Major Initiatives

In 2011, the Governing Board adopted a goal to increase student completion rates by 50% by the year 2020 and the District has implemented evolving strategic plans to achieve this goal. In FY 2017, strategic commitments were identified to further this objective and as a vehicle to actualize the commitments. To achieve these commitments and better meet the needs of students and the community, the Chancellor developed and the Governing Board supported the Maricopa Transformation Plan and committed resources to see its implementation. As a community of colleges serving a large and diverse metropolitan area, shifting our culture from 10 individual colleges to a system of colleges working together to support students and the community, will enable the District to be more entrepreneurial, increase efficiency and collaboration, and better leverage resources across the system. The District's transformation is focused on three primary areas: Guided Pathways and Student Support, Industry Partnerships, and Enterprise Performance.

Transformation – Guided Pathways and Student Support

Research shows that students are more likely to complete on time if they identify a career goal early on, have a clear outline of the courses required, and receive consistent guidance and support along the way. We will structure our colleges to more effectively support students through this progression. Guided Pathways represents a comprehensive approach to improving student completion and will provide students with more clarity about the steps toward completion and course-taking behavior, additional guidance from counseling or advising early in students' journeys, and greater likelihood of completion (transfer or career placement).

Transformation – Industry Partnerships

Robust relationships between colleges and local industry partners are critical to building strong workforce development programs for students and industry partners play a key role in curriculum development and credential validation. The District is working to transform CTE and occupational programs into regional industry sector "institutes" across the colleges. These institutes will be managed centrally but delivered throughout the District based on market and student demand, establish a single industry board for each sector representing the entire county, and include structured internships, apprenticeships, and other on-the job/immersion experiences for students. Through these institutes, the District will establish partnerships that lead to meaningful changes to traditional curriculum and instructional practices and provide resources for community college faculty and staff to develop skills needed to design new curricula, teach integrated developmental, occupational and academic course work and better track student progress and employer needs.

<u>Major Initiatives</u> (continued)

Transformation – Enterprise Performance

The focus of the Transformation Program at its core is students and much of the work in the previous areas rely heavily on the District's employees and systems it has in place. Therefore, the District is placing significant emphasis on becoming more efficient and effective through both its human resources and enterprise systems. One effort will be to ensure we have a robust and comprehensive talent management system that ensures we retain and attract the best and the brightest employees. Another effort will be to ensure we eliminate any unnecessary redundancies in our processing of transactions.

Maricopa Priorities: Prioritizing Academic and Administration Programs and Services

In May 2012, the District began a system-wide evaluation to ensure its programs and services were aligned to effectively meet current and future education and support needs. Projects derived from this evaluation include the exploration of developing regional centers for some instructional programs, shared services for some currently distributed services, and operational efficiencies. Project implementation follows a structured process based on project management and organizational change management best practices. Projects included consolidating 11 college and district marketing departments into a single shared service department; organizationally consolidating early college and special population programs; and implementing functional and process improvements in areas such as tutoring, procurement, and faculty/staff training. Final efforts were made during FY 2017 and the initiative was concluded with the implementation of some projects (i.e., centralized marketing, improvements in library services and procurement processes, etc.) while others were closed or referred to the appropriate department or division (i.e., centralized facilities design support, consolidating media services, etc.).

Public University Partnerships

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

Residential/Adjunct Faculty Ratio

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

Major Initiatives (continued)

2004 Capital Development Program

As a result of a referendum approved by 76% of Maricopa County voters in November 2004, the District embarked on a $951 million capital program financed by General Obligation bonds. The Capital Development Program provides the physical environment, occupational and instructional equipment, and technology to support education and job training, and to meet the needs of current and future community college students through new and improved institutional facilities, support spaces, equipment, and technology. The bond reaches all colleges and skill centers in the District and funds improvements in educational and institutional technologies as well as student and community safety and security.

Since the inception of the 2004 Capital Development Program, the District has completed nearly eighty five projects that were fully or substantially funded by 2004 General Obligation bonds. These projects included 1,209,000 square feet of new space and 1,020,000 square feet of remodeled space, with total budgets of $713 million. With a variety of needs at each college, new buildings and remodeling projects often are multi-use, rather than single use or a single discipline. Fourteen new or remodeled projects totaling 677,000 square feet were dedicated to or contained science labs. Thirteen new or remodeled projects totaling 416,000 square feet were dedicated to or contained healthcare occupation and instruction areas. Also included in the Program were fourteen projects dedicated to or contained student services and support functions, reinforcing the District's ONE Maricopa Student Success Strategy and Student Success Initiative.

Twenty-six real estate transactions (existing buildings or raw land) were purchased, adding 569,000 square feet and 290 acres with a total expenditure of $85 million. Included in the purchases were three large undeveloped land parcels (Buckeye, Surprise and Laveen) totaling 213 acres for future college centers.

The last projects of the 2004 Capital Program are in process and will add or remodel approximately 78,000 square feet of building space. Under construction is the Cloud Song Center and Indigenous Scholars Institute at Scottsdale Community College that will include instructional and tutoring space, campus meeting rooms, and areas supporting increased enrollment of Native American students and advancing Native American scholarship, in partnership with the Salt River Pima/Maricopa Indian Community. Also, in the early phase of construction is the complete remodeling of Building C at Phoenix College, which will update and add physical science and chemistry instructional labs and classrooms.

In addition to the construction and remodeling, major improvements have been completed in college safety and security, and large maintenance projects including roofing and paving throughout the District. The District continues significant energy and water conservation work across all existing locations, including large photovoltaic solar energy generating installations at four District locations. A number of originally discussed locations have been dropped or put on hold due to insufficient space for collectors, inadequate investment payback, or changes in utility rate structure.

Major Initiatives (continued)

The District also continues to foster and develop partnerships. Funds from the 2004 General Obligation Bonds were used to construct the Rio Communiversity in Queen Creek in partnership with the town of Queen Creek. Four Maricopa colleges and two universities have combined to offer more than 40 certificates of completion, Associate's, Bachelor's and Master's degree programs at the Communiversity@Queen Creek. Two additional buildings funded by the 2004 G.O. bond also host partnerships. The Paradise Valley Community College Black Mountain Center in far northern Scottsdale was completed in 2009 and operates in partnership with the Valley of the Sun YMCA and the Foothills Community Center; the South Mountain Community College Community Library Building, developed and jointly operated with the City of Phoenix, Arizona opened in June 2011.

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Maricopa County Community College District for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the 26th consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal regulations.

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

Acknowledgment

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

Respectfully submitted,

Gaye Murphy
Vice Chancellor for Business Services

Kimberly Brainard Granio, CPA
Associate Vice Chancellor for Business Services
and Controller

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Maricopa County
Community College District
Arizona

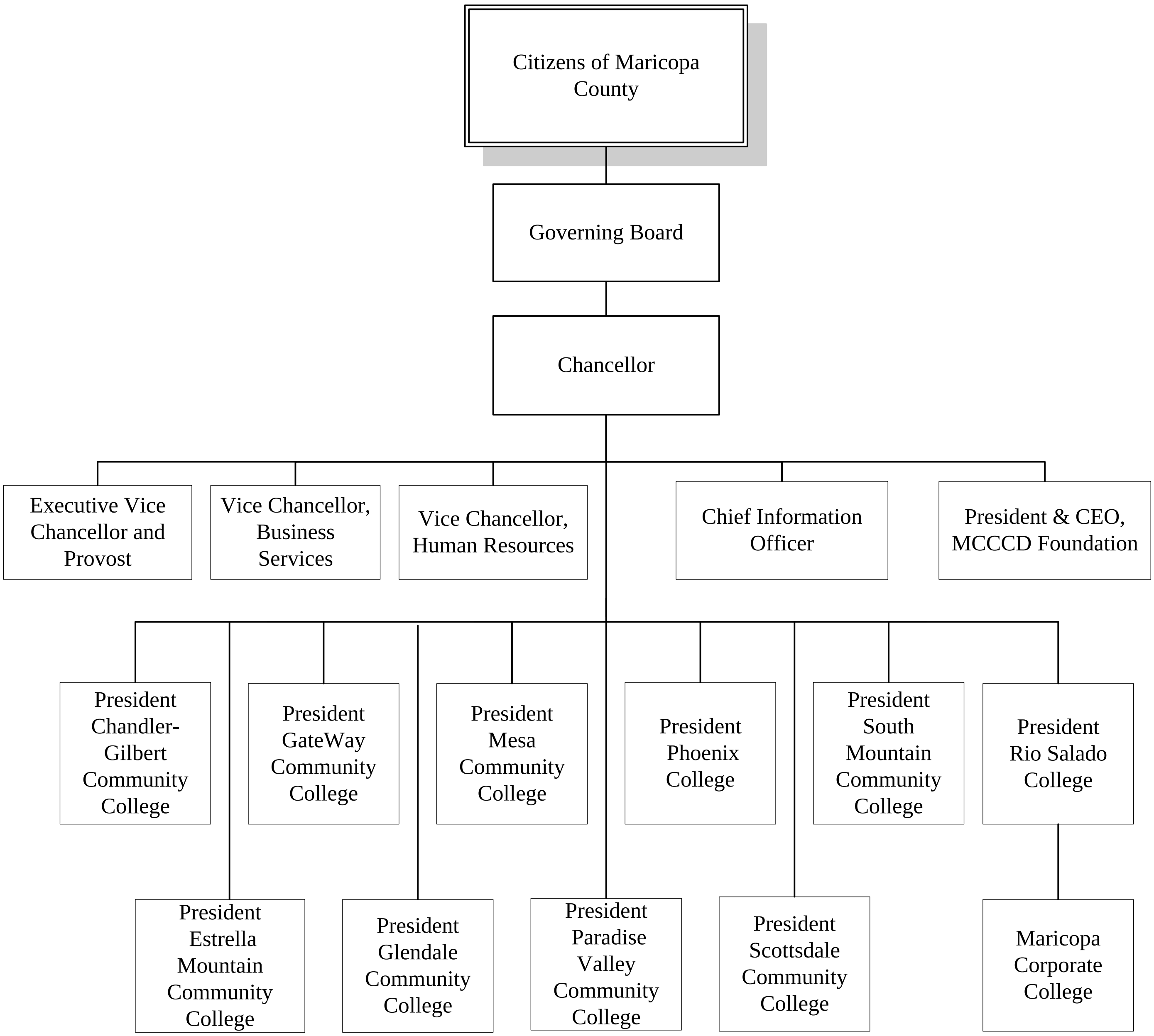
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Christopher P. Morrill

Executive Director/CEO

Maricopa County Community College District Organizational Chart



Maricopa County Community College District

Principal Officers

Governing Board

Mr. Laurin Hendrix, *President*
Dr. Linda Thor, *Vice President*
Mr. Dana Saar
Mr. Alfredo Gutierrez
Ms. Johanna Haver
Ms. Jean McGrath
Ms. Tracy Livingston

Administration

Dr. Maria Harper-Marinick, *Chancellor*
Dr. Debbie Kushibab, *Interim Executive Vice Chancellor and Provost*
Ms. Gaye Murphy, *Vice Chancellor, Business Services*
Ms. LaCoya Shelton, *Vice Chancellor, Human Resources*
Mr. Edward Kelty, *Chief Information Officer*
Ms. Christine Schultz, *President & CEO, MCCCD Foundation*

College Presidents and Directors

Dr. William Guerriero, *Interim President, Chandler-Gilbert Community College*
Dr. Ernie Lara, *President, Estrella Mountain Community College*
Dr. Steven R. Gonzales, *President, GateWay Community College*
Dr. Teresa Leyba-Ruiz, *Interim President, Glendale Community College*
Mr. Sasan Poureetezadi, *Interim President, Mesa Community College*
Dr. Paul Dale, *President, Paradise Valley Community College*
Ms. Christina Haines, *Interim President, Phoenix College*
Dr. Chris Bustamante, *President, Rio Salado College*
Dr. Jan L. Gehler, *President, Scottsdale Community College*
Dr. Shari L. Olson, *President, South Mountain Community College*

Vision, Mission & Values

Vision

A Community of Colleges…Colleges for the Community

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

Mission

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

We Focus On Learning Through:

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

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

Statement of Values

The Maricopa Community Colleges are committed to:

Community

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

Excellence

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

Honesty and integrity

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

Inclusiveness

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

Innovation

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

Learning

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

Responsibility

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

Stewardship

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

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

Financial Section

DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent auditors' report

Members of the Arizona State Legislature

The Governing Board of
Maricopa County Community College District

Report on the financial statements

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of the Maricopa County Community College District as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of Maricopa County Community College District as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other matters

Required supplementary information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 18 through 25, schedule of district's proportionate share of net pension liability on page 58, and schedule of district pension contributions on page 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

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

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

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

Other reporting required by Government Auditing Standards

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

Debbie Davenport
Auditor General

December 18, 2017

Maricopa County Community College District
Management's Discussion and Analysis
For the Year Ended June 30, 2017

Our discussion and analysis introduces the basic financial statements and provides an overview of the District's financial activities for the year ended June 30, 2017. It should be read in conjunction with the transmittal letter, which precedes this section, and the financial statements, which immediately follow.

Basic Financial Statements

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

The *Statement of Net Position* reflects the financial position of the District as of June 30, 2017. It shows the assets owned or controlled, deferred outflows of resources, related liabilities and other obligations, deferred inflows of resources, and the categories of net position. Net position is an accounting concept defined as total assets and deferred outflows less total liabilities and deferred inflows. As such, it represents the residual of all other elements presented in the Statement of Net Position of the District.

The *Statement of Revenues, Expenses, and Changes in Net Position* reflects the results of operations and other changes for the year ended June 30, 2017. It shows revenues and expenses, both operating and non-operating, and reconciles the beginning net position amount to the ending net position amount, which is shown on the *Statement of Net Position* described above.

The *Statement of Cash Flows* reflects the inflows and outflows of cash and cash equivalents for the year ended June 30, 2017. It shows the cash activities by type and reconciles the beginning cash and cash equivalents amount to the ending cash and cash equivalents amount, which is shown on the *Statement of Net Position,* described above. In addition, this statement reconciles cash flows from operating activities to operating loss on the *Statement of Revenues, Expenses, and Changes in Net Position* described above.

Although the primary focus of this document is on the results and activity for fiscal year 2016-17 (FY 2017), comparative data is presented for the previous fiscal year, 2015-16 (FY 2016). This Management's Discussion and Analysis (MD&A) uses the prior fiscal year as a reference point in illustrating issues and trends for determining whether the institution's financial health may have improved or deteriorated.

Basic Financial Statements (continued)

Condensed Financial Information

Statement of Net Position

	As of June 30, 2017	*As of June 30, 2016*
Assets		
Current assets	$628,316,515	$602,289,826
Noncurrent assets, other than capital assets	152,292,092	172,592,366
Capital assets, net	819,861,957	823,134,810
Total assets	**1,600,470,564**	**1,598,017,002**
Deferred Outflows of Resources	**126,586,582**	**54,412,999**
Liabilities		
Other liabilities	99,540,772	85,372,577
Long-term liabilities	1,176,526,156	1,197,121,890
Total liabilities	**1,276,066,928**	**1,282,494,467**
Deferred Inflows of Resources	**89,274,114**	**79,007,826**
Net position		
Net investment in capital assets	313,960,584	279,670,575
Restricted net position	115,642,435	109,858,780
Unrestricted net position	(67,886,915)	(98,601,647)
Total net position	**$361,716,104**	**$290,927,708**

Condensed Financial Information (continued)

Statement of Revenues, Expenses, and Changes in Net Position

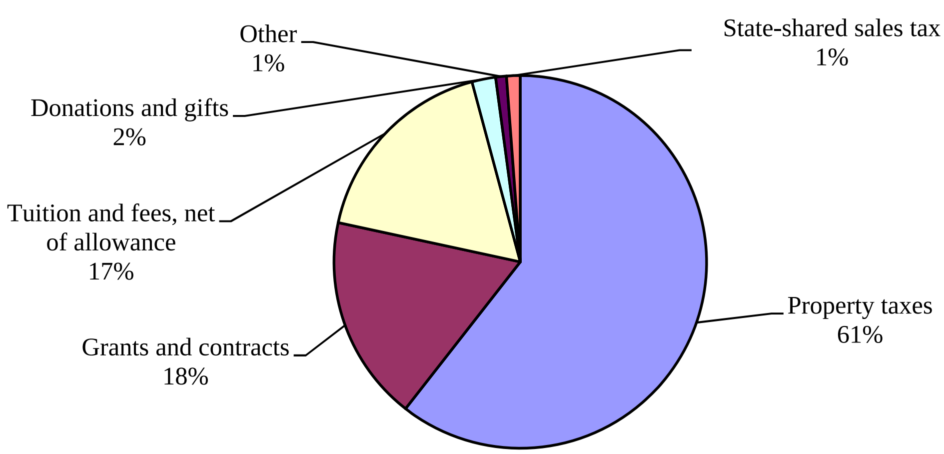
	For the Year Ended June 30, 2017	*For the Year Ended June 30, 2016*
Operating revenues	$162,868,745	$173,563,751
Operating expenses:		
Educational and general	694,733,886	726,874,100
Auxiliary enterprises	53,450,953	52,908,157
Depreciation	51,829,753	56,114,416
Other	68,484	217,404
Total operating expenses	800,083,076	836,114,077
Operating loss	(637,214,331)	(662,550,326)
Non-operating revenues and expenses	706,302,609	702,580,003
Income before other revenues, expenses, gains, or losses	69,088,278	40,029,677
Other revenues, expenses, gains, or losses	1,700,118	395,768
Change in net position	70,788,396	40,425,445
Net position, beginning of year	290,927,708	250,502,263
Net position, end of year	**$361,716,104**	**$290,927,708**

Condensed Financial Information (continued)

The following schedule presents a summary and comparison of revenues for the fiscal years ended June 30, 2017, and June 30, 2016.

Revenues by Source	FY 2017		FY 2016		Increase/(Decrease)	
Operating revenues	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Tuition and fees, net of scholarship allowance	$154,547,828	17%	$154,865,814	17%	($317,986)	0%
Other	8,320,917	1	18,697,937	2	(10,377,020)	(55)
Total operating revenues	162,868,745	18	173,563,751	19	(10,695,006)	(6)
Non-operating revenues						
Property taxes	536,564,530	61	527,356,534	59	9,207,996	2
State-shared sales tax	10,462,726	1	9,982,313	1	480,413	5
Grants and contracts	157,837,574	18	172,234,937	19	(14,397,363)	(8)
Donations and gifts	16,492,952	2	13,217,751	2	3,275,201	25
Investment earnings, net of investment expense	3,117,805	0	3,753,419	0	(635,614)	(17)
Total non-operating revenues	724,475,587	82	726,544,954	81	(2,069,367)	0
Capital grants and gifts	1,700,118	0	395,768	0	1,304,350	330
Total revenues	$889,044,450	100%	$900,504,473	100%	($11,460,023)	(1%)

Revenues by Source FY 2017

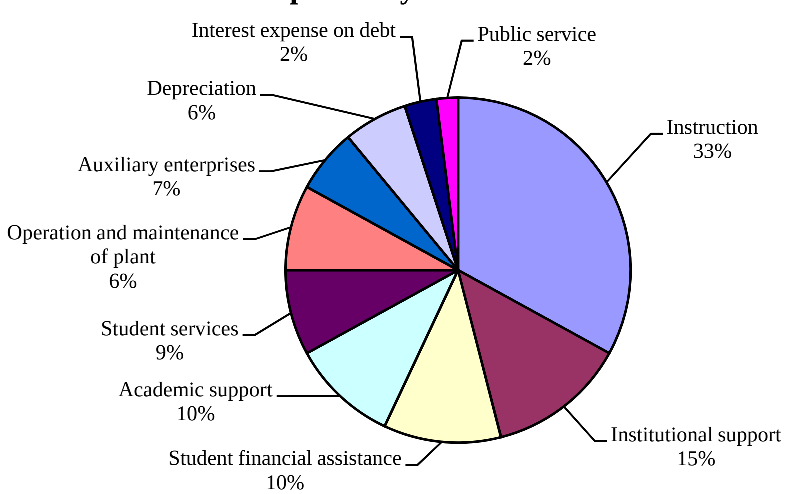


Condensed Financial Information (continued)

The following schedule presents a summary and comparison of expenses for the fiscal years ended June 30, 2017, and June 30, 2016.

Expenses by Function	FY 2017		FY 2016		Increase/(Decrease)	
Operating expenses	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Educational and general						
Instruction	$265,767,067	33%	$277,994,226	32%	($12,227,159)	(4%)
Public service	19,255,615	2	16,166,872	2	3,088,743	19
Academic support	79,600,681	10	82,489,827	10	(2,889,146)	(4)
Student services	77,676,600	9	76,317,675	9	1,358,925	2
Institutional support	120,551,821	15	111,308,843	13	9,242,978	8
Operation and maintenance of plant	52,088,708	6	76,012,896	9	(23,924,188)	(31)
Student financial assistance	79,793,394	10	86,583,761	10	(6,790,367)	(8)
Auxiliary enterprises	53,450,953	7	52,908,157	6	542,796	1
Depreciation	51,829,753	6	56,114,416	7	(4,284,663)	(8)
Other	68,484	0	217,404	0	(148,920)	(68)
Total operating expenses	800,083,076	98	836,114,077	98	(36,031,001)	(4)
Non-operating expenses						
Interest expense on debt	15,268,512	2	20,861,993	2	(5,593,481)	(27)
Loss on sale or disposal of capital assets	2,904,466	0	3,102,958	0	(198,492)	(6)
Total non-operating expenses	18,172,978	2	23,964,951	2	(5,791,973)	(24)
Total expenses	$818,256,054	100%	$860,079,028	100%	($41,822,974)	(5%)

Expenses by Function FY 2017



Financial Highlights and Analysis

Statement of Net Position

The District's overall financial position increased in FY 2017 as the total net position for the District improved by approximately $70.8 million from FY 2016 to FY 2017. Total net position is comprised of the following sub-categories: net investment in capital assets, restricted, and unrestricted. There were changes in these sub-categories reflecting both increases and decreases for the year with the sum resulting in an overall increase in net position. The increase of $34.3 million in net investment in capital assets results from spending on the final GO Bond program projects adding to Construction in Progress coupled with the net impact of issuing refunding bonds to reduce outstanding long-term debt. Overall restricted net position remained fairly constant with relatively small increases and decreases within the category. Unrestricted net position in FY 2017 experienced an increase ($30.7 million) over FY 2016 primarily due to revenues outpacing expenses at the college and District levels, with a relatively small amount of these resources continuing to be set aside to plan for capital needs when the current capital bond program is completed (projected for 2018). However, unrestricted net position continues to be negative in FY 2017 due to the implementation of GASB 68 – *Accounting and Financial Reporting for Pensions* in fiscal year 2014-15. Over time and with good performance by ASRS, we would expect the negative unrestricted net position to eventually return to positive territory.

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

Total assets increased by $2.5 million. Current assets increased $26.0 million as revenues outpaced expenses; while not planned, the result allowed the District to set aside funds for college-specific and district-wide future priority needs (i.e., capital needs, student success initiatives, information technology needs, etc.). Noncurrent assets other than capital assets, decreased $20.3 million as the District readied to pay debt service payments on July 1st for the District's outstanding General Obligation bonds. Capital assets, net, decreased $3.3 million as spending slows with the end of the bond program nearing and accumulated depreciation continues to rise as construction and other projects are completed, placed in service, and depreciated.

Deferred outflows and inflows of resources are predominantly comprised of activity relating to pensions. Deferred outflows and inflows of resources are changes in the net pension liability that will be recognized as pension expense in future years and contributions after the measurement date that will reduce the net pension liability in future years. Variances in these lines from year to year will arise from changes in performance of investments, contribution changes to ASRS plans, composition of employer participants, recognition of prior year deferrals, etc. within a given year.

The most significant components of long-term liabilities for the District are bonds payable and net pension liability. The decrease in long-term liabilities of $20.6 million or 1.7% from FY 2016 to FY 2017 is due to a combination of following: the payment of debt service ($59.6 million), the net impact of refunding existing debt reducing bonds payable ($4.2 million), no issuance of any new debt, and an increase in the net pension liability ($36.8 million) for FY 2017.

Statement of Revenues, Expenses, and Changes in Net Position

The District has three major revenue sources: property taxes, grants and contracts, and tuition and fees. Total revenue for the District decreased by $11.5 million or less than 1% as a result of increases and decreases in the following major categories: property tax revenue rose by $9.2 million due to new construction added to the tax rolls; grants and contracts revenue decreased approximately $14.4 million primarily resulting from fewer students participating in Federal financial aid programs; and other revenues decreased approximately $10.4 million due to one-time funding received in FY 2016 for wellness programs.

An overall decline of $41.8 million was noted for expenses. Declines were noted in several categories including: instruction ($12.2 million, reflecting slightly lower instructional costs); operation & maintenance of plant ($23.9 million, predominantly due to reduced non-capitalized expenses for equipment and plant as the District's capital program winds down); student financial assistance ($6.8 million, due to the lower financial aid activity that was noted previously); and depreciation expense ($4.3 million). These decreases were offset by a notable increase in institutional support expenses of approximately $9.2 million or about 8%. This increase was due to higher spending on non-capitalized equipment attributed to institutional support, some of which was a shift from operation and maintenance of plant.

Capital Assets and Debt Administration

The District's capital assets as of June 30, 2017, totaled $819.9 million (net of accumulated depreciation). Capital assets include land, construction in progress, buildings, equipment, intangibles, improvements other than buildings, and library books. The District's capital assets remained consistent when compared to the prior year as new capital spending is offset by annual depreciation expense. This consistency is primarily attributed to the phasing out of bond funds as the District nears completion of the 2004 General Obligation (GO) Bond Program. The District has about $39.7 million in construction in progress with an estimated cost to complete of approximately $39.8 million. Additional information on capital assets can be found in Notes to Financial Statements – Note 4.

The District has issued 100% of the $951.4 million in GO bonds that were approved by voters in November 2004. In August 2016, the District sold $191.3 million in refunding bonds, saving District taxpayers nearly $20 million in interest costs over the life of the bonds as the savings translates to lower property taxes. These bonds refunded just over $216 million in outstanding bonds from the GO Bond Project 2004, Series B, Series C, and Series D issues. Information on all of the District's bond issues is presented in greater detail in Notes to Financial Statements – Note 5.

In July 2016, the District's GO Refunding Bonds, Series 2016, received ratings of "Aaa" by Moody's Investors Service, "AAA" by Fitch Ratings, Inc., and "AAA" by Standard and Poor's Global Ratings. Each rating firm also affirmed the same ratings to the District's outstanding GO Bonds as well as rating the District's outlook as "stable". Reasons cited for the high ratings included large and diverse economic base; prudently managed and strong financial operations; significant operating flexibility; improving local economy; and very low to low overall net debt burden and very rapid amortization. See Transmittal Letter-State and Local Economy, for additional information on the State's economy.

Current Factors Having Probable Future Financial Significance

During FY 2017, the Governing Board approved a resolution proposed by the Chancellor regarding the transformation of the District. The Governing Board has agreed to the initial expenditure of up to $26 million from the District's reserves (net position) to transform the District in such ways that will allow it to better meet the educational and employment needs of the community through more effective deployment of resources, increased responsiveness, and collaborative innovation. Expenditures for the transformation program are expected to occur primarily in fiscal year 2017-18 and may be increased or extended by the Governing Board. For additional information about the transformation program, see the Letter of Transmittal in the Introductory Section.

As the 2004 GO Bond Program continues, buildings open and new technology is acquired to serve the community, the District must continue to ensure that there are sufficient resources and budget capacity to operate the buildings and support the technology. As of FY 2017, the District has set aside $33.7 million in budget capacity for this purpose and will continue to increase this capacity until the Bond Program concludes.

Requests for Information

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

Maricopa County Community College District
Statement of Net Position – Primary Government
June 30, 2017

	Business-Type Activities
Assets	
Current assets:	
Cash and cash equivalents	$ 354,073,175
Investments	237,581,562
Receivables (net of allowance of $51,107,806)	36,033,258
Other	628,520
Total current assets	628,316,515
Noncurrent assets:	
Receivables (net of allowance of $195,057)	85,042
Other	4,697,549
Restricted assets:	
Cash and cash equivalents	96,245,338
Investments	50,002,276
Receivables (net of allowance of $477,412)	1,121,843
Other	140,044
Capital assets, not being depreciated	114,206,656
Depreciable capital assets, net of depreciation	705,655,301
Total noncurrent assets	972,154,049
Total assets	1,600,470,564
Deferred Outflows of Resources	
Deferred charges on refunded bonds	10,591,408
Deferred outflows related to pensions	115,995,174
Total deferred outflows of resources	126,586,582
Liabilities	
Current liabilities:	
Accounts payable	20,614,027
Accrued liabilities	62,159,998
Deposits held in custody for others	1,860,909
Interest payable	10,579,413
Unrealized revenues	4,326,425
Long-term liabilities - current portion	72,352,416
Total current liabilities	171,893,188
Noncurrent liabilities:	
Long-term liabilities	482,323,234
Net pension liability	591,099,729
Compensated absences	30,750,777
Total noncurrent liabilities	1,104,173,740
Total liabilities	1,276,066,928
Deferred Inflows of Resources	
Deferred inflows related to pensions	89,250,302
Deferred grant receipts	23,812
Total deferred inflows of resources	89,274,114
Net Position	
Net investment in capital assets	313,960,584
Restricted:	
Nonexpendable:	
Endowments	216,010
Student loans	98,712
Expendable:	
Scholarships	858,552
Grants and contracts	27,112,882
Student loans	25,020
Debt service	59,540,152
Capital projects	27,791,107
Unrestricted	(67,886,915)
Total net position	$ 361,716,104

See accompanying notes to financial statements.

Maricopa County Community College District
Statement of Financial Position – Component Unit
June 30, 2017

	Maricopa County Community College District Foundation
Assets	
Cash and cash equivalents	$ 1,106,205
Pledges receivable, net of discount and allowance	3,995,246
Investments	36,842,777
Investments held for other	2,371,177
Cash held for endowment purposes	727,067
Cash surrender value of life insurance	380,789
Other assets	16,692
Total assets	$ 45,439,953
Liabilities and Net Assets	
Accounts and scholarships payable	$ 813,423
Charitable gift annuity liability	150,003
Investments held for other	2,371,177
Total liabilities	3,334,603
Net assets:	
Unrestricted	1,090,795
Temporarily restricted	17,342,084
Permanently restricted	23,672,471
Total net assets	42,105,350
Total liabilities and net assets	$ 45,439,953

See accompanying notes to financial statements.

Maricopa County Community College District
Statement of Revenues, Expenses, and Changes in Net Position – Primary Government
Through June 30, 2017

		Business-Type Activities
Operating revenues:		
Tuition and fees (net of scholarship allowance of $75,501,145)	$	154,547,828
Other		8,320,917
Total operating revenues		162,868,745
Operating expenses:		
Educational and general:		
Instruction		265,767,067
Public service		19,255,615
Academic support		79,600,681
Student services		77,676,600
Institutional support		120,551,821
Operation and maintenance of plant		52,088,708
Student financial assistance		79,793,394
Auxiliary enterprises		53,450,953
Depreciation		51,829,753
Other		68,484
Total operating expenses		800,083,076
Operating loss		(637,214,331)
Nonoperating revenues (expenses):		
Property taxes		536,564,530
State-shared sales tax		10,462,726
Government grants and contracts		156,248,765
Private grants and contracts		1,588,809
Private gifts		16,492,952
Investment earnings, net of investment expense		3,117,805
Interest expense on debt		(15,268,512)
Loss on sale/disposal of capital assets		(2,904,466)
Total nonoperating revenues		706,302,609
Income before other revenues, expenses, gains, or losses		69,088,278
Capital grants and gifts		1,700,118
Change in net position		70,788,396
Total net position July 1, 2016		290,927,708
Total net position June 30, 2017	$	361,716,104

See accompanying notes to financial statements.

Maricopa County Community College District
Statement of Activities – Component Unit
For the Year Ended June 30, 2017

	Maricopa County Community College District Foundation			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue:				
Contributions	$ -	$ 5,467,712	$ 1,718,462	$ 7,186,174
Contributed services	1,581,554	-	-	1,581,554
Investment return	260,219	2,547,987	-	2,808,206
Decrease in cash surrender value of life insurance	-	-	(41,422)	(41,422)
Total support and revenue before special events and net assets released from restrictions	1,841,773	8,015,699	1,677,040	11,534,512
Special events revenue	-	171,550	-	171,550
Less cost of direct donor benefits	-	(112,847)	-	(112,847)
Gross profit from special events	-	58,703	-	58,703
Net assets released from restrictions	4,926,348	(4,926,348)	-	-
Total support and revenue	6,768,121	3,148,054	1,677,040	11,593,215
Expenses and gains (losses):				
Program expenses				
Scholarships and program support	4,396,833	-	-	4,396,833
Supporting services				
General and administrative	1,896,964	-	-	1,896,964
Total expenses	6,293,797	-	-	6,293,797
Gain on uncollectible pledges	-	1,127	23,140	24,267
Total expenses and (gains) losses	6,293,797	(1,127)	(23,140)	6,269,530
Change in net assets	474,324	3,149,181	1,700,180	5,323,685
Net assets, beginning of year	616,471	14,192,903	21,972,291	36,781,665
Net assets, end of year	$ 1,090,795	$ 17,342,084	$ 23,672,471	$ 42,105,350

See accompanying notes to financial statements.

Maricopa County Community College District
Statement of Cash Flows – Primary Government
For the Year Ended June 30, 2017

	Business-Type Activities
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	$ 154,471,352
Payments for employee wages and benefits	(537,478,272)
Payments to providers of goods and services	(127,534,059)
Payments to students for grants and scholarships	(83,052,551)
Other receipts	7,515,882
Net cash used for operating activities	(586,077,648)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Property taxes	536,225,458
State-shared sales tax	10,542,857
Grants and contracts	165,003,173
Federal student loans received	73,670,624
Federal student loans disbursed	(73,670,624)
Deposits held by others received	1,911,105
Deposits held by others disbursed	(1,625,148)
Gifts received for other than operating or capital purposes	16,492,952
Net cash provided by noncapital financing activities	728,550,397
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from issuance of bonds	229,327,872
Proceeds from sale of capital assets	105,957
Purchase of capital assets	(50,840,928)
Principal paid on capital debt	(275,650,000)
Interest paid on capital debt	(32,854,279)
Net cash used for capital and related financing activities	(129,911,378)
CASH FLOWS FROM INVESTING ACTIVITIES	
Net proceeds from sales and maturities of investments	(25,036,926)
Interest received on investments	5,459,991
Net cash provided by investing activities	(19,576,935)
Net decrease in cash and cash equivalents	(7,015,564)
Cash and cash equivalents - beginning of year	457,334,077
Cash and cash equivalents - end of year	$ 450,318,513

(continued)

See accompanying notes to financial statements.

Statement of Cash Flows (continued)

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

Operating loss	$ (637,214,331)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation expense	51,829,753
Expenses (related to revenue) for donations of non-capitalized items	973,721
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Net Pension Liability	36,807,044
Deferred outflows of resources related to pensions	(64,190,898)
Deferred inflows of resources related to pensions	10,266,836
Receivables	3,170,662
Other assets	145,398
Student loans receivable	65,012
Accounts payable	12,213,612
Accrued liabilities	1,927,488
Unrealized revenue	(76,476)
Compensated absences	(1,995,469)
Net cash used for operating activities	$ (586,077,648)

Noncash transactions:

Decrease in fair value of investments. The fair value of investments decreased by $2,480,102.

Items retired from CIP. $1,011,302 of costs originally captured in CIP failed to meet the District's standards for capitalization and were converted to expense.

Gifts of depreciable and non-depreciable assets. The District recorded the receipt of gifts of depreciable and non-depreciable assets of $1,700,118.

Amortization of premium on bonds and deferred charges. The District amortized $6,431,970 of bond premiums and $1,976,107 of deferred charges.

See accompanying notes to financial statements.

Maricopa County Community College District
Notes to Financial Statements
For the Year Ended June 30, 2017

NOTE 1 - Summary of Significant Accounting Policies

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

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

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

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

During the year ended June 30, 2017, the Foundation distributed $4,396,833 to the District for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from the Foundation Office at 2419 W. 14th Street, Tempe, AZ 85281.

NOTE 1 - Summary of Significant Accounting Policies (continued)

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

The Statement of Net Position provides information about the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at the end of the year. Assets and liabilities are classified as either current or noncurrent. Net position is classified according to external donor restrictions or availability of assets to satisfy the District's obligations. Net investment in capital assets represents the value of capital assets, net of accumulated depreciation, less any outstanding debt incurred to acquire or construct the assets. Nonexpendable restricted net position includes gifts that have been received for endowment purposes and federal contributions for the Federal Perkins Loan Program, the corpus of which cannot be expended. Expendable restricted net position represents grants, contracts, gifts, and other resources that have been externally restricted for specific purposes. Unrestricted net position consists of all other resources, including those that have been designated by management to be used for other than general operating purposes. When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first. Internal transactions and activities, such as transfers between funds, revenues and expenses recorded for internal service activities, and certain internal revenues and expenses recorded for grant activity, have been eliminated for financial statement purposes.

The Statement of Revenues, Expenses, and Changes in Net Position provides information about the District's financial activities during the year. Revenues and expenses are classified as either operating or nonoperating, and all changes in net position are reported, including capital contributions and additions to endowments. Operating revenues and expenses generally result from exchange transactions. Accordingly, revenues, such as tuition and sales of auxiliary services, are considered to be operating revenues. Other revenues, such as property taxes and educational grants, are not generated from exchange transactions and are considered to be nonoperating revenues. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Other expenses, such as interest expense on debt, are considered to be nonoperating expenses.

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

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

NOTE 1 - <u>Summary of Significant Accounting Policies</u> (continued)

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

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

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

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

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

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

NOTE 1 - <u>Summary of Significant Accounting Policies</u> (continued)

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

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

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

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

NOTE 2 - <u>Deposits and Investments</u>

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

The statutes do not require the District to deposit other public monies with the County Treasurer; however, the District must act as a prudent person dealing with the property of another by following the statutory guidelines for investment decisions. The District invests in U.S. government securities, the State Treasurer's Local Government Investment Pools, commercial paper, corporate bonds, insured or collateralized deposits, and certificates of deposit. Equity mutual funds held by the District are the result of donations by third parties. The statutes require collateral for deposits at 102 percent of all deposits not covered by federal depository insurance. The statutes do not include any requirements for credit risk, custodial credit risk, interest rate risk, concentration of credit risk, or foreign currency risk for the District's investments.

NOTE 2 - Deposits and Investments (continued)

Deposits

At June 30, 2017, total cash on hand was $213,500. The carrying amount of bank deposits on the District's accounting system was $60,409,093. At June 30, 2017, the District's bank balance was $62,090,740. A.R.S. requires collateral for deposits at 102 percent of all deposits not covered by federal depository insurance. The District does not have a formal policy with respect to custodial credit risk.

Investments

The District's investments at June 30, 2017, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

Investments by fair value level	Amount	Fair value measurement using: Quoted prices in active markets for identical assets (Level 1)	Fair value measurement using: Significant other observable inputs (Level 2)
U.S. agency securities	$190,151,922	$ -	$190,151,922
U.S. Treasury securities	86,564,628	86,564,628	-
Commercial paper	15,722,987	-	15,722,987
Corporate bonds	18,642,538	-	18,642,538
Mutual funds – equity	121,423	-	121,423
Total investments by fair value level	$311,203,498	$86,564,628	$224,638,870

External investment pools measured at fair value	Amount
State Treasurer's investment pool 7	$360,599,260
State Treasurer's investment pool 700	383,664
County Treasurer's investment pools	5,093,336
Total investments measured at fair value	$366,076,260

Investments categorized as Level 1 are valued using prices quoted in active markets for those investments. Investments categorized as Level 2 are valued as follows: U.S. agency securities are evaluated on either a price or spread basis as determined by the observed market data; commercial paper from matrix pricing; and corporate bonds from interpretations of accepted Wall Street conventions. Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the District held. The fair value of a participant's position in the pools approximates the value of that participant's pool shares. The investments in the County Treasurer's pools are valued using the District's proportionate participation in the pools because the pools' structure does not provide for shares.

NOTE 2 - Deposits and Investments (continued)

The State Board of Investment provides oversight for the State Treasurer's pools. The fair value of a participant's position in the pool approximates the value of that participant's pool shares and the participant's shares are not identified with specific investments. No comparable oversight is provided for the Maricopa County Treasurer's investment pools and the pools' structure does not provide for shares.

Credit Risk - The District does not have a formal policy with respect to credit risk. At June 30, 2017, credit risk for the District's investments was as follows:

Investment Type	Rating	Rating Agency	Amount
State Treasurer's investment pool 7	Unrated	Not applicable	$360,599,260
State Treasurer's investment pool 700	Unrated	Not applicable	383,664
County Treasurer's investment pools	Unrated	Not applicable	5,093,336
U.S. agency securities	Aaa	Moody's	190,151,922
Corporate bonds	Aa1	Moody's	1,999,420
Corporate bonds	Aa2	Moody's	8,083,423
Corporate bonds	Aa3	Moody's	1,812,492
Corporate bonds	Aaa	Moody's	6,747,203
Commercial paper	P-1	Moody's	15,722,987
Total			$590,593,707

Concentration of Credit Risk - The District does not have a formal policy with respect to concentration of credit risk. The District had investments at June 30, 2017, of 5 percent or more in Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association. These investments were 10 percent, 9 percent, and 8 percent, respectively, of the District's total investments.

Interest Rate Risk - The District's policy states maturities shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. At June 30, 2017, the District had the following investments in debt securities:

Investment Type	Amount	Weighted Average Maturity (Months)
State Treasurer's investment pool 7	$360,599,260	2.37
State Treasurer's investment pool 700	383,664	101.73
County Treasurer's investment pools	5,093,336	15.23
U.S. agency securities	190,151,922	15.40
U.S. Treasury securities	86,564,628	14.66
Commercial paper	15,722,987	2.85
Corporate bonds	18,642,538	21.25
Total	$677,158,335	

NOTE 2 - **Deposits and Investments** (continued)

The District's portfolio weighted average maturity is 8.28 months.

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

Cash, deposits and investments:		Statement of Net Position:	
Cash on hand	$213,500	Cash and cash equivalents	$354,073,175
Deposits	60,409,093	Investments	237,581,562
Investments	677,279,758	Restricted assets:	
		Cash and cash equivalents	96,245,338
		Investments	50,002,276
Total	$737,902,351	Total	$737,902,351

NOTE 3 - **Current Receivables**

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

Property taxes (net of allowance of $2,993,407)	$ 5,674,182
Government grants	11,929,244
Private grants and contracts (net of allowance of $170,140)	3,811,075
Student accounts (net of allowance of $47,804,581)	13,465,459
Other (net of allowance of $139,678)	1,153,298
Total current receivables	$ 36,033,258

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

NOTE 4 - Capital Assets

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

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017
Capital assets not being depreciated:				
Land	$ 74,381,090	$ 288,570	$ 194,653	$ 74,475,007
Construction in progress	56,547,873	28,525,526	45,341,750	39,731,649
Total capital assets not being depreciated	130,928,963	28,814,096	45,536,403	114,206,656
Capital assets being depreciated:				
Buildings	930,293,173	49,033,676	743,399	978,583,450
Equipment	156,701,187	8,236,995	4,106,898	160,831,284
Intangibles (software)	55,534,043	8,849,170	-	64,383,213
Improvements other than buildings	147,844,217	3,216,436	127,814	150,932,839
Library books	13,545,210	3,129,246	4,929,906	11,744,550
Total capital assets being depreciated	1,303,917,830	72,465,523	9,908,017	1,366,475,336
Less accumulated depreciation for:				
Buildings	384,961,887	30,395,310	33,378	415,323,819
Equipment	123,382,098	10,552,606	2,651,820	131,282,884
Intangibles (software)	19,049,274	3,911,952	-	22,961,226
Improvements other than buildings	74,395,253	6,070,957	8,900	80,457,310
Library books	9,923,471	898,928	27,603	10,794,796
Total accumulated depreciation	611,711,983	51,829,753	2,721,701	660,820,035
Total capital assets being depreciated, net	692,205,847	20,635,770	7,186,316	705,655,301
Capital assets, net	$ 823,134,810	$ 49,449,866	$ 52,722,719	$ 819,861,957

The District has active construction projects with a remaining contractual commitment at June 30, 2017, of $20,709,468. These projects are funded primarily through bond proceeds.

NOTE 5 - Long-term Liabilities

The following schedule details the long-term liability activity for the year ended June 30, 2017.

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Due within one year
Bonds payable:					
General obligation bonds	$ 593,820,000	$ 191,260,000	$275,650,000	$509,430,000	$ 63,860,000
Premium on general obligation bonds	14,175,192	38,067,872	9,085,182	43,157,882	6,404,648
Total bonds payable	607,995,192	229,327,872	284,735,182	552,587,882	70,264,648
Net pension liability	554,292,685	36,807,044		591,099,729	-
Compensated absences	34,834,013	327,949	2,323,417	32,838,545	2,087,768
Total long-term liabilities	$1,197,121,890	$266,462,865	$287,058,599	$1,176,526,156	$72,352,416

NOTE 5 - **Long-term Liabilities** (continued)

Bonds Payable

The District's bonded debt consists of various issues of general obligation bonds. Bond proceeds primarily pay for improving, acquiring or constructing capital assets. Bonds have also been issued to advance refund previously issued bonds. Of the total general obligation bonds originally authorized in 1994 ($385,799,000) and 2004 ($951,359,000), $3,000 of authorization remains unissued. The District repays general obligation bonds from voter-approved property taxes. Federal arbitrage regulations are applicable to all of the District's bond issues. Interest payments are due on a semi-annual basis. Bonds outstanding at June 30, 2017, were as follows:

Description	Amount Issued	Maturity Ranges	Interest Rates	Outstanding Principal
General obligation bonds				
Project of 2004, Series B (2007)	$240,000,000	7/01/2017	4.50%	$ 16,410,000
Project of 2004, Series C (2009)	220,000,000	7/01/2017-19	5.00%	51,655,000
Project of 2004, Series D (2011)	150,000,000	7/01/2017-22	2.50-4.00%	78,945,000
Refunding 2004, Series A (2012)	69,135,000	7/01/2017-19	2.50-4.00%	42,320,000
Series 2013	151,090,000	7/01/2017-27	2.00-3.50%	128,840,000
Refunding Series B, C, D (2016)	191,260,000	7/01/2018-25	5.00%	191,260,000
			Total	$509,430,000

The following schedule details debt service requirements to maturity for the District's bonds payable at June 30, 2017.

Year Ending June 30:	General Obligation Bonds Principal	General Obligation Bonds Interest	Total Debt Service Requirements
2018	$ 63,860,000	$ 19,911,875	$ 83,771,875
2019	64,830,000	17,297,725	82,127,725
2020	68,290,000	14,556,625	82,846,625
2021	62,385,000	11,820,925	74,205,925
2022	65,350,000	9,035,025	74,385,025
2023-2027	171,150,000	16,304,500	187,454,500
2028	13,565,000	237,388	13,802,388
Total	$ 509,430,000	$ 89,164,063	$ 598,594,063

NOTE 5 - <u>Long-term Liabilities</u> (continued)

Description of Issues

General Obligation Refunding Bonds, Project of 2004, Series A (2012)

In May 2012, the District issued $69,135,000 of general obligation refunding bonds to refund $69,135,000 of G.O. Bonds, Series A (2005). The net proceeds were placed in the Depository Trust Fund to be used to refund the bonds being refunded. In accordance with the refunding plan, the trustee retired the remaining liability for the defeased bonds of $69,135,000 on July 1, 2014. The General Obligation Refunding Bonds of 2012 are not subject to early redemption prior to their stated maturity dates.

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

In August 2016, the District issued $191,260,000 of general obligation refunding bonds to refund $73,810,000 G.O. Bonds, Series B (2007); $80,190,000, Series C (2009); and $62,055,000, Series D (2011). On August 25, 2016, the District deposited $228,667,004 in an irrevocable trust with a depository trustee for the refunding of $216,055,000 outstanding bonds. On August 29, 2016, the depository trustee redeemed $40,405,000 in callable bonds for the Series D (2011) issue. As a result, the refunded debt liability as of June 30, 2017 for those refunded bonds is considered defeased and the liability for those bonds is not included in the financial statements. The General Obligation Refunding Bonds of 2016 are not subject to early redemption prior to their stated maturity dates. The refunding yielded a net present value savings of $19,222,562, or 8.9%, of the bonds being refunded.

General Obligation Bonds, Project of 2004, Series B (2007)

In April 2007, the District issued $240,000,000 of general obligation bonds. These bonds were issued to make certain improvements to the District's educational facilities and to finance land and equipment purchases. Bonds maturing on or before July 1, 2017 are noncallable. Bonds maturing on or after July 1, 2018 are subject to early redemption. The principal balance of the defeased bonds outstanding at June 30, 2017 is $73,810,000.

General Obligation Bonds, Project of 2004, Series C (2009)

In April 2009, the District issued $220,000,000 of general obligation bonds. These bonds were issued to make certain improvements to the District's educational facilities and to finance land and equipment purchases. Bonds maturing on or before July 1, 2019 are noncallable. Bonds maturing on or after July 1, 2020 are subject to early redemption. The principal balance of the defeased bonds outstanding at June 30, 2017 is $80,190,000.

NOTE 5 - <u>Long-term Liabilities</u> (continued)

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

In May 2011, the District issued $150,000,000 of general obligation bonds. These bonds were issued to make certain improvements to the District's educational facilities and to finance land and equipment purchases. Bonds maturing on or before July 1, 2021 are noncallable. Bonds maturing on or after July 1, 2022 are subject to early redemption. The principal balance of the defeased bonds outstanding at June 30, 2017 is $21,650,000.

General Obligation Bonds, Series 2013

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

NOTE 6 - <u>Pension and Other Postemployment Benefits</u>

Plan Description - 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 Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at <u>www.azasrs.gov.</u>

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

	Retirement Initial Membership Date:	
	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.

NOTE 6 - **Pension and Other Postemployment Benefits** (continued)

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, 2017, statute required active ASRS members to contribute at the actuarially determined rate of 11.48 percent (11.34 percent for retirement and 0.14 percent for long-term disability) of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 11.48 percent (10.78 percent for retirement, 0.56 percent for health insurance premium benefit, and 0.14 percent for long-term disability) of the active members' annual covered payroll. In addition, the District was required by statute to contribute at the actuarially determined rate of 9.47 percent (9.17 percent for retirement, 0.21 percent for health insurance premium benefit, and 0.09 percent for long-term disability) 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, 2017, were $36,624,158. The District's OPEB contributions to the ASRS for the current and 2 preceding years, all of which were equal to the required contributions, were as follows:

Year Ended June 30	Health Benefit Supplement Fund	Long-Term Disability Fund
2017	$ 1,901,976	$ 475,570
2016	$ 1,690,258	$ 408,031
2015	$ 1,981,053	$ 402,926

Pension Liability - At June 30, 2017, the District reported a liability of $591,099,729 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2015, to the measurement date of June 30, 2016. The total pension liability as of June 30, 2016, reflects a change in actuarial assumption for a decrease in loads for future potential permanent benefit increases.

The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The District's proportion measured as of June 30, 2016, was 3.66210 percent, which was an increase of .10357 from its proportion measured as of June 30, 2015.

NOTE 6 - Pension and Other Postemployment Benefits (continued)

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2017, the District recognized pension expense for ASRS of $20,032,315. At June 30, 2017, 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
Difference between expected and actual experience	$3,592,074	$40,663,341
Change in assumptions or other inputs		31,273,897
Net difference between projected and actual earnings on pension plan investments	64,055,536	
Changes in proportion and differences between district contributions and proportionate share of contributions	11,723,406	17,313,064
District contributions subsequent to the measurement date (fiscal year 2017 district contributions)	36,624,158	
Total	$115,995,174	$89,250,302

The $36,624,158 reported as deferred outflows of resources related to ASRS pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending June 30, 2018. 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	
2018	$ (36,941,553)
2019	(18,064,389)
2020	27,165,669
2021	17,960,985

NOTE 6 - Pension and Other Postemployment Benefits (continued)

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

Actuarial valuation date	June 30, 2015
Actuarial roll forward date	June 30, 2016
Actuarial cost method	Entry age normal
Investment rate of return	8%
Projected salary increases	3–6.75%
Inflation	3%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

Actuarial assumptions used in the June 30, 2015, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2012.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.75 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	58%	6.73%
Fixed income	25%	3.70%
Real estate	10%	4.25%
Multi-asset	5%	3.41%
Commodities	2%	3.84%
Total	100%	

Discount Rate - The discount rate used to measure the ASRS total pension liability was 8 percent, which is less than the long-term expected rate of return of 8.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 6 - Pension and Other Postemployment Benefits (continued)

Sensitivity of the District's Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate - The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 8 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7 percent) or 1 percentage point higher (9 percent) than the current rate:

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
District's proportionate share of the net pension liability	$ 753,697,039	$ 591,099,729	$ 460,732,227

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

Pension Contributions Payable - The District's accrued payroll and employee benefits included $1,321,090 of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2017.

NOTE 7 - Operating Expenses

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

Salaries and benefits	$ 522,950,460
Financial aid	84,382,265
Contract services	79,841,789
Depreciation	51,829,753
Noncapitalized equipment	9,166,123
Communications, utilities, and travel	23,834,153
Supplies and materials	16,437,616
Subscriptions, dues, insurance, and rentals	11,640,917
Total operating expenses	$ 800,083,076

The District's uses credit cards to pay certain vendors for goods and services. The District received $123,527 in rebates resulting from credit card payments for the year ended June 30, 2017.

NOTE 8 - Risk Management

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

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

The insurance claims payable of $7,473,999 at June 30, 2017, includes the amounts payable for both health benefits and workers' compensation. This amount has been recognized as an expense and is included in accrued liabilities in the Statement of Net Position. It is the estimated cost of settling claims that have been reported but not settled and claims that have been incurred but not reported and is based on actuarial valuations. The District's claims payable for the fiscal years ended June 30, 2016 and June 30, 2017 are as follows:

Health Benefits:	**2017**	**2016**
Claims payable, beginning of year	$ 6,351,000	$ 6,593,000
Current year actual and estimated claims	52,095,156	48,962,931
Less: Claim payments	(51,532,156)	(49,204,931)
Claims payable, end of year	$ 6,914,000	$ 6,351,000

Workers' Compensation:	**2017**	**2016**
Claims payable, beginning of year	$ 659,470	$ 653,357
Current year actual and estimated claims	749,115	680,591
Less: Claim payments	(848,586)	(674,478)
Claims payable, end of year	$ 559,999	$ 659,470

NOTE 9 - <u>Contingencies and Litigation</u>

The District is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of business. A reasonable estimate of the probable losses based on information currently available is $1.82 million. This amount has been recognized as an expense and is included in accrued liabilities in the Statement of Net Position. Other reasonably possible claims have been estimated to be $9.89 million. Management through legal counsel will seek denial of the claims. Management believes that the loss, if any, resulting from these claims will not have a material impact on the District's financial position, results of operations, or cash flows in future years.

NOTE 10 - <u>Discretely Presented Component Unit Disclosures</u>

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

NOTE 10 a - <u>Organization Operations and Summary of Significant Accounting Policies</u>

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

Basis of presentation - The financial statements are presented in accordance with FASB ASC 958-205, *Not-for-Profit Entities – Presentation of Financial Statements*. Under FASB ASC 958-205, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions - The Foundation accounts for contributions in accordance with FASB ASC 958-605, *Not- for-Profit Entities – Revenue Recognition*. In accordance with FASB ASC 958-605, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Unrestricted contributions are distributed as scholarships, as designated by the Board of Directors of the Foundation, or used to further the objectives of the Foundation and to secure current or future endowments through fundraising activities and programs. Temporarily restricted contributions are distributed according to donor specification, generally as scholarships to attendees of Maricopa County Community Colleges or to support programs and projects to advance these colleges. Permanently restricted contributions require the principal be invested in perpetuity; the distributable income from the related investments is reflected as temporarily restricted in the statement of activities as specified by the donor.

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 initially recorded at the fair value of their estimated future cash flows as of the date of the promise to give through the use of a present value discount technique. In periods subsequent to initial recognition, unconditional promises to give are reported at the amount management expects to collect and are discounted over the collection period using the same discount rate as determined at the time of initial recognition. The discount rate determined at the initial recognition of the unconditional promise to give is based upon management's assessment of many factors, including when the receivable is expected to be collected, the creditworthiness of the other parties, the Foundation's past collection experience and its policies concerning the enforcement of promises to give, expectations about possible variations in the amount or timing, or both, of the cash flows, and other factors concerning the receivable's collectability. Amortization of the discounts is included in support from contributions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Administration Fees - The Foundation charges an administration fee to defray part of the cost of managing restricted accounts held by the Foundation. A fee of 2% is charged on all new gifts, except endowment gifts. On January 1st of each year, an investment management fee of 200 basis points is charged on all accounts. This fee is not charged to endowment funds, if doing so would reduce the fund below its corpus. Total fees charged by the Foundation were $529,515 for the year ended June 30, 2017. A total of $ 529,515 was included in net assets released from restrictions for the year ended June 30, 2017.

Investments - The Foundation accounts for its investments in accordance with FASB ASC 958-320, Not- for-Profit Entities – Investments – Debt and Equity Securities and FASB ASC 958-325, Not-for-Profit Entities – Investments – Other. In accordance with FASB ASC 958-320, the Foundation carries its investments in equity securities that have readily determinable fair values, and all investments in debt securities, at fair value. In accordance with FASB ASC 958-325, the Foundation has elected to carry its other investments at fair value.

NOTE 10 a - <u>Organization Operations and Summary of Significant Accounting Policies</u> (continued)

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

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

Level 1: Unadjusted quoted market prices in active markets for identical assets or liabilities.

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

Level 3: Unobservable inputs for the asset or liability.

Income tax status - The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the "Code") and, therefore, there is no provision for income taxes for the entity. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170 of the Code and has been deemed not to be a private foundation. Income determined to be unrelated business taxable income ("UBTI") would be taxable. Management believes that none of the income in 2017 is UBTI.

Recent accounting pronouncement - In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, that will supersede most current revenue recognition guidance, including industry-specific guidance. The core principle of the new guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include the capitalization and amortization of certain contract costs, ensuring the time value of money is considered in the transaction price, and allowing estimates of variable

NOTE 10 a - <u>Organization Operations and Summary of Significant Accounting Policies</u> (continued)

consideration to be recognized before contingencies are resolved in certain circumstances. Additionally, the guidance requires disclosures related to the nature, amount, timing, and uncertainty of revenue that is recognized.

In August 2015, the FASB issued FASB ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606)*, which changed the effective date of the provisions of FASB ASU No. 2014-09. As a result, the new effective dates for public business entities, certain not-for-profit entities, and certain employee benefit plans to apply the guidance in FASB ASU No. 2014-09 is for annual reporting periods beginning after December 15, 2017. All other entities should apply the guidance in FASB ASU No. 2014-09 to annual reporting periods beginning after December 15, 2018. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016. Transition to the new guidance may be done using either a full or modified retrospective method. The Foundation is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 improves the current net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. ASU 2016-14 is effective for annual financial statements issued for fiscal years beginning after December 15, 2017. Early application is permitted. The amendments of this ASU are to be applied on a retrospective basis in the year that the ASU is first applied. The Foundation is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*. The amendments in ASU 2014-15 are intended to define management's responsibility to evaluate whether there is substantial doubt about an organization's ability to continue as a going concern and to provide related footnote disclosures. FASB ASU 2014-15 is effective for annual periods ending after December 15, 2016, and interim periods within annual periods beginning after December 15, 2016. The Foundation adopted ASU 2014-15 in 2017 with no significant impact to the financial statements.

NOTE 10 b - Pledges Receivable

Pledges receivable consist of the following at June 30:

	2017
Pledges receivable:	
Receivable in less than one year	$ 1,862,956
Receivable in one to five years	2,035,201
Receivable in more than five years	396,227
Total pledges receivable	4,294,384
Less discounts to net present value	(250,799)
Less allowance for uncollectable pledges	(48,339)
Net pledges receivable	$ 3,995,246

Pledges receivable that are expected to be collected in more than one year have been discounted to their present value using a discount rate of 5%.

NOTE 10 c - Investments

Investments consist of the following at June 30, 2017:

Equity funds:	
Common stock funds - United States	$ 5,814,799
Common stock funds - emerging markets	2,030,611
Common stock funds - International	4,869,004
Exchange traded funds – global region	1,326,362
Exchange traded funds – United States	1,265,722
Fixed Income funds:	
Government agencies - United States	11,800,033
Government bonds	196,456
Corporate bonds - United States	2,539,601
Exchange traded funds – fixed income	2,017,947
Real estate funds – United States	1,013,834
Partnerships:	
Partnerships – United States	3,958,236
Hedge funds:	
Hedge equity funds - United States	1,981,824
Commodity funds:	
Commodity funds – United States and global	399,525
Total investments	$ 39,213,954

NOTE 10 c – **Investments** (continued)

The following summarizes investment return included in the statement of activities for the year ended June 30, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Interest and dividends	$ 198,212	$ 697,691	$ -	$ 895,903
Net realized and unrealized losses	88,084	1,961,633	-	2,049,717
Brokerages fees	(26,077)	(111,337)	-	(137,414)
Total	$ 260,219	$ 2,547,987	$ -	$ 2,808,206

NOTE 10 d - **Restricted Net Assets**

Temporarily restricted net assets are available primarily for program support and scholarship awards. Permanently restricted net assets are to provide a permanent endowment, with the investment income restricted primarily for scholarship awards (see Note 10h – Endowments).

Net assets released from restriction for the year ended June 30, 2017 consisted of the following:

Program Support	$ 2,397,303
Scholarships	1,999,530
Administrative fees	529,515
Total net assets released from restriction	$ 4,926,348

NOTE 10 e - **Contributed Services**

The District provides administration services consisting of office space and administrative salaries to the Foundation without charge. The fair value of the contributed use of office space totaled $126,380 for the year ended June 30, 2017. The contributed services received by the Foundation were measured at the cost recognized by the District for the personnel providing the administrative services, which totaled $1,455,174 for the year ending June 30, 2017. These amounts are reflected in the statement of activities as contributed services and general and administrative expenses.

NOTE 10 f - Investments Held for Other

FASB ASC 958-605 establishes standards for transactions in which a not-for-profit organization accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets, or both, to another entity that is specified by the donor. FASB ASC 958-605 specifically requires that if a not-for-profit organization establishes a fund at another not-for-profit organization with its own funds and specifies itself as the beneficiary of that fund, the recipient not-for-profit organization must account for the transfer of such assets as a liability.

Included in investments held for other are assets held in an investment for the benefit of Friends of Public Radio Arizona ("FPRAZ"), a 501(c)(3) not-for-profit organization, under a Funds Administration agreement. FPRAZ is the named beneficiary of the fund with the purpose of the fund being to support FPRAZ's mission on behalf of KJZZ/KBAQ Radio at Rio Salado College, a Maricopa Community College. The Foundation has invested the funds into the Pool with earnings activity being allocated to the investments held for other using the same allocation method as all of the other funds invested in the Pool. The Foundation charges an administrative service fee of 0.50% to all new gifts into the fund. Under the Funds Administration agreement, the Foundation has waived the customary 2.00% administration fee charged against all funds under management. In accordance with FASB ASC 958-605, a liability has been established equivalent to the fair value of the assets.

Both the liability and the assets are measured at fair value. The inputs used to determine the fair value of the invested assets are based upon the nature of the assets held within the Pool. The inputs used to determine the fair value of the liability are based upon the fair value of the assets of the Pool and the agency fund's ownership interest in the Pool. Since the fair value of the liability is based primarily upon the observable inputs used during the valuation of the assets but not based upon identical inputs for identical agency liabilities, a Level 2 classification has been assigned for the inputs used to determine the fair value of the assets held for other liability.

The activity for the agency fund is summarized as follows:

	2017
Agency fund, beginning of year	$ 6,101,271
Contributions	-
Interest and dividends, net of brokerage fees	-
Realized and unrealized investment gains (losses), net	169,906
Distributions	(3,900,000)
Management fees	-
Agency fund, end of year	$ 2,371,177

Subsequent to June 30, 2017, the Foundation distributed the remaining assets of the agency fund to FPRAZ.

NOTE 10 g - Fair Value Measurements

The following table sets forth the level, within the fair value hierarchy of the Foundation's assets and liabilities subject to recurring fair value measurement, other than investments measured at NAV as a practical expedient, as of June 30, 2017:

	Level 1	Level 2	Level 3	Total
Equity funds:				
Common stock funds - United States	$ 2,406,449	$ -	$ -	$ 2,406,449
Common stock funds – emerging markets	1,334,490	-	-	1,334,490
Common stock funds - International	630,520	-	-	630,520
Exchange traded funds – global region	1,326,362	-	-	1,326,362
Exchange traded funds – United States	1,265,722	-	-	1,265,722
Fixed Income funds:				
Government bonds	196,456	-	-	196,456
Corporate bond - United States	2,539,601	-	-	2,539,601
Exchange traded funds – fixed income	2,017,947			2,017,947
Real estate funds - United States	1,013,834	-	-	1,013,834
Commodity funds - United States and global	399,525	-	-	399,525
Investments held for other liability	-	(2,371,177)	-	(2,371,177)

The Foundation has no other assets or liabilities subject to fair value measurement other than at initial recognition.

NOTE 10 h - Endowments

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

In September 2008, the State of Arizona enacted ARS§10-11801 et seq Management of Charitable Funds Act ("MCFA"). The Board of Directors of the Foundation has interpreted MCFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (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.

NOTE 10 h - Endowments (continued)

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets 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 fund
(2) The purposes of the Foundation and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Foundation
(7) The investment policies of the Foundation

The changes in endowment net assets for the year ended June 30, 2017 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, July 1, 2016	$ (193,116)	$ 3,870,105	$ 20,979,957	$ 24,656,946
Contributions and pledge Collections	-	-	1,870,144	1,870,144
Interest and dividends, net of fees	-	586,354	-	586,354
Realized and unrealized losses	33,605	1,955,462	-	1,989,067
Appropriation of endowment assets for expenditure	-	(1,071,607)	-	(1,071,607)
Endowment net assets, June 30, 2017	$ (159,511)	$ 5,340,314	$ 22,850,101	$ 28,030,904

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or MCFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were $159,511 as of June 30, 2017. These deficiencies resulted primarily from unfavorable market fluctuations.

NOTE 10 h - Endowments (continued)

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

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

The Foundation's policy is to distribute, for the stated purpose of each fund, 3% for the year ended June 30, 2017 of a three-year average of the market value of each endowed fund that is above the original contributed amount as calculated at the end of each year. For funds that were below the original contributed amount, 3% of the three-year average at the end of the year were eligible for disbursement for the year ended June 30, 2016. Actual investment earnings, in excess of (or less than) distribution, are added to (subtracted from) the endowment principal and available for future disbursements. If these amounts are not fully disbursed within a one-year period, the remaining amounts are transferred back to the endowment funds. For the year ended June 30, 2017 earnings of $697,050 were eligible to be distributed. The unused funds of $14,091 were maintained in the endowment funds to be used for future disbursements as of June 30, 2017.

Required Supplemental Information

Maricopa County Community College District
Required Supplemental Information
Schedule of District's Proportionate Share of the Net Pension Liability
June 30, 2017

Arizona State Retirement System	**Reporting Fiscal Year (Measurement Date)**			
	2017 (2016)	**2016 (2015)**	**2015 (2014)**	**2014 through 2008**
District's proportion of the net pension liability	3.66%	3.56%	3.83%	Information not available
District's proportionate share of the net pension liability	$591,099,729	$ 554,292,685	$567,149,473	
District's covered payroll	$338,143,867	$ 336,503,471	$339,248,495	
District's proportionate share of the net pension liability as a percentage of its covered payroll	57.21%	60.71%	59.82%	
Plan fiduciary net position as a percentage of the total pension liability	67.06%	68.35%	69.49%	

Maricopa County Community College District
Required Supplemental Information
Schedule of District Pension Contributions
June 30, 2017

Arizona State Retirement System

	Reporting Fiscal Year				
	2017	**2016**	**2015**	**2014**	**2013 through 2008**
Statutorily required contribution	$ 36,624,158	$ 36,678,831	$ 36,569,171	$ 36,299,589	Information not available
District's contributions in relation to the statutorily required contribution	36,624,158	36,678,831	36,569,171	36,299,589	
District’s contribution deficiency (excess)	-	-	-	-	
District's covered payroll	$339,768,356	$338,143,867	$336,503,471	$339,248,495	
District's contributions as a percentage of covered payroll	10.78%	10.85%	10.87%	10.70%	

Supplemental Information

Maricopa County Community College District
Schedule of Revenues, Expenses, and Changes in Net Position
By College/Center
For the Year Ended June 30, 2017

	Phoenix College	Glendale Community College	GateWay Community College	Mesa Community College	Scottsdale Community College
Operating revenues:					
Tuition and fees,					
net of scholarship allowance	$ 10,916,011	$ 20,149,649	$ 8,235,527	$ 27,838,320	$ 12,439,703
Other	611,885	562,614	588,283	1,055,174	723,032
Total operating revenues	11,527,896	20,712,263	8,823,810	28,893,494	13,162,735
Operating expenses:					
Educational and general:					
Instruction	26,919,573	45,601,570	17,970,977	49,460,798	27,621,747
Public service	639,205	696,700	112,095	95,999	86,633
Academic support	7,081,676	9,473,164	4,098,422	11,218,307	5,057,001
Student services	7,187,920	9,486,116	5,583,734	12,093,120	5,879,494
Institutional support	6,683,255	4,934,513	6,869,855	12,252,687	4,213,602
Operation and maintenance of					
plant	6,443,092	7,755,749	4,347,435	7,646,746	4,563,204
Student financial assistance	10,749,078	15,517,199	4,228,507	14,251,309	4,129,657
Auxiliary enterprises	1,218,321	2,051,311	10,553,951	5,073,579	2,255,108
Depreciation	4,507,607	5,349,553	3,417,044	7,735,536	4,514,859
Other	2,054	(5,901)	3,388	4,115	169
Total operating expenses	71,431,781	100,859,974	57,185,408	119,832,196	58,321,474
Operating loss	(59,903,885)	(80,147,711)	(48,361,598)	(90,938,702)	(45,158,739)
Nonoperating revenues (expenses):					
Property taxes	39,730,002	62,175,786	36,637,208	70,344,100	34,951,734
State-shared sales tax	67,295	-	124,852	-	-
Government grants and contracts	19,944,111	27,571,313	11,703,848	25,834,202	9,329,536
Private grants and contracts	(57,975)	63,373	(103,046)	99,403	604,868
Private gifts	545,108	752,872	262,196	1,366,993	753,012
Investment earnings, net of					
investment expense	13,033	668	89	64	(28)
Interest expense on debt	-	-	-	-	-
Gain (loss) on sale/disposal					
of capital assets	(337,689)	(314,273)	(263,549)	(777,879)	(563,088)
Total nonoperating revenues					
and expenses	59,903,885	90,249,739	48,361,598	96,866,883	45,076,034
Income (loss) before other					
revenues, expenses, gains or losses	-	10,102,028	-	5,928,181	(82,705)
Capital grants and gifts	-	707,225	-	61,054	82,705
Increase in net position	-	10,809,253	-	5,989,235	-

See accompanying notes to supplemental information.

Rio Salado College	South Mountain Community College	Chandler-Gilbert Community College	Paradise Valley Community College	Estrella Mountain Community College	District Support Services Center	Total Colleges/ Centers
$ 33,650,726	$ 2,925,031	$ 17,761,953	$ 10,061,298	$ 9,475,669	$ 1,093,941	$ 154,547,828
2,177,334	426,819	516,202	389,373	236,619	1,033,582	8,320,917
35,828,060	3,351,850	18,278,155	10,450,671	9,712,288	2,127,523	162,868,745
23,428,403	10,577,705	24,430,303	21,341,679	18,561,245	(146,933)	265,767,067
12,187,629	1,055	208,698	7,806	68,041	5,151,754	19,255,615
16,320,245	4,714,432	7,139,145	4,018,974	4,644,442	5,834,873	79,600,681
3,914,796	4,116,049	6,281,888	5,224,071	4,656,738	13,252,674	77,676,600
12,213,868	3,411,762	6,262,426	3,980,721	4,702,435	55,026,697	120,551,821
2,833,525	3,876,890	2,668,248	441,018	4,139,542	7,373,259	52,088,708
7,378,193	4,696,945	5,672,338	4,161,288	8,654,162	354,718	79,793,394
13,346,597	628,937	908,653	1,107,258	2,833,557	13,473,681	53,450,953
3,788,193	2,439,404	6,316,771	4,543,076	4,525,191	4,692,519	51,829,753
17,208	977	1	-	-	46,473	68,484
95,428,657	34,464,156	59,888,471	44,825,891	52,785,353	105,059,715	800,083,076
(59,600,597)	(31,112,306)	(41,610,316)	(34,375,220)	(43,073,065)	(102,932,192)	(637,214,331)
63,917,143	22,099,495	43,241,427	28,044,327	32,734,705	102,688,603	536,564,530
-	-	-	-	-	10,270,579	10,462,726
18,076,178	8,638,858	9,660,232	7,609,228	16,526,304	1,354,955	156,248,765
106,944	(12,637)	-	3,852	77,651	806,376	1,588,809
10,941,406	440,625	715,919	282,251	432,570	-	16,492,952
667	655	-	-	-	3,102,657	3,117,805
-	-	-	-	-	(15,268,512)	(15,268,512)
(71,100)	(54,690)	(198,384)	(204,611)	(96,737)	(22,466)	(2,904,466)
92,971,238	31,112,306	53,419,194	35,735,047	49,674,493	102,932,192	706,302,609
33,370,641	-	11,808,878	1,359,827	6,601,428	-	69,088,278
833,135	-	15,200	799	-	-	1,700,118
34,203,776	-	11,824,078	1,360,626	6,601,428	-	70,788,396
			Total net position - July 1, 2016			290,927,708
			Total net position - June 30, 2017			$ 361,716,104

Maricopa County Community College District
Notes to Supplemental Information
For the Year Ended June 30, 2017

NOTE 1 - Statement of Purpose

The Maricopa County Community College District Statement of Revenues, Expenses, and Changes in Net Position by College/Center for the Year Ended June 30, 2017, is required by the terms of a Memorandum of Understanding (MOU) between the Maricopa County Community College District (the District) and the Higher Learning Commission (HLC), a commission of the North Central Association of Colleges and Schools (NCA). The MOU outlines an appropriate pattern of evidence to be made available by the District for purposes of meeting certain NCA Criteria for Accreditation related to financial resources/uses and other assurances. This schedule presents revenues and expenses for each college/center within the District.

NOTE 2 - Bases of Allocations

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

Maricopa Skill Center is included with GateWay Community College and Southwest Skill Center is included with Estrella Mountain Community College.

Statistical Section

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

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

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

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

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

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

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

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

	Fiscal Year				
	2016-17	2015-16	2014-15	2013-14	2012-13
Net investment in capital assets	$ 313,960	$ 279,671	$ 289,058	$ 272,857	$ 259,717
Restricted – nonexpendable	315	332	591	569	654
Restricted – expendable	115,328	109,527	104,437	105,191	106,252
Unrestricted	(67,887)	(98,602)	(143,584)	436,819	428,439
Total net position	$ 361,716	$ 290,928	$ 250,502	$ 815,436	$ 795,062

	Fiscal Year				
	2011-12	2010-11	2009-10	2008-09	2007-08
Net investment in capital assets	$ 246,511	$ 208,096	$ 175,468	$ 150,334	$ 129,637
Restricted – nonexpendable	606	561	553	580	669
Restricted – expendable	134,913	157,455	161,236	173,756	169,006
Unrestricted	429,800	397,492	322,796	256,120	199,401
Total net position	$ 811,830	$ 763,604	$ 660,053	$ 580,790	$ 498,713

Source: Comprehensive Annual Financial Reports for years presented.

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

	Fiscal Year				
	2016-17	2015-16	2014-15	2013-14	2012-13
Instruction	$ 265,767	$ 277,994	$ 291,503	$ 284,652	$ 286,661
Public service	19,256	16,167	16,380	16,811	16,797
Academic support	79,601	82,490	87,384	86,963	81,347
Student services	77,676	76,318	73,666	72,056	70,305
Institutional support	120,552	111,309	112,298	116,376	133,259
Operation and maintenance of plant	52,089	76,013	68,609	69,430	67,244
Student financial assistance	79,793	86,584	96,914	102,958	112,538
Auxiliary enterprises	53,451	52,908	50,662	48,480	53,760
Depreciation	51,830	56,114	50,077	48,271	43,893
Other	68	217	447	340	2,380
Total operating expenses	800,083	836,114	847,940	846,337	868,184
Interest expense on debt	15,269	20,862	22,512	24,779	22,275
Loss on sale/disposal of capital assets	2,904	3,103	875	2,397	80
Total nonoperating expenses	18,173	23,965	23,387	27,176	22,355
Total expenses	$ 818,256	$ 860,079	$ 871,327	$ 873,513	$ 890,539

	Fiscal Year						
	2011-12	2010-11		2009-10		2008-09	2007-08
Instruction	$ 274,682	$ 266,455		$ 259,910		$ 262,226	$ 252,671
Public service	16,239	15,979		16,409		15,180	13,776
Academic support	74,342	69,546		61,932		63,594	60,482
Student services	63,909	63,399	(2)	128,365	(1)	79,002	66,436
Institutional support	106,910	102,214		109,509	(1)	112,944	107,202
Operation and maintenance of plant	66,863	59,185		66,907	(1)	53,450	49,394
Student financial assistance	120,209	111,598	(2)	4,060	(1)	3,184	3,531
Auxiliary enterprises	50,419	43,124		50,056	(1)	64,611	58,990
Depreciation	39,048	36,744		36,330		30,751	28,821
Other	1,119	1,215		1,013		948	601
Total operating expenses	813,740	769,459		734,491		685,890	641,904
Interest expense on debt	23,378	24,192		26,309		23,364	23,825
Loss on sale/disposal of capital assets	564	109		8		-	181
Total nonoperating expenses	23,942	24,301		26,317		23,364	24,006
Total expenses	$ 837,682	$ 793,760		$ 760,808		$ 709,254	$ 665,910

Source: Comprehensive Annual Financial Reports for years presented.

(1) As adjusted in fiscal year 2011.
(2) As adjusted in fiscal year 2012.

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

	Fiscal Year				
	2016-17	**2015-16**	**2014-15**	**2013-14**	**2012-13**
Salaries and benefits	$ 522,950	$ 519,206	$ 542,016	$ 533,597	$ 527,939
Contract services	79,842	74,420	77,727	64,118	66,826
Financial aid	84,382	93,232	103,414	110,664	120,046
Depreciation	51,830	56,114	50,077	48,271	43,893
Communications, utilities, and travel	23,834	24,849	24,421	23,310	24,897
Noncapitalized equipment	9,166	39,659	19,746	20,065	24,522
Supplies and materials	16,438	16,788	17,369	21,100	20,754
Subscriptions, dues, insurance, and rentals	11,641	11,846	10,565	10,339	9,508
Other expenses	-	-	2,605	14,873	29,799
Total operating expenses	800,083	836,114	847,940	846,337	868,184
Interest expense on debt	15,269	20,862	22,512	24,779	22,275
Loss on sale/disposal of capital assets	2,904	3,103	875	2,397	80
Total nonoperating expenses	18,173	23,965	23,387	27,176	22,355
Total expenses	$ 818,256	$ 860,079	$ 871,327	$ 873,513	$ 890,539

	Fiscal Year				
	2011-12	**2010-11**	**2009-10**	**2008-09**	**2007-08**
Salaries and benefits	$ 503,016	$ 485,559	$ 477,348	$ 476,551	$ 448,083
Contract services	57,597	51,583	48,031	51,283	52,067
Financial aid	127,529	118,305	97,300	44,665	36,330
Depreciation	39,048	36,744	36,330	30,751	28,821
Communications, utilities, and travel	24,512	22,562	21,258	20,827	20,979
Noncapitalized equipment	24,843	17,088	29,294	29,393	24,102
Supplies and materials	21,099	19,585	19,700	16,673	18,497
Subscriptions, dues, insurance, and rentals	10,391	9,477	9,421	9,802	9,698
Other expenses	5,705	8,556	8,380	5,945	3,327
Total operating expenses	813,740	769,459	747,062	685,890	641,904
Interest expense on debt	23,378	24,192	26,309	23,364	23,825
Loss on sale/disposal of capital assets	564	109	8	-	181
Total nonoperating expenses	23,942	24,301	26,317	23,364	24,006
Total expenses	$ 837,682	$ 793,760	$ 773,379	$ 709,254	$ 665,910

Source: Comprehensive Annual Financial Reports for years presented.

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

	Fiscal Year				
	2016-17	2015-16	2014-15	2013-14	2012-13
Tuition and fees, net of scholarship allowance	$ 154,548	$ 154,866	$ 155,484	$ 153,195	$ 149,178
Other	8,321	18,698	12,480	11,596	14,515
Total operating revenues	162,869	173,564	167,964	164,791	163,693
Property taxes	536,564	527,357	517,731	497,466	475,439
State appropriations	-	-	7,410	7,914	8,316
State-shared sales tax	10,463	9,982	9,629	8,928	7,452
Government grants and contracts	156,249	167,627	186,040	195,169	208,101
Private grants and contracts	1,589	4,608	2,567	2,454	2,872
Private gifts	16,493	13,218	13,260	14,029	10,567
Investment income, net of investment expense	3,118	3,753	2,341	2,728	1,488
Gain on sale/disposal of capital assets	-	-	-	-	-
Total nonoperating revenues	724,476	726,545	738,978	728,688	714,235
Total revenues	$ 887,345	$ 900,109	$ 906,942	$ 893,479	$ 877,928

	Fiscal Year				
	2011-12	2010-11	2009-10	2008-09	2007-08
Tuition and fees, net of scholarship allowance	$ 150,443	$ 145,711	$ 146,804 (1)	$ 151,219	$ 141,086
Other	14,144	16,621	14,874	12,538	12,860
Total operating revenues	164,587	162,332	161,678	163,757	153,946
Property taxes	466,813	460,519	453,615	443,029	399,567
State appropriations	6,891	45,327	45,327	51,128	57,529
State-shared sales tax	7,712	7,365	7,117	7,233	8,946
Government grants and contracts	222,604	205,301	156,707	99,708	74,690
Private grants and contracts	3,601	3,892	3,602	3,842	3,749
Private gifts	10,280	10,997	10,056	13,726	13,272
Investment income, net of investment expense	2,644	1,228	1,444	8,194	23,089
Gain on sale/disposal of capital assets	-	-	-	474	-
Total nonoperating revenues	720,545	734,629	677,868	627,334	580,842
Total revenues	$ 885,132	$ 896,961	$ 839,546	$ 791,091	$ 734,788

Source: Comprehensive Annual Financial Reports for years presented.

Note: (1) As adjusted in fiscal year 2011.

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

	Fiscal Year				
	2016-17	**2015-16**	**2014-15**	**2013-14**	**2012-13**
Income (loss) before other changes in net position	$ 69,088	$ 40,029	$ 35,614	$ 19,966	$ (12,611)
Capital appropriations	-	-	-	-	-
Capital grants and gifts	1,700	396	1,541	408	540
Total change in net position	$ 70,788	$ 40,425	$ 37,155	$ 20,374	$ (12,071)

	Fiscal Year				
	2011-12	**2010-11**	**2009-10**	**2008-09**	**2007-08**
Income (loss) before other changes in net position	$ 47,450	$ 103,201	$ 78,737	$ 81,838	$ 68,878
Capital appropriations	-	-	-	-	11,204
Capital grants and gifts	776	351	526	238	754
Total change in net position	$ 48,226	$ 103,552	$ 79,263	$ 82,076	$ 80,836

Source: Comprehensive Annual Financial Reports for years presented.

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

Fiscal Year	Property Values Assessed: Secured	Unsecured		Total	Total Direct Tax Rate	Total Secured and Unsecured Estimated Market Value	Total Secondary Assessed Value as a Percent of Total Market Value
2016-17	$ 34,806,837	$ 1,328,657		$ 36,135,494	1.4651	$ 443,207,235	8.2 %
2015-16	33,326,722	1,296,948		34,623,670	1.4940	403,013,955	8.6
2014-15	33,658,024	1,421,622		35,079,646	1.5187	339,536,632	10.3
2013-14	30,817,627	1,411,380	(1)	32,229,007	1.5340	310,300,015	10.4
2012-13	33,136,394	1,264,062		34,400,456	1.3778	321,960,274	10.7
2011-12	37,474,985	1,285,312		38,760,297	1.2082	359,682,346	10.8
2010-11	48,247,443	1,415,100		49,662,543	0.9728	444,097,352	11.2
2009-10	56,523,957	1,460,095		57,984,052	0.8844	516,184,657	11.2
2008-09	56,831,715	1,471,920		58,303,635	0.9386	516,677,465	11.3
2007-08	48,136,309	1,398,265		49,534,574	0.9760	431,682,163	11.5

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

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

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

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

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

	Maricopa County Community College District Direct Rate			Overlapping Rates					
Fiscal Year	Primary Levy	Secondary Levy	Total	Maricopa County	Education Equalization	Central Arizona Water Conservation District	Other Special Districts	School Districts	Cities
2016-17	$ 1.2376	$ 0.2275	$ 1.4651	$ 1.64	$ .50	$ .14	$ 0 - 8.70	$ .75 - 11.10	$ 0 - 3.97
2015-16	1.2628	0.2312	1.4940	1.58	.51	.14	0 - 7.12	.85 - 11.14	0 - 3.97
2014-15	1.2824	0.2363	1.5187	1.52	.51	.14	0 - 5.61	.77 - 10.64	0 - 3.75
2013-14	1.2896	0.2444	1.5340	1.46	.51	.14	0 - 5.30	.75 - 10.22	0 - 4.04
2012-13	1.1563	0.2215	1.3778	1.47	.47	.10	0 - 6.15	.77 - 10.45	0 - 3.89
2011-12	1.0123	0.1959	1.2082	1.47	.43	.10	0 - 4.05	.76 - 10.80	0 - 2.91
2010-11	0.7926	0.1802	0.9728	1.24	.36	.10	0 - 3.30	.71 - 10.80	0 - 2.44
2009-10	0.7246	0.1598	0.8844	1.16	.33	.10	0 - 3.30	.78 - 10.84	0 - 2.51
2008-09	0.7752	0.1634	0.9386	1.20	.00	.10	0 - 3.30	.69 - 12.72	0 - 2.30
2007-08	0.8246	0.1514	0.9760	1.30 (1)	.00	.10	0 - 3.86	.94 - 8.76	0 - 2.67

Source: District records and Maricopa County Department of Finance.

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

(1) Data updated in fiscal year 2009.

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

Taxpayer	Fiscal Year 2016-17			Fiscal Year 2007-08		
	2016-2017 Secondary Assessed Value	Rank	Percentage of 2016-2017 Secondary Assessed Value	2007-2008 Secondary Assessed Value	Rank	Percentage of 2007-2008 Secondary Assessed Value
Arizona Public Service Company	$ 1,076,661,655	1	2.40 %	$ 1,045,102,029	1	2.11 %
Southwest Gas Corporation	155,598,320	2	0.35	161,622,822	3	0.33
Qwest Corporation	138,697,107	3	0.31	394,396,605	2	0.80
Southern California Edison Co	128,296,385	4	0.29	150,585,967	4	0.30
El Paso Electric Co	109,858,693	5	0.24	127,268,095	5	0.26
Wal-Mart Stores Inc	100,454,520	6	0.22	98,990,554	7	0.20
Verizon Wireless	74,541,570	7	0.17	*		-
Arizona Solar One LLC	71,724,420	8	0.16	*		-
Target Corporation	69,306,274	9	0.15	85,070,379	9	0.17
Public Service Company of New Mexico	67,415,549	10	0.15	*		-
Intel Corporation	*			122,524,021	6	0.25
Wells Fargo Bank, NA	*			90,645,614	8	0.18
Safeway, Inc.	*			79,759,356	10	0.16
Total Principal Taxpayers	$ 1,992,554,493		4.44 %	$ 2,355,965,442		4.76 %
Countywide Secondary Valuation	$ 44,850,741,762			$ 49,534,573,831		

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

Source: Maricopa County Assessor's Office.

Note: Salt River Project, a local utility, pays an in-lieu tax based on an estimated assessed valuation. The net assessed valuation for tax year 2016 is $734,685,173

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

				Collected within the Fiscal Year of the Levy			Total Collections to Date	
Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Amount	Percentage of Original Levy	Collections in Subsequent Years	Amount	Percentage of Adjusted Levy
2016-17	$ 447,988,858	$ (2,098,933)	$ 445,889,925	$ 439,720,330	98.15 %	$ -	$ 439,720,330	98.62 %
2015-16	438,915,649	(2,698,487)	436,217,162	431,453,800	98.30	4,520,269	435,974,069	99.94
2014-15	429,518,349	(3,524,999)	425,993,350	421,433,519	98.12	4,371,225	425,804,744	99.96
2013-14	412,859,522	(2,993,110)	409,866,412	404,645,803	98.01	5,088,668	409,734,471	99.97
2012-13	396,785,236	(4,575,231)	392,210,005	386,059,866	97.30	6,015,814	392,075,680	99.97
2011-12	389,873,218	(5,631,721)	384,241,497	377,344,288	96.79	6,759,188	384,103,476	99.96
2010-11	370,496,996	(6,780,144)	363,716,852	356,210,394	96.14	7,357,577	363,567,971	99.96
2009-10	360,956,407	(4,575,050)	356,381,357	345,601,360	95.75	10,640,603	356,241,963	99.96
2008-09	348,288,338	(2,942,949)	345,345,389	334,032,370	95.91	11,156,276	345,188,646	99.95
2007-08	322,620,948	(2,773,036)	319,847,912	311,374,459	96.51	8,366,053	319,740,512	99.97

Sources: Maricopa County Treasurer and District records.

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

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

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

District Historic Tuition and Fees

Fiscal Year	Per Credit Hour: General Tuition	Per Credit Hour: Fees	Per Credit Hour: Combined Total	Annual Cost Per Full-time Student	Increase: Dollars	Increase: Percent
2016-17	$ 86.00	$ -	$ 86.00	$ 2,580.00	$ 60.00	2.38 %
2015-16	84.00	-	84.00	2,520.00	-	-
2014-15	84.00	- (4)	84.00	2,520.00	90.00	3.70
2013-14	79.00	2.00	81.00	2,430.00	150.00	6.58
2012-13	74.00	2.00	76.00	2,280.00	-	-
2011-12	74.00	2.00	76.00	2,280.00	150.00	7.04
2010-11	69.00	2.00	71.00	2,130.00	-	-
2009-10	69.00	2.00	71.00	2,130.00	-	-
2008-09	69.00	2.00	71.00	2,130.00	180.00	9.23
2007-08	63.50	1.50	65.00	1,950.00	-	-

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

Fiscal Year	Maricopa District: Annual Cost	Maricopa District: Percent Change	National Community College Average (1): Annual Cost	National Community College Average (1): Percent Change	Arizona Universities Average (3): Annual Cost	Arizona Universities Average (3): Percent Change
2016-17	$ 2,580.00	2.38 %	$ 3,543.00 (2)	16.62 %	$ 11,058.00	2.90 %
2015-16	2,520.00	-	3,038.00	2.81	10,746.00	3.65
2014-15	2,520.00	3.70	2,955.00	2.53	10,368.00	3.23
2013-14	2,430.00	6.58	2,882.00	3.22	10,044.00	3.81
2012-13	2,280.00	-	2,792.00	5.28	9,675.00	1.57
2011-12	2,280.00	7.04	2,652.00	8.73	9,525.00	28.53
2010-11	2,130.00	-	2,439.00	6.74	7,411.00	16.27
2009-10	2,130.00	-	2,285.00	6.98	6,374.00	14.95
2008-09	2,130.00	9.23	2,136.00	3.64	5,545.00	12.04
2007-08	1,950.00	-	2,061.00	2.13	4,949.00	6.16

Source: District records.

Note 1: U.S. Department of Education, National Center for Education Statistics, 2011-12 and 2012-13 Integrated Postsecondary Education Data System (IPEDS).

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

Note 3: Arizona Board of Regents, Tuition History.

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

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

	For the Fiscal Year Ended June 30				
	2017	2016	2015	2014	2013
General Bonded Debt					
General obligation bonds, net	552,588	$ 607,995	$ 670,567	$ 731,665	$ 787,567
Per capita	$ 133.57	$ 149.15	$ 167.28	$ 185.47	$ 202.74
Per student	$ 2,736.70	$ 2,950.94	$ 3,114.57	$ 3,232.04	$ 3,309.84
Per FTSE	$ 7,666.85	$ 8,457.53	$ 8,805.87	$ 9,326.04	$ 9,696.95
Other Debt					
Revenue bonds	$ -	$ -	$ -	$ -	$ 410
Capital lease obligations	-	-	-	25	49
Total outstanding debt	$ 552,588	$ 607,995	$ 670,567	$ 731,690	$ 788,026
Per capita	$ 133.57	$ 149.15	$ 167.28	$ 185.48	$ 202.85
Per student	$ 2,736.70	$ 2,950.94	$ 3,114.57	$ 3,232.15	$ 3,311.77
Per FTSE	$ 7,666.85	$ 8,457.53	$ 8,805.87	$ 9,326.36	$ 9,702.60

	For the Fiscal Year Ended June 30				
	2012	2011	2010	2009	2008
General Bonded Debt					
General obligation bonds, net	$ 682,342	$ 750,614	$ 659,941	$ 734,798	$ 561,229
Per capita	$ 177.54	$ 196.29	$ 164.03	$ 184.25	$ 143.63
Per student	$ 2,771.90	$ 2,940.72	$ 2,710.90	$ 3,179.57	$ 2,449.35
Per FTSE	$ 8,218.61	$ 8,878.38	$ 8,444.65	$ 10,482.29	$ 8,246.70
Other Debt					
Revenue bonds	$ 1,240	$ 12,585	$ 14,000	$ 15,905	$ 18,300
Capital lease obligations	72	94	115	136	211
Total outstanding debt	$ 683,654	$ 763,293	$ 674,056	$ 750,839	$ 579,740
Per capita	$ 177.88	$ 199.60	$ 167.54	$ 188.28	$ 148.37
Per student	$ 2,777.23	$ 2,990.40	$ 2,768.88	$ 3,248.98	$ 2,530.14
Per FTSE	$ 8,234.41	$ 9,028.35	$ 8,625.27	$ 10,711.12	$ 8,518.70

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

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

Fiscal Year	Gross Revenues (1)	Debt Service Requirements			Coverage Ratio
		Principal	Interest	Total	
2016-17	$ 241,487,695	$ -	$ -	$ -	-
2015-16	255,975,215	-	-	-	-
2014-15	256,922,245	-	-	-	-
2013-14	259,054,302	-	-	-	-
2012-13	262,851,300	410,000	8,200	418,200	628.5
2011-12	272,839,165	830,000	33,000	863,000	316.2
2010-11	256,779,951	795,000	533,980	1,328,980	193.2
2009-10	236,571,816	1,415,000	580,081	1,995,081	118.6
2008-09	216,932,185	1,905,000	649,415	2,554,415	84.9
2007-08	215,355,081	2,395,000	728,534	3,123,534	68.9

Source: District records.

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

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

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

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

	Fiscal Year				
	2016-17	2015-16	2014-15	2013-14	2012-13
Debt Limit	$ 5,420,324,171	5,193,550,548	$ 5,261,946,989	$ 4,834,351,022	$ 5,160,068,357
Total net debt applicable to limit	445,570,000	534,225,000	593,820,000	654,215,000	712,783,980
Legal debt margin	$ 4,974,754,171	$ 4,659,325,548	$ 4,668,126,989	$ 4,180,136,022	$ 4,447,284,377
Total net debt applicable to the limit as a percentage of debt limit	8.22%	10.29%	11.29%	13.53%	13.81%

	Fiscal Year				
	2011-12	2010-11	2009-10	2008-09 (1)	2007-08
Debt Limit	$ 5,814,044,507	$ 7,449,381,543	$ 8,697,607,758	$ 8,745,545,293	$ 7,430,186,075
Total net debt applicable to limit	615,066,983	671,250,000	587,930,000	653,040,000	507,390,000
Legal debt margin	$ 5,198,977,524	$ 6,778,131,543	$ 8,109,677,758	$ 8,092,505,293	$ 6,922,796,075
Total net debt applicable to the limit as a percentage of debt limit	10.58%	9.01%	6.76%	7.47%	6.83%

Legal Debt Margin Calculation for Fiscal Year 2016-17

Secondary Assessed Value of Real and Personal Property	$ 36,135,494,474
Debt Limit, 15% of Secondary Assessed Value	5,420,324,171
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonded Debt	509,430,000
Capital Leases	-
Amount Available for Debt Repayment	(63,860,000)
Total Debt Applicable to Debt Limit	445,570,000
Legal Debt Margin	$ 4,974,754,171

Note: The Arizona Constitution, Article 9, Section 8, states that a county or school district may become indebted for an amount not to exceed fifteen percent of taxable property. For fiscal year 2016-17, the District was at 1.23%.

(1) Data corrected in fiscal year 2010.

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

Year	County Population	County Personal Income (In Thousands)		County Income per Capita		Phoenix Metro Area Unemployment Rate – June
2017	4,137,076	Not Available	(1)	Not Available	(1)	4.5 %
2016	4,076,438	Not Available	(1)	Not Available	(1)	5.3
2015	4,008,651	$ 175,437,829		$ 42,092		5.4
2014	3,944,859	168,483,421		41,222		6.5
2013	3,884,705	160,537,029		40,003		7.3
2012	3,843,370	154,926,697	(2)	39,300	(2)	7.7
2011	3,824,058	147,724,392		38,071		9.2
2010	4,023,331	140,351,646		36,695		9.8
2009	3,987,942	137,970,508		36,272		9.6
2008	3,907,492	148,462,926		39,369		5.2

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

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

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

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

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

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

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

	Fiscal Year 2016-17			Fiscal Year 2007-08		
Employer	Number of Full-Time Equivalent Employees in Arizona	Rank	Percentage of Total MSA Employment	Number of Full-Time Equivalent Employees in Arizona	Rank	Percentage of Total MSA Employment
State of Arizona	42,687	1	1.94 %	50,079	1	2.53 %
Banner Health System	34,776	2	1.58	17,020	3	0.86
Wal-Mart Stores, Inc.	34,090	3	1.55	30,174	2	1.53
Wells Fargo & Company	14,818	4	0.68	14,000	6	0.71
City of Phoenix	13,776	5	0.63	14,453	4	0.73
Maricopa County	12,939	6	0.59	14,057	5	0.71
Arizona State University	12,715	7	0.58	12,727	7	0.64
Honor Health	11,296	8	0.51	*		-
Dignity Health	11,182	9	0.51	*		-
Intel Corp.	11,000	10	0.50	*		-
Fry's Food & Drug Stores	*		-	11,780	8	0.60
United States Postal Service	*		-	11,000	9	0.56
Honeywell Aerospace	*		-	10,700	10	0.54
Total Principal Employers	199,279		9.07 %	185,990		9.40 %
Total Employment in Phoenix-Mesa-Glendale, AZ, Metropolitan Statistical Area as of June 30	2,197,005			1,978,204		

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

Source: The Business Journal, Book of Lists.

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

Maricopa County Community College District
Employee Statistics
Last Ten Fiscal Years

	For the Fiscal Year Ended June 30				
	2017	2016	2015	2014	2013
Faculty					
Part-time	4,458	4,822	5,089	5,126	5,306
Full-time	1,476	1,419	1,500	1,592	1,576
Administrative & support staff					
Part-time	1,959	1,965	1,894	126	140
Full-time	2,933	3,024	2,971	3,012	2,951
Total employees	10,826	11,230	11,454	9,856	9,973
Students per faculty member	34	33	33	34	35
Students per staff member	41	41	44	72	77
Average class size	20	20	21	21	21

	For the Fiscal Year Ended June 30				
	2012	2011	2010	2009	2008
Faculty					
Part-time	5,220	4,893	4,894	3,974	3,964
Full-time	1,536	1,440	1,496	1,501	1,499
Administrative & support staff					
Part-time	146	145	136	163	161
Full-time	2,746	2,744	2,303	2,343	2,311
Total employees	9,648	9,222	8,829	7,981	7,935
Students per faculty member	36	40	38	42	42
Students per staff member	85	88	100	92	93
Average class size	22	22	22	22	22

Source: District records for Integrated Postsecondary Education Data System (IPEDS).
Note: Data is as of November 1st of the fiscal year.
The source for the data changed effective with FY2016 and all prior years have been restated.
The method for calculating part time administrative and support staff changed effective FY2015.

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

Historic Headcount

College/Center	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Phoenix	17,100	17,382	17,804	19,008	19,476	19,525	21,392	20,247	18,874	18,709
Glendale	27,263	27,947	29,306	30,926	31,666	32,854	32,962	32,378	29,840	29,936
GateWay	7,876	8,495	9,592	10,444	10,962	11,674	13,266	14,159	13,549	14,350
Mesa	30,154	30,770	33,238	36,054	38,602	40,070	41,836	41,759	39,605	39,860
Scottsdale	14,023	14,760	14,770	15,384	16,527	17,474	17,702	17,492	17,343	17,618
Rio Salado	43,882	45,317	46,836	48,333	52,685	56,031	57,746	52,634	50,784	49,806
South Mountain	5,707	5,772	6,159	6,801	7,338	8,027	10,186	9,490	8,905	7,799
Chandler-Gilbert	19,402	19,040	19,225	19,297	19,791	19,611	17,938	16,388	15,696	15,101
Paradise Valley	12,586	12,516	13,314	14,198	14,380	15,246	16,046	15,673	14,633	14,159
Estrella Mountain	13,080	12,571	12,994	13,009	12,475	12,508	12,612	11,636	10,551	10,026
Skill Centers	1,190	1,461	1,752	1,681	1,748	2,016	2,298	2,471	2,097	1,527
Adult Basic Education	9,655	10,003	10,310	11,244	12,297	11,128	11,264	9,113	9,223	10,243
Total	201,918	206,034	215,300	226,379	237,947	246,164	255,248	243,440	231,100	229,134

Historic FTSE

College/Center	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Phoenix	6,453	6,621	6,753	6,977	7,001	7,137	7,576	6,821	5,911	5,848
Glendale	10,965	11,229	11,799	12,390	12,473	12,728	12,777	11,959	10,428	10,023
GateWay	2,962	3,128	3,310	3,482	3,415	3,567	3,897	3,823	3,661	3,677
Mesa	12,022	12,136	13,148	13,886	14,709	15,363	16,097	15,501	13,792	13,653
Scottsdale	5,053	5,288	5,362	5,622	6,030	6,350	6,397	6,312	5,896	5,949
Rio Salado	11,736	11,518	12,494	12,584	13,815	14,263	14,378	12,220	11,937	12,230
South Mountain	2,278	2,318	2,423	2,586	2,737	2,778	2,954	2,746	2,251	2,086
Chandler-Gilbert	7,968	7,828	7,894	7,936	8,047	7,830	7,206	6,465	5,677	5,326
Paradise Valley	4,749	4,641	4,882	5,109	5,260	5,503	5,715	5,505	4,826	4,368
Estrella Mountain	5,694	5,362	5,522	5,330	4,932	4,709	4,739	4,184	3,416	3,087
Skill Center	902	498	1,137	1,220	1,171	1,187	1,471	1,530	1,309	629
Adult Basic Education	1,293	1,321	1,426	1,332	1,628	1,609	1,337	1,083	995	1,179
Total	72,075	71,888	76,150	78,454	81,218	83,024	84,544	78,149	70,099	68,055

Degrees and Certificates Awarded

	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Associate of Arts	5,409	5,537	5,040	4,947	4,486	4,360	4,007	3,173	2,853	2,505
Associate of Applied Science	3,249	3,273	3,403	3,429	3,115	3,049	2,900	2,838	2,708	2,505
Associate of Business	843	955	796	833	723	732	562	526	408	336
Associate of General Studies	617	631	655	690	685	604	601	651	692	740
Associate in Science	931	954	891	825	696	630	524	418	395	307
Associate of Transfer Partnership	0	0	0	0	0	11	12	68	189	322
Academic Certificate	130	145	158	196	121	72	41	30	20	6
Certificates of Completion in Occupational Programs	7,863	8,728	9,118	9,128	8,550	8,589	7,467	5,768	7,166	7,814
Arizona General Education Certificate	7,235	7,685	6,954	6,812	6,073	5,900	5,276	4,312	3,762	2,833

Source: District records.

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

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

Fiscal Year	Attendance		Enrollment Status			Residency		
	FT	PT	Continuing	New	Former	Resident	Out of County	Out of State
2016-17	32 %	68 %	58 %	25 %	17 %	94 %	2 %	4 %
2015-16	27	73	57	25	18	93	3	4
2014-15	28	72	57	25	18	93	3	4
2013-14	28	72	46	39	15	92	3	5
2012-13	28	72	45	40	15	92	3	5
2011-12	29	71	45	41	14	91	3	6
2010-11	28	72	43	42	15	89	3	8
2009-10	28	72	41	43	16	89	3	8
2008-09	25	75	41	42	17	88	2	10
2007-08	25	75	46	39	15	88	2	10

Fiscal Year	Gender		Ethnic Background						Median Age
	M	F	Native American	Asian	African American	Hispanic	Anglo	Other	
2016-17	44 %	56 %	3 %	5 %	8 %	29 %	45 %	10 %	21
2015-16	44	56	3	5	8	27	47	10	21
2014-15	44	56	3	5	8	26	48	10	22
2013-14	44	56	3	5	8	25	50	9	22
2012-13	44	56	3	5	9	23	51	9	22
2011-12	43	57	3	5	9	22	53	8	23
2010-11	43	57	3	4	8	21	55	9	22
2009-10	43	57	3	4	7	20	55	11	22
2008-09	43	57	3	4	6	20	58	9	22
2007-08	43	57	3	4	6	19	58	10	22

Source: District records.

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

	Fiscal Year									
Location	**2016-17**	**2015-16**	**2014-15**	**2013-14**	**2012-13**	**2011-12**	**2010-11**	**2009-10**	**2008-09**	**2007-08**
Phoenix										
Total Square Footage	759,403	759,403	753,589	753,589	763,792	699,830	643,816	609,814	609,814	595,300
Total Acreage	66.0	66.0	66.0	65.7	65.7	65.7	63.8	61.5	61.5	61.5
Glendale										
Total Square Footage	834,028	832,028	809,889	809,889	820,986	820,986	820,986	820,986	820,986	735,100
Total Acreage	313.0	313.1	313.1	314.0	314.0	314.0	314.0	314.0	314.0	314.0
GateWay										
Total Square Footage	532,697	532,697	532,697	532,697	532,697	406,074	373,426	373,426	373,426	373,200
Total Acreage	43.1	43.1	43.1	42.0	42.0	42.0	42.0	42.0	42.0	42.0
Mesa										
Total Square Footage	1,036,593	1,036,593	1,019,257	998,333	998,333	997,758	997,758	961,956	982,072	911,219
Total Acreage	248.6	248.6	248.6	248.9	248.9	248.9	248.9	248.3	248.8	248.3
Scottsdale										
Total Square Footage	564,437	564,437	563,937	570,943	566,167	566,167	566,926	559,058	562,058	511,900
Total Acreage	162.2	162.2	162.2	168.0	168.0	168.0	168.0	162.0	162.0	162.0
Rio Salado										
Total Square Footage	435,544	462,521	465,521	465,521	439,909	445,084	409,365	357,028	284,562	445,770
Total Acreage	31.4	31.4	31.4	31.0	31.0	31.0	29.0	19.0	15.0	15.0
South Mountain										
Total Square Footage	302,010	302,010	302,010	302,010	301,490	301,490	301,490	249,885	249,885	247,000
Total Acreage	148.3	148.3	142.9	148.8	148.8	148.8	148.8	148.8	148.8	148.8
Chandler-Gilbert										
Total Square Footage	670,325	666,825	654,380	654,380	580,329	580,329	580,329	562,434	504,988	450,000
Total Acreage	189.8	189.8	189.8	189.3	185.3	173.3	173.3	174.3	174.3	174.3
Paradise Valley										
Total Square Footage	463,320	463,320	440,203	440,203	428,356	424,311	424,311	420,566	420,566	371,900
Total Acreage	175.9	175.9	175.9	171.0	171.0	171.0	171.0	171.0	159.0	159.0
Estrella Mountain										
Total Square Footage	360,039	360,039	333,229	333,229	281,973	281,973	281,973	281,973	250,388	250,000
Total Acreage	221.1	221.1	221.1	216.0	216.0	216.0	216.0	216.0	216.0	216.0
District Services Support Center										
Total Square Footage	296,483	296,483	296,483	296,483	296,483	291,299	291,299	291,299	291,299	280,705
Total Acreage	11.7	11.7	11.7	12.1	12.1	9.8	9.8	9.8	9.8	9.8
Totals for District:										
Total Square Footage	6,254,879	6,276,356	6,171,195	6,157,277	6,010,515	5,815,301	5,691,679	5,488,425	5,350,044	5,172,094
Total Acreage	1,611.1	1,611.2	1,606.3	1,606.8	1,602.8	1,588.5	1,584.6	1,566.7	1,551.2	1,550.7

Source: District records.

Comprehensive Annual Financial Report

Published and distributed by the District Support Services Center, Business Services Division

2411 West 14th Street, Tempe, Arizona 85281-6942

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