Chandler-Gilbert

Estrella Mountain

GateWay

Glendale

Mesa

Paradise Valley

Phoenix

Rio Salado

Scottsdale

South Mountain

Maricopa County Community College District

Phoenix, Arizona

Estrella Mountain Community College

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2011

MARICOPA COMMUNITY COLLEGES

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2011

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, 2011

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Introductory Section

MARICOPA COMMUNITY COLLEGES

www.maricopa.edu

DR. RUFUS GLASPER
CHANCELLOR

2411 W. 14th St.
Tempe, Arizona
85281-6942

Telephone
480.731.8000

Fax
480.731.8506

November 21, 2011

To the Citizens of Maricopa County:

It gives me great pleasure to present the Maricopa Community Colleges' Comprehensive Annual Financial Report for 2011. I believe this report will demonstrate to you, our taxpayers, that we continue to be responsible stewards of the funds you entrust to us.

Arizona continues to suffer ill effects from the economic downturn that began several years ago. Analysts have predicted no solid recovery in the real estate market until 2015. Meanwhile, businesses continued to close or downsize, and unemployment remained around 9%. During 2011, enrollment at the Maricopa Community Colleges increased by about 7%, a rise caused, in part, by the fact that Arizona's universities have once again imposed significant tuition increases. For the second consecutive year, our District did not increase tuition, so the financial gap between a community college education and the first two years at a state university widened further. This caused more students and their parents to look favorably on the value of the courses offered at our colleges.

The District's financial situation was threatened when the state legislature approved a cut of $38 million in state appropriations. In response, our Governing Board reluctantly approved for fiscal year 2012 a $5-per-credit-hour tuition increase as well as a 3% increase in the property tax levy. The additional revenue will help make up for a portion of the lost state revenue and accommodate the anticipated increases in enrollment.

The Maricopa Community Colleges' collaboration with Arizona State University on the Maricopa-to-ASU Pathways Program (MAPP) continued to bear fruit in 2011. MAPP gives students who fulfill specific academic requirements guaranteed admission to the ASU program of their choice. By the end of the spring semester, a record 5,300 students had enrolled in this program. The growth can be attributed to students' increasing awareness of the benefits of MAPP and an increase in the number of majors eligible for MAPP, now at 127. At a time when higher education is becoming more expensive, students are realizing that two years of courses at a Maricopa Community College with the ability to transfer into the ASU program of their choice is a smart financial decision that reduces the overall cost of their education significantly.

Despite the economy, the District's finances remain strong. During 2010-11, the three major national bond rating agencies: Standard & Poor's Financial Services, Moody's Investors Service, and Fitch, Inc., reaffirmed the District's 'Triple A' ratings for general obligation bonds. Our taxpayers are the beneficiaries of our strong financial performance because the high ratings mean we pay less interest when we issue bonds to borrow money. The District continues to use proceeds from its 2004 bond initiative to provide new and renovated facilities on our campuses.

This Comprehensive Annual Financial Report is a statement of our commitment to provide quality educational services through the effective use of tax resources. I invite you to read it and hope you agree that our stewardship of the resources you have committed to us, as well as our commitment to promoting student success, add up to good value for you, our taxpayers. If you have further questions about our financial management of the District, I invite you to contact us for more information.

Sincerely,

Rufus Glasper, Ph.D., CPA
Chancellor

A COMMUNITY OF COLLEGES...A WORLD OF OPPORTUNITY
Chandler-Gilbert • Estrella Mountain • GateWay • Glendale • Mesa
Paradise Valley • Phoenix College • Rio Salado • Scottsdale • South Mountain • Skill Centers
The Maricopa County Community College District is an EEO/AA institution

MARICOPA COMMUNITY COLLEGES

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DR. RUFUS GLASPER
CHANCELLOR

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Tempe, Arizona
85281-6942

Telephone
480.731.8000

Fax
480.731.8506

November 21, 2011

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, 2011 (FY 2011).

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 ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles.

Audit services are provided to the MCCCD by the 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 unqualified.

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

Reporting Entity

The District is an independent reporting entity within the criteria established by generally accepted accounting principles (GAAP) and the Governmental Accounting Standards Board (GASB). According to GASB Statement No. 14, the financial reporting entity consists of "a primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete." MCCCD is a primary government because it is "a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments". Although the District shares the same geographic boundaries with Maricopa County, financial accountability for all activities related to public community college education in Maricopa County is exercised solely by the District. In accordance with GASB Statement No. 39, the financial activity of the

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Reporting Entity (continued)

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 five elected members, representing each of the five precincts in the county. These members are elected for six-year terms on a staggered basis. 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 the Maricopa County area through ten accredited institutions and two skill centers, managed by ten college presidents and two directors, respectively. 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.

As of April 1, 2010, the most recent information available, the U.S. Census Bureau Population Division estimated the County's population to be 3,817,117, the most populous in the state. This is a 24% increase in the 10-year period between the official census dates of April 2000 and April 2010. For the past three decades, Maricopa County has been one of the most rapidly growing counties in the country in terms of population, employment and personal income. Maricopa County is the fourth most populated county in the nation.

Profile of Maricopa County Community College District (continued)

Maricopa County has slightly less than 60% of the State's total population and 63% of the total labor force. A majority of the County's labor force (73%) 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.

Types of Services

The District is the largest single provider of post-secondary education in Arizona – offering affordable education to more than 275,000 individuals year-round in both credit and 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 may earn the 35-credit hour Arizona General Education Curriculum core or one of the following transfer degrees: Associate in Arts, Associate in Business, Associate in Science, Associate in General Studies, Associate in Transfer Partnership Degree, or specialized degrees in Elementary Education and Fine Arts. Numerous Associate of Applied Science degrees are designed 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: 55% Anglo, 21% Hispanic, 8% African American, 4% Asian, 3% Native American and 9% 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 2009-10, the most recent data available, approximately 27,000 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

State and Local Economy (continued)

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.

According to the Office of Employment and Population Statistics within the Arizona Department of Administration, Arizona's economy is forecasted to experience gradual growth in nonfarm employment for the calendar years 2011-2012 (CY 2011 – CY 2012). Specifically, Arizona's nonfarm jobs are projected to increase by .7% in CY 2011 and 1.2% in CY 2012. This translates into an estimated gain of 45,400 nonfarm jobs over the two-year period. This represents the first time since the beginning of the economic downturn in 2007 that Arizona is projected to have over-the-year gains. Although employment is growing in Arizona, the speed of recovery has been slow. Arizona continues to face slow population growth, high unemployment, reduced income and wealth, weak housing and commercial real estate markets, and continued budgetary constraints in state and local governments. As of August 2011, Arizona's seasonally adjusted unemployment rate was 9.3%.

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 spending priorities through the strategic planning process. The Financial Advisory Council (FAC), which has broad based membership representing executive leadership, faculty, other employee group presidents, and vice presidents, is responsible for the supervision and coordination of the district-wide budget process. The FAC thoroughly reviews program needs and available resources before making

Long-term Financial and Operational Planning (continued)

budget recommendations to 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 April, the Governing Board adopts a preliminary budget with final budget adoption occurring in June.

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 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.

Major Initiatives

The Governing Board adopted a goal to increase student completion rates by 50% by the year 2020; this is complemented by the Chancellor's three pillars for the District to focus on: student success, one Maricopa, and public stewardship. As a community of colleges serving a large and diverse metropolitan area, collaboration and cooperation for the benefit of students is a primary objective. Moreover, we continue to strive for a "Maricopa experience" that reflects common values and service standards at every college. We are committed to ensuring that students have full access to the learning opportunities they seek and that they are successful in their endeavors, regardless of the colleges they attend. Described here are a few of the initiatives undertaken to achieve those objectives.

Seamless Student Experience

The seamless student experience (SSE) project will eventually provide students a single point of access/process for admissions, registration, financial aid, and related student services across all of MCCCD colleges. SSE will allow students to seamlessly move from one MCCCD college to another without repeating or duplicating the processes to be admitted, receive financial aid, maintenance of a single academic transcript, pay fees, etc. From a service point of view, students would access the "One Maricopa" system (online and face to face) just once with the information applicable universally at any of the colleges. SSE will yield the following: student access is improved to all of the Maricopa colleges; student movement from one MCCCD College to another becomes seamless and transparent; consistency of the student experience is achieved – same experience regardless of College location; and degree/certificate completion is enhanced with a single transcript.

Major Initiatives (continued)

Public University Partnerships

Maricopa has invested significantly in enhancing transfer partnerships with Arizona State University (ASU), Northern Arizona University (NAU), and the University of Arizona (UofA). All the partnerships are intended to increase the number of students who complete Associate and Baccalaureate degrees. The Maricopa/ASU Alliance has grown to include 127 university majors outlined through degree-to-degree pathways. The NAU Connection partnership includes selected high demand baccalaureate degree programs offered on site at all ten colleges. New agreements with the UofA will include a joint admissions program for students who meet specified criteria. All the programs provide university transfer advisors located onsite at the community colleges and other student benefits such as expanded transfer support services.

2004 Capital Development Program

As a result of the support of a referendum approved by 76% of voters in 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 and support spaces. It 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. However, inflation rates in the construction industry, which had been at historically high rates from late 2004 through early 2008, limited our ability to develop this program as planned. The major impact has been that several projects have been reduced in size and some projects have been canceled in order to fund higher priority projects. Parallel to the collapse of the local economy, FY 2011 has seen prices drop back to near 2007 levels. However, there are signs of inflation returning as the national and international economies recover. The result is the potential for as much as a 20% reduction in the originally planned amount of building space that we can develop. District and College capital plans continue to be revised to optimize the use of remaining bond funds in this economic environment.

Since the inception of the 2004 Capital Development Program, forty-three major new construction or remodeling projects have been completed. These include eight new or substantially remodeled science instruction buildings, totaling 332,000 square feet. The Maricopa Community Colleges also continue to foster and develop partnerships. Funds from the 2004 General Obligation Bond Funds constructed the Rio Communiversity on property owned by the City of Surprise, Arizona. Three Maricopa colleges and two universities have combined to offer more than 20 Bachelor's and Master's degree programs at the Rio Communiversity in Surprise. A similar project currently is in planning for a site in Queen Creek. Two additional buildings funded by the 2004 G.O. bond will also host partnerships. The PVCC North-YMCA Community Center was completed in 2009, and the SMCC Joint Library Building with the City of Phoenix, Arizona was opened in June 2011.

The purchase of thirteen existing buildings added 481,900 square feet of space, which is being gainfully used to provide support or instruction. There are seven projects currently in

Major Initiatives (continued)

construction which will add or remodel 323,400 square feet of building space. Another ten projects, which are currently in project initiation, consultant selection, or design, will add or remodel 275,000 square feet of space in the next few years. For future growth, the purchase of six parcels of land has added 230 acres. In addition to the construction and remodeling, the District continues significant maintenance and energy conservation work across all existing locations.

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, 2010. This was the 20th 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 Office of the Auditor General for timely completion of the audit.

Respectfully submitted,

Debra Thompson
Vice Chancellor for Business Services

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

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, 2010

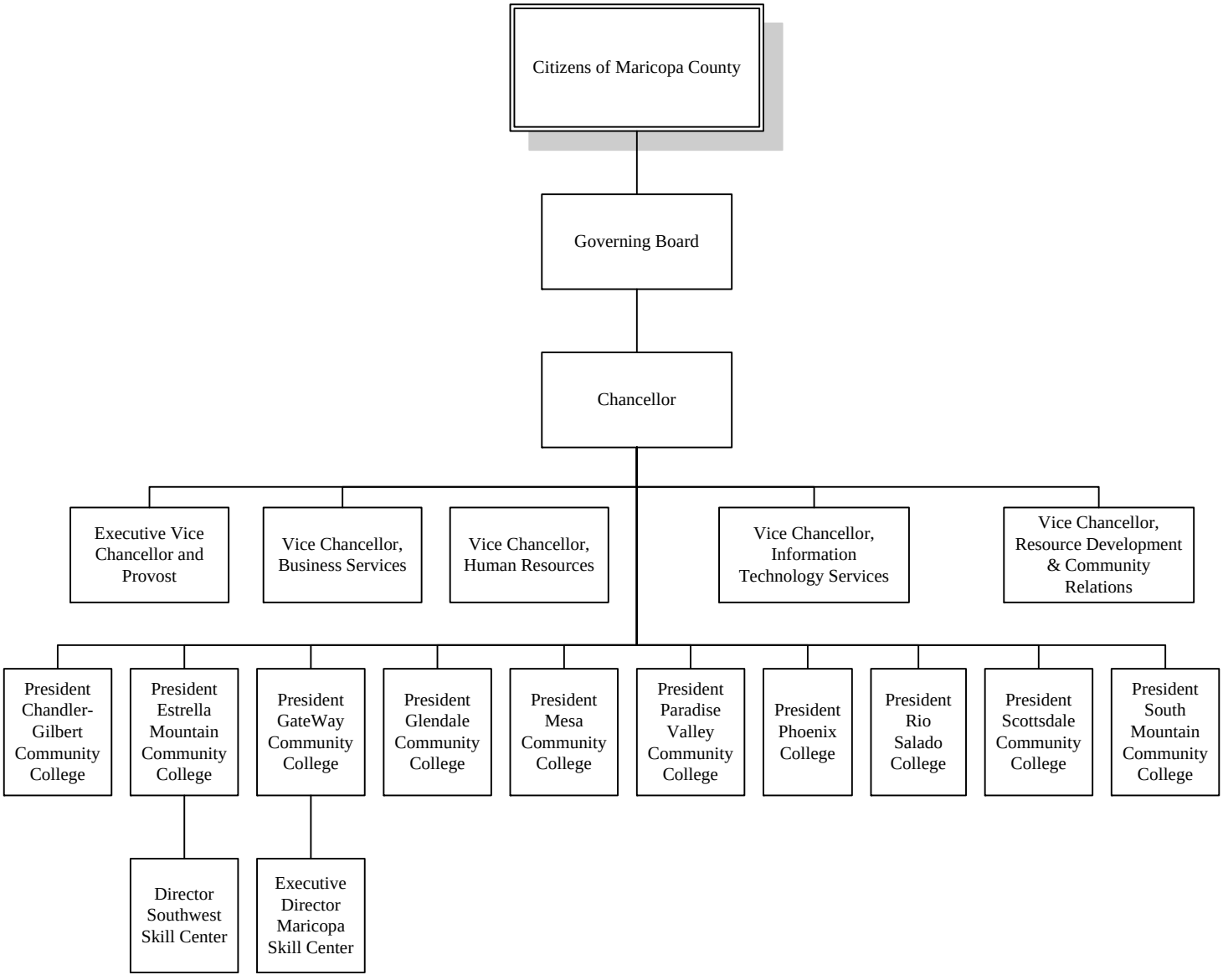
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

Maricopa County Community College District

Organizational Chart



Maricopa County Community College District

Principal Officers

Governing Board

Mr. Randolph Elias Lumm, *President*
Mr. Doyle W. Burke, *Secretary*
Dr. Donald R. Campbell
Mrs. Debra Pearson
Mr. Dana G. Saar

Administration

Dr. Rufus Glasper, *Chancellor*
Dr. Maria Harper-Marinick, *Executive Vice Chancellor and Provost*
Ms. Debra Thompson, *Vice Chancellor, Business Services*
Ms. Nikki R. Jackson, *Vice Chancellor, Human Resources*
Mr. George Kahkedjian, *Vice Chancellor, Information Technology Services*
Dr. Steven Helfgot, *Vice Chancellor, Resource Development & Community Relations*

College Presidents and Directors

Dr. Linda Lujan, *President, Chandler-Gilbert Community College*
Dr. Ernie Lara, *President, Estrella Mountain Community College*
Dr. Eugene Giovannini, *President, GateWay Community College*
Dr. Irene Kovala, *President, Glendale Community College (effective 8/8/11)*
Dr. Shouan Pan, *President, Mesa Community College*
Dr. Paul Dale, *President, Paradise Valley Community College*
Dr. Anna Solley, *President, Phoenix College*
Dr. Chris Bustamante, *President, Rio Salado College*
Dr. Jan Gehler, *President, Scottsdale Community College*
Dr. Shari Olson, *President, South Mountain Community College (effective 7/1/11)*
Mr. Thomas Cotner, *Interim Director, Southwest Skill Center*
Dr. Sue Kater, *Interim Executive Director, Maricopa Skill Center*

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

MARICOPA
COMMUNITY
COLLEGES

Financial Section

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

DEBRA K. DAVENPORT, CPA
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

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of Maricopa County Community College District as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 financial statements were audited by other auditors whose report thereon 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 report of the other auditors.

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 of material misstatement. The financial statements of the discretely presented component unit were not audited by the other auditors in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our 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, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

The Management's Discussion and Analysis on pages 17 through 24 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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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 Assets by College/Center listed as supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In addition, 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. That information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we will also 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Debbie Davenport
Auditor General

November 21, 2011

Maricopa County Community College District
Management's Discussion and Analysis
For the Year Ended June 30, 2011

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, 2011. Please read it 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 Assets* reflects the financial position of the District as of June 30, 2011. It shows the assets owned or controlled, related liabilities and other obligations, and the categories of net assets. Net assets is an accounting concept defined as total assets less total liabilities, and as such, represents institutional equity or ownership in the total assets of the District.

The *Statement of Revenues, Expenses, and Changes in Net Assets* reflects the results of operations and other changes for the year ended June 30, 2011. It shows revenues and expenses, both operating and nonoperating, reconciling the beginning net assets amount to the ending net assets amount, which is shown on the *Statement of Net Assets* described above.

The *Statement of Cash Flows* reflects the inflows and outflows of cash and cash equivalents for the year ended June 30, 2011. It shows the cash activities by type, reconciling the beginning cash and cash equivalents amount to the ending cash and cash equivalents amount, which is shown on the *Statement of Net Assets,* 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 Assets* described above.

Although the primary focus of this document is on the results and activity for fiscal year 2010-11 (FY 2011), comparative data is presented for the previous fiscal year, 2009-10 (FY 2010). 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 Assets

	As of June 30, 2011	*As of June 30, 2010*
Current assets	$490,914,582	$442,701,314
Noncurrent assets, other than capital assets	430,910,332	331,313,882
Capital assets, net	702,765,718	662,040,127
Total assets	**1,624,590,632**	**1,436,055,323**
Other liabilities	68,165,944	72,671,414
Long-term liabilities	792,820,426	703,331,253
Total liabilities	**860,986,370**	**776,002,667**
Net assets:		
Invested in capital assets, net of related debt	208,096,242	175,467,529
Restricted net assets	158,015,616	161,789,104
Unrestricted net assets	397,492,404	322,796,023
Total net assets	**$763,604,262**	**$660,052,656**

Statement of Revenues, Expenses, and Changes in Net Assets

	For the Year Ended June 30, 2011	*For the Year Ended June 30, 2010*	
Operating revenues	$162,331,659	$161,678,709	*
Operating expenses:			
Educational and general	688,376,018	647,092,067	*
Auxiliary enterprises	43,124,229	50,056,143	*
Depreciation	36,743,605	36,330,022	
Other	1,215,352	1,013,164	
Total operating expenses	769,459,204	734,491,396	*
Operating loss	(607,127,545)	(572,812,687)	
Nonoperating revenues and expenses	710,328,279	651,550,072	
Income before other revenues, expenses, gains, or losses	103,200,734	78,737,385	
Other revenues, expenses, gains, or losses	350,872	525,641	
Increase in net assets	103,551,606	79,263,026	
Net assets, beginning of year	660,052,656	580,789,630	
Net assets, end of year	**$763,604,262**	**$660,052,656**	

* As adjusted

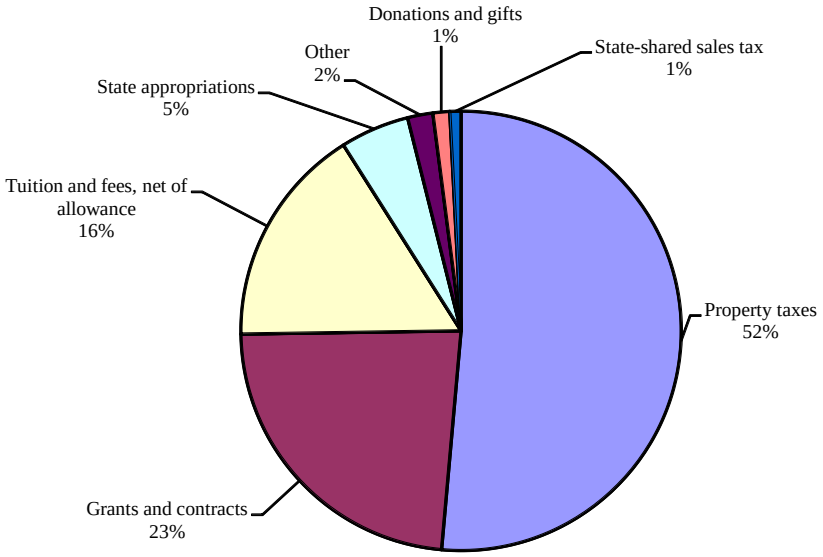
Basic Financial Statements (continued)

The following schedule presents a summary and comparison of revenues for the fiscal years ended June 30, 2011 and June 30, 2010.

Revenues by Source	FY 2011		FY 2010		Increase/(Decrease)	
Operating revenues	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Tuition and fees, net of scholarship allowance	$145,710,908	16%	$146,804,471 *	17%	($1,093,563)	(1%)
Other operating revenues	16,620,751	2	14,874,238	2	1,746,513	12
Total operating revenues	162,331,659	18	161,678,709 *	19	652,950	-
Nonoperating revenues						
Property taxes	460,518,576	52	453,614,833	54	6,903,743	2
State appropriations	45,327,400	5	45,327,400	5	-	-
State-shared sales tax	7,365,283	1	7,117,273	1	248,010	3
Grants and contracts	209,193,309	23	160,308,184	19	48,885,125	30
Donations and gifts	10,996,562	1	10,055,712	1	940,850	9
Investment earnings, net of investment expense	1,227,634	-	1,443,634	1	(216,000)	(15)
Total nonoperating revenues	734,628,764	82	677,867,036	81	56,761,728	8
Total revenues	$896,960,423	100%	$839,545,745 *	100%	$57,414,678	7%

* As adjusted

Revenues by Source FY 2011



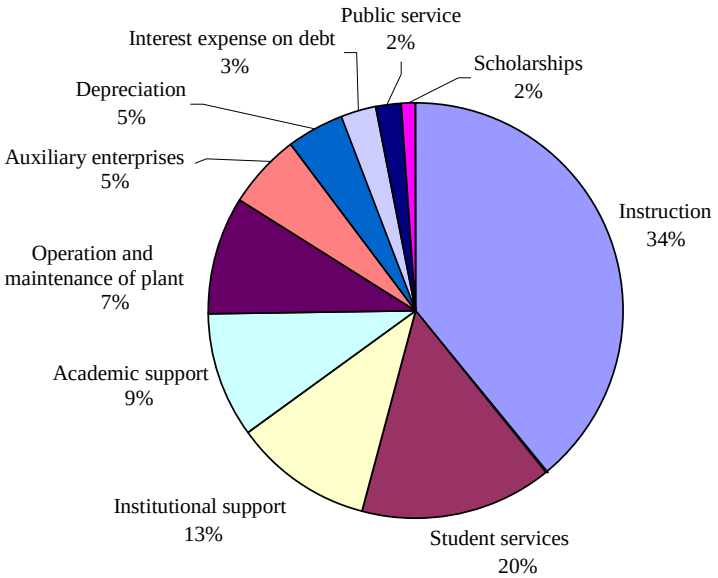
Basic Financial Statements (continued)

The following schedule presents a summary and comparison of expenses for the fiscal years ended June 30, 2011 and June 30, 2010.

Expenses by Function	FY 2011		FY 2010			Increase/(Decrease)	
Operating expenses	Amount	Percent of Total	Amount		Percent of Total	Amount	Percent of Change
Educational and general							
Instruction	$266,454,761	34%	$259,910,171		34%	$6,544,590	3%
Public service	15,979,412	2	16,409,433		2	(430,021)	(3)
Academic support	69,546,276	9	61,932,074		8	7,614,202	12
Student services	162,918,794	20	128,364,533	*	17	34,554,261	27
Institutional support	102,213,576	13	109,509,286	*	14	(7,295,710)	(7)
Operation and maintenance of plant	59,185,035	7	66,906,240	*	9	(7,721,205)	(12)
Scholarships	12,078,164	2	4,060,330	*	1	8,017,834	197
Auxiliary enterprises	43,124,229	5	50,056,143	*	7	(6,931,914)	(14)
Depreciation	36,743,605	5	36,330,022		5	413,583	1
Other	1,215,352	-	1,013,164		-	202,188	20
Total operating expenses	769,459,204	97	734,491,396	*	97	34,967,808	5
Nonoperating expenses							
Interest expense on debt	24,191,758	3	26,309,121		3	(2,117,363)	(8)
Loss on sale/disposal of capital assets	108,727	-	7,843		-	100,884	1,286
Total nonoperating expenses	24,300,485	3	26,316,964		3	(2,016,479)	(8)
Total expenses	$793,759,689	100%	$760,808,360	*	100%	$32,951,329	4

* As adjusted

Expenses by Function FY 2011



Financial Highlights and Analysis

Statement of Net Assets

The District's overall financial position improved in FY 2011. Total net assets for the District grew by $103.6 million from FY 2010 to FY 2011. This growth is the cumulative effect of a number of different sources. Approximately $74.7 million of the increase is in unrestricted net assets which are used for general operational activities and other activities as designated by the District but are not otherwise restricted by an external party. The primary source of this increase is revenues having out-paced expenditures as concerns related to uncertainty about the future of the economy and State funding continued in FY 2011. The increase allowed the District to set aside funds in FY 2011 for future capital projects and student success initiatives as well as to defease the outstanding callable revenue bonds (see Notes to Financial Statements – Note 11 Subsequent Events). Another noteworthy increase was in invested in capital assets net of related debt ($32.6 million) where the increase is primarily due to a combination of capital expenses added as assets along with the corresponding bonds payable, depreciation, and additions related to non-bond expenses. Additionally, a decrease in capital projects of approximately $4.3 million is due to increases in amounts owed to vendors for retention and accounts payable at year end.

Total assets increased $188.5 million from FY 2010 to FY 2011, resulting from a combination of increases and decreases in various categories of assets. Current assets increased by approximately $48.2 million primarily for the same reasons noted above for unrestricted net assets. Noncurrent assets increased by approximately $140.3 million. Long-term cash and investments increased by $99.9 million as proceeds from the sale of 2004 Bond Series D was invested until needed to fund projects. Non-depreciable capital assets increased approximately $54.7 million as construction work on 2004 bond projects was added to construction in progress. A decrease of $14.0 million in depreciable capital assets can be traced to planned depreciation (see Notes to Financial Statements – Note 4 for additional details).

Total liabilities for the District increased by $85.0 million. The primary reason for the increase in long-term liabilities is due to the issuance of Series D of the District's 2004 bond program in the amount of $150.0 million and the payment of general obligation and revenue bond debt service in the amount of $66.5 million.

Statement of Revenues, Expenses, and Changes in Net Assets

The District has four major revenue sources. These are property taxes, grants and contracts, tuition and fees, and state appropriations. Total revenue for the District increased by $57.4 million, and total expenses increased by $32.9 million from FY 2010 to FY 2011.

Tuition and fees (net of scholarship discounts and allowances) increased $8.2 million or 8% which is in line with an 8% increase in Full-time Student Equivalents. Tuition and fees and student services expenses are very closely related as both are affected by the elimination of tuition revenues and expenses related to the awarding and disbursing of financial aid to avoid inflating revenues and expenses. Gross student services expenses increased approximately $52.1 million while Federal Pell expenses increased approximately $51.7 million, reflecting a significant increase in federal student aid. The scholarship allowance increased by nearly 27%, reflective of both the increase in financial aid and the increase in enrollment.

Statement of Revenues, Expenses, and Changes in Net Assets (continued)

Grants and contracts revenue experienced a significant increase ($48.9 million) which is primarily due to the increase in financial aid noted above.

Academic support expenses increased 12% primarily due to increased spending in the areas of learning assistance centers, assessment, academic advisement, academic affairs, and academic computing.

The changes in scholarship (increase of $8.0 million) and auxiliary enterprises (decrease of $6.9 million) expenses are the result of a reclassification of scholarship expenses that were determined to be operational in nature from auxiliary enterprises to the appropriate functional category.

Operation and maintenance of plant decreased by approximately 12% due to normal fluctuations in the expensed portions of capital projects from year to year.

The FY 2010 amounts for certain revenues and expenses were adjusted to maintain comparability with FY 2011. FY 2010 amounts for tuition and fees, net of scholarship allowance and student services were overstated due to an error in the calculation of the scholarship discounts and allowances that was discovered and corrected in FY 2011. Likewise, FY 2010 amounts for institutional support and operation and maintenance of plant were adjusted as public safety expenses were previously classified as institutional support but are more appropriately classified as operation and maintenance of plant.

Capital Assets and Debt Administration

The District's capital assets as of June 30, 2011 totaled $702.8 million (net of accumulated depreciation). Capital assets include land, construction in progress, buildings, equipment, intangibles, improvements other than buildings, and library books. The change in the District's capital assets for the current year was an increase of slightly more than 6%, primarily attributed to increased investment in buildings, construction, technology, and equipment. The District has approximately $92.2 million in construction in progress, with an estimated cost to complete of approximately $181.5 million. Additional information on capital assets can be found in Notes to Financial Statements – Note 4.

In May 2011, the District sold $150.0 million in bonds used to support ongoing projects scheduled in the 2004 Bond Program. These general obligation bonds were sold to finance general improvements of the District's educational facilities and for the purchase of land and equipment. With this sale, the District has issued $800.3 million (or 84%) of the authorized $951.4 million from the November 2, 2004 voter-approved bond election. All proceeds are fully invested until spent on projects. The District anticipates issuing a new series every two years, depending on cash flow needs. The next anticipated issuance is planned for fiscal year 2012-13 (FY 2013) or 2013-14 (FY 2014). Additional information on all of the District's bond issues is discussed in greater detail in Notes to Financial Statements – Note 5.

At year-end, the District's financial position remains strong, with adequate resources and reserves to meet all current obligations. In May 2011, the District's general obligation bond debt issue ratings were reaffirmed as Aaa by Moody's Investors Service, AAA by Fitch, and AAA by

Capital Assets and Debt Administration (continued)

Standard & Poor's. Reasons cited for the high ratings were strong financial policies and prudent management practices; multiyear planning efforts; diverse revenue streams which help mitigate cuts in State funding, economic downturns, or enrollment declines; continued exceptionally strong and stable financial performance, as evidenced by ongoing operating surpluses and rising fund balances; relatively modest debt levels; and rapid retirement of debt. See Current Factors Having Probable Future Financial Significance for additional information on the State's economy.

The District's revenue bond debt issues are rated Aa2 by Moody's, and AA by both Fitch and Standard & Poor's. These ratings indicate the high quality and strong credit attributes of the District's obligations.

Current Factors Having Probable Future Financial Significance

As the 2004 Bond Program continues, buildings open and new technology is acquired to serve the community; the District is challenged to ensure that there are sufficient resources and budget capacity to operate the buildings and support the technology. As of FY 2011, the District has set aside $24.2 million in budget capacity for this purpose and will continue to increase this capacity as the Bond Program progresses.

The global economy has been experiencing a severe downturn. With rising foreclosures, unemployment, business closures, bankruptcies, and declining sales, the nation and Arizona have been in a recession. Although some economists believe the recession has ended, most agree the Arizona economy will be very slow to recover. Specifically, the recession has resulted in declines in State sales and income taxes forcing the State to cut budgets to State agencies, cities, towns, universities, and community colleges. In fiscal year 2008-09 (FY 2009) and FY 2010, the State cut a total of $23.3 million of the District's operational and capital appropriation. Due to a hold harmless provision agreed to by the State when it accepted Federal stimulus funds, it could not cut the District's appropriation for FY 2011. However, this provision expired after FY 2011 and the State again cut the District's appropriation by $38.4 million for fiscal year 2011-12 (FY 2012).

The State projects a revenue surplus in FY 2012; however, the District does not anticipate that any of its state funding will be restored as the State of Arizona's financial issues likely will impair its ability to invest in higher education for several years to come. The District always has budgeted conservatively and will continue to ensure that planned expenditures do not exceed resource availability. All past state appropriation reductions, as well as any in the future, are addressed with permanent budget reductions. In order to address these anticipated changes, the District implemented a permanent 1% cut for FY 2009 and an additional 1% cut in FY 2010. The District is also planning for an additional $15 million cut in FY 2013. When considering budget cuts, the District's focus will remain on the primary missions of teaching, learning, and student success. Other significant commitments the District has made are to: monitor resources carefully and regularly; maintain a strong message that budget cuts to the community colleges harm students, harm the ability to serve the workforce needs of the State and as a result, cause even more harm to Arizona's future economy; be prepared to deal quickly with the effects of changes in the economic outlook; develop strategies that take into account the District's growth patterns, including reallocation of resources to programs that are mission-critical; and be

Current Factors Having Probable Future Financial Significance (continued)

prepared to scale back where and when needed. Future budget plans will only be adopted after determining the best way to preserve the primary missions of teaching, learning, and student success.

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 Assets – Primary Government
June 30, 2011

	Business-Type Activities
Assets	
Current assets:	
Cash and cash equivalents	$ 328,021,571
Investments	111,856,222
Receivables (net of allowance of $12,553,877)	48,530,712
Other	2,506,077
Total current assets	490,914,582
Noncurrent assets:	
Receivables (net of allowance of $509,472)	250,674
Other	5,528,424
Restricted assets:	
Cash and cash equivalents	229,720,631
Investments	186,586,396
Receivables (net of allowance of $844,179)	3,207,655
Other	5,616,552
Capital assets, not being depreciated	160,583,884
Depreciable capital assets, net of depreciation	542,181,834
Total noncurrent assets	1,133,676,050
Total assets	1,624,590,632
Liabilities	
Current liabilities:	
Accounts payable	15,740,791
Accrued liabilities	29,410,349
Deposits held in custody for others	1,457,815
Interest payable	13,145,097
Deferred revenues	8,411,892
Long-term liabilities - current portion	70,217,581
Total current liabilities	138,383,525
Noncurrent liabilities:	722,602,845
Total liabilities	860,986,370
Net Assets	
Invested in capital assets, net of related debt	208,096,242
Restricted:	
Nonexpendable:	
Endowments	216,133
Student loans	344,928
Expendable:	
Scholarships	1,518,380
Grants and contracts	13,821,497
Student loans	73,045
Debt service	77,294,022
Capital projects	64,747,611
Unrestricted	397,492,404
Total net assets	$ 763,604,262

See accompanying notes to financial statements.

Maricopa County Community College District
Statement of Financial Position – Component Unit
June 30, 2011

Assets	Maricopa County Community College District Foundation
Current assets:	
Cash and cash equivalents	$ 362,690
Pledges receivable, net	136,901
Total current assets	499,591
Pledges receivable, net of current portion, discount and allowance	81,190
Investments	23,457,886
Investments held for other	1,099,461
Cash surrender value of life insurance	516,424
Cash held for endowment purposes	1,094,502
Beneficial interest in charitable remainder unitrust	58,477
Other assets	23,277
Total assets	$26,830,808
Liabilities and Net Assets	
Current liabilities:	
Accounts payable	$ 446,987
Charitable gift annuity liability	175,966
Total current liabilities	622,953
Investments held for other	1,099,461
Total liabilities	1,722,414
Net assets:	
Unrestricted	1,302,654
Temporarily restricted	8,530,206
Permanently restricted	15,275,534
Total net assets	25,108,394
Total liabilities and net assets	$ 26,830,808

See accompanying notes to financial statements.

Maricopa County Community College District
Statement of Revenues, Expenses, and Changes in Net Assets – Primary Government
For the Year Ended June 30, 2011

	Business-Type Activities
Operating revenues:	
Tuition and fees (net of scholarship allowance of $93,220,658)	$ 145,710,908
Other	16,620,751
Total operating revenues	162,331,659
Operating expenses:	
Educational and general:	
Instruction	266,454,761
Public service	15,979,412
Academic support	69,546,276
Student services	162,918,794
Institutional support	102,213,576
Operation and maintenance of plant	59,185,035
Scholarships	12,078,164
Auxiliary enterprises	43,124,229
Depreciation	36,743,605
Other	1,215,352
Total operating expenses	769,459,204
Operating loss	(607,127,545)
Nonoperating revenues (expenses):	
Property taxes	460,518,576
State appropriations	45,327,400
State-shared sales tax	7,365,283
Government grants and contracts	205,301,100
Private grants and contracts	3,892,209
Private gifts	10,996,562
Investment earnings, net of investment expense	1,227,634
Interest expense on debt	(24,191,758)
Loss on sale/disposal of capital assets	(108,727)
Total nonoperating revenues	710,328,279
Income before other revenues, expenses, gains, or losses	103,200,734
Capital grants and gifts	350,872
Increase in net assets	103,551,606
Total net assets, July 1, 2010	660,052,656
Total net assets, June 30, 2011	$ 763,604,262

See accompanying notes to financial statements.

Maricopa County Community College District
Statement of Activities – Component Unit
For the Year Ended June 30, 2011

	Maricopa County Community College District Foundation			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue:				
Contributions	$ -	$ 1,839,716	$ 1,266,593	$ 3,106,309
Contributed services	178,392	-	-	178,392
Investment return	420,874	2,881,472	-	3,302,346
Increase (decrease) in cash surrender value of life insurance	-	-	(5,506)	(5,506)
Management fees	-	-	-	-
Total support and revenue before special events and net assets released from restrictions	599,266	4,721,188	1,261,087	6,581,541
Special events revenue	-	556,804	-	556,804
Less cost of direct donor benefits	-	(167,868)	-	(167,868)
Gross profit from special events	-	388,936	-	388,936
Net assets released from restrictions	2,886,689	(2,886,689)	-	-
Total support and revenue	3,485,955	2,223,435	1,261,087	6,970,477
Expenses:				
Program expenses				
Scholarships and program support	2,693,329	-	-	2,693,329
Supporting services				
Fundraising	287,712	-	-	287,712
General and administrative	379,202	-	-	379,202
Total expenses	3,360,243	-	-	3,360,243
Change in net assets	125,712	2,223,435	1,261,087	3,610,234
Net assets, beginning of year	829,847	6,306,771	14,361,542	21,498,160
Reclassification of donor intent	347,095	-	(347,095)	-
Net assets, end of year	$ 1,302,654	$ 8,530,206	$ 15,275,534	$ 25,108,394

See accompanying notes to financial statements.

Maricopa County Community College District
Statement of Cash Flows – Primary Government
For the Year Ended June 30, 2011

	Business-Type Activities
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	$ 142,436,922
Payments to employees	(493,814,784)
Payments to providers of goods and services	(124,017,709)
Payments to students for grants and scholarships	(121,408,111)
Other receipts	17,007,167
Net cash used for operating activities	(579,796,515)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Property taxes	461,934,902
State appropriations	45,327,400
State-shared sales tax	7,351,927
Grants and contracts	210,581,090
Federal student loans received	199,744,947
Federal student loans disbursed	(199,744,947)
Deposits held by others received	1,473,394
Deposits held by others disbursed	(1,317,553)
Gifts received for other than operating or capital purposes	10,996,562
Net cash provided by noncapital financing activities	736,347,722
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from issuance of bonds	157,007,538
Loss on sale of capital assets	(11,571)
Purchase of capital assets	(77,485,887)
Principal paid on capital debt and leases	(66,546,165)
Interest paid on capital debt and leases	(25,575,931)
Net cash used for capital and related financing activities	(12,612,016)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(211,101,752)
Interest received on investments	653,904
Net cash used by investing activities	(210,447,848)
Net decrease in cash and cash equivalents	(66,508,657)
Cash and cash equivalents - beginning of year	624,250,859
Cash and cash equivalents - end of year	$ 557,742,202

(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	$	(607,127,545)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation expense		36,743,605
Provision for uncollectible accounts		1,153,759
Expenses (related to revenue) for donations of non-capitalized items		270,408
Changes in assets and liabilities:		
Increase in:		
Other assets		(199,427)
Receivables		(3,368,725)
Student loans receivable		(4,182)
Accounts payable		4,463,193
Long-term liabilities - Compensated absences		251,401
Decrease in:		
Accrued liabilities		(8,705,016)
Deferred revenues		(3,273,986)
Net cash used for operating activities	$	(579,796,515)

Noncash transactions:

Increase in fair value of investments. The fair value of investments increased by $13,884.

Capital asset trade-ins. $166,789 of capital assets were traded in or exchanged for other assets during the year.

Gifts of depreciable and non-depreciable assets. The District recorded the receipt of gifts of depreciable and non-depreciable assets of $350,871.

Amortization of prepaid bond issuance costs. The District amortized $619,390 of prepaid bond issuance costs.

Amortization of premium on bonds and deferred charges. The District amortized $2,263,084 of bond premiums and ($1,039,483) of deferred charges.

Increase in claims payable. The estimate of claims payable for health benefits and workers' compensation increased by $207,491 between fiscal year 2010 and fiscal year 2011 (reported as accrued liabilities on the Statement of Net Assets).

Increase in contingent losses. The estimate of the payable for contingent losses increased by $91,200 between fiscal year 2010 and fiscal year 2011 (reported as accrued liabilities on the Statement of Net Assets).

Amortization of prepaid rent. The District recorded amortization of $231,943 for use of the Glendale, Estrella Mountain, and Phoenix instructional facilities.

See accompanying notes to financial statements.

Maricopa County Community College District
Notes to Financial Statements
For the Year Ended June 30, 2011

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 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, 2011, the Foundation distributed $2,693,329 to the District for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from the Foundation Office at 2419 W. 14th Street, Tempe, AZ 85281.

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

NOTE 1 - Summary of Significant Accounting Policies (continued)

The Statement of Net Assets provides information about the assets, liabilities, and net assets of the District at the end of the year. Assets and liabilities are classified as either current or noncurrent. Net assets are classified according to external donor restrictions or availability of assets to satisfy the District's obligations. Invested in capital assets, net of related debt represents the value of capital assets, net of accumulated depreciation, less any outstanding debt incurred to acquire or construct the assets. Nonexpendable restricted net assets include 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 assets represent grants, contracts, gifts, and other resources that have been externally restricted for specific purposes. Unrestricted net assets include all other net assets, 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 Assets 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 assets 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, state appropriations, 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 in the year for which they are levied. State appropriations are recognized as revenue in the year in which the appropriation is first made available for use. Grants and donations are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The District follows FASB Statements and Interpretations issued on or before November 30, 1989; Accounting Principles Board Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. The District has chosen the option not to follow FASB Statements and Interpretations issued after November 30, 1989.

NOTE 1 - Summary of Significant Accounting Policies (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, and 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 fair market 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 and employee group, 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 accumulate to a maximum amount per employee and unused balances are paid at retirement or death for employees having at least 10 years of service.

Deferred Charges - 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. This deferred amount is reported as a deduction from the new debt liability on the Statement of Net Assets.

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

NOTE 1 - Summary of Significant Accounting Policies (continued)

to be scholarship allowances. These allowances are netted against tuition and fees revenues in the Statement of Revenues, Expenses, and Changes in Net Assets.

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

NOTE 2 - Deposits and Investments

Arizona Revised Statutes (A.R.S.) require 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 Pool, repurchase agreements, commercial paper, corporate bonds, guaranteed investment contracts, insured or collateralized deposits, certificates of deposit, and interest-bearing savings accounts. Mutual funds held by the District are the result of donations by third parties. 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.

Deposits

At June 30, 2011, total cash on hand was $223,800. The carrying amount of bank deposits on the District's accounting system was $27,370,051. At June 30, 2011, the District's bank balance was $30,829,531, which was fully insured through FDIC. The District does not have a formal policy with respect to custodial credit risk.

Investments

The District's investments at June 30, 2011 consist of the following:

Investment Type	Amount
State Treasurer's investment pool 7	$469,760,954
County Treasurer's investment pool	6,047,426
U.S. Treasury securities	30,694,298
U.S. agency securities	275,790,314
Commercial paper	38,529,239
Corporate bonds	5,188,540
Repurchase agreements	2,500,000
Money market mutual fund	6,755
Mutual funds – equity	73,443
Total	$828,590,969

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 pool and the pool's structure does not provide for shares.

Credit Risk - The District does not have a formal policy with respect to credit risk. At June 30, 2011, 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	$469,760,954
County Treasurer's investment pool	Unrated	Not applicable	6,047,426
U.S. agency securities	Aaa	Moody's	275,790,314
Commercial paper	P-1, A-1	Moody's, S&P	38,529,239
Corporate bonds	Aa	Moody's	5,188,540
Repurchase agreements	Aaa	Moody's	2,500,000
Money market mutual fund	Aaa	Moody's	6,755
Total			$797,823,228

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, 2011 of 5 percent or more in Federal Home Loan Mortgage Corp and Federal National Mortgage Association. These investments were 19 percent and 14 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, 2011, the District had the following investments in debt securities:

Investment Type	Amount	Weighted Average Maturity (Months)
State Treasurer's investment pool 7	$469,760,954	1.58
County Treasurer's investment pool	6,047,426	21.43
U.S. Treasury securities	30,694,298	14.22
U.S. agency securities	275,790,314	12.91
Commercial paper	38,529,239	0.74
Corporate bonds	5,188,540	31.52
Repurchase agreements	2,500,000	0.03
Money market mutual fund	6,755	1.47
Total	$828,517,526	

The District's portfolio weighted average maturity is 6.11 months.

NOTE 2 - Deposits and Investments (continued)

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

Cash, deposits and investments:		Statement of net assets:	
Cash on hand	$ 223,800	Cash and cash equivalents	$328,021,571
Deposits	27,370,051	Investments	111,856,222
Investments	828,590,969	Restricted assets:	
		Cash and cash equivalents	229,720,631
		Investments	186,586,396
Total	$856,184,820	Total	$856,184,820

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 $4,166,359)	$ 11,231,188
Government grants	22,659,400
Private grants and contracts (net of allowance of $112,658)	3,127,391
Student accounts (net of allowance of $8,186,286)	10,209,620
Other (net of allowance of $88,574)	1,303,113
Total current receivables	$ 48,530,712

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, 2010	Increases	Decreases	Balance June 30, 2011
Capital assets not being depreciated:				
Land	$ 62,618,187	$ 5,761,535	$ -	$ 68,379,722
Construction in progress	43,284,505	60,393,640	11,473,983	92,204,162
Total capital assets not being depreciated	105,902,692	66,155,175	11,473,983	160,583,884
Capital assets being depreciated:				
Buildings	672,031,717	7,099,792	-	679,131,509
Equipment	115,488,851	10,479,152	5,840,996	120,127,007
Intangibles (software)	13,101,353	97,343	-	13,198,696
Improvements other than buildings	104,437,804	4,245,923	-	108,683,727
Library books	13,469,438	1,129,740	483,257	14,115,921
Total capital assets being depreciated	918,529,163	23,051,950	6,324,253	935,256,860
Less accumulated depreciation for:				
Buildings	234,238,767	20,104,051	607	254,342,211
Equipment	77,320,826	9,776,329	5,576,544	81,520,611
Intangibles (software)	4,508,688	1,446,971	-	5,955,659
Improvements other than buildings	36,986,968	5,382,118	-	42,369,086
Library books	9,336,479	34,137	483,157	8,887,459
Total accumulated depreciation	362,391,728	36,743,606	6,060,308	393,075,026
Total capital assets being depreciated, net	556,137,435	(13,691,656)	263,945	542,181,834
Capital assets, net	$ 662,040,127	$ 52,463,519	$ 11,737,928	$ 702,765,718

The District has active construction projects with a remaining contractual commitment at June 30, 2011 of $72,400,725. These projects will be 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, 2011.

	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Due within one year
Bonds payable:					
General obligation bonds	$ 653,040,000	$ 150,000,000	$ 65,110,000	$ 737,930,000	$ 66,680,000
Revenue bonds	14,000,000	-	1,415,000	12,585,000	795,000
Premium on general obligation bonds	8,556,950	7,007,538	2,244,799	13,319,689	1,800,919
Premium on revenue bonds	224,953	-	18,285	206,668	18,285
Deferred charges on refunding	(1,863,093)	-	(1,039,483)	(823,610)	(653,793)
Capital leases	115,213	-	21,165	94,048	22,065
Compensated absences	29,257,230	1,707,585	1,456,184	29,508,631	1,555,105
Total long-term liabilities	$ 703,331,253	$ 158,715,123	$ 69,225,950	$ 792,820,426	$ 70,217,581

Bonds Payable

The District's bonded debt consists of various issues of general obligation and revenue 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 and 2004, $151,093,000 remain unissued. 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, 2011 were as follows:

Description	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal
General obligation bonds				
Refunding, Series A&B (2002)	48,605,000	7/01/2011	5.00-5.25%	$ 28,035,000
Refunding, Series A&B (2004)	66,610,000	7/01/2011-13	3.25-5.00%	35,505,000
Project of 2004, Series A (2005)	190,270,000	7/01/2011-19	4.00-4.50%	116,005,000
Project of 2004, Series B (2007)	240,000,000	7/01/2011-21	3.00-4.50%	172,500,000
Project of 2004, Series C (2009)	220,000,000	7/01/2011-23	3.00-5.00%	205,000,000
Refunding 1994, Series C (2010)	31,280,000	7/01/2011-15	1.00-3.00%	30,885,000
Project of 2004, Series D (2011)	150,000,000	7/01/2012-25	1.00-4.75%	150,000,000
Revenue bonds				
Revenue Bonds, Series 2002	14,480,000	7/15/2011-22	3.65-4.63%	6,190,000
Revenue Bonds, Series 2003	7,655,000	7/15/2011-23	3.50-5.00%	6,395,000
			Total	$ 750,515,000

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

The following schedule details debt service requirements to maturity for the District's bonds payable at June 30, 2011.

Year Ending June 30:	General Obligation Bonds		Revenue Bonds		Total Debt Service Requirements
	Principal	Interest	Principal	Interest	
2012	$ 66,680,000	$ 25,987,250	$ 795,000	$ 533,980	$ 93,996,230
2013	56,255,000	25,598,364	830,000	501,418	83,184,782
2014	53,350,000	23,421,864	855,000	468,496	78,095,360
2015	51,045,000	21,542,464	885,000	435,049	73,907,513
2016	53,625,000	19,558,445	920,000	399,764	74,503,209
2017-2021	276,365,000	64,317,497	5,225,000	1,363,754	347,271,251
2022-2026	180,610,000	14,549,031	3,075,000	197,988	198,432,019
Total	$ 737,930,000	$ 194,974,915	$ 12,585,000	$ 3,900,449	$ 949,390,364

Description of Issues

General Obligation Refunding Bonds, Series A and B (2002)

In July 2002, the District issued $48,605,000 of general obligation bonds to advance refund $11,020,000 of General Obligation (G.O.) Bonds, Series A (1995) and $37,585,000 of Series B (1997). The District defeased these bonds by placing the proceeds of the new bonds in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. In accordance with the refunding plan, the trustee retired the remaining liability for the defeased bonds of $37,585,000 on July 1, 2006. This issue of refunding bonds is not subject to early redemption.

General Obligation Refunding Bonds, Series A and B (2004)

In February 2004, the District issued $66,610,000 of general obligation refunding bonds to advance refund $3,235,000 of G.O. Bonds, Series A (1995) and $63,375,000 of Series B (1997). The net proceeds were used to purchase U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to provide debt service on the old bonds. In accordance with the refunding plan, the trustee retired the remaining liability for the defeased bonds of $63,375,000 on July 1, 2006. This issue of refunding bonds is not subject to early redemption.

General Obligation Refunding Bonds, Project of 1994, Series C (2010)

In April 2010, the District issued $31,280,000 of general obligation refunding bonds to advance refund $31,280,000 of G.O. Bonds, Series C (1999). The net proceeds were placed in an irrevocable trust fund with an escrow agent to provide debt service on the old bonds. In accordance with the refunding plan, the trustee retired the remaining liability for the defeased bonds of $31,280,000 on April 22, 2010. This issue of refunding bonds is not subject to early redemption.

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

General Obligation Bonds, Project of 2004, Series A (2005)

In March 2005, the District issued $190,270,000 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, 2014 are noncallable. Bonds maturing on or after July 1, 2015 are subject to early redemption.

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.

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.

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.

Revenue Bonds, Series 2002

In October 2002, the District issued $14,480,000 of revenue bonds of which, $6,500,000 was used to construct, furnish, and equip a performing arts center and approximately $8,000,000 was used to acquire a new Student Information System. Bonds maturing on or before July 15, 2012 are noncallable. Bonds maturing on or after July 15, 2013 are subject to early redemption.

Revenue Bonds, Series 2003

In October 2003, the District issued $7,655,000 of revenue bonds to design, construct, furnish and purchase equipment for a Performing Arts Center located at the Paradise Valley Community College campus. Bonds maturing on or before July 15, 2013 are noncallable. Bonds maturing on or after July 15, 2014 are subject to early redemption.

NOTE 6 - Pledges of Future Revenues

The District has pledged, as security for its revenue bonds, a portion of the District's tuition revenue that is restricted for educational purposes. The revenue bonds, issued by the District in 2002 and 2003 in the amount of $22,135,000 to provide financing for various capital projects, are payable through fiscal year 2024. The District has committed to designate each year, from the tuition revenue, amounts sufficient to cover the principal and interest requirements on the District's debt. The total principal and interest remaining on the debt is $16,485,449 with annual requirements ranging from $1,328,980 in fiscal year 2012 to $656,000 in fiscal year 2024, the final year. Tuition revenue, from which the designations will be made, has averaged approximately $144,000,000 over the prior five fiscal years. For the current year, principal and interest paid by the District and the total tuition revenue recognized by the District were $1,995,081 and $145,710,908, respectively.

NOTE 7 - Operating Expenses

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

Salaries and benefits	$ 485,559,149
Financial aid	118,305,368
Contract services	51,582,913
Depreciation	36,743,605
Noncapitalized equipment	17,088,367
Communications, utilities, and travel	22,562,154
Supplies and materials	19,585,437
Subscriptions, dues, insurance, and rentals	9,476,782
Other expenses	8,555,429
Total operating expenses	$ 769,459,204

NOTE 8 - Pension and Other Postemployment Benefits

Plan Description - The District contributes to a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined benefit health care plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan, all of which are administered by the Arizona State Retirement System. The Arizona State Retirement System (through its Retirement Fund) provides retirement (i.e., pension), death, and survivor benefits; the Health Benefit Supplement Fund provides health insurance premium benefits (i.e., a monthly subsidy); and the Long-Term Disability Fund provides long-term disability benefits. Benefits are established by state statute. The System is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

The System issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report may be obtained by writing the

NOTE 8 - Pension and Other Postemployment Benefits (continued)

Arizona State Retirement System, 3300 North Central Avenue, P.O. Box 33910, Phoenix, AZ 85067-3910 or by calling (602) 240-2000 or (800) 621-3778.

Funding Policy - The Arizona State Legislature establishes and may amend active plan members' and the District's contribution rates. For the year ended June 30, 2011, active plan members were required by statute to contribute at the actuarially determined rate of 9.85 percent (9.60 percent for retirement and 0.25 percent for long-term disability) of the members' annual covered payroll and the District was required by statute to contribute at the actuarially determined rate of 9.85 percent (9.01 percent for retirement, 0.59 percent for health insurance premium, and 0.25 percent for long-term disability) of the members' annual covered payroll.

The District's contributions for the current and two preceding years, all of which were equal to the required contributions, were as follows:

Years ended June 30,	Retirement Fund	Health Benefit Supplement Fund	Long-Term Disability Fund
2011	$ 28,678,698	$ 1,877,961	$ 795,746
2010	26,226,626	2,075,489	1,250,439
2009	25,093,341	3,014,970	1,568,963

NOTE 9 - 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, including workers' compensation. 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 $300,000 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 $350,000 and purchases commercial insurance for claims exceeding $350,000. 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 liability of $6,334,248 at June 30, 2011, includes the amounts payable for both health benefits and workers' compensation. It is the estimated cost of settling claims that have been reported but not settled and claims that have been incurred but not reported. This estimate exceeds the actuarial estimates. The District's claims payable for the fiscal years ended June 30, 2010 and June 30, 2011 are as follows:

NOTE 9 - Risk Management (continued)

Health Benefits:	2010	2011
Claims payable, beginning of year	$ 4,069,000	$ 4,991,000
Current year actual and estimated claims	38,408,013	41,152,737
Less: Claim payments	(37,486,013)	(41,069,736)
Claims payable, end of year	$ 4,991,000	$ 5,074,001

Workers' Compensation:	2010	2011
Claims payable, beginning of year	$ 1,007,048	$ 1,135,757
Current year actual and estimated claims	866,578	891,328
Less: Claim payments	(737,869)	(766,838)
Claims payable, end of year	$ 1,135,757	$ 1,260,247

NOTE 10 - Contingencies and Litigation

The District is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of business. A reasonable estimate of the probable losses, based on information currently available is $820,700. This amount has been recognized as an expense and is included in accrued liabilities in the Statement of Net Assets. Other reasonably possible claims have been estimated to be $125,000. Management and legal counsel will seek denial of the claims and believe 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.

The District has previously disclosed that corrective action may be necessary in how financial aid disbursements have been processed at Rio Salado College for the past several years. At this time, the District has no estimate of the amount that may have been over or under awarded to our students; however, the District feels that there is a reasonable probability that a loss may occur. The District has entered into a contract for consulting services that will provide for the reconstruction of the financial aid files to determine if the awarding and disbursing of financial aid was appropriate. The result of these efforts will be presented to the State of Arizona Office of the Auditor General as well as the U.S. Department of Education.

NOTE 11 - Subsequent Events

On July 6, 2011, the Corporation for National and Community Service notified the District that funding under the Project Ayuda AmeriCorps program would be suspended pending a review of issues of noncompliance identified during an inspection conducted by the Office of the Inspector General. The District cooperated fully with the initial investigation and successfully appealed the suspension. Based on its review of the program, the District decided to end participation in Project Ayuda when the grant expired on October 14, 2011. At this time, the District has not received any information from the granting agency regarding the total to be reimbursed. Approximately $2.4 million in member awards have been distributed or earned. The agency intends to recover from the District amounts awarded to ineligible students and to make the District responsible for payment of earned awards to current members. We have begun working

NOTE 11 - Subsequent Events (continued)

with the agency to determine the actual amounts for which the District will be responsible. The District is currently working with its Errors and Omissions and Crime Insurance carriers to mitigate the potential future costs.

On October 25, 2011, the Governing Board approved a Resolution authorizing the Vice Chancellor for Business Services to transfer district funds to an irrevocable trust fund to be used to defease and redeem all of the callable outstanding MCCCD Revenue Bonds, Series 2002 on July 15, 2012 and all of the callable outstanding MCCCD Revenue Bonds, Series 2003 on July 15, 2013. The amount to be transferred into the trust will not exceed $11,500,000. The Board authorized the execution of a Depository Trust Agreement for the safekeeping and handling of securities and moneys to be used to pay the bonds being defeased. In addition, it ratified the action of all officers and agents of the District with respect to the transfer, prepayment, defeasance, and redemption. The transfer was completed November 10, 2011.

NOTE 12 - Discretely Presented Component Unit Disclosures

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

NOTE 12 a - Organization Operations and Summary of Significant Accounting Policies

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

Basis of presentation - The financial statements are presented in accordance with Financial Accounting Standards Board Accounting Standards Codification (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.

NOTE 12 a - Organization Operations and Summary of Significant Accounting Policies (continued)

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 investment 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 organization'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.

Management Fees - The Foundation charges a management fee to defray part of the cost of managing restricted accounts held by the Foundation. A 1% fee is charged on all new gifts, except endowment gifts. On January 1st of each year, an investment management fee of 75 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.

Investments - In accordance with FASB ASC 958-320, *Not-for-Profit Entities – Investments – Debt and Equity Securities*, the Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Realized and unrealized gains and losses are reflected in the change in net assets in the accompanying statement of activities.

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 endowment funds.

NOTE 12 a - Organization Operations and Summary of Significant Accounting Policies (continued)

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

NOTE 12 b - Investments

Investments consist of the following at June 30, 2011:

Debt securities and bonds:	
U.S. government	$ 5,226,330
Corporate and other taxable bonds	5,319,402
Fixed income mutual funds	1,769,035
Other debt securities and bonds in categories that are less than 5% of total investments	1,089,540
Equities and equity mutual funds:	
Small/Midcap mutual funds	2,472,837
International mutual funds	1,924,882
Information technology	1,190,317
Other equities and mutual funds in categories that are less than 5% of total investments	5,273,128
REITS	291,876
Total investments	$ 24,557,347

The following summarizes investment return included in the statement of activities for the year ended June 30, 2011:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Interest and dividends	$ 417,315	$ 387,947	$ -	$ 805,262
Net realized and unrealized gains	26,092	2,559,502	-	2,585,594
Brokerages fees	(22,533)	(65,977)	-	(88,510)
Total	$ 420,874	$ 2,881,472	$ -	$ 3,302,346

NOTE 12 c - Restricted Net Assets

Temporarily restricted net assets are available primarily for scholarship awards.

Permanently restricted net assets are to provide a permanent endowment, with the investment income restricted primarily for scholarship awards (see Note 12f – Endowments).

NOTE 12 d - Contributed Services

The District provides administration services consisting of office space and administrative salaries to the Foundation without charge. The fair value of these contributed services is reflected in the statement of activities as contributed services and administrative expenses.

NOTE 12 e - Fair Value Measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a common definition for fair value to be applied under U.S. generally accepted accounting principles 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.

The following table summarizes the valuation of the Foundation's assets and liabilities subject to measurements at fair value by the above FASB ASC 820 categories as of June 30, 2011:

NOTE 12 e - Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Debt securities and bonds:				
U.S. government	$ 5,226,330	$ -	$ -	$ 5,226,330
Corporate and other taxable bonds	5,319,402	-	-	5,319,402
Fixed income mutual funds	1,769,035	-	-	1,769,035
Other debt securities and bonds in categories that are less than 5% of total investments	1,089,540	-	-	1,089,540
Equities and equity mutual funds:		-	-	
Small/Midcap mutual funds	2,472,837	-	-	2,472,837
International mutual funds	1,924,882	-	-	1,924,882
Information technology	1,190,317	-	-	1,190,317
Other equities and mutual funds in categories that are less than 5% of total investments	5,273,128	-	-	5,273,128
REITS	291,876	-	-	291,876
Beneficial interest in charitable remainder unitrust	-	-	58,477	58,477
Investments held for other liability	-	(1,099,461)	-	(1,099,461)
	$ 24,557,347	$ (1,099,461)	$ 58,477	$ 23,516,363

There was no change in the fair value measurements that use level 3 inputs from 2010 to 2011. The Foundation currently has no other assets or liabilities subject to fair value measurement other than at initial recognition.

NOTE 12 f - Endowments

The Foundation's endowments include only donor-restricted endowment funds. As required by U.S. generally accepted accounting principles, 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 A.R.S.§10-11801 et seq Investments for Eleemosynary Purposes (IFEP). The Board of Directors of the Foundation has interpreted IFEP as requiring the preservation of the fair value of the original gift as of the gift date

NOTE 12 f - Endowments (continued)

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. 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 IFEP. In accordance with IFEP, 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, 2011 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, July 1, 2010	$ (264,522)	$ 1,864,596	$ 13,739,185	$ 15,339,259
Contributions and pledge collections	-	-	1,262,599	1,262,599
Investment return:				
Interest and dividends	163,194	321,970	-	485,164
Realized and unrealized gains	-	2,559,502	-	2,559,502
Appropriation of endowment assets for expenditure	-	(500,174)	-	(500,174)
Reclassification of donor intent	42,290	-	(347,095)	(304,805)
Endowment net assets, June 30, 2011	$ (59,038)	$ 4,245,894	$ 14,654,689	$ 18,841,545

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 IFEP requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this

NOTE 12 f - Endowments (continued)

nature that are reported in unrestricted net assets were $59,038 as of June 30, 2011. These deficiencies resulted from unfavorable market fluctuations in prior years.

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, 5% 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 are below the original contributed amount, 3% of the three-year average at the end of the year will be eligible for disbursement. 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, 2011, earnings of $746,005 were eligible to be distributed. For the year ended June 30, 2011, $394,796 was distributed and is included in appropriation of endowment assets for expenditure above. The unused funds of $351,209 were transferred back to the endowment funds to be used for future disbursements.

Supplemental Information

Maricopa County Community College District
Schedule of Revenues, Expenses, and Changes in Net Assets
By College/Center
For the Year Ended June 30, 2011

	Phoenix College	Glendale Community College	GateWay Community College	Mesa Community College	Scottsdale Community College
Operating revenues:					
Tuition and fees, net of scholarship allowance	$ 9,767,645	$ 17,452,109	$ 9,903,133	$ 26,573,839	$ 13,259,250
Other	901,640	762,002	621,919	1,422,522	1,581,111
Total operating revenues	10,669,285	18,214,111	10,525,052	27,996,361	14,840,361
Operating expenses:					
Educational and general:					
Instruction	25,570,340	42,534,425	17,563,378	54,848,476	27,156,794
Public service	609,141	356,859	244,370	631,461	112,838
Academic support	7,312,947	8,582,229	2,644,893	9,989,021	5,133,206
Student services	20,291,536	27,594,585	9,628,099	30,957,988	10,189,586
Institutional support	5,503,842	4,784,743	5,915,763	11,949,496	4,162,729
Operation and maintenance of plant	7,395,853	9,854,216	3,330,358	9,621,340	6,561,549
Scholarships	1,544,190	2,416,212	516,832	2,382,911	798,196
Auxiliary enterprises	2,751,872	2,519,369	9,788,630	5,231,204	3,581,324
Depreciation	2,467,902	4,837,067	1,959,610	5,382,959	4,014,560
Other	1,032	89,152	87,655	34,902	52,357
Total operating expenses	73,448,655	103,568,857	51,679,588	131,029,758	61,763,139
Operating loss	(62,779,370)	(85,354,746)	(41,154,536)	(103,033,397)	(46,922,778)
Nonoperating revenues (expenses):					
Property taxes	35,192,682	59,312,458	23,127,008	74,283,558	33,050,223
State appropriations	4,061,795	6,886,715	2,659,789	8,637,748	3,429,686
State-shared sales tax	23,911	-	73,487	-	-
Government grants and contracts	25,775,944	32,395,394	14,096,349	38,874,571	9,610,886
Private grants and contracts	132,208	364,332	948,448	156,745	189,477
Private gifts	1,118,451	890,563	481,887	2,076,281	572,143
Investment earnings, net of investment expense	15,712	165	43	79	28
Interest expense on debt	-	-	-	-	(4,897)
Gain (loss) on sale/disposal of capital assets	-	-	(14,943)	(93,722)	-
Total nonoperating revenues and expenses	66,320,703	99,849,627	41,372,068	123,935,260	46,847,546
Income (loss) before other revenues, expenses, gains, or losses	3,541,333	14,494,881	217,532	20,901,863	(75,232)
Capital grants and gifts	1,032	89,152	133,655	34,902	75,232
Increase in net assets	3,542,365	14,584,033	351,187	20,936,765	-

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
$ 31,665,880	$ 3,194,950	$ 11,895,281	$ 9,950,529	$ 6,853,551	$ 5,194,741	$ 145,710,908
2,533,249	599,434	499,517	513,366	411,396	6,774,595	16,620,751
34,199,129	3,794,384	12,394,798	10,463,895	7,264,947	11,969,336	162,331,659
29,512,258	11,330,269	22,092,695	19,967,344	14,888,384	990,398	266,454,761
8,716,801	430,301	269,272	132,398	358,720	4,117,251	15,979,412
11,535,632	4,485,545	5,837,370	3,943,178	3,408,873	6,673,382	69,546,276
19,949,427	9,420,619	10,635,149	9,892,372	12,242,495	2,116,938	162,918,794
10,276,950	3,283,610	5,446,208	3,064,959	3,833,805	43,991,471	102,213,576
3,176,334	3,111,476	5,284,223	4,631,143	4,135,369	2,083,174	59,185,035
829,724	821,867	1,276,406	695,839	760,993	34,994	12,078,164
9,980,725	690,945	1,370,503	1,598,677	4,220,951	1,390,029	43,124,229
2,630,088	1,349,241	4,501,437	2,563,701	2,370,060	4,666,980	36,743,605
100	450	118	2,326	-	947,260	1,215,352
96,608,039	34,924,323	56,713,381	46,491,937	46,219,650	67,011,877	769,459,204
(62,408,910)	(31,129,939)	(44,318,583)	(36,028,042)	(38,954,703)	(55,042,541)	(607,127,545)
70,768,746	14,869,764	33,380,363	26,522,046	23,865,809	66,145,919	460,518,576
8,381,473	1,583,757	3,863,423	3,064,039	2,758,975	-	45,327,400
-	-	-	-	-	7,267,885	7,365,283
29,720,842	13,919,758	12,007,209	9,352,330	15,382,091	4,165,726	205,301,100
1,427,309	106,923	50,534	81,117	19,272	415,844	3,892,209
3,991,852	649,287	647,041	305,946	258,111	5,000	10,996,562
4,367	-	15	-	-	1,207,225	1,227,634
-	-	-	-	-	(24,186,861)	(24,191,758)
(4,474)	-	(7,804)	(7,271)	-	19,487	(108,727)
114,290,115	31,129,489	49,940,781	39,318,207	42,284,258	55,040,225	710,328,279
51,881,205	(450)	5,622,198	3,290,165	3,329,555	(2,316)	103,200,734
100	450	118	2,326	11,589	2,316	350,872
51,881,305	-	5,622,316	3,292,491	3,341,144	-	103,551,606
					Total net assets - July 1, 2010	660,052,656
					Total net assets - June 30, 2011	$ 763,604,262

Maricopa County Community College District
Notes to Supplemental Information
For the Year Ended June 30, 2011

NOTE 1 - Statement of Purpose

The Maricopa County Community College District Statement of Revenues, Expenses, and Changes in Net Assets by College/Center for the Year Ended June 30, 2011, 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 - Basis of Allocation

The District receives and records property taxes and state appropriations revenues 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. 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 Assets by Component
Last Ten Fiscal Years
(Dollars in Thousands)

	Fiscal Year				
	2010-11	**2009-10**	**2008-09**	**2007-08**	**2006-07**
Invested in capital assets, net of related debt	$ 208,096	$ 175,468	$ 150,334	$ 129,637	$ 109,963
Restricted – nonexpendable	561	553	580	669	921
Restricted – expendable	157,455	161,236	173,756	169,006	147,832
Unrestricted	397,492	322,796	256,120	199,401	159,161
Total net assets	$ 763,604	$ 660,053	$ 580,790	$ 498,713	$ 417,877

	Fiscal Year				
	2005-06	**2004-05**	**2003-04**	**2002-03**	**2001-02**
Invested in capital assets, net of related debt	$ 103,429	$ 102,171	$ 123,051	$ 104,498	$ 93,610
Restricted – nonexpendable	1,040	1,002	893	871	223
Restricted – expendable	115,033	91,755	57,138	57,868	63,268
Unrestricted	135,415	119,194	107,089	104,126	103,772
Total net assets	$ 354,917	$ 314,122	$ 288,171	$ 267,363	$ 260,873

Source: Comprehensive Annual Financial Reports for years presented.

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

	Fiscal Year				
	2010-11	**2009-10**	**2008-09**	**2007-08**	**2006-07**
Instruction	$ 266,455	$ 259,910	$ 262,226	$ 252,671	$ 252,772
Public service	15,979	16,409	15,180	13,776	13,269
Academic support	69,546	61,932	63,594	60,482	58,273
Student services	162,919	128,365 (1)	79,002	66,436	62,432
Institutional support	102,214	109,509 (1)	112,944	107,202	102,096
Operation and maintenance of plant	59,185	66,907 (1)	53,450	49,394	42,245
Scholarships	12,078	4,060 (1)	3,184	3,531	3,147
Auxiliary enterprises	43,124	50,056 (1)	64,611	58,990	63,643
Depreciation	36,744	36,330	30,751	28,821	28,166
Other	1,215	1,013	948	601	585
Total operating expenses	769,459	734,491	685,890	641,904	626,628
Interest expense on debt	24,192	26,309	23,364	23,825	18,040
Loss on sale/disposal of capital assets	109	8	-	181	-
Total nonoperating expenses	24,301	26,317	23,364	24,006	18,040
Total expenses	$ 793,760	$ 760,808	$ 709,254	$ 665,910	$ 644,668

	Fiscal Year				
	2005-06	**2004-05**	**2003-04**	**2002-03**	**2001-02**
Instruction	$ 237,735	$ 216,254	$ 201,072	$ 187,296	$ 175,597
Public service	13,552	14,729	13,465	13,907	12,163
Academic support	54,342	48,265	45,753	39,681	38,990
Student services	62,467	63,960	60,189	53,499	49,532
Institutional support	91,872	87,193	84,004	75,377	73,257
Operation and maintenance of plant	37,664	28,740	26,709	30,377	30,998
Scholarships	2,901	3,467	3,102	2,280	2,549
Auxiliary enterprises	63,601	59,790	54,795	44,912	45,083
Depreciation	22,470	25,047	21,193	24,236	21,498
Other	602	4,233	5,541	5,910	221
Total operating expenses	587,206	551,678	515,823	477,475	449,888
Interest expense on debt	17,365	13,709	12,618	14,421	15,317
Loss on sale/disposal of capital assets	-	326	-	198	-
Total nonoperating expenses	17,365	14,035	12,618	14,619	15,317
Total expenses	$ 604,571	$ 565,713	$ 528,441	$ 492,094	$ 465,205

Source: Comprehensive Annual Financial Reports for years presented.

(1) As adjusted in fiscal year 2011.

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

	Fiscal Year				
	2010-11	**2009-10**	**2008-09**	**2007-08**	**2006-07**
Salaries and benefits	$ 485,559	$ 477,348	$ 476,551	$ 448,083	$ 440,052
Contract services	51,583	48,031	51,283	52,067	53,373
Financial aid	118,305	97,300	44,665	36,330	36,565
Depreciation	36,744	36,330	30,751	28,821	28,166
Communications, utilities, and travel	22,562	21,258	20,827	20,979	19,762
Noncapitalized equipment	17,088	29,294	29,393	24,102	18,493
Supplies and materials	19,585	19,700	16,673	18,497	16,575
Subscriptions, dues, insurance, and rentals	9,477	9,421	9,802	9,698	9,441
Other expenses	8,556	8,380	5,945	3,327	4,201
Total operating expenses	769,459	747,062	685,890	641,904	626,628
Interest expense on debt	24,192	26,309	23,364	23,825	18,040
Loss on sale/disposal of capital assets	109	8	-	181	-
Total nonoperating expenses	24,301	26,317	23,364	24,006	18,040
Total expenses	$ 793,760	$ 773,379	$ 709,254	$ 665,910	$ 644,668

	Fiscal Year				
	2005-06	**2004-05**	**2003-04**	**2002-03**	**2001-02**
Salaries and benefits	$ 410,438	$ 382,588	$ 357,983	$ 326,304	$ 301,700
Contract services	48,746	44,639	39,951	38,071	37,511
Financial aid	37,481	41,981	38,714	33,634	29,829
Depreciation	22,470	25,047	21,192	24,236	21,498
Communications, utilities, and travel	19,431	18,505	17,213	17,131	16,747
Noncapitalized equipment	19,208	11,117	12,003	13,044	16,718
Supplies and materials	18,422	17,824	18,202	16,579	15,556
Subscriptions, dues, insurance, and rentals	8,511	7,225	6,964	6,473	6,320
Other expenses	2,499	2,752	3,601	2,003	4,009
Total operating expenses	587,206	551,678	515,823	477,475	449,888
Interest expense on debt	17,365	13,709	12,618	14,421	15,317
Loss on sale/disposal of capital assets	-	326	-	198	-
Total nonoperating expenses	17,365	14,035	12,618	14,619	15,317
Total expenses	$ 604,571	$ 565,713	$ 528,441	$ 492,094	$ 465,205

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				
	2010-11	**2009-10**	**2008-09**	**2007-08**	**2006-07**
Tuition and fees, net of scholarship allowance	$ 145,711	$ 146,804 (1)	$ 151,219	$ 141,086	$ 141,232
Other	16,621	14,874	12,538	12,860	13,645
Total operating revenues	162,332	161,678	163,757	153,946	154,877
Property taxes	460,519	453,615	443,029	399,567	364,536
State appropriations	45,327	45,327	51,128	57,529	57,528
State-shared sales tax	7,365	7,117	7,233	8,946	10,255
Government grants and contracts	205,301	156,707	99,708	74,690	70,062
Private grants and contracts	3,892	3,602	3,842	3,749	4,566
Private gifts	10,997	10,056	13,726	13,272	12,386
Investment income, net of investment expense	1,228	1,444	8,194	23,089	21,267
Gain on sale/disposal of capital assets	-	-	474	-	69
Total nonoperating revenues	734,629	677,868	627,334	580,842	540,669
Total revenues	$ 896,961	$ 839,546	$ 791,091	$ 734,788	$ 695,546

	Fiscal Year				
	2005-06	**2004-05**	**2003-04**	**2002-03**	**2001-02**
Tuition and fees, net of scholarship allowance	$ 127,543	$ 116,027	$ 102,641	$ 91,855	$ 85,149
Other	15,028	11,590	10,862	10,644	8,715
Total operating revenues	142,571	127,617	113,503	102,499	93,864
Property taxes	324,593	296,179	281,831	259,813	242,127
State appropriations	54,863	51,291	46,614	46,891	48,294
State-shared sales tax	8,436	7,712	5,926	5,208	4,436
Government grants and contracts	72,199	77,387	73,150	64,190	50,495
Private grants and contracts	4,052	3,202	3,435	3,136	3,051
Private gifts	9,962	10,504	10,595	9,887	8,569
Investment income, net of investment expense	16,947	7,127	3,710	(1,627)	8,996
Gain on sale/disposal of capital assets	207	-	26	-	92
Total nonoperating revenues	491,259	453,402	425,287	387,498	366,060
Total revenues	$ 633,830	$ 581,019	$ 538,790	$ 489,997	$ 459,924

Source: Comprehensive Annual Financial Reports for years presented.

Note: Beginning in fiscal year 2008, government and private grants were reclassified from operating revenue to nonoperating revenue. Prior years have been reclassified for comparison purposes.

(1) As adjusted in fiscal year 2011.

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

	Fiscal Year				
	2010-11	**2009-10**	**2008-09**	**2007-08**	**2006-07**
Income (loss) before other changes in net assets	$ 103,201	$ 78,737	$ 81,838	$ 68,878	$ 50,878
Capital appropriations	-	-	-	11,204	11,422
Capital grants and gifts	351	526	238	754	659
Total change in net assets	$ 103,552	$ 79,263	$ 82,076	$ 80,836	$ 62,959

	Fiscal Year				
	2005-06	**2004-05**	**2003-04**	**2002-03**	**2001-02**
Income (loss) before other changes in net assets	$ 29,259	$ 15,307	$ 10,349	$ (2,098)	$ (5,281)
Capital appropriations	10,978	10,372	8,310	8,310	8,238
Capital grants and gifts	558	272	2,149	279	694
Total change in net assets	$ 40,795	$ 25,951	$ 20,808	$ 6,491	$ 3,651

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			Total Direct Tax Rate	Total Secured and Unsecured Estimated Market Value	Total Secondary Assessed Value as a Percent of Total Market Value
	Secured	Unsecured	Total			
2001-02	$ 21,748,902	$ 1,164,233	$ 22,913,135	$ 1.1107	$ 180,653,046	12.7 %
2002-03	23,303,140	1,153,907	24,457,047	1.1127	194,235,322	12.6
2003-04	26,405,899	1,072,089	27,477,988	1.0785	226,293,568	12.1
2004-05	28,811,532	1,255,455	30,066,987	1.0372	245,835,672	12.2
2005-06	31,886,842	1,310,376	33,197,218	1.0315	273,817,028	12.1
2006-07	34,922,001	1,372,693	36,294,694	1.0646	301,474,323	12.0
2007-08	48,136,309	1,398,265	49,534,574	0.9760	431,682,163	11.5
2008-09	56,831,715	1,471,920	58,303,635	0.9386	516,677,465	11.3
2009-10	56,523,957	1,460,095	57,984,052	0.8844	516,184,657	11.2
2010-11	48,247,443	1,415,100	49,662,543	0.9728	444,097,352	11.2

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.

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
2001-02	$ .9583	$ .1524	$ 1.1107	$ 1.54	$ .50	$ .13	$ 0 - 4.00	$ .11 - 9.76	$ 0 - 2.24
2002-03	.9634	.1493	1.1127	1.54	.49	.13	0 - 5.10	.47 - 13.65	0 - 2.04
2003-04	.9410	.1375	1.0785	1.54	.47	.12	0 - 3.65	.77 - 11.81	0 - 2.67
2004-05	.9211	.1161	1.0372	1.47	.46	.12	1 - 3.86	1.09 - 14.35	0 - 2.41
2005-06	.8936	.1379	1.0315	1.46 (1)	.44	.12	0 - 3.86	1.02 - 14.33	0 - 2.43
2006-07	.8815	.1831	1.0646	1.43 (1)	.00	.12	0 - 3.86	.88 - 14.72	0 - 2.97
2007-08	.8246	.1514	0.9760	1.30 (1)	.00	.10	0 - 3.86	.94 - 8.76	0 - 2.67
2008-09	.7752	.1634	0.9386	1.20	.00	.10	0 - 3.30	.69 - 12.72	0 - 2.30
2009-10	.7246	.1598	0.8844	1.16	.33	.10	0 - 3.30	.78 - 10.84	0 - 2.51
2010-11	.7926	.1802	0.9728	1.24	.36	.10	0 - 3.30	.71 - 10.80	0 - 2.44

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

	Fiscal Year 2010-11			Fiscal Year 2001-02		
Taxpayer	**2010-2011 Secondary Assessed Value**	**Rank**	**Percentage of 2010-2011 Secondary Assessed Value**	**2001-2002 Secondary Assessed Value**	**Rank**	**Percentage of 2001-2002 Secondary Assessed Value**
Arizona Public Service	$ 1,056,401,920	1	2.13 %	$ 692,140,346	1	3.02 %
Qwest/US West	210,557,554	2	0.42	365,985,185	2	1.60
Southwest Gas Corporation	159,554,727	3	0.32	121,237,144	6	0.53
Southern California Edison Company	148,820,642	4	0.30	169,400,620	3	0.74
El Paso Electric Co.	131,312,259	5	0.26	142,067,483	5	0.62
Gila River Power, LP	110,909,800	6	0.22	*		
Intel Corporation	107,465,203	7	0.22	108,498,798	7	0.47
Mesquite Power LLC	98,154,400	8	0.20	*		
Public Service Company of New Mexico	77,586,994	9	0.16	80,746,508	8	0.35
Target Corporation	70,751,250	10	0.14	*		
Motorola GEG SPS Computer Group, Inc.	*			142,149,454	4	0.62
AT&T/Wireless Services	*			77,432,255	9	0.34
Cox Communication	*			65,991,170	10	0.29
Total Principal Taxpayers	$ 2,171,514,749		4.37 %	$ 1,965,648,963		8.58 %
Countywide Secondary Valuation	$49,662,543,618			$22,913,134,480		

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

Source: Maricopa County Treasurer'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 2010 is $653,895,628.

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

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2001-02	$ 202,681,121	$ (1,810,753)	$ 200,870,369	$196,163,488	96.78 %	$ 4,562,147	$200,725,635	99.93 %
2002-03	220,138,194	(1,878,162)	218,260,032	213,978,155	97.20	3,977,387	217,955,542	99.86
2003-04	239,708,940	(2,159,304)	237,549,636	232,995,411	97.20	4,347,448	237,342,859	99.91
2004-05	258,792,496	(2,943,642)	255,848,854	251,769,652	97.29	3,938,602	255,708,254	99.95
2005-06	277,063,231	(3,219,281)	273,843,950	268,737,564	97.00	4,957,239	273,694,803	99.95
2006-07	298,843,188	(3,292,612)	295,550,576	289,283,824	96.80	6,115,007	295,398,831	99.95
2007-08	322,620,948	(2,418,435)	320,202,512	311,374,459	96.51	8,351,352	319,725,811	99.85
2008-09	348,288,338	(2,457,135)	345,831,204	334,032,370	95.91	11,029,784	345,062,154	99.78
2009-10	360,956,407	(3,312,909)	357,643,498	345,601,360	95.75	11,034,016	356,635,376	99.72
2010-11	370,496,996	(2,367,572)	368,129,424	356,210,394	96.14	-	356,210,394	96.76

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
2001-02	$ 30.50	$ 12.50	$ 43.00	$ 1,290.00	$ 60.00	4.88 %
2002-03	33.50	12.50	46.00	1,380.00	90.00	6.98
2003-04	38.50	12.50	51.00	1,530.00	150.00	10.87
2004-05	53.50	1.50	55.00	1,650.00	120.00	7.84
2005-06	58.50	1.50	60.00	1,800.00	150.00	9.09
2006-07	63.50	1.50	65.00	1,950.00	150.00	8.33
2007-08	63.50	1.50	65.00	1,950.00	0.00	-
2008-09	69.00	2.00	71.00	2,130.00	180.00	9.23
2009-10	69.00	2.00	71.00	2,130.00	0.00	-
2010-11	69.00	2.00	71.00	2,130.00	0.00	-

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
2001-02	$ 1,290.00	4.88 %	$ 1,380.00	3.53 %	$ 2,486.00	6.06 %
2002-03	1,380.00	6.98	1,483.00	7.46	2,583.00	3.90
2003-04	1,530.00	10.87	1,702.00	14.77	3,593.00	39.10
2004-05	1,650.00	7.84	1,849.00	8.64	4,074.00	13.39
2005-06	1,800.00	9.09	1,935.00	4.65	4,428.00	8.69
2006-07	1,950.00	8.33	2,018.00	4.29	4,662.00	5.28
2007-08	1,950.00	-	2,061.00	2.13	4,949.00	6.16
2008-09	2,130.00	9.23	2,136.00	3.64	5,545.00	12.04
2009-10	2,130.00	-	2,285.00	6.98	6,374.00	14.95
2010-11	2,130.00	-	2,728.00 (2)	19.39 (2)	7,411.00	16.27

Source: District records.

Note 1: U.S. Department of Education, National Center for Education Statistics, 2008-09 and 2009-10 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.

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				
	2011	**2010**	**2009**	**2008**	**2007**
General Bonded Debt					
General obligation bonds	$ 737,930	$ 653,040	$ 727,390	$ 557,390	$ 609,320
Per capita	$ 192.97	$ 162.31	$ 182.40	$ 142.65	$ 160.66
Per student	$ 2,891.03	$ 2,682.55	$ 3,147.51	$ 2,432.59	$ 2,598.11
Per FTSE	$ 8,728.35	$ 8,356.34	$ 10,376.61	$ 8,190.29	$ 8,759.44
Other Debt					
Revenue bonds	$ 12,585	$ 14,000	$ 15,905	$ 18,300	$ 20,605
Capital lease obligations	94	115	136	211	419
Total outstanding debt	$ 750,609	$ 667,155	$ 743,431	$ 575,901	$ 630,344
Per capita	$ 196.29	$ 165.82	$ 186.42	$ 147.38	$ 166.20
Per student	$ 2,940.70	$ 2,740.53	$ 3,216.92	$ 2,513.38	$ 2,687.76
Per FTSE	$ 8,878.32	$ 8,536.96	$ 10,605.44	$ 8,462.29	$ 9,061.68

	For the Fiscal Year Ended June 30				
	2006	**2005**	**2004**	**2003**	**2002**
General Bonded Debt					
General obligation bonds	$ 399,805	$ 424,710	$ 261,015	$ 284,815	$ 305,750
Per capita	$ 109.58	$ 120.51	$ 74.61	$ 84.05	$ 92.84
Per student	$ 1,677.33	$ 1,774.70	$ 1,101.69	$ 1,220.62	$ 1,364.84
Per FTSE	$ 5,709.46	$ 5,949.40	$ 3,804.22	$ 4,393.53	$ 5,114.67
Other Debt					
Revenue bonds	$ 23,360	$ 25,975	$ 29,005	$ 24,600	$ 12,295
Capital lease obligations	556	692	335	67	155
Total outstanding debt	$ 423,721	$ 451,377	$ 290,355	$ 309,482	$ 318,200
Per capita	$ 116.13	$ 128.08	$ 82.99	$ 91.33	$ 96.62
Per student	$ 1,777.67	$ 1,886.13	$ 1,225.52	$ 1,326.33	$ 1,420.42
Per FTSE	$ 6,051.00	$ 6,322.96	$ 4,231.84	$ 4,774.04	$ 5,322.94

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	Debt Service Requirements			Coverage Ratio
		Principal	Interest	Total	
2001-02	$ 45,973,895	$ 2,175,000	$ 538,586	$ 2,713,586	16.9
2002-03	49,802,554	3,250,000	952,916	4,202,916	11.8
2003-04	58,563,224	3,030,000	1,145,310	4,175,310	14.0
2004-05	61,263,265	2,615,000	1,017,282	3,632,282	16.9
2005-06	65,315,322	2,755,000	899,566	3,654,566	17.9
2006-07	65,855,635	2,305,000	806,652	3,111,652	21.2
2007-08	66,130,509	2,395,000	728,534	3,123,534	21.2
2008-09	65,541,384	1,905,000	649,415	2,554,415	25.7
2009-10	46,312,647 (1)	1,415,000	580,081	1,995,081	23.2
2010-11	47,321,741	795,000	533,980	1,328,980	35.6

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.

(1) Gross revenues relate to activity in the Auxiliary Fund. A portion of the activity recorded in the Auxiliary Fund in fiscal years 2008-09 and prior was recorded in the General Fund beginning in fiscal year 2009-10.

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

	Fiscal Year				
	2010-11	**2009-10**	**2008-09 (1)**	**2007-08**	**2006-07**
Debt Limit	$7,449,381,543	$8,697,607,758	$8,745,545,293	$7,430,186,075	$ 5,444,204,040
Total net debt applicable to limit	671,250,000	587,930,000	653,040,000	507,390,000	557,390,000
Legal debt margin	$6,778,131,543	$8,109,677,758	$8,092,505,293	$6,922,796,075	$ 4,886,814,040
Total net debt applicable to the limit as a percentage of debt limit	9.01%	6.76%	7.47%	6.83%	10.24%

	Fiscal Year				
	2005-06	**2004-05**	**2003-04**	**2002-03**	**2001-02**
Debt Limit	$4,979,582,760	$4,510,048,001	$4,121,698,129	$3,668,557,092	$ 3,436,970,172
Total net debt applicable to limit	369,320,000	399,805,000	234,440,000	261,015,000	284,815,000
Legal debt margin	$4,610,262,760	$4,110,243,001	$3,887,258,129	$3,407,542,092	$ 3,152,155,172
Total net debt applicable to the limit as a percentage of debt limit	7.42%	8.86%	5.69%	7.11%	8.29%

Legal Debt Margin Calculation for Fiscal Year 2010-11

Secondary Assessed Value of Real and Personal Property	$49,662,543,618
Debt Limit, 15% of Secondary Assessed Value	7,449,381,543
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonded Debt	737,930,000
Amount Available for Debt Repayment	(66,680,000)
Total Debt Applicable to Debt Limit	671,250,000
Legal Debt Margin	$ 6,778,131,543

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 2010-11, the District was at 1.35%.

(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
2002	3,296,739	$ 99,836,197	$ 30,261	5.9 %
2003	3,389,229	104,665,923	30,862	5.6
2004	3,498,347	114,049,001	32,561	4.7
2005	3,638,481	126,010,741	34,551	4.2
2006	3,648,545	139,069,591	36,829	3.7
2007	3,792,675	145,880,680	37,666	3.2
2008	3,907,492	146,898,132	37,112	5.2
2009	3,987,942	142,091,618	35,319	9.4
2010	4,023,331	Not Available (1)	Not Available (1)	9.3
2011	3,824,058	Not Available (1)	Not Available (1)	9.0

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

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

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.

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 2010-11			Fiscal Year 2001-02		
Employer	**Number of Full-Time Equivalent Employees in Arizona**	**Rank**	**Percentage of Total County Employment**	**Number of Full-Time Equivalent Employees in Arizona**	**Rank**	**Percentage of Total County Employment**
State of Arizona	49,282	1	2.70 %	49,973	1	3.08 %
Wal-Mart Stores, Inc.	30,608	2	1.68	17,500	2	1.08
Banner Health System	28,220	3	1.55	14,000	6	0.86
City of Phoenix	15,544	4	0.85	13,298	8	0.82
Wells Fargo & Company	13,100	5	0.72	*		
Apollo Group, Inc.	13,000	7	0.71	*		
Maricopa County	12,458	6	0.68	15,523	4	0.96
Arizona State University	12,221	8	0.67	*		
Bank of America	12,000	9	0.66	*		
Raytheon Co.	12,000	10	0.66	*		
Honeywell Aerospace	*			16,000	3	0.99
Motorola	*			15,100	5	0.93
The Kroger Co.	*			13,500	7	0.83
American Express	*			11,000	9	0.68
America West Holdings	*			10,270	10	0.63
Total Principal Employers	198,433		10.88 %	176,164		10.86 %
Total Employment in Maricopa County as of June 30	1,822,663			1,620,153		

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

Source: The Business Journal, Book of Lists.

Arizona Department of Administration, Office of Employment and Population Statistics at www.azstats.gov for total employment in Maricopa County.

Maricopa County Community College District
Employee Statistics
Last Ten Fiscal Years

	For the Fiscal Year Ended June 30				
	2011	**2010**	**2009**	**2008**	**2007**
Faculty					
Part-time	5,104	5,764	5,424	4,995	6,061
Full-time	1,349	1,354	1,340	1,373	1,376
Administrative & support staff	3,024	3,012	3,050	3,064	2,914
Total employees	9,477	10,130	9,814	9,432	10,351
Students per faculty member	40	34	34	36	32
Students per staff member	84	81	76	75	80
Average class size	22	22	22	22	21

	For the Fiscal Year Ended June 30				
	2006	**2005**	**2004**	**2003**	**2002**
Faculty					
Part-time	6,131	4,886	4,487	3,142	3,414
Full-time	1,386	1,307	1,275	1,237	1,203
Administrative & support staff	2,942	2,861	2,763	2,678	2,560
Total employees	10,459	9,054	8,525	7,057	7,177
Students per faculty member	32	39	41	53	49
Students per staff member	81	84	86	87	88
Average class size	22	19	18	18	17

Source: Comprehensive Annual Financial Reports for years presented and District Records.

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

Historic Headcount

College/Center	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
Phoenix	21,392	20,247	18,874	18,709	20,275	20,927	20,872	22,480	22,296	22,289
Glendale	32,962	32,378	29,840	29,936	30,767	32,201	33,694	34,360	33,888	33,259
GateWay	13,266	14,159	13,549	14,350	15,633	16,063	15,947	15,918	16,251	15,954
Mesa	41,836	41,759	39,605	39,860	41,594	43,371	45,098	43,931	41,941	39,869
Scottsdale	17,702	17,492	17,343	17,618	17,866	18,719	19,000	19,639	20,028	19,380
Rio Salado	57,746	52,634	50,784	49,806	48,761	46,806	44,203	41,280	38,419	36,097
South Mountain	10,186	9,490	8,905	7,799	7,212	7,534	7,308	7,200	6,587	6,163
Chandler-Gilbert	17,938	16,388	15,696	15,101	14,033	13,240	12,707	12,416	12,179	10,712
Paradise Valley	16,046	15,673	14,633	14,159	14,006	13,958	13,640	13,004	12,480	12,687
Estrella Mountain	12,612	11,636	10,551	10,026	9,938	9,886	9,705	9,040	8,922	8,291
Skill Centers	2,298	2,471	2,097	1,527	1,815	1,757	1,791	3,019	2,599	2,917
Adult Basic Education	11,264	9,113	9,223	10,243	12,624	13,896	15,349	14,636	17,747	16,401
Total	255,248	243,440	231,100	229,134	234,524	238,358	239,314	236,923	233,337	224,019

Historic FTSE

College/Center	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
Phoenix	7,576	6,821	5,911	5,848	6,253	6,546	6,847	6,908	6,761	6,297
Glendale	12,777	11,959	10,428	10,023	10,248	10,566	11,242	11,017	10,681	9,760
GateWay	3,897	3,823	3,661	3,677	3,805	3,847	3,728	3,703	3,441	3,046
Mesa	16,097	15,501	13,792	13,653	14,432	14,999	15,804	15,116	14,410	13,375
Scottsdale	6,397	6,312	5,896	5,949	5,926	6,006	6,359	6,396	6,210	5,784
Rio Salado	14,378	12,220	11,937	12,230	12,127	11,620	10,949	9,939	8,771	8,201
South Mountain	2,954	2,746	2,251	2,086	2,052	2,067	2,094	2,014	1,838	1,633
Chandler-Gilbert	7,206	6,465	5,677	5,326	4,803	4,501	4,432	4,230	3,849	3,358
Paradise Valley	5,715	5,505	4,826	4,368	4,451	4,378	4,288	3,970	3,724	3,448
Estrella Mountain	4,739	4,184	3,416	3,087	3,045	2,887	2,986	2,587	2,461	2,116
Skill Center	1,471	1,530	1,309	629	727	780	897	998	1,114	1,276
Adult Basic Education	1,337	1,083	995	1,179	1,692	1,828	1,761	1,734	1,566	1,485
Total	84,544	78,149	70,099	68,055	69,561	70,025	71,387	68,612	64,826	59,779

Degrees and Certificates Awarded

	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
Associate of Arts	4,007	3,173	2,853	2,505	2,330	1,897	1,481	825	616	900
Associate of Applied Science	2,900	2,838	2,708	2,505	2,331	2,233	2,056	1,954	1,687	1,516
Associate of Business	562	526	408	336	293	244	179	139	99	53
Associate of General Studies	601	651	692	740	896	1,042	1,326	1,626	1,546	1,402
Associate in Science	524	418	395	307	292	237	169	66	44	28
Associate of Transfer Partnership	12	68	189	322	426	512	569	568	510	388
Academic Certificate	41	30	20	6	13	-	-	-	-	-
Certificates of Completion in Occupational Programs	7,467	5,768	7,166	7,814	8,123	11,107	9,330	8,647	7,390	7,283
Arizona General Education Certificate	5,276	4,312	3,762	2,833	4,650	(1)				

Source: District records.

Notes: (1) Fiscal year 2007 was the first year the Arizona General Education Certificate is being reported as a separate item. In previous years, this number was included in the Certificates of Completion in Occupational Programs number.

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).

The calculation used to determine the number of degrees and certificates awarded changed for fiscal year 2007. All previous years numbers shown using the old calculation.

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

	Attendance		Enrollment Status			Residency		
Fiscal Year	FT	PT	Continuing	New	Former	Resident	Out of County	Out of State
2001-02	22 %	78 %	43 %	41 %	16 %	93 %	2 %	5 %
2002-03	23	77	45	40	15	93	2	5
2003-04	25	75	47	38	15	92	3	5
2004-05	25	75	47	38	15	92	3	5
2005-06	24	76	47	38	15	92	3	5
2006-07	24	76	46	39	15	92	3	5
2007-08	25	75	46	39	15	88	2	10
2008-09	25	75	41	42	17	88	2	10
2009-10	28	72	41	43	16	89	3	8
2010-11	28	72	43	42	15	89	3	8

	Gender		Ethnic Background						
Fiscal Year	M	F	Native American	Asian	African American	Hispanic	Anglo	Other	Median Age
2001-02	44 %	56 %	3 %	4 %	4 %	17 %	61 %	11 %	24
2002-03	44	56	3	4	5	17	60	11	24
2003-04	43	57	3	4	5	17	59	12	24
2004-05	43	57	3	3	5	18	59	12	23
2005-06	43	57	3	4	5	19	58	11	23
2006-07	42	58	3	4	5	20	58	10	23
2007-08	43	57	3	4	6	19	58	10	22
2008-09	43	57	3	4	6	20	58	9	22
2009-10	43	57	3	4	7	20	55	11	22
2010-11	43	57	3	4	8	21	55	9	22

Source: District records.