Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2019

Pima County Community College District

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Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2019

Prepared by

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

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Introductory Section

50 years 1969-2019 of excellence
PimaCommunityCollege

Office of the Chancellor

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PimaCountyCommunityCollegeDistrict

To the citizens of Pima County:

During the 2018-2019 academic year, Pima Community College continued to improve to ensure that we offer the best opportunities for our students, employees, and community.

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

We fully embrace the Pima County Community College District Governing Board's emphasis on open admissions. We have made strides to ensure future financial stability through reorganization, expense reduction, and constructive engagement with the State Legislature. Our Education and Facility Master Plans lay out comprehensive strategies through 2025. We are refining the admissions process to maximize student success and completion. We have embarked on a complete rebranding in order to tell our story more persuasively to prospective students and the community, and to share plans for celebrating our 50th birthday.

The College is capitalizing on strong relationships with business and industry to advance our Centers for Excellence, which will stimulate economic development and enhance opportunity for our students. The College's issuance in January 2019 of $65 million in revenue bond funding was met with high demand, thanks to our strong fiscal position and high ratings from two of the nation's largest credit rating agencies.

The College has purchased property adjacent to Downtown Campus in order to provide the necessary footprint for our Center for Excellence in Applied Technology. Groundbreaking is expected in early 2020 for the Transportation Technology Building, which will be followed by complexes dedicated to Advanced Manufacturing and Infrastructure.

Beyond facilities, the College is in the midst of a comprehensive, data-based curriculum review. Our goal is to create the most efficient academic pathways for students, whether they seek an affordable start to a bachelor's degree, or employment in an occupation that can withstand the coming era of rapid technological change. As Pima achieves a better understanding of its curriculum, processes and culture, the result will be meaningful and relevant careers and lives for our students.

This Report analyzes the College's finances and offers extensive information in a format that has earned the College awards for 27 consecutive years. We are very proud of these awards and work hard to win them. I would like to thank Executive Vice Chancellor Dr. David Bea and Finance and Business Services staff for their efforts in preparing this Report and the extensive supplemental financial information made publicly available on the College's website.

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

Sincerely,

Lee D. Lambert, J.D.
Chancellor

PimaCountyCommunityCollegeDistrict

District Office

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for Finance and Administration
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December 18, 2019

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

We are pleased to provide you with the Comprehensive Annual Financial Report (CAFR) of the Pima County Community College District (the College), Tucson, Arizona for the fiscal year ended June 30, 2019.

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

Please refer to the Management's Discussion and Analysis section beginning on page 17 for summary information and comparative financial information to the prior fiscal year.

Reporting Entity

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

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

History

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

In 2019, the College celebrated the 50 year anniversary of first offering classes. The College's first classes met in the fall of 1969 at Tucson Medical Center, Villa Maria, and in the Town of Marana. In the fall of 1970 the College officially opened its doors utilizing temporary facilities until the original West Campus facility on Anklam Road west of Interstate 10 was available in January 1971. The West Campus is the largest comprehensive campus of the College and offers a variety of degree and certificate programs.

The Downtown Campus was opened in 1974 at Stone and Speedway to serve the central city area. The Downtown Campus offers a balance of developmental, university transfer, and occupational courses. In fiscal year 2019, the footprint of Downtown Campus started to be expanded in support of the Educational Master Plan (EMP) and Facilities Master Plan (FMP).

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

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

The Community Campus was opened near St. Mary's Road and Interstate 10 in January of 1997. Community Campus credit and non-credit courses meet at more than 100 facilities throughout southern Arizona. The Community Campus provides a wide range of courses developed to meet the diverse needs of the greater Tucson community, as defined by its residents and local businesses. Community Campus also provides workforce and business development training and is home to the College's Center for Learning Technology, which develops and maintains courses for PimaOnline, the College's distance education program. On August 8, 2018, the Governing Board authorized the negotiation of the sale of the Community Campus. The sale will enable the College to better allocate resources to its other facilities and all the programs currently at the Community Campus will be moved to other campus locations.

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

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

Organization and Administration

The Governing Board of the College is comprised of five members. Each member is elected for a six-year term from one of the five Districts in Pima County, the College's service area. The administrative staff of the College, led by the Chancellor, is responsible for the operation and administration of all College functions. During fiscal year 2019, the College was led by Lee D. Lambert, J.D., who has been Chancellor of the College since July 1, 2013.

Service Area

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

The City of Tucson is the economic and transportation center of the County, as well as southern Arizona. Tucson is situated on Interstate 10, which connects Tucson with Phoenix to the north, Los Angeles to the west, and New Mexico and Texas to the east. Interstate 19 provides access to Nogales and Mexico to the south, while State Highway 86 connects with a direct route to the Gulf of California vacation areas. The main line of Union Pacific Railroad extends across Tucson to the eastern portion of the County. Tucson International Airport, located approximately 20 minutes from Tucson's downtown business area, provides local, regional, and national service for several airlines.

Pima County's economy is based on a variety of service industries, as well as government employment (including public education), wholesale and retail trade, manufacturing, construction, and tourism. A Schedule of Principal Employers may be found in the Statistical Section on page 74.

Economic Condition

Forecasts prepared by the Economic & Business Research Center at The University of Arizona's Eller College of Management indicate that Arizona's economic condition improved in 2019. Retail sales, which increased by 7.0 percent in 2019, demonstrated continued growth over the 5.4 percent increase in 2018. The growth in the state's economy is anticipated to continue in 2020 and 2021. During fiscal year 2020, Pima County's economy is projected to improve in the areas of personal income, retail sales, and employment. In addition, statewide personal income is forecasted to increase by 6.1 percent and retail sales are forecasted to increase 5.1 percent in 2020.

Pima County's population is projected to increase by 0.7 percent from 2019 to 2020. Published forecasts show slight population gains of 0.7 percent projected for both 2020 and 2021. As of June 30, 2019, 500,761 persons were employed in Pima County. Employment trends showed that the Pima County unemployment rate of 5.0 percent was slightly higher than the state rate of 4.9 percent at June 30, 2019.

According to year over year data published June 2019 by the Tucson Association of Realtors, housing unit sales volume decreased by 5.2 percent, and the average sales price of units sold increased by 9.3 percent producing an overall increase in the total dollar volume of housing sales of 3.6 percent.

Student enrollment at the College peaked in 2011 at the height of the recession, which was a characteristic behavior seen at community colleges from across the nation. Enrollment projections developed by the College's Strategy, Analytics and Research (STAR) indicated that enrollment growth was primarily dependent on unemployment rates in Pima County from the March prior to the relevant fall semester. Community colleges typically see enrollment spikes during times of economic hardship and data for the College was consistent with those patterns. For example, in 2010, before the College enrollment peaked, the unemployment rate in Pima County was 10.6 percent, compared with an unemployment rate of 5.0 percent in 2019. This indicates that individuals were choosing the workplace over the classroom.

Long-term Financial Planning

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

The College leverages a range of information to ensure that it has sufficient financial resources available to support its planning and priorities in the short and long terms. For financial planning, this includes, but is not limited to, projected changes in revenues and expenses, enrollment projections, expenditure limitation, property taxes, tuition and fees, capital project costs, estimated cost changes in employee benefits, and other major contractual costs. Using these data and adjusting such variables as projected enrollment, tuition and fees, and property tax revenues, the College can review and forecast different scenarios. Forecasting ensures the budget planning process fully considers possible fluctuations in both revenue sources and projected expenses while aligning projected revenues with the College's strategic planning and priorities. The annual budget is developed with particular emphasis on maintaining the financial stability of the College by creating adequate funding reserves for revenue shortfalls or unexpected expenditures without impairing the quality of service provided to the community.

For fiscal year 2019, major factors impacting the College budget included the continued expectation of zero state appropriations, expenditure limitation, and continued reorganization of the College. Cost reduction strategies included campus and department consolidations that emphasized efficiencies and consistency, recruitment reviews, and a reduction in staffing through the elimination of vacant positions. Other strategies included minimizing capital budget expenses by lease purchasing equipment and providing funding for ongoing and future capital needs and program innovation as determined by the College's Educational Master Plan and Facilities Master Plan.

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

Major Program Initiatives

Accreditation

The College is fully accredited by the Higher Learning Commission and is assessed as not being at risk of being out of compliance with the Criteria for Accreditation and the Core Components.

The College participates in the Higher Learning Commission's (HLC) Standard Pathway for reaffirmation of accreditation. Year 1 of PCC's Standard Pathway accreditation cycle began Sept. 1, 2015. As part of the normal ten-year Standard Pathway accreditation cycle, two comprehensive evaluation visits are scheduled: the first in Year 4 (2018-19) and another in Year 10.

During December 2018, a peer review team from the HLC conducted the Year 4: Comprehensive Evaluation as part of the College's mid-cycle review of accreditation. Institutions undergo a comprehensive evaluation to ensure they are meeting the Criteria for Accreditation, pursuing institutional improvement, and complying with certain requirements set by the U.S. Department of Education. Multi-campus visits also took place during this visit. The resulting report from this visit did not change our HLC accreditation status. Pima remains fully accredited, free of sanction and continues on the HLC's Standard Pathway.

Additional information and documents are available on the College website: https://www.pima.edu/about-pima/accreditation/index.html.

Strategic Planning

In preparing the 2017-2021 Strategic Plan, the College met with internal and external constituents, gaining insight to the diverse viewpoints and needs of the community. The resulting 2017-2021 Strategic Plan allocates resources to further the College's mission fulfillment; harmonizes operations, budgeting, student learning assessment, and other College processes; and provides flexibility and adaptability in response to rapid changes in politics, economics, demographics, and technology.

Pima Community College's 2017-2021 Strategic Plan was approved by the Governing Board on May 10, 2017. The College's Executive Leadership Team provides active oversight of plan implementation, ensuring appropriate resource allocation and achievement of Key Performance Indicators to ensure progress and continued relevance to the College and its community. The plan provides institutional focus for the next four years for the period July 1, 2017 through June 30, 2021 and comprises:

- Institutional goal for 2030: Achieve 60 Pima County
- Strategic direction 1: Improve student success
- Strategic direction 2: Enrich the community through engagement
- Strategic direction 3: Cultivate institutional excellence through continuous improvement

The 2017-2021 Strategic Plan commits the College to the goal of increasing the percent of Pima County residents aged 25 and over who hold a post-secondary degree or certificate to 60 percent by 2030, a goal that the College has termed Achieve 60 Pima County. Since the majority of its students attend part time, the College may not immediately realize significant increases in student completion rates over the next four years. However, by adhering to the strategic directions of improving student success, enriching the community through engagement and cultivating institutional excellence through continuous improvement, the College will lay the foundation for improving student access and progress and thereby help it achieve this ambitious goal.

In parallel with the Institutional goal for 2030: Achieve 60 Pima County; Diversity, Equity and Inclusion Plan; and Strategic Enrollment Management Plan, the College identifies the following related priorities:

- Increase enrollment at the College
- Ensure equal access to services and support for all students, regardless of whether they enroll in credit classes, adult basic education, center for training and development and continuing education
- Close the achievement gap in Pima County
- Undertake activities that support progress across all strategic areas
- Implement training to support the success of the plan

Informed by the ten-year Education and Facilities Master Plans, the strategic plan's directions and goals in turn shape the College's Strategic Enrollment Management Plan, the Diversity, Equity and Inclusion Plan and annual operational plans, see Figure 1. These plans then help guide financial decisions at the College to ensure resources are appropriately allocated to support the plans' successful completion. Taken together, these different plans constitute the College's integrated approach to planning that focuses the institution's attention on its top priorities.

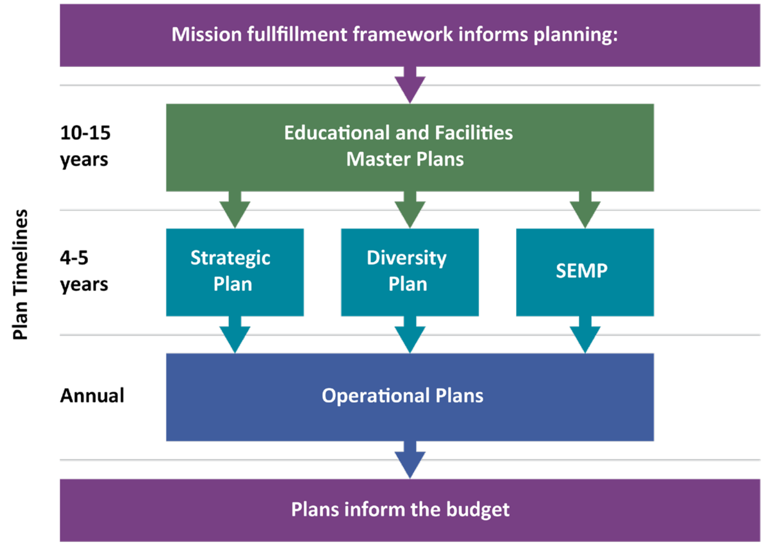


Figure 1: Overview of mission, planning and budget at Pima Community College

Fiscal Integrity and Oversight

Internal Controls

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

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

Budgetary Controls

The College maintains budgetary controls and budget transfer restrictions by program (function) and major account category. The objective of these budgetary controls is to ensure compliance with the annual budget adopted by the Governing Board. The legal level of budgetary control is at the program category level. The College also maintains an encumbrance system to set aside funds for established commitments. Open encumbrances are eliminated for fiscal year-end reporting.

The College complies with state statutes requiring that a report of the College's adopted budget be published annually within the prescribed format as required by the State of Arizona, Office of the Auditor General. In fiscal year 2019, the College was also required to comply with Arizona Revised Statutes §15-1461.01 regarding Truth in Taxation because the levy the District's Governing Board approved for fiscal year 2020, and the District subsequently assessed, included a 2 percent increase. This statute required the District to perform certain tasks including: publish a notice (in a form required by Statute) in a general circulation newspaper, or, mail a notice to registered voters in the district; issue a press release containing the truth in taxation notice to all general circulation newspapers in the district; and mail information regarding this process to the property tax oversight commission. The District fully complied with all requirements under this statute.

The College also demonstrates compliance with statutory expenditure limitations by issuing an annual budgeted expenditure limitation report, which is audited by the Office of the Auditor General. These and other financial reports are publicly available on the College's website, and links to these webpages may be found on page 81.

College Functions

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

Governing Board's Finance and Audit Committee

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

Independent Audit

The Office of the Auditor General for the State of Arizona conducts the annual financial audit of the College's finances. Testing procedures determine whether the financial statements are free of material misstatement and ensure compliance with Arizona Revised Statutes that require an annual audit of the College's financial statements. The Auditor General's Independent Auditors' Report is included in this document. For the fiscal year ending June 30, 2019, the College received an unmodified opinion.

A local independent accounting firm conducts the annual financial audit for the Foundation. The Foundation also received an unmodified opinion for the fiscal year ending June 30, 2019.

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Pima County Community College District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2018. This was the twenty-seventh consecutive year that the College has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

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

Respectfully submitted,

David W. Bea, Ph.D. Executive Vice Chancellor for Finance and Administration	Daniel Soza Assistant Vice Chancellor for Finance	Agnes Maina Director of Financial Services

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Pima County

Community College District

Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

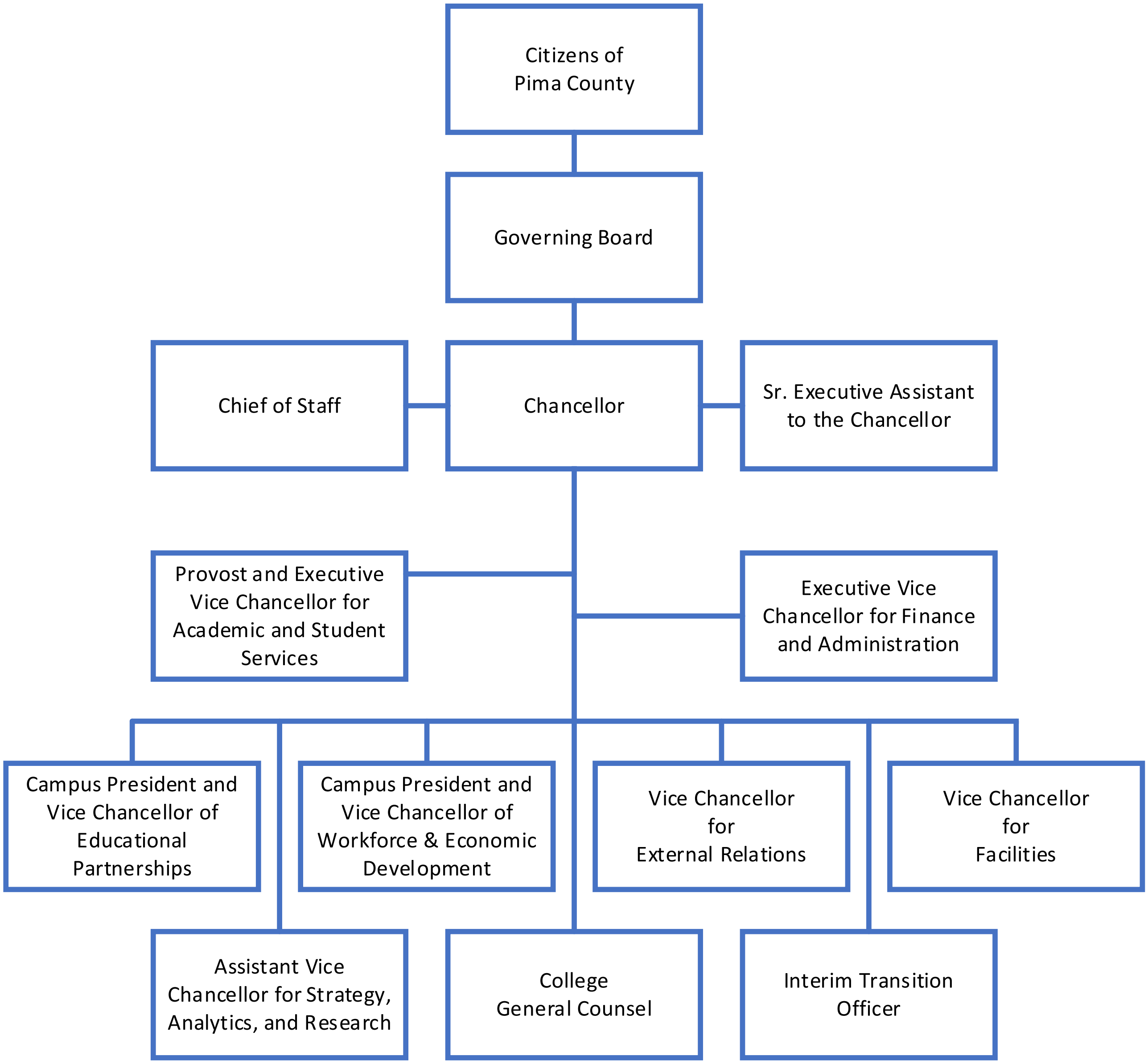
June 30, 2018

Christopher P. Morrill

Executive Director/CEO

Organization Chart*

PimaCountyCommunityCollegeDistrict



* as of September 2019

PimaCountyCommunityCollegeDistrict

Governing Board - 2019

Mark Hanna, Member, District 1
Demion Clinco, Chair, District 2
Maria D. Garcia, Member, District 3
Meredith Hay, Ph.D., Secretary, District 4
Luis L. Gonzales, Member, District 5

District Administration

Lee D. Lambert, J.D., *Chancellor*
Dr. Dolores M. Duran-Cerda, *Provost and Executive Vice Chancellor for Academic Services*
Dr. David W. Bea, *Executive Vice Chancellor for Finance and Administration*
Lisa Brosky, *Vice Chancellor for External Relations*
Thomas A. Davis, *Chief of Staff*
Dr. David Doré, *Campus President and Vice Chancellor of Workforce and Economic Development*
Dr. Morgan A. Phillips, *Campus President and Vice Chancellor of Educational Partnerships*
Dr. Nicola Richmond, *Assistant Vice Chancellor for Strategy, Analytics and Research*
Rachel Schaming, *Interim Transition Officer*
Jeffrey Silvyn, J.D., *College General Counsel*
William R. Ward II, *Vice Chancellor for Facilities*

*as of September 2019

College Vision, Mission and Values

College Vision

PCC will be a premier community college committed to providing educational pathways that ensure student success and enhance the academic, economic and cultural vitality of our students and diverse community.

College Mission

PCC is an open-admissions institution providing affordable, comprehensive educational opportunities that support student success and meet the diverse needs of its students and community.

College Values

To guide Pima Community College, these values characterize the way in which we accomplish our mission:

- **People:** We value our students, employees and the community members we serve, by making decisions that address the needs of those populations.
- **Integrity:** We make a commitment to academic honesty, personal ethics and institutional decision-making that is based on sound moral principles, accountability and transparency.
- **Excellence:** We embrace best practices and value high quality services and programs that lead to successful outcomes for our students through evidence-based continuous improvement practices.
- **Communication:** We are committed to sharing information with internal and external stakeholders in a transparent, timely and meaningful way that is open, honest and civil.
- **Collaboration:** We encourage teamwork and cooperation within the College and with the community to support student success.
- **Open Admissions and Open Access:** We value open admissions and access to our programs and services for all who may benefit from them, regardless of where they are starting from or what their final goal may be.

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Financial Section

50 years
1969-2019
of excellence
PimaCommunityCollege

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

ARIZONA AUDITOR GENERAL
LINDSEY A. PERRY

JOSEPH D. MOORE
DEPUTY AUDITOR GENERAL

Independent auditors' report

Members of the Arizona State Legislature

The Governing Board of
Pima County Community College District

Report on the financial statements

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of the Pima County Community College District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of the District as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other matters

Required supplementary information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 17 through 24, schedule of the District's proportionate share of the net pension/OPEB liability on page 49, and schedule of District pension/OPEB contributions on page 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

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

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

Other reporting required by *Government Auditing Standards*

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

Lindsey Perry, CPA, CFE
Auditor General

December 18, 2019

Management's Discussion and Analysis

Introduction

This section of the College's Comprehensive Annual Financial Report was prepared by the College's management and presents management's discussion and analysis of the College's financial activity for the fiscal year ended June 30, 2019. Please read it in conjunction with the transmittal letter on page 2, the financial statements on page 26, and the accompanying notes, which begin on page 32.

Basic Financial Statements

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

The *Statement of Net Position* presents the financial position of the College as of June 30, 2019. It reflects the assets and deferred outflows owned or controlled by the College, the related liabilities, deferred inflows, and other obligations, and the categories of net position. The total net position consists of; net investment in capital assets, restricted net position, and unrestricted net position. The change in net position is an indicator of whether the financial condition has improved or worsened during the fiscal year.

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

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

The focus of this report is on the College's overall financial position, financial condition, and results of operations and cash flows for the fiscal year ended June 30, 2019. Comparative information from the previous fiscal year is shown in the condensed financial information so that readers may see where the College's financial performance may have changed.

Financial Highlights and Analysis

Statement of Net Position

The College continued its transformation in 2019, to align its budget and strategic priorities in anticipation of future expenditure limitation declines, that requires a reduction in expenses to align with anticipated enrollment levels.

As a result of these efforts, the College's overall financial position continued to improve in fiscal year 2019 with a total net position increase of $30.4 million or 34.4 percent, from $88.4 million to $118.8 million. The decrease in net investment in capital assets was primarily due to decrease in buildings and equipment through depreciation and increase in construction in progress net of the related debt. Restricted net position increased from $12.5 million to $29.4 million. This was primary due to $3.8 million reserve for future debt payments, $18.8 million restricted for future capital projects, including unspent Proposition 301 proceeds, unspent gifts, donations, and contract revenue proceeds. The unrestricted net position increased $17.3 million because of improved operations and a decrease in net pension expense.

It is important to note that due to implementation of GASB 68, GASB 75 and the required presentation of net pension liabilities, the College continues to report an unrestricted net position deficit. However, the College has sufficient resources to meet its current obligations and future capital project needs as indicated by the total current assets and improving financial ratios. Additional information on financial ratios can be found in the Statistical section on page 60.

Total assets represent what the College owns and are measured in current or fair value, except for capital assets, which are recorded at historical cost less the applicable accumulated depreciation. During fiscal year 2019, total assets increased 38 percent from $234.6 million to $323.7 million. The increase was primarily due to an increase in cash and investments of $89.1 million, of which, $65.4 million were revenue bonds issued in 2019 and the remaining $22.7 million was cash that was operating income from prior years and gains on investment. Total cash and cash equivalents decreased by $9.8 million as cash was used for operations and short-term investments decreased by $4.2 million as cash was reinvested in the long-term investment portfolio.

Total liabilities represent what the College owes or has collected from others prior to providing services. Current liabilities are made up of payables due within a short period after the close of the fiscal year. These include; current portion of long liabilities, accrued payroll and employee benefits, accounts payable and accrued liabilities for invoices that have been received but not yet paid and unearned revenues for monies the College has received prior to providing services. The current liabilities increase of $6.2 million from $18.7 million to $24.9 million was mainly due to the increase in current portion of long term debt and interest due in July 2019. The majority of College's long term liabilities are related to pension at 55 percent and revenue bonds at 31 percent of total liabilities. The long term liabilities increase of $48.1 million was attributable to the new revenue bonds of $61.4 million, increase in capital leases of $0.7 million, and offset by a $14.3 million decrease in net pension and other postemployment benefits. The decrease in the net pension and other postemployment benefits (OPEB) were primarily the result of changes in actuarial assumptions and actuarial adjustments as provided by Arizona State Retirement System (ASRS) and Public Safety Personnel Retirement System (PSPRS).

Deferred outflows and deferred inflows of resources related to pension and OPEB liabilities are as a result of actuarial adjustments provided by ASRS and PSPRS. Variances primarily are driven by changes in pension plan investments, contribution rate changes, composition of employer participants etc. Additional information on the pensions and other postemployment benefits liabilities can be found in Note 5 on page 39.

Statement of Revenues, Expenses and Changes in Net Position

The College adopted the following resolutions during the year fiscal year to realign budgeting and strategic priorities:

1. Increased tuition by $1.00 per credit hour in-state resident rate from $81.50 to $82.50
2. Increased the primary property tax levy by 2.0 percent
3. Implemented a credit card service fee which was anticipated to reduce expenses by $0.4 million and,
4. Reduced administrator, staff, and faculty positions and associated budgeted expenses through strategic reorganizations, holding positions vacant, and position eliminations.

Due to these efforts, total revenues increased by $7.6 million, while total expenses decreased by $6.5 million. This resulted in a $14.1 million or 34.4 percent improvement in net position compared to the prior year.

The College's operating revenues consist of tuition and fees, contracts, and other income directly attributable to the day-to-day business activities of the College. Operating revenues are earned in exchange for providing goods and services and are generally consistent over time. During the fiscal year, the College continued working with employers to develop programs and facilities that meet current and anticipated workforce needs. As a result, total operating revenues increased by $0.1 million compared to the prior year. Net tuition decreased $1.1 million from $28.5 to $27.4 million due to declining enrollment despite the $1.00 increase in tuition rate per credit hour. The decrease was offset by a $0.9 million increase in contract revenue earned from instruction contracts with various agencies and employers. The College is actively evaluating solutions to improve programmatic offerings, reduce operating costs, and generate new revenue streams.

Nonoperating revenues consist of property taxes, grants, gifts, investment income, and other income sources that are related, but not directly attributable, to the day-to-day business activities of the College. Overall, nonoperating revenues increased $7.5 million or 4.7 percent. Specifically, property tax revenue increased $4.8 million from $111.3 million to $116.1 million due to new properties added to the tax roll and an increase in the College's primary property tax levy. Investment income increased $3.7 million or 587.4 percent due to a favorable investment market and improved cash management processes. Federal grant revenue decreased $1.6 million, or 3.9 percent, mainly due to a decline in student financial aid a result of the declining enrollment.

Operating expenses consist of personnel, supplies, contracts, services, and other expenses that are directly attributable to the day-to-day business activities of the College and are presented by functions. Operating expenses decreased by $7.8 million, or 4.4 percent. Specifically, personnel expenses decreased $8.7 million, or 7.5 percent. The decrease included the net effect of a 2.5 percent salary increase approved by the Governing Board in prior year and a reduction of equivalent 94 budgeted positions during the current year. The decrease in salaries and benefits was offset by an increase in contractual services of $2.8 million or 17.3 percent due to an increase in software and licensing agreement costs.

Capital Assets and Debt Administration

Total net capital assets decreased by $0.3 million, to $97.8 million, a 0.3 percent decrease from the prior year. This decrease is primarily due to depreciation expense of $6.6 million that was offset by an increase in construction in progress, library books and equipment of $6.4 million as detailed below and on Note 3 to the basic financial statements, on page 37.

During fiscal year 2019, work continued on the Governing Board approved Educational Master Plan (EMP) and Facilities Master Plan (FMP). These strategic investments will provide premier educational facilities to prepare students for future success in their fields of study and in the workforce.

Downtown Campus - Applied Technology
The College purchased three properties on the Downtown Campus's north and west sides for the planned Center of Excellence in Applied Technology. The Applied Technology Center will include a manufacturing floor, maker space, automotive and diesel technology labs, and CAD and robotics labs. The Center will allow the College to expand critical programs in manufacturing, welding, and automotive technology. The project will transform the campus and surrounding neighborhood. The College has completed the space programming study and has contracted with architectural firm DLR Group to design. The schematic design for a new Automotive Technology and Innovation Center is complete. A new Advanced Manufacturing Building is in the design phase, and the final stage will include the renovation of the existing Science & Technology Buildings.

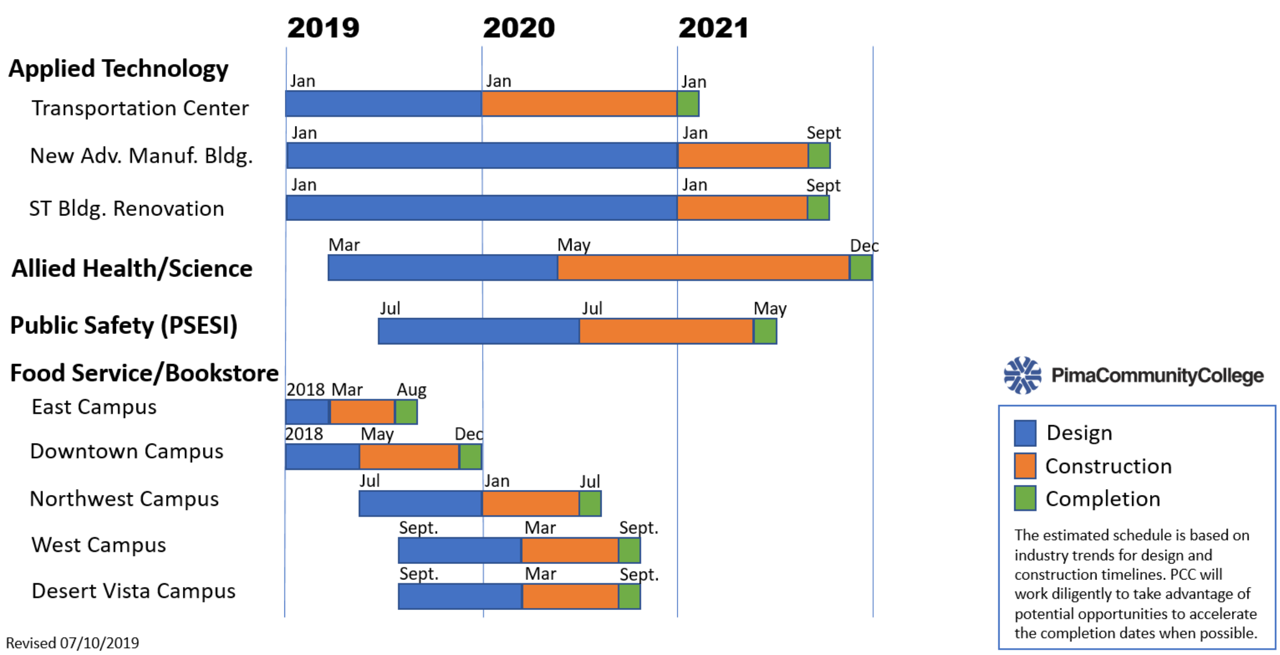
East Campus and 29th Street Coalition Center - Public Safety and Emergency Services Institute

The College also opened its new, state-of-the-art learning space for students, the East Campus Makerspace, funded through the Hispanic Serving Institution-STEM Project EPIC (Engage, Prepare, Inspire, Challenge) grant. This space features group study space with interactive whiteboards, 3D printers, laser cutters and other electronic devices. The College has contracted with architectural firm SWAIM to provide an assessment of the existing East Campus and 29th Street Coalition Center public safety and emergency services programs. SWAIM will also complete a space programming study, which is expected to be complete by the end of September 2020. Design is anticipated to be complete by July 2020.

West Campus - Allied Health/Science
The College has contracted with architectural firm BWS Architects to provide an assessment of the existing West Campus nursing and science labs and to complete a space programming study. Design is anticipated to be complete by May 2020.

Food Service and Bookstores
The College has contracted with Follett to provide food service, vending, and bookstore management across the District. Based on input from students, the existing Follett-managed spaces have been redesigned and will be consolidated at each campus. Project work on the Northwest, West, and Desert Vista Campuses began with the initial design work in July 2019.

Construction Timeline



On June 30, 2019, the College had outstanding long-term debt of bonds payable of $65.4 million and capital leases payable of $2.3 million. Fitch Ratings and Moody's Investors Service, two of the nation's largest credit rating agencies, returned excellent ratings for the College revenue bonds and Center of Excellence projects. Fitch assigned the College a default rating of AA and the revenue bonds at AA-, both with a stable outlook. Moody's assigned the College an Aa3 with a stable outlook. Note 4 to the basic financial statements beginning on page 37 shows additional detail on long-term liabilities.

Economic Outlook

During fiscal year 2019, Governor Doug Ducey visited the College to detail his proposed funding for the Aviation Technology Center facility expansion. This expansion is anticipated to double the facility size and will dramatically reduce or eliminate the current one-year wait time for students to get into the aviation program.

The expansion will create more graduates to fill high-quality jobs while enhancing the State's goals of attracting business in the aviation, aerospace, and defense sectors, and the Arizona Legislature appropriated $15.0 million in funding as part of its fiscal year 2020 budget bill. This represents the first State funding to the College since 2015.

Enrollment of full-time student equivalents (FTSE) for fiscal year 2019 was about 5 percent less than the FTSE reported in the previous fiscal year. Historically, when economic conditions are improving, enrollment in community Colleges decreases. At the time of writing, estimated FTSE for the fall 2019 term is about equal to the prior year.

Information published by the Economic & Business Research Center at The University of Arizona's Eller College of Management states "The long-run outlook for the state remains bright, even though growth is expected to decelerate. Job, population, and income gains in Arizona and Phoenix are expected to outpace the nation during the next 30 years. Tucson's growth is expected to be at, or a bit better than, the national pace. Demographic factors are at the root of Arizona's (and the nation's) growth slowdown, as the baby boom generation continues to retire in large numbers."

The Arizona Office of Economic Opportunity publishes population projections by county and age group. For the College's service area of Pima County, the population of ages 15-29 is projected to increase by only 5.4 percent over the next thirty years from 2019 to 2049. This projection translates to nominal single digit increases over the 30 year period as shown in the table below.

	Population by age ranges				% Change	
Year	**15-19**	**20-24**	**25-29**	**Total**	**% Change per 5 Year period**	**% Change from 2019**
2019	74,226	79,553	71,740	225,519		
2024	76,451	83,772	73,038	233,261	3.4%	3.4%
2029	75,174	85,618	77,188	237,979	2.0%	5.5%
2034	72,510	84,460	79,177	236,147	-0.8%	4.7%
2039	73,088	81,822	78,136	233,047	-1.3%	3.3%
2044	75,477	82,383	75,509	233,369	0.1%	3.5%
2049	76,856	84,786	76,108	237,750	1.9%	5.4%

Sun Corridor, Inc., which coordinates economic development activities for Southern Arizona, is at the forefront of economic development for the region. Recent successes include development and implementation of the Economic Blueprint; development of the TUS Blueprint; expanding the Foreign Trade Zone program; and facilitating relocations and expansions for Amazon, AXISCADES, Carondelet Health Network, Imperfect Produce, La Sonora at Dove Mountain, MicroMex, Modular Mining Systems, Northwest Medical Center, Southern New Hampshire University, Symboticware, Texas Instruments, and TuSimple.

Requests for Information

This discussion and analysis is designed to present a general overview of the Pima County Community College District's finances for all those who have an interest in such matters. Questions concerning any of the information provided in this Comprehensive Annual Financial Report or requests for additional financial information should be addressed to the District Finance Office, Pima County Community College District, 4905D East Broadway Boulevard, Tucson, AZ, 85709-1200.

Condensed Financial Information – Primary Government

Summarized Schedule of Assets, Liabilities and Net Position

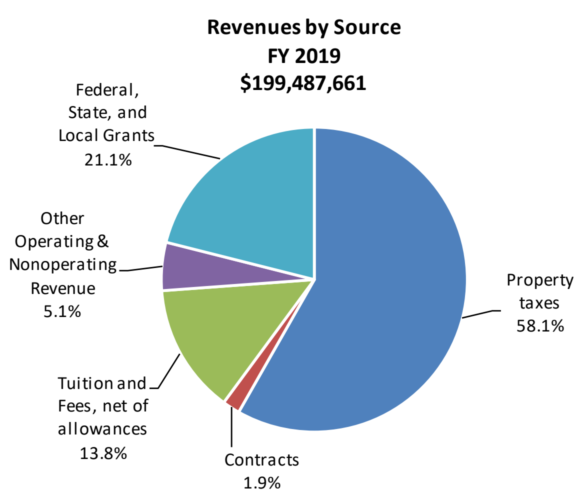
	As of June 30, 2019	As of June 30, 2018	% Change
Assets			
Current Assets	$ 93,974,842	$ 104,234,903	-9.8%
Noncurrent Assets – Restricted	67,445,623	346,087	19388.1%
Capital Assets, net	97,795,455	98,101,269	-0.3%
Other Noncurrent Assets	64,480,539	31,873,188	102.3%
Total Assets	**323,696,459**	**234,555,447**	**38.0%**
Deferred Outflows of Resources			
Deferred Outflows Related to Pensions and Other Postemployment Benefits	15,677,808	16,228,856	-3.4%
Total Deferred Outflows of Resources	**15,677,808**	**16,228,856**	**-3.4%**
Liabilities			
Other Liabilities	24,923,814	18,668,931	33.5%
Long-term Liabilities			
Compensated Absences	3,390,913	3,129,601	8.3%
Capital Leases Payable	1,775,660	1,067,207	66.4%
Bonds Payable	61,499,853	0	100.0%
Net Pension and Other Postemployment Benefits Liability	110,045,452	124,342,130	-11.5%
Total Liabilities	**201,635,692**	**147,207,869**	**37.0%**
Deferred Inflows of Resources			
Deferred Inflows Related to Pensions and Other Postemployment Benefits	18,888,845	15,167,495	24.5%
Total Deferred Inflows of Resources	**18,888,845**	**15,167,495**	**24.5%**
Net Position			
Net Investment in Capital Assets	92,872,863	96,772,449	-4.0%
Restricted Net Position	29,435,074	12,451,846	136.4%
Unrestricted Net Position (Deficit)	(3,458,207)	(20,815,356)	-83.4%
Total Net Position	**$ 118,849,730**	**$ 88,408,939**	**34.4%**

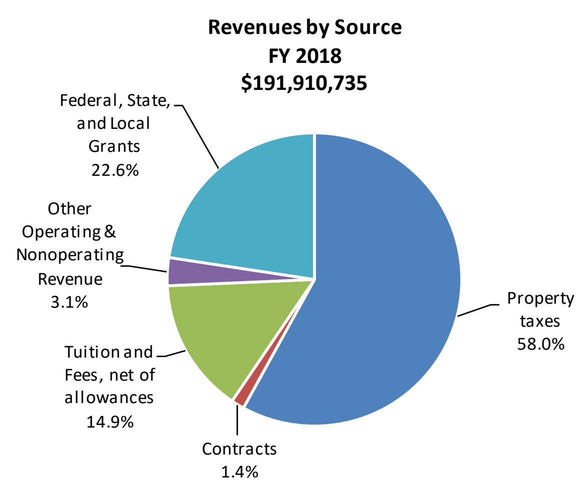
Summarized Schedule of Revenues, Expenses and Changes in Net Position

	For the year ended June 30, 2019	For the year ended June 30, 2018	% Change
Operating Revenues			
Tuition and Fees (net of allowances)	$ 27,441,078	$ 28,532,331	-3.8%
Contracts	3,690,885	2,766,925	33.4%
Commissions and Rents	1,137,559	1,067,161	6.6%
Other Operating Revenues	1,226,272	1,008,383	21.6%
Total Operating Revenues	**33,495,794**	**33,374,800**	**0.4%**
Total Operating Expenses	**167,712,000**	**175,471,248**	**-4.4%**
Operating Loss	**(134,216,206)**	**(142,096,448)**	**-5.5%**
Nonoperating Revenues (Expenses)			
Property Taxes	116,162,277	111,324,689	4.3%
Federal Grants	40,423,631	42,048,279	-3.9%
State and Local Grants	1,575,675	1,323,106	19.1%
Investment Income	4,305,456	626,296	587.4%
Other Nonoperating Revenues	2,965,991	3,132,915	-5.3%
Interest on Capital Asset Related Debt	(883,313)	(32,493)	2618.5%
Gain (Loss) on Capital Asset Disposal	94,706	(54,672)	-273.2%
Net Nonoperating Revenues	**164,644,423**	**158,368,120**	**4.0%**
Income before Capital Gifts and Grants	**30,428,217**	**16,271,672**	**87.0%**
Capital Gifts and Grants	12,574	80,650	-84.4%
Increase in Net Position	**30,440,791**	**16,352,322**	**86.2%**
Net Position, beginning of year	**88,408,939**	**72,056,617**	**22.7%**
Net Position, end of year	**$ 118,849,730**	**$ 88,408,939**	**34.4%**

Revenues by Source

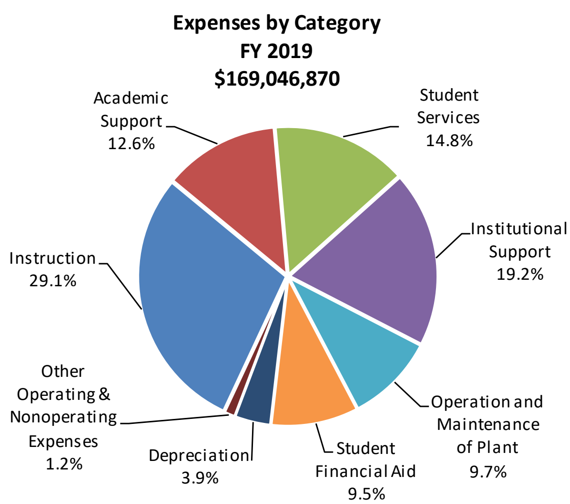
	FY 2019	FY 2018	$ Change	% Change
Operating Revenues				
Tuition and Fees (net of allowances)	$ 27,441,078	$ 28,532,331	$ (1,091,253)	-3.8%
Contracts	3,690,885	2,766,925	923,960	33.4%
Commissions and Rents	1,137,559	1,067,161	70,398	6.6%
Other Operating Revenues	1,226,272	1,008,383	217,889	21.6%
Total Operating Revenues	**33,495,794**	**33,374,800**	**120,994**	**0.4%**
Nonoperating Revenues				
Property Taxes	116,162,277	111,324,689	4,837,588	4.3%
Federal Grants	40,423,631	42,048,279	(1,624,648)	-3.9%
State and Local Grants	1,575,675	1,323,106	252,569	19.1%
Share of State Sales Tax	2,651,288	2,418,985	232,303	9.6%
Gifts	766,260	706,141	60,119	8.5%
Investment Income	4,305,456	626,296	3,679,160	587.4%
Other Nonoperating Revenues	0	7,789	(7,789)	-100.0%
Gain on Capital Asset Disposal	94,706	0	94,706	100.0%
Total Nonoperating Revenues	**165,979,293**	**158,455,285**	**7,524,008**	**4.7%**
Capital Gifts and Grants	12,574	80,650	(68,076)	-84.4%
Total Revenues	**$ 199,487,661**	**$ 191,910,735**	**$ 7,576,926**	**3.9%**

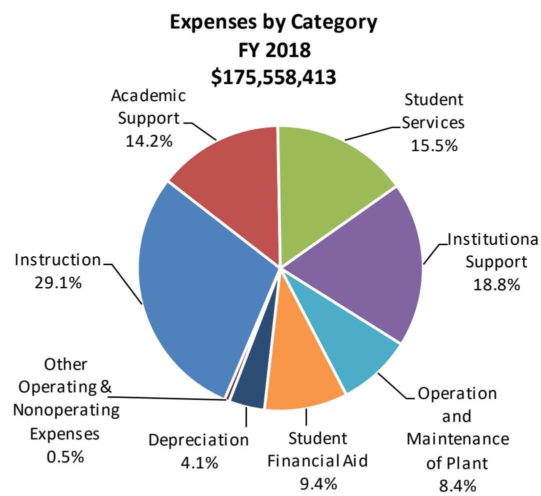




Expenses by Category

	FY 2019	FY 2018	$ Change	% Change
Operating Expenses				
Educational and General				
Instruction	$ 49,107,804	$ 51,138,005	$ (2,030,201)	-4.0%
Academic Support	21,283,643	24,914,373	(3,630,730)	-14.6%
Student Services	24,979,942	27,188,490	(2,208,548)	-8.1%
Institutional Support	32,503,926	32,910,008	(406,082)	-1.2%
Operation and Maintenance of Plant	16,432,731	14,767,795	1,664,936	11.3%
Student Financial Aid	16,095,595	16,557,909	(462,314)	-2.8%
Auxiliary Enterprises	681,532	877,258	(195,726)	-22.3%
Depreciation	6,626,827	7,117,410	(490,583)	-6.9%
Total Operating Expenses	**167,712,000**	**175,471,248**	**(7,759,248)**	**-4.4%**
Nonoperating Expenses				
Loss on Capital Asset Disposal	0	54,672	(54,672)	-100.0%
Other Nonoperating Expenses	451,557	0	451,557	100.0%
Interest on Capital Asset Related Debt	883,313	32,493	850,820	2618.5%
Total Nonoperating Expenses	**1,334,870**	**87,165**	**1,247,705**	**1431.4%**
Total Expenses	**$ 169,046,870**	**$ 175,558,413**	**$ (6,511,543)**	**-3.7%**





Basic Financial Statements

Statement of Net Position – Primary Government
As of June 30, 2019

Assets	
Current Assets	
Cash and Cash Equivalents	$ 62,856,763
Short-term Investments	15,281,547
Receivables	
Property Taxes (less allowance of $971,500)	3,626,628
Accounts (less allowance of $1,406,180)	3,184,708
Government Grants and Contracts	3,458,449
Other (less allowance of $108,449)	3,386,235
Inventories	104,634
Prepaid Expenses	2,075,878
Total Current Assets	**93,974,842**
Noncurrent Assets	
Restricted Cash and Cash Equivalents	359,628
Restricted Cash and Investments Held by Trustee	67,085,995
Other Long-term Investments	64,022,334
Net Other Postemployment Benefits Asset	458,205
Capital Assets	
Land and Improvements	15,291,311
Construction in Progress	5,836,825
Buildings and Improvements (net of depreciation)	69,147,905
Equipment (net of depreciation)	4,776,201
Leasehold Improvements (net of depreciation)	1,077,154
Library Books (net of depreciation)	1,666,059
Total Noncurrent Assets	**229,721,617**
Total Assets	**323,696,459**
Deferred Outflows of Resources	
Deferred Outflows Related to Pensions and Other Postemployment Benefits	15,677,808
Total Deferred Outflows of Resources	**15,677,808**
Liabilities	
Current Liabilities	
Accrued Payroll and Employee Benefits	5,132,065
Accounts Payable and Accrued Liabilities	6,042,702
Deposits Held in Custody for Others	586,767
Unearned Revenue	4,271,837
Current Portion of Compensated Absences Payable	4,417,003
Current Portion of Capital Leases Payable	524,358
Current Portion of Bonds Payable	3,949,082
Total Current Liabilities	**24,923,814**
Noncurrent Liabilities	
Long-term Liabilities	
Compensated Absences Payable	3,390,913
Capital Leases Payable	1,775,660
Bonds Payable	61,499,853
Net Pension and Other Postemployment Benefits Liability	110,045,452
Total Noncurrent Liabilities	**176,711,878**
Total Liabilities	**201,635,692**
Deferred Inflows of Resources	
Deferred Inflows Related to Pensions and Other Postemployment Benefits	18,888,845
Total Deferred Inflows of Resources	**18,888,845**
Net Position	
Net Investment in Capital Assets	92,872,863
Restricted for:	
Expendable:	
Capital Projects	18,779,452
Debt Service	3,275,870
Grants and Contracts	7,379,752
Unrestricted (Deficit)	(3,458,207)
Total Net Position	**$ 118,849,730**

See accompanying notes to financial statements

Statement of Financial Position – Component Unit
As of June 30, 2019

		Pima Community College Foundation, Inc.
Assets		
Cash and cash equivalents	$	861,912
Prepaid expenses and other current assets		18,504
Total current assets		**880,416**
Investments		6,783,979
Property and equipment, net		14,446
Total assets	**$**	**7,678,841**
Liabilities and Net Assets		
Accounts payable and accrued expenses	$	41,823
Deferred revenue		123,853
Total current liabilities		**165,676**
Total liabilities		**165,676**
Net assets		
Without donor restrictions		510,262
With donor restrictions		
Specified purpose		919,239
Permanent endowment		6,083,664
Total net assets		7,513,165
Total liabilities and net assets	**$**	**7,678,841**

See accompanying notes to financial statements

Statement of Revenues, Expenses and Changes in Net Position – Primary Government
For the Year Ended June 30, 2019

Operating Revenues	
Tuition and Fees (net of scholarship allowances of $15,691,956)	$ 27,441,078
Contracts	3,690,885
Commissions and Rents	1,137,559
Other Operating Revenues	1,226,272
Total Operating Revenues	**33,495,794**
Operating Expenses	
Educational and General	
Instruction	49,107,804
Academic Support	21,283,643
Student Services	24,979,942
Institutional Support	32,503,926
Operation and Maintenance of Plant	16,432,731
Student Financial Aid	16,095,595
Auxiliary Enterprises	681,532
Depreciation	6,626,827
Total Operating Expenses	**167,712,000**
Operating Loss	**(134,216,206)**
Nonoperating Revenues (Expenses)	
Property Taxes	116,162,277
Federal Grants	40,423,631
State and Local Grants	1,575,675
Share of State Sales Tax	2,651,288
Gifts	766,260
Investment Income	4,305,456
Other Nonoperating Expenses	(451,557)
Interest on Capital Asset Related Debt	(883,313)
Gain on Capital Asset Disposal	94,706
Net Nonoperating Revenues	**164,644,423**
Income Before Other Revenues, Expenses, Gains, or Losses	30,428,217
Capital Gifts and Grants	12,574
Increase in Net Position	**30,440,791**
Net Position	
Net Position, June 30, 2018	88,408,939
Net Position, June 30, 2019	**$ 118,849,730**

See accompanying notes to financial statements

Statement of Activities – Component Unit
For the Year Ended June 30, 2019

	Pima Community College Foundation, Inc.			
		With Donor Restrictions		
	Without donor restrictions	Purpose Restrictions	Permanent Endowment	Total
Revenues and Support				
Contributions	$ 26,449	$ 330,553	$ 98,002	$ 455,004
Service agreement revenue	488,424			488,424
In-kind contributions	126,899			126,899
Investment income, net	88,735	223,895		312,630
Other income	9,037			9,037
Special events, net		24,012		24,012
Net assets released from restrictions and transfers	1,168,212	(1,607,654)	439,442	-
Total revenues and support:	**$ 1,907,756**	**$ (1,029,194)**	**$ 537,444**	**$ 1,416,006**
Expenses				
Program Expenses	$ 1,289,380			$ 1,289,380
Management and general	285,933			285,933
Fundraising	122,549			122,549
Total expenses	$ 1,697,862			$ 1,697,862
Change in net assets	**209,894**	**(1,029,194)**	**537,444**	**(281,856)**
Net assets, beginning of year	**300,368**	**1,948,433**	**5,546,220**	**7,795,021**
Net assets, end of year	**$ 510,262**	**$ 919,239**	**$ 6,083,664**	**$ 7,513,165**

See accompanying notes to financial statements

Statement of Cash Flows – Primary Government
For the Year Ended June 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and Fees	$ 27,888,119
Contracts	3,466,184
Commissions and Rents	875,141
Other Receipts	741,848
Payments to Suppliers and Providers of Goods and Services	(36,333,551)
Payments for Employee Wages and Benefits	(117,931,948)
Payments for Scholarships	(16,095,595)
Net Cash Used for Operating Activities	**(137,389,802)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Property Taxes	116,279,200
Grants	41,225,393
Share of State Sales Tax	2,651,288
Federal Direct Loans Received	15,168,980
Federal Direct Loans Disbursed	(15,151,047)
Deposits Held in Custody for Others Received	1,700,338
Deposits Held in Custody for Others Disbursed	(1,704,730)
Gifts	766,260
Net Cash Provided by Noncapital Financing Activities	**160,935,682**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Capital Debt	65,005,833
Proceeds from sale of capital assets	115,093
Purchases of Capital Assets	(6,328,827)
Other capital related payments	(15,595)
Principal Paid on Capital Debt	(261,613)
Interest Paid on Capital Debt	(67,801)
Net Cash Provided by Capital and Related Financing Activities	**58,447,090**
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	126,145,688
Purchases of Investments	(220,392,885)
Interest Received on Investments	2,462,172
Net Cash Used for Investing Activities	**(91,785,025)**
Net Decrease in Cash and Cash Equivalents	(9,792,055)
Cash and Cash Equivalents - July 1, 2018	73,008,446
Cash and Cash Equivalents - June 30, 2019	**$ 63,216,391**

See accompanying notes to financial statements

(Continued)

Statement of Cash Flows – Primary Government
For the Year Ended June 30, 2019

RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES	
Operating Loss	$ (134,216,206)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation Expense	6,626,827
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:	
Increase in Receivables, Net	(969,364)
Decrease in Inventories	1,200
Increase in Prepaid Expenses	(445,804)
Decrease in Net Other Postemployment Benefits (OPEB) Asset	156,601
Decrease in Deferred Outflows of Resources Related to Pensions and OPEB	551,048
Decrease in Accrued Payroll and Employee Benefits	(482,736)
Increase in Accounts Payable and Accrued Liabilities	1,665,518
Increase in Unearned Revenue	444,864
Decrease in Long-term Liabilities (Compensated Absences Portion)	(146,422)
Decrease in Net Pension and OPEB Liability	(14,296,678)
Increase in Deferred Inflows of Resources Related to Pensions and OPEB	3,721,350
Net Cash Used for Operating Activities	**$ (137,389,802)**

Non-cash Transactions Not Included in Above Statement:		
Net gain on disposal of capital assets with an original cost of $2,791,313 and accumulated depreciation of $2,770,926	$	94,706
Donated Capital Assets		12,574
Net Increase in Fair Market Value of Investments		1,411,503

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Pima County Community College District (the College) conform to generally accepted accounting principles (GAAP) applicable to public institutions engaged only in business-type activities adopted by the Governmental Accounting Standards Board (GASB). For the year ended June 30, 2019, the College implemented the provisions of GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. GASB Statement No. 88 requires that additional information related to debt be disclosed, including assets pledged as collateral and terms specified in debt agreements related to significant events of default. The College also implemented the provisions of GASB Statement No. 83, *Certain Asset Retirement Obligations*, which establishes financial reporting standards for measuring and recognizing asset retirement obligations from legally enforceable liabilities associated with the retirement of tangible capital assets. The implementation of GASB Statements No. 88 and No. 83 had no material impact on the College's fiscal year 2019 financial statements.

Reporting Entity:
The College is a special-purpose government that a separately elected governing body governs. It is legally separate and is fiscally independent of other state and local governments. The College has one discretely presented component unit, the Pima Community College Foundation, Inc. (the Foundation).

The Foundation is reported discretely in the financial statements to emphasize that it is legally separate from the College and the Foundation's cash flows are not presented because that information is not required by generally accepted accounting principles for public colleges. The Foundation's financial statements are prepared in accordance with Financial Accounting Standards Board Statements for nonprofit organizations. The Foundation was formed in 1977 as a nonprofit corporation controlled by a separate Board of Directors and is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. The Foundation's primary mission and purpose is to assist and support the College in carrying out the College's educational, operational, and other purposes. The Foundation has pursued its mission and purpose primarily through raising private support to make gifts of scholarship funds to the College and its students on an annual basis. Because the resources held by the Foundation are primarily for the benefit of the College, the Foundation is considered a component unit of the College. During the year ended June 30, 2019, the Foundation distributed $126,899 of in-kind gifts to be used for College operations and teaching programs and $806,923 for scholarships. On October 1, 2017, the College and the Foundation entered into a services agreement that defines the relationship between the parties. In exchange for the services provided by the Foundation, in fiscal year 2019, the College paid to the Foundation an amount of $550,000. Notes to the financial statements for the Foundation are included in Note 8. Complete financial statements can be obtained from the Foundation located at 4905C East Broadway Boulevard, Tucson, AZ 85709-1320.

Basis of Presentation and Accounting:
The financial statements include the following:

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

B. *Statement of Revenues, Expenses and Changes in Net Position:* provides information about the College's financial activities during the year. Revenues and expenses are classified as either operating or nonoperating and all changes in net position are reported, including capital contributions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. DEPOSITS AND INVESTMENTS

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

Deposits:
At June 30, 2019, the carrying amount of the College's deposits was $20,463,295 and the bank balance was $21,176,120. A.R.S requires collateral for deposits at 102 percent of all deposits not covered by federal depository insurance.

Investments:
The College's investments are categorized within the fair value hierarchy established by generally accepted accounting principles. Investments categorized as Level 1 inputs are valued using prices quoted in active markets for those investments. Investments categorized as Level 2 are valued using Interactive Data IDSI bond quotes, IDSI mortgage-backed securities (MBS), IDSI collateralized mortgage obligations (CMO), broker pricing and matrix pricing techniques. These pricing techniques are used to value securities based on relevant observable inputs, including quoted prices for other similar assets, benchmark yield curve and market corroborated inputs. Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the College held. The fair value of a participant's position in the pool approximates the value of that participant's pool shares. The investment in the County Treasurer's investment pool is valued using the College's proportionate participation in the pool because the pool's structure does not provide for shares. The State Board of Investment provides oversight for the State Treasurer's investment pools. No comparable oversight is provided for the County Treasurer's investment pool. The College's investments at June 30, 2019, were as follows:

		Fair value measurement using	
Investments by fair value level	**Amount**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**
US Treasury	$ 49,621,086	$ 49,621,086	
US Agency Securities	74,218,484		$ 74,218,484
Corporate Bonds and Notes	15,299,907		15,299,907
Commercial Paper	2,616,101		2,616,101
Money Market Mutual Fund	4,634,299		4,634,299
Total investments by fair value level	**$ 146,389,877**	**$ 49,621,086**	**$ 96,768,791**

External investment pools measured at fair value	**Amount**
State Treasurer's Investment Pool #5	$ 40,977,119
County Treasurer's Investment Pool	1,759,976
Total external investment pools measured at fair value	**42,737,095**
Total investments	**$ 189,126,972**

Credit Risk:
Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The College policy focuses on mitigation of credit risk. Following is a summary of the College's investments subject to credit risk and credit ratings as determined by Standard and Poor's (S&P) rating agency as of June 30, 2019:

Notes to Financial Statements

Investment Type	S&P Rating AAAf/S1+	AAA	AA	A	Unrated	Amount
State Treasurer's Investment Pool #5	$ 40,977,119					$ 40,977,119
County Treasurer's Investment Pool					$ 1,759,976	1,759,976
US Agency Securities		$ 1,056,150	$ 32,922,525		40,239,809	74,218,484
Corporate Bonds and Notes		1,693,788	10,592,174	$ 3,013,945		15,299,907
Commercial Paper					2,616,101	2,616,101
Money Market Mutual Fund					4,634,299	4,634,299
Total investments subject to credit risk	**$ 40,977,119**	**$ 2,749,938**	**$ 43,514,699**	**$ 3,013,945**	**$ 49,250,185**	**$ 139,505,886**

Concentration of Credit Risk:

The College's investment policy limits the maximum investment percentage in any one security and in any one issuer to 5% with the exception of investments or collateralized investments that are implicitly or explicitly guaranteed by the United States. The College had investments at June 30, 2019, of 5% or more in Federal National Mortgage Association (FNMA), Federal Home Loan Banks (FHLB) and Federal Home Loan Mortgage Corporation (FHLMC). These investments were 14.90%, 13.31%, and 10.48%, respectively, of the College's total investments.

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect an investment's value. The College's investment policy focuses on mitigation of interest rate risk. At June 30, 2019, the College had the following investments in debt securities:

Investment Type	Amount	Investment Maturities Less than 1 Year	1-5 Years	More than 5 Years
State Treasurer's Investment Pool #5	$ 40,977,119	$ 40,977,119		
County Treasurer's Investment Pool	1,759,976	1,759,976		
US Treasury	49,621,086	12,321,492	$ 37,299,594	
US Agency Securities	74,218,484	36,792,787	37,154,062	$ 271,635
Corporate Bonds and Notes	15,299,907	1,098,493	14,201,414	
Commercial Paper	2,616,101	2,616,101		
Money Market Mutual Fund	4,634,299	4,634,299		
Total investments	**$ 189,126,972**	**$ 100,200,267**	**$ 88,655,070**	**$ 271,635**

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

Cash, Deposits and Investments	Amount
Cash on hand	$ 16,000
Amount of deposits	20,463,295
Amount of investments	189,126,972
Total	**$ 209,606,267**

Statement of Net Position	Amount
Cash and cash equivalents	$ 62,856,763
Current investments	15,281,547
Restricted Assets:	
Cash and cash equivalents	359,628
Cash and investments held by trustee	67,085,995
Other long term investments	64,022,334
Total	**$ 209,606,267**

3. CAPITAL ASSETS

The College's capital asset activity for the year ended June 30, 2019, is detailed below:

Description	Balance 7/1/2018	Increases	Decreases	Balance 6/30/2019
Land and improvements	$ 15,291,311			$ 15,291,311
Construction in progress	2,361,583	$ 3,488,896	$ 13,654	5,836,825
Depreciable assets				
Buildings and improvements	190,452,158			190,452,158
Equipment	30,568,696	2,615,294	2,573,186	30,610,804
Leasehold improvements	3,260,062			3,260,062
Library books	6,630,026	250,864	218,127	6,662,763
Total capital assets	**$ 248,563,836**	**$ 6,355,054**	**$ 2,804,967**	**$ 252,113,923**
Less accumulated depreciation				
Buildings and improvements	$ 117,479,615	$ 3,824,638		$ 121,304,253
Equipment	26,088,814	2,298,588	$ 2,552,799	25,834,603
Leasehold improvements	2,064,007	118,901		2,182,908
Library books	4,830,131	384,700	218,127	4,996,704
Total accumulated depreciation	**150,462,567**	**6,626,827**	**2,770,926**	**154,318,468**
Capital assets, net	**$ 98,101,269**	**$ (271,773)**	**$ 34,041**	**$ 97,795,455**

4. LONG-TERM LIABILITIES

The following schedule details the College's long-term liability and obligation activity for the year ended June 30, 2019:

Description	Balance 7/1/2018	Additions	Reductions	Balance 6/30/2019	Due Within One Year
Bonds Payable:					
Revenue Bonds		$ 57,415,000		$ 57,415,000	$ 3,270,000
Premiums		8,033,935		8,033,935	679,082
Total bonds payable		65,448,935		65,448,935	3,949,082
Compensated absences	$ 7,954,338	4,595,845	$ 4,742,267	7,807,916	4,417,003
Capital leases payable	1,328,820	1,232,811	261,613	2,300,018	524,358
Net pension and other postemployment benefits liability	124,342,130		14,296,678	110,045,452	
Total long-term liabilities	**$ 133,625,288**	**$ 71,277,591**	**$ 19,300,558**	**$ 185,602,321**	**$ 8,890,443**

Bonds

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

The following bonds were outstanding at June 30, 2019:

Description	Original amount authorized	Amount issued	Maturity Ranges	Interest rates	Outstanding principal
Revenue Bonds	$ 65,000,000	$ 49,120,000	2020-37	5.0%	$ 49,120,000
		8,295,000	2038-39	4.0%	8,295,000
		$ 57,415,000			**$ 57,415,000**

The following schedule details debt service requirements to maturity for the College's bonds payable at June 30, 2019:

	Revenue Bonds	
Year ending June 30	**Principal**	**Interest**
2020	$ 3,270,000	$ 2,442,758
2021	1,775,000	2,579,925
2022	1,865,000	2,488,925
2023	1,955,000	2,393,425
2024	2,055,000	2,293,175
2025-29	11,915,000	9,777,625
2030-34	15,205,000	6,403,875
2035-39	19,375,000	2,179,500
Total	**$ 57,415,000**	**$ 30,559,208**

The College has pledged future tuition, fees, rentals, and other charges from students, faculty, or other parties using the project buildings. The bonds are payable solely from these gross revenues and are payable through 2039. Annual principal and interest payments on the bonds are expected to require less than 12 percent of gross revenues. The total principal and interest remaining to be paid on the bonds is $87,974,208. The total gross revenues for the current year was $37,801,250.

Capital Leases

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

The following assets were acquired through capital leases:

Description	Value
Computer Equipment	$ 547,099
Machinery & Equipment	492,123
Vehicles	265,787
Other	14,923
Total capital leases	1,319,932
Less: accumulated depreciation	256,660
Carrying value of assets	**$ 1,063,272**

The following schedule details debt service requirements to maturity for the College's capital leases payable at June 30, 2019:

Year ending June 30:	Capital Lease Payments
2020	$ 623,013
2021	600,429
2022	600,429
2023	463,173
2024	248,430
Total minimum lease payments	2,535,474
Less: amount representing interest	(235,456)
Present value of net minimum lease payments	**$ 2,300,018**

5. PENSION AND OTHER POSTEMPLOYMENT BENEFITS

The College contributes to two defined benefit retirement plans: the Arizona State Retirement System (ASRS) and the Public Safety Personnel Retirement System (PSPRS). Although a PSPRS net pension liability and a net other postemployment benefits (OPEB) asset has been recorded at June 30, 2019, PSPRS has not been further disclosed due to its relative insignificance to the College's financial statements. At June 30, 2019, the College reported the following aggregate amounts related to pensions and OPEB for the two plans:

Net OPEB asset	$ 458,205
Net pension and OPEB liability	110,045,452
Deferred outflows of resources related to pensions and OPEB	15,677,808
Deferred inflows of resources related to pensions and OPEB	18,888,845
Pension and OPEB expense	(1,127,699)

Arizona State Retirement System

Plan Description:
College employees, other than police, may participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azasrs.gov.

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

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

*With actuarially reduced benefits.

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

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

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

Contributions:
In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2019, statute required active ASRS members to contribute at the actuarially determined rate of 11.8 percent (11.64 percent for retirement and 0.16 percent for long-term disability) of the members' annual covered payroll, and statute required the College to contribute at the actuarially determined rate of 11.8 percent (11.18 percent for retirement, 0.46 percent for health insurance premium benefit, and 0.16 percent for long-term disability) of the active members' annual covered payroll. In addition, the College was required by statute to contribute at the actuarially determined rate of 10.53 percent (10.41 percent for retirement, 0.06 percent for health insurance premium benefit and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked for the College in positions that an employee who contributes to ASRS would typically fill. The College's contributions to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2019, were $7,639,098, $306,985, and $107,649, respectively.

Liability:
At June 30, 2019, the College reported the following asset and liabilities for its proportionate share of the ASRS' net pension/OPEB asset or liability.

ASRS	Net pension/OPEB (asset) liability
Pension	$ 103,226,272
Health insurance premium benefit	(267,155)
Long-term disability	387,129

The net asset and net liabilities were measured as of June 30, 2018. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2017, to the measurement date of June 30, 2018. The total liabilities as of June 30, 2018, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016, including decreasing the discount rate from 8 percent to 7.5 percent, changing the projected salary increases from 3-6.75 percent to 2.7-7.2 percent, decreasing the inflation rate from 3 to 2.3 percent, and changing the mortality rates.

The College's proportion of the net asset or net liability was based on the College's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The College's proportion measured as of June 30, 2018, and the change from its proportions measured as of June 30, 2017, were:

ASRS	Proportion June 30, 2018	Decrease from June 30, 2017
Pension	0.74016%	(0.01727)
Health insurance premium benefit	0.74191%	(0.01818)
Long-term disability	0.74091%	(0.01598)

Expense:
For the year ended June 30, 2019, the College recognized the following pension and OPEB expense.

ASRS	Pension/OPEB Expense
Pension	$ (2,751,219)
Health insurance premium benefit	265,327
Long-term disability	139,042

Deferred outflows/inflows of resources:

At June 30, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to ASRS pensions and OPEB from the following sources:

	Pension		Health insurance premium benefit		Long-term disability	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,843,800	$ 569,069		$ 246,573	$ 9,900	
Changes of assumptions or other inputs	2,731,556	9,152,426	$ 515,210		83,851	
Net difference between projected and actual earnings on plan investments		2,482,347		533,682		$ 37,497
Changes in proportion and differences between college contributions and proportionate share of contributions		5,431,701		1,778		6,107
College contributions subsequent to the measurement date	7,639,098		306,985		107,649	
Total	**$ 13,214,454**	**$ 17,635,543**	**$ 822,195**	**$ 782,033**	**$ 201,400**	**$ 43,604**

The amounts reported as deferred outflows of resources related to ASRS pensions and OPEB resulting from college contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions and OPEB will be recognized as expenses as follows:

Years ended June 30:	Pension	Health Insurance Premium Benefit	Long - Term Disability
2020	$ (3,117,464)	$ (103,849)	$ 286
2021	(4,063,948)	(103,848)	286
2022	(3,765,538)	(103,848)	286
2023	(1,113,237)	9,857	10,329
2024		34,865	12,171
Thereafter			26,789

Actuarial assumptions:

The significant actuarial assumptions used to measure the total pension/OPEB liability are as follows:

Actuarial valuation date	June 30, 2017
Actuarial roll forward date	June 30, 2018
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Projected salary increases	2.7–7.2% for pension/not applicable for OPEB
Inflation	2.3%
Permanent benefit increase	Included for pensions/not applicable for OPEB
Mortality rates	2017 SRA Scale U-MP for pensions and health insurance premium benefit
Recovery rates	2012 GLDT for long-term disability
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on ASRS plan investments was determined to be 7.5 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Equity	50%	5.50%
Fixed income	30%	3.83%
Real estate	20%	5.85%
Total	100%	

Discount rate:
At June 30, 2018, the discount rate used to measure the ASRS total pension/OPEB liability was 7.5 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Sensitivity of the College's proportionate share of the ASRS net pension/OPEB (asset) liability to changes in the discount rate:
The following table presents the College's proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.5 percent, as well as what the College's proportionate share of the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate:

College's proportionate share of the	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net pension liability	$ 147,151,426	$ 103,226,272	$ 66,527,516
Net health insurance premium benefit liability (asset)	946,592	(267,155)	(1,301,025)
Net long-term disability liability	438,724	387,129	337,066

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

Contributions payable:
The College's accrued payroll and employee benefits included $754,058 of outstanding pension and OPEB contribution amounts payable to ASRS for the year ended June 30, 2019, which includes $2,629 for alternate contributions for retirees.

6. RISK MANAGEMENT

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

The College purchases property insurance through a property program pool with other higher learning institutions across several states. Each member institution retains a deductible that is applied to each claim. In case of a loss, the program's loss fund is responsible for the first $1.0 million of loss per occurrence per annum in excess of the deductible and if the programs' total claims exceed its loss fund in any given year, the excess claims are covered by the program's insurer. The College also carries commercial insurance coverage for other risks of loss, including liability, workers' compensation, automobile accident insurance, fiduciary and cyber liability. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

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

The insurance claims payable of $743,400 at June 30, 2019, includes the amounts payable for both health and prescription benefits. This amount has been recognized as an expense and is included in accrued payroll and employee benefits in the Statement of Net Position. It is the estimated cost of settling claims that have been reported but not settled and claims that have been incurred but not reported and is based on actuarial valuations. The College's claims payable for the fiscal years ended June 30, 2018, and June 30, 2019, are as follows:

	Year Ending June 30	
Prescription Plan	**2018**	**2019**
Claims liability at beginning of year	$ 156,450	$ 136,500
Current year actual and estimated claims	3,072,804	2,857,618
Payments on claims	(3,092,754)	(2,824,018)
Claims liability at end of year	$ 136,500	$ 170,100

	Year Ending June 30	
Health Plan	**2018**	**2019**
Claims liability at beginning of year	$ 437,850	$ 465,150
Current year actual and estimated claims	6,207,325	6,066,001
Payments on claims	(6,180,025)	(5,957,851)
Claims liability at end of year	$ 465,150	$ 573,300

7. OPERATING EXPENSES

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

Description	Amount
Employee Compensation and Benefits	$ 107,435,111
Communications and Utilities	5,235,690
Travel	2,167,994
Contractual Services	19,127,705
Supplies and Materials	7,313,801
Student Financial Aid	16,095,595
Other Expenses	3,709,277
Depreciation	6,626,827
Total operating expenses	**$ 167,712,000**

8. DISCRETELY PRESENTED COMPONENT UNIT – PIMA COMMUNITY COLLEGE FOUNDATION

8a. Summary of Significant Accounting Policies

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

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

Basis of Presentation:
The Foundation reports information regarding its financial position and activities according to two classes of net assets (net assets without donor restrictions and net assets with donor restrictions), based upon the existence or absence of donor-imposed restrictions.
Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and the board of directors.
Net assets with donor restrictions - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

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

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

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

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

Concentration of Risk:
Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents and investment balances. The Foundation maintains its cash in bank deposit accounts, which may exceed federally insured limits. The Federal Deposit Insurance Corporation (FDIC) insures cash accounts at banks up to $250,000 per institution. Investments held by other institutions are insured up to $500,000 under insurance provided by the Securities Investor Protection Corporation (SIPC). However, SIPC does not protect against losses in market value. At June 30, 2019, there was $6,812,864 in cash and cash equivalents and investment balances in excess of the FDIC and SIPC insurance limits. It is the opinion of management that the solvency of the referenced financial institutions is not of concern at this time.

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

Recent Accounting Pronouncements:
On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Foundation has adjusted the presentation of these statements accordingly.

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

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

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

Advertising:
The Foundation expenses advertising costs as incurred. The Foundation does not participate in direct-response advertising, which requires the capitalization and amortization of related costs. Advertising costs totaled $53,721 at June 30, 2019.

8b. Cash and Investments
At June 30, 2019, the Foundation's cash and cash equivalents were $861,912.

The Foundation's other long-term investments measured at fair value as of June 30, 2019, consisted of the following:

		Fair Value		
Foundation 2019	**Total**	**Level 1**	**Level 2**	**Level 3**
Corporate Bonds	$ 76,190	$ 76,190		
Mutual Funds	6,335,345	6,335,345		
Investment in Partnerships	372,444			$ 372,444
Total investments at fair value	**$ 6,783,979**	**$ 6,411,535**	**$ 0**	**$ 372,444**

8c. Endowment Fund
The Foundation's endowments consist of several individual funds established under donor restriction for a variety of purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with the endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation complies with the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted by the state of Arizona with a focus on growth of such funds as well as the preservation of the value of the gift absent explicit donor stipulations to the contrary. The Foundation classifies as net assets with donor restrictions (permanent endowment), (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion, if any, of the donor-restricted endowment fund that is not classified in net assets with donor restrictions (permanent endowment) is classified as net assets with donor restrictions (specific purpose) assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by the UPMIFA. In accordance with UPMIFA, the Foundation considers, if relevant, the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation and (7) the Foundation's investment policies.

Endowment net assets as of June 30, 2019 comprised of:

	With Donor Restrictions Specified Purpose	With Donor Restrictions Permanent Endowment
Donor-restricted endowment assets	$ 261,757	$ 6,083,664

Changes in endowment net assets for the year ended June 30, 2019 are:

	With Donor Restrictions Specified Purpose	With Donor Restrictions Permanent Endowment
Endowment net assets, beginning of year	$ 626,038	$ 5,546,220
Contributions		98,002
Donor-directed transfers		439,442
Investment income	72,486	
Appropriation of endowment assets for expenditure	(436,767)	
Endowment net assets, end of year	$ 261,757	$ 6,083,664

Required Supplementary Information

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

Arizona State Retirement System (ASRS) – Pension

	Reporting Fiscal Year (Measurement Date)					
	2019 (2018)	**2018 (2017)**	**2017 (2016)**	**2016 (2015)**	**2015 (2014)**	**2014 through 2010**
College's proportion of the net pension liability	0.7402%	0.7574%	0.8152%	0.8238%	0.8210%	Information
College's proportionate share of the net pension liability	$103,226,272	$117,992,830	$131,576,627	$128,312,064	$121,480,198	not
College's covered payroll	$ 73,768,417	$ 74,350,845	$ 77,048,076	$ 76,259,354	$ 74,240,051	available
College's proportionate share of the net pension liability as a percentage of its covered payroll	139.93%	158.69%	170.77%	168.26%	163.63%	
Plan fiduciary net position as a percentage of the total pension liability	73.40%	69.92%	67.06%	68.35%	69.49%	

ASRS – Health insurance premium benefit

	Reporting Fiscal Year (Measurement Date)		
	2019 (2018)	**2018 (2017)**	**2017 through 2010**
College's proportion of the net OPEB (asset)	0.7419%	0.7601%	Information
College's proportionate share of the net OPEB (asset)	$ (267,155)	$ (413,793)	not
College's covered payroll	$ 73,768,417	$ 74,350,845	available
College's proportionate share of the net OPEB (asset) as a percentage of its covered payroll	(0.36%)	(0.56%)	
Plan fiduciary net position as a percentage of the total OPEB liability	102.20%	103.57%	

ASRS – Long-term disability

	Reporting Fiscal Year (Measurement Date)		
	2019 (2018)	**2018 (2017)**	**2017 through 2010**
College's proportion of the net OPEB liability	0.7409%	0.7569%	Information
College's proportionate share of the net OPEB liability	$ 387,129	$ 274,355	not
College's covered payroll	$ 73,768,417	$ 74,350,845	available
College's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.52%	0.37%	
Plan fiduciary net position as a percentage of the total OPEB liability	77.83%	84.44%	

Required Supplementary Information

Schedule of College Pension/OPEB Contributions

Arizona State Retirement System (ASRS) – Pension

	Reporting Fiscal Year				
	2019	2018	2017	2016	2015
Statutorily required contribution	$ 7,639,098	$ 8,015,151	$ 7,985,084	$ 8,328,186	$ 8,288,807
College's contributions in relation to the statutorily required contribution	$ 7,639,098	$ 8,015,151	$ 7,985,084	$ 8,328,186	$ 8,288,807
College's contribution deficiency (excess)	-	-	-	-	-
College's covered payroll	$68,450,938	$73,768,417	$74,350,845	$77,048,076	$76,259,354
College's contributions as a percentage of covered payroll	11.16%	10.87%	10.74%	10.81%	10.87%

ASRS – Pension

	Reporting Fiscal Year				
	2014	2013	2012	2011	2010
Statutorily required contribution	$ 7,918,797	$ 7,457,496	$ 6,979,719	$ 6,282,818	$ 5,964,027
College's contributions in relation to the statutorily required contribution	$ 7,918,797	$ 7,457,496	$ 6,979,719	$ 6,282,818	$ 5,964,027
College's contribution deficiency (excess)	-	-	-	-	-
College's covered payroll	$74,240,051	$72,914,505	$70,282,295	$69,686,717	$71,405,975
College's contributions as a percentage of covered payroll	10.67%	10.23%	9.93%	9.02%	8.35%

ASRS – Health insurance premium benefit

	Reporting Fiscal Year			
	2019	2018	2017	2016 through 2010
Statutorily required contribution	$ 306,985	$ 318,287	$ 410,413	Information
College's contributions in relation to the statutorily required contribution	$ 306,985	$ 318,287	$ 410,413	not
College's contribution deficiency (excess)	-	-	-	available
College's covered payroll	$68,450,938	$73,768,417	$74,350,845	
College's contributions as a percentage of covered payroll	0.45%	0.43%	0.55%	

ASRS – Long-term disability

	Reporting Fiscal Year			
	2019	2018	2017	2016 through 2010
Statutorily required contribution	$ 107,649	$ 117,496	$ 103,438	Information
College's contributions in relation to the statutorily required contribution	$ 107,649	$ 117,496	$ 103,438	not
College's contribution deficiency (excess)	-	-	-	available
College's covered payroll	$68,450,938	$73,768,417	$74,350,845	
College's contributions as a percentage of covered payroll	0.16%	0.16%	0.14%	

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Statistical Section

50 years 1969-2019 of excellence
PimaCommunityCollege

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Pima County Community College District
Financial Trends

Schedule of Net Position by Component
Fiscal Years 2019 to 2010

	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Net Investment in Capital Assets	$ 92,872,863	$ 96,772,449	$ 100,330,570	$ 106,258,844	$ 111,016,873
Restricted - expendable	29,435,074	12,451,846	11,339,876	10,126,191	8,652,563
Restricted - nonexpendable	0	0	0	0	217,399
Unrestricted	(3,458,207)	(20,815,356)	(39,778,165)	(50,097,749)	(51,900,890)
Total Net Position	$ 118,849,730	$ 88,408,939	$ 71,892,281	$ 66,287,286	$ 67,985,945

	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010
Net Investment in Capital Assets	$ 116,017,978	$ 111,772,509	$ 107,958,480	$ 110,359,292	$ 106,023,641
Restricted - expendable	9,091,749	8,184,292	7,771,778	7,718,819	5,584,879
Restricted - nonexpendable	1,573,607	1,631,278	1,682,173	101,886	1,675,365
Unrestricted	80,543,605	93,662,614	100,136,064	98,779,375	85,778,752
Total Net Position	$ 207,226,939	$ 215,250,693	$ 217,548,495	$ 216,959,372	$ 199,062,637

Source: District Records

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

Pima County Community College District
Financial Trends

Schedule of Other Changes in Net Position
Fiscal Years 2019 to 2010

	Fiscal Year 2019	2018	2017	2016	2015
Income (Loss) Before Other Changes in Net Position	$ 30,428,217	$ 16,271,672	$ 5,565,475	$ (1,736,314)	$ (7,776,128)
Capital Gifts and Grants	12,574	80,650	39,520	37,655	136,341
Total Change in Net Position	$ 30,440,791	$ 16,352,322	$ 5,604,995	$ (1,698,659)	$ (7,639,787)

	Fiscal Year 2014	2013	2012	2011	2010
Income (Loss) Before Other Changes in Net Position	$ (8,054,427)	$ (3,097,802)	$ 522,923	$ 17,855,272	$ 11,767,148
Capital Gifts and Grants	30,673	800,000	66,200	41,463	136,726
Total Change in Net Position	$ (8,023,754)	$ (2,297,802)	$ 589,123	$ 17,896,735	$ 11,903,874

Source: District Records

Pima County Community College District
Financial Trends

Schedule of Expenses by Identifiable Activity
Fiscal Years 2019 to 2010

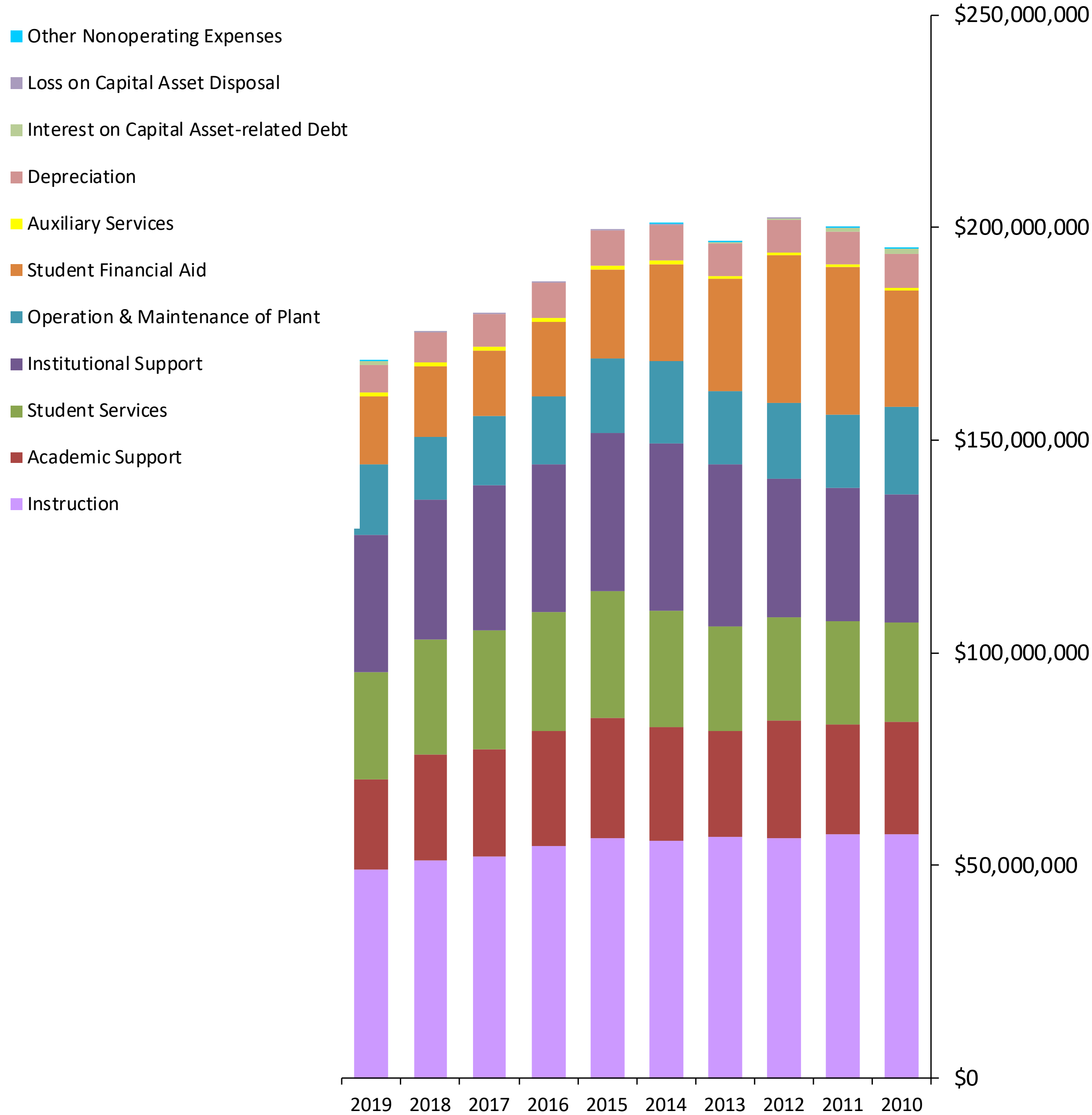
	Fiscal Year				
	2019	2018	2017	2016	2015
Operating Expenses					
Instruction	$ 49,107,804	$ 51,138,005	$ 52,009,785	$ 54,486,848	$ 56,521,328
Academic Support	21,283,643	24,914,373	25,221,536	27,061,889	28,307,683
Student Services	24,979,942	27,188,490	28,146,761	28,184,238	29,761,778
Institutional Support	32,503,926	32,910,008	33,893,651	34,664,541	36,990,188
Operation and Maintenance of Plant	16,432,731	14,767,795	16,299,388	15,905,619	17,474,890
Student Financial Aid	16,095,595	16,557,909	15,449,569	17,646,631	20,923,754
Auxiliary Enterprises	681,532	877,258	931,331	876,462	972,572
Depreciation	6,626,827	7,117,410	7,701,083	8,321,837	8,403,706
Total Operating Expenses	167,712,000	175,471,248	179,653,104	187,148,065	199,355,899
Nonoperating Expenses					
Interest on Capital Asset-Related Debt	883,313	32,493	0	0	0
Loss on Capital Asset Disposal	0	54,672	22,066	19,361	24,101
Other Nonoperating Expenses	451,557	0	0	0	0
Total Nonoperating Expenses	1,334,870	87,165	22,066	19,361	24,101
Total Expenses	$ 169,046,870	$ 175,558,413	$ 179,675,170	$ 187,167,426	$ 199,380,000

	Fiscal Year				
	2014	2013	2012	2011	2010
Operating Expenses					
Instruction	$ 55,712,283	$ 56,722,122	$ 56,541,376	$ 57,500,697	$ 57,464,058
Academic Support	26,968,277	24,878,589	27,424,159	25,592,122	26,414,846
Student Services	27,093,085	24,615,986	24,475,523	24,400,835	23,398,419
Institutional Support	39,336,193	38,208,264	32,376,945	31,362,563	30,106,066
Operation and Maintenance of Plant	19,593,974	17,134,651	17,805,567	17,188,038	20,361,539
Student Financial Aid	22,739,712	26,244,500	34,764,717	34,799,330	27,564,234
Auxiliary Enterprises	917,261	755,713	694,438	594,145	441,050
Depreciation	8,224,999	7,775,302	7,637,565	7,682,122	7,894,367
Total Operating Expenses	200,585,784	196,335,127	201,720,290	199,119,852	193,644,579
Nonoperating Expenses					
Interest on Capital Asset-Related Debt	67,750	207,304	464,825	882,425	1,461,113
Loss on Capital Asset Disposal	266,394	10,657	106,875	11,914	23,640
Other Nonoperating Expenses	24,900	43,871	0	8,773	30,940
Total Nonoperating Expenses	359,044	261,832	571,700	903,112	1,515,693
Total Expenses	$ 200,944,828	$ 196,596,959	$ 202,291,990	$ 200,022,964	$ 195,160,272

Source: District Records

Pima County Community College District
Financial Trends

Graph of Expenses by Identifiable Activity
Fiscal Years 2019 to 2010



Source: District Records

Pima County Community College District
Financial Trends

Schedule of Revenues by Source

Fiscal Years 2019 to 2010

	Fiscal Year				
	2019	2018	2017	2016	2015
Operating Revenues					
Tuition and Fees, net of scholarship allowances	$ 27,441,078	$ 28,532,331	$ 28,834,580	$ 27,792,518	$ 27,860,572
Contracts	3,690,885	2,766,925	2,660,348	3,485,053	3,614,371
Commissions and Rents	1,137,559	1,067,161	1,720,067	1,658,484	1,608,709
Other Operating Revenues	1,226,272	1,008,383	924,054	912,844	1,137,112
Total Operating Revenues	33,495,794	33,374,800	34,139,049	33,848,899	34,220,764
Nonoperating Revenues					
Property Taxes	116,162,277	111,324,689	106,823,980	103,274,540	99,464,621
State Appropriations	0	0	0	0	7,093,500
Federal Grants	40,423,631	42,048,279	39,352,391	42,891,284	45,616,708
State and Local Grants	1,575,675	1,323,106	1,544,239	1,523,348	1,573,775
Share of State Sales Tax	2,651,288	2,418,985	2,341,003	2,282,341	2,331,857
Gifts and Other Nonoperating Revenues	766,260	713,930	716,073	900,667	812,941
Investment Income	4,305,456	626,296	323,910	710,033	489,706
Gain on Capital Asset Disposal	94,706	0	0	0	0
Capital Gifts and Grants	12,574	80,650	39,520	37,655	136,341
Total Nonoperating Revenues	165,991,867	158,535,935	151,141,116	151,619,868	157,519,449
Total Revenues	$ 199,487,661	$ 191,910,735	$ 185,280,165	$ 185,468,767	$ 191,740,213

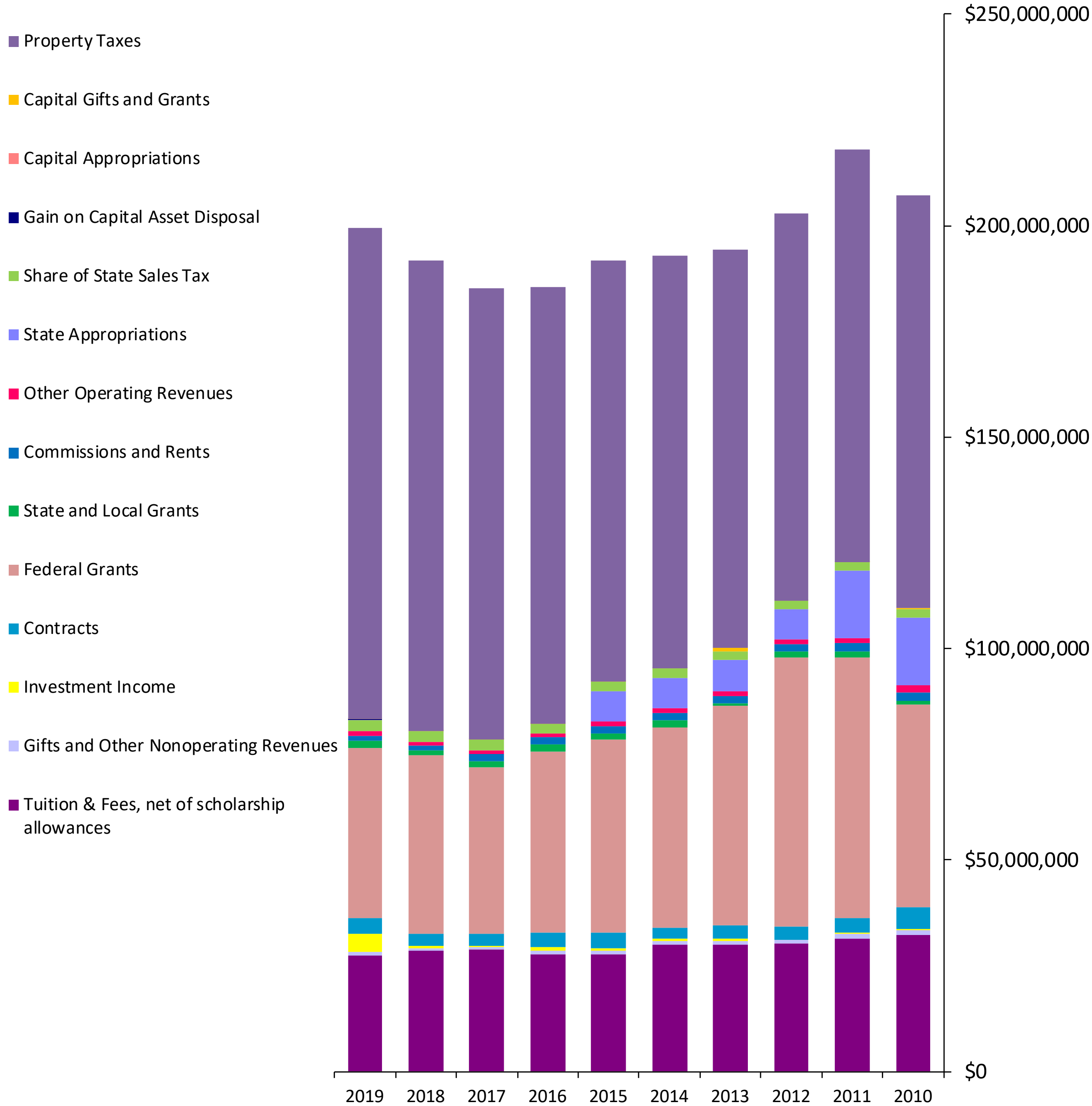
	Fiscal Year				
	2014	2013	2012	2011	2010
Operating Revenues					
Tuition and Fees, net of scholarship allowances	$ 30,092,480	$ 30,034,844	$ 30,315,594	$ 31,543,208	$ 32,359,864
Contracts	2,565,513	2,887,596	3,096,886	3,350,861	5,073,714
Commissions and Rents	1,613,283	1,653,777	1,827,383	1,891,920	1,881,242
Other Operating Revenues	1,199,976	1,099,854	961,978	1,311,330	1,825,203
Total Operating Revenues	35,471,252	35,676,071	36,201,841	38,097,319	41,140,023
Nonoperating Revenues					
Property Taxes	97,523,572	94,150,821	91,581,461	97,431,336	97,583,761
State Appropriations	7,136,600	7,353,500	7,146,400	15,942,100	15,942,100
Federal Grants	47,429,534	51,918,293	63,645,052	61,762,889	47,861,962
State and Local Grants	1,666,184	770,688	1,326,419	1,366,883	996,369
Share of State Sales Tax	2,256,268	2,072,940	1,977,303	1,909,767	1,964,641
Gifts and Other Nonoperating Revenues	861,085	895,476	799,030	1,147,421	961,332
Investment Income	545,906	661,368	137,407	220,521	477,231
Gain on Capital Asset Disposal	0	0	0	0	0
Capital Gifts and Grants	30,673	800,000	66,200	41,463	136,726
Total Nonoperating Revenues	157,449,822	158,623,086	166,679,272	179,822,380	165,924,122
Total Revenues	$ 192,921,074	$ 194,299,157	$ 202,881,113	$ 217,919,699	$ 207,064,145

Source: District Records

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

Pima County Community College District
Financial Trends

Graph of Revenues by Source
Fiscal Years 2019 to 2010



Source: District Records

Pima County Community College District
Financial Trends

Composite Financial Index Summary
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
+ Primary Reserve Ratio	0.16	(0.03)	(0.14)	(0.20)	(0.20)	0.46	0.53	0.54	0.54	0.47
/ Strength Factor	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
= Ratio / Strength Factor	1.21	(0.26)	(1.07)	(1.51)	(1.53)	3.44	3.95	4.07	4.07	3.56
* Weighting Factor	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
= Ratio Subtotal	0.42	(0.09)	(0.38)	(0.53)	(0.54)	1.20	1.38	1.43	1.43	1.25
+ Return on Net Position / Net Assets Ratio	0.31	0.20	0.08	(0.02)	(0.09)	(0.03)	(0.01)	0.00	0.09	0.07
/ Strength Factor	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
= Ratio / Strength Factor	10.00	10.00	4.08	(0.99)	(4.00)	(1.64)	(0.46)	0.11	4.55	3.48
* Weighting Factor	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
= Ratio Subtotal	2.00	2.00	0.82	(0.20)	(0.80)	(0.33)	(0.09)	0.02	0.91	0.70
+ Net Operating Revenue Ratio	0.15	0.08	0.03	(0.01)	(0.04)	(0.04)	(0.02)	0.00	0.08	0.06
/ Strength Factor	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
= Ratio / Strength Factor	10.00	6.50	2.20	(0.70)	(3.08)	(3.21)	(1.22)	0.25	6.28	4.37
* Weighting Factor	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
= Ratio Subtotal	1.00	0.65	0.22	(0.07)	(0.31)	(0.32)	(0.12)	0.02	0.63	0.44
+ Viability Ratio	0.44	0	0	0	0	0	76.87	16.56	12.49	5.04
/ Strength Factor	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42
= Ratio / Strength Factor	1.06	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
* Weighting Factor	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
= Ratio Subtotal	0.37	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Composite Financial Index	3.79	6.06	4.16	2.70	1.86	4.05	4.67	4.97	6.46	5.88

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

Source: District Records

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

Pima County Community College District
Financial Trends

Financial Ratios
Last Ten Fiscal Years

Dollars in Thousands

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Primary Reserve Ratio:										
Unrestricted Net Position	$ (3,458)	$ (20,815)	$ (39,778)	$ (50,098)	$ (51,901)	$ 80,544	$ 93,663	$ 100,136	$ 98,779	$ 85,779
Expendable Restricted Net Position	29,435	12,452	11,340	10,126	8,653	9,092	8,184	7,772	7,719	5,585
Unrestricted Net Assets - CU	510	300	154	315	272	235	275	284	146	147
Temporarily Restricted Net Assets - CU	919	1,948	2,462	1,923	2,200	2,396	2,031	1,879	2,178	1,667
Expendable Net Position/Net Assets	$ 27,406	$ (6,115)	$ (25,822)	$ (37,734)	$ (40,776)	$ 92,267	$ 104,153	$ 110,071	$ 108,822	$ 93,178
Operating Expenses	$ 167,712	$ 175,471	$ 179,653	$ 187,148	$ 199,356	$ 200,586	$ 196,335	$ 201,720	$ 199,120	$ 193,645
Nonoperating Expenses	1,335	87	22	19	24	359	262	572	903	1,516
Elimination of Inter-Entity Amounts	(127)	(241)	(324)	(383)	(465)	(316)	(320)	(302)	(398)	(238)
Total Expenses - CU	1,698	1,981	1,304	1,152	1,487	1,286	2,001	1,226	1,181	1,702
Total Expenses	$ 170,618	$ 177,299	$ 180,655	$ 187,937	$ 200,402	$ 201,915	$ 198,278	$ 203,216	$ 200,806	$ 196,625
Ratio	0.16	(0.03)	(0.14)	(0.20)	(0.20)	0.46	0.53	0.54	0.54	0.47
	Measures the financial strength of the institution by indicating how long the institution could function using its expendable reserves to cover operations should additional net position not be available. A positive ratio and an increase in the ratio over time denotes strength.									
Return On Net Position/ Net Assets Ratio:										
Change in Net	$ 30,441	$ 16,352	$ 5,605	$ (1,699)	$ (7,640)	$ (8,024)	$ (2,298)	$ 589	$ 17,897	$ 11,904
Change in Net Assets - CU	(282)	(263)	424	200	(127)	748	230	(82)	767	1,418
Change in Net Assets	$ 30,159	$ 16,090	$ 6,029	$ (1,499)	$ (7,767)	$ (7,276)	$ (2,068)	$ 507	$ 18,663	$ 13,322
Net Position (Beginning of Year)	$ 88,409	$ 72,057	$ 66,287	$ 67,986	$ 75,626	$ 215,251	$ 217,549	$ 216,959	$ 199,063	$ 187,159
Net Assets (Beginning of Year) - CU	7,795	8,058	7,634	7,434	7,561	6,813	6,583	6,665	5,898	4,481
Net Position/Net Assets (Beginning of Year)	$ 96,204	$ 80,114	$ 73,921	$ 75,420	$ 83,186	$ 222,063	$ 224,131	$ 223,624	$ 204,961	$ 191,639
Ratio	0.31	0.20	0.08	(0.02)	(0.09)	(0.03)	(0.01)	0.00	0.09	0.07
	Measures total economic return. While an increasing trend reflects strength, a decline may be appropriate and even warranted if it represents a strategy on the part of the institution to fulfill its mission.									

Source: District Records

Notes: Includes Component Unit data indicated by CU.

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

Pima County Community College District
Financial Trends

Financial Ratios *(continued)*

Last Ten Fiscal Years

Dollars in Thousands

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net Operating Revenue Ratio:										
Operating Loss	$ (134,216)	$ (142,096)	$ (145,514)	$ (153,299)	$ (165,135)	$ (165,115)	$ (160,659)	$ (165,518)	$ (161,023)	$ (152,505)
Net Non-Operating Revenues	164,644	158,368	151,080	151,563	157,359	157,060	157,561	166,041	178,878	164,272
Change in Unrestricted Net Assets - CU	210	93	(248)	42	37	(39)	(9)	138	(1)	62
Net Operating Income	$ 30,638	$ 16,365	$ 5,317	$ (1,694)	$ (7,739)	$ (8,094)	$ (3,107)	$ 661	$ 17,854	$ 11,829
Operating Revenues	$ 33,496	$ 33,375	$ 34,139	$ 33,849	$ 34,221	$ 35,471	$ 35,676	$ 36,202	$ 38,097	$ 41,140
Non-Operating Revenues	165,992	158,536	151,141	151,620	157,519	157,450	158,623	166,679	179,822	165,924
Unrestricted Revenues - CU	1,908	2,074	1,056	1,167	1,406	1,247	1,992	1,310	1,180	1,764
Elimination of Inter-Entity	(127)	(241)	(104)	(83)	(115)	(246)	(924)	(131)	(398)	(649)
Total Operating Revenue	$ 201,269	$ 193,744	$ 186,232	$ 186,552	$ 193,031	$ 193,922	$ 195,367	$ 204,060	$ 218,702	$ 208,179
Ratio	0.15	0.08	0.03	(0.01)	(0.04)	(0.04)	(0.02)	0.00	0.08	0.06

Measures whether the institution is living within available resources. A positive ratio and an increase in the ratio over time, generally reflects strength; a decline may be appropriate and even warranted if it represents a strategy on the part of the institution to fulfill its mission.

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Viability Ratio:										
Unrestricted Net Position	$ (3,458)	$ (20,815)	$ (39,778)	$ (50,098)	$ (51,901)	$ 80,544	$ 93,663	$ 100,136	$ 98,779	$ 85,779
Expendable Restricted Net Position	29,435	12,452	11,340	10,126	8,653	9,092	8,184	7,772	7,719	5,585
Unrestricted Net Assets - CU	510	300	154	315	272	235	275	284	146	147
Temporarily Restricted Net Assets - CU	919	1,948	2,462	1,923	2,200	2,396	2,031	1,879	2,178	1,667
Expendable Net Position/ Net Assets	$ 27,406	$ (6,115)	$ (25,822)	$ (37,734)	$ (40,776)	$ 92,267	$ 104,153	$ 110,071	$ 108,822	$ 93,178
Long-Term Debt	$ 62,179	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,355	$ 6,645	$ 8,715	$ 18,490
Long-Term Debt - CU	0	0	0	0	0	0	0	0	0	0
Total Debt	$ 62,179	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,355	$ 6,645	$ 8,715	$ 18,490
Ratio	0.44	0	0	0	0	0	76.87	16.56	12.49	5.04

Measures the ability of the institution to cover its debt as of the statement of net position date, should the institution need to do so.

Source: District Records

Notes: Includes Component Unit data indicated by CU.

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

Pima County Community College District
Revenue Capacity

Assessed Value and Full Cash Value of All Taxable Property

Last Ten Fiscal Years

Dollars in Thousands

Fiscal Year/Levy Type [1]		Net Assessed Value	Total Direct Tax Rate [2]	Limited and Full Cash Values [3]	Ratio of Net Assessed to Full Cash Value
2018/2019 Primary		$8,333,893	1.3983	$82,745,384	10.07%
2018/2019 Secondary		9,030,169	0.0000	89,027,208	10.14%
	Total		1.3983		
2017/2018 Primary		$8,074,958	1.3890	$80,459,900	10.04%
2017/2018 Secondary		8,508,990	0.0000	84,772,588	10.04%
	Total		1.3890		
2016/2017 Primary		$7,816,700	1.3733	$78,911,345	9.91%
2016/2017 Secondary		8,262,665	0.0000	83,520,548	9.89%
	Total		1.3733		
2015/2016 Primary		$7,620,361	1.3689	$76,489,654	9.96%
2015/2016 Secondary		7,906,190	0.0000	79,550,159	9.94%
	Total		1.3689		
2014/2015 Primary		$7,518,482	1.3344	$74,402,882	10.11%
2014/2015 Secondary		7,579,899	0.0000	75,389,155	10.05%
	Total		1.3344		
2013/2014 Primary		$7,559,129	1.2746	$73,262,703	10.32%
2013/2014 Secondary		7,623,691	0.0187	74,590,067	10.22%
	Total		1.2933		
2012/2013 Primary		$8,073,938	1.1484	$76,085,641	10.61%
2012/2013 Secondary		8,171,212	0.0257	77,731,086	10.51%
	Total		1.1741		
2011/2012 Primary		$8,310,120	1.0846	$78,036,208	10.65%
2011/2012 Secondary		8,448,282	0.0248	80,152,473	10.54%
	Total		1.1094		
2010/2011 Primary		$8,939,647	0.9755	$82,348,221	10.86%
2010/2011 Secondary		9,342,561	0.1093	86,228,902	10.83%
	Total		1.0848		
2009/2010 Primary		$8,985,712	0.9356	$80,593,121	11.15%
2009/2010 Secondary		9,860,981	0.1414	88,095,754	11.19%
	Total		1.0770		

Sources: Pima County Department of Finance CAFR (Fiscal years 2010-2018. June 30, 2019 statistics were unavailable at time of publication); Pima County Department of Finance (fiscal year 2018-2019 adopted budget), Pima County Assessor's Office, and District records.

Notes: (1) Primary - Taxes levied to pay for current operation and maintenance expenses. Secondary - Taxes levied to pay principal and interest on bonded indebtedness and special district assessments.

(2) Includes separate Primary and Secondary tax rates.

(3) Limited value is the basis for primary taxes and annual changes therein are restricted by statute; Full Cash Value or Secondary Value approximates market value.

Pima County Community College District
Revenue Capacity

Property Tax Levies and Collections

Last Ten Fiscal Years [1,4]

Fiscal Year	Original Real Property Tax Levy	Board Ordered Changes thru 06/30/2019	Adjusted Levy	Collections/ Payments Initial Tax Year [2]	Percent of Original Levy	Collections/ Payments thru 6/30/2019 [2]	Percent of Adjusted Levy	Taxes Receivable as of 6/30/2019 [3]
2019	$ 112,789,995	$ 0	$ 112,789,995	$ 110,342,172	97.83%	$ 110,342,172	97.83%	$ 2,447,823
2018	128,257,618	51,967	128,309,585	125,803,451	98.09%	128,047,799	99.80%	261,786
2017	104,106,349	153,498	104,259,847	101,690,985	97.68%	103,925,062	99.68%	334,785
2016	100,655,943	90,437	100,746,380	97,223,208	96.59%	100,471,058	99.73%	275,322
2015	96,201,094	81,548	96,282,642	92,988,525	96.66%	96,001,630	99.71%	281,012
2014	92,461,302	139,318	92,600,620	89,226,779	96.50%	92,220,603	99.59%	380,017
2013	88,643,360	123,440	88,766,800	85,469,057	96.42%	88,411,912	99.60%	354,888
2012	86,335,655	220,090	86,555,745	83,080,271	96.23%	86,176,083	99.56%	379,662
2011	83,858,009	124	83,858,133	79,954,352	95.34%	83,303,601	99.34%	554,532
2010	80,612,932	5,302	80,618,234	77,256,390	95.84%	80,536,158	99.90%	82,076
Totals	**$ 973,922,257**	**$ 865,724**	**$ 974,787,981**	**$ 943,035,190**		**$ 969,436,078**		**$ 5,351,903**

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

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

(2) Amounts collected are on a cash basis.

(3) Represents the difference between the adjusted levy and collected to June 30, 2019.

(4) Unsecured personal property taxes are not included in this schedule because the dates of the monthly tax rolls vary each year. For tax years 2009 - 2018 (District fiscal years 2010 - 2019), total unsecured personal property tax board ordered changes were $46,142 and collections were $3,738,052 (including rolls and cycles) through June 30, 2019. The total outstanding unsecured personal property tax levy at June 30, 2019 for the period cited stands at $1,677,952.

Pima County Community College District
Revenue Capacity

Schedule of Principal Property Taxpayers

Most Recent Year and Nine Years Prior as of 2018 [1]

Dollars in Thousands

	2018			2009		
Employer	**Estimated Assessed Value [2]**	**Rank**	**Percent of Total Assessed Value**	**Estimated Assessed Value [2]**	**Rank**	**Percent of Total Assessed Value**
Unisource/Tucson Electric Power Co.	$217,657	1	2.4%	$158,764	2	1.6%
Southwest Gas Corporation	$85,118	2	0.9%	$64,775	4	0.7%
Freeport-McMoRan/Phelps Dodge Corp.	$70,987	3	0.8%	$198,694	1	2.0%
ASARCO LLC	$40,280	4	0.4%	$20,042	8	0.2%
QWEST Corporation	$34,964	5	0.4%	$74,646	3	0.8%
Northwest Hospital LLC	$32,521	6	0.4%	*		
Sierrita Gas Pipeline LLC	$29,920	7	0.3%	*		
SMSJ Tucson Holdings, LLC	$29,729	8	0.3%	*		
DND Neffson Co. (Tucson Mall)	$22,667	9	0.3%	$18,888	10	0.2%
Wal-Mart Stores Incorporated	$22,472	10	0.2%	*		
Trico Electric Co-Op Inc.	*			$21,029	7	0.2%
Star Pass Resort Developments LLC	*			$19,384	9	0.2%
Arizona Portland Cement	*			$27,561	6	0.3%
ASARCO Mining	*			$63,572	5	0.6%
Total Top Ten	$586,315		6.5%	$667,355		6.8%

[2] Secondary Assessed Valuation for Tax Year: $9,030,169 $9,860,981

Source: Pima County Department of Finance (June 30, 2018 CAFR)

Notes: (1) June 30, 2019 statistics were unavailable at time of publication.

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

Pima County Community College District
Revenue Capacity

Property Tax Rates, Direct and Overlapping Governments
Last Ten Fiscal Years (Per $100 of Assessed Value) [6]

Tax Year	Pima County Community College District [1]	State of Arizona	Central Arizona Water Conservation District	Pima County [2]	Flood Control District [3]	County Library District	Education Assistance	Cortaro-Marana Irrigation District [4]
2018	1.3983	0.0000	0.1400	4.8037	0.3335	0.5153	0.4741	78.0000
2017	1.3890	0.0000	0.1400	5.2055	0.3135	0.5053	0.4875	75.0000
2016	1.3733	0.0000	0.1400	5.0364	0.3335	0.5153	0.5010	75.0000
2015	1.3689	0.0000	0.1400	5.1344	0.3135	0.5153	0.5054	72.0000
2014	1.3344	0.0000	0.1400	5.0251	0.3035	0.4353	0.5089	69.0000
2013	1.2933	0.0000	0.1400	4.4921	0.2635	0.3753	0.5123	69.0000
2012	1.1741	0.0000	0.1000	4.2425	0.2635	0.3460	0.4717	66.0000
2011	1.1094	0.0000	0.1000	4.2396	0.2635	0.3460	0.4259	66.0000
2010	1.0848	0.0000	0.1000	4.1063	0.2635	0.3100	0.3564	66.0000
2009	1.0770	0.0000	0.1000	4.0639	0.2635	0.2643	0.3306	66.0000

Tax Year	Flowing Wells Irrigation District [4]	Silverbell Irrigation District [4]	City of Tucson	City of South Tucson	Street Lighting Improvement District	Mobile Home Relocation District [5]	Towns Other [6]	School Districts Range From	School Districts Range To
2018	19.3500	3.0000	1.4819	0.2512	15.3127	0.0000	9.1400	1.9679	8.6853
2017	19.3500	3.0000	1.4342	0.2487	12.4505	0.0000	7.0000	2.0234	9.0399
2016	19.3500	3.0000	1.5982	0.2528	12.4384	0.0000	7.0000	2.0793	8.9614
2015	19.3500	3.0000	1.5960	0.2528	12.3345	0.5000	7.0000	1.7677	7.6184
2014	19.3500	3.0000	1.4606	0.2528	12.0787	0.5000	7.0000	2.1123	7.5094
2013	19.3500	3.0000	1.4304	2.9776	10.1900	0.5000	7.0000	1.1287	7.4319
2012	19.3500	3.0000	1.2639	2.7640	9.6038	0.5000	7.0000	1.2484	7.3187
2011	19.3500	3.0000	1.1621	2.6603	0.0000	0.5000	7.0000	1.7682	6.9480
2010	19.3500	3.0000	0.9550	0.1999	0.0000	0.0000	7.0000	1.4797	7.0689
2009	19.3500	3.0000	0.9344	0.2035	0.0000	0.0000	6.4000	1.3726	7.6340

Source: Pima County Department of Finance (June 30, 2018 CAFR), June 30, 2019 statistics were unavailable at time of publication.

Notes: Primary and secondary tax rates (per $100 of net assessed value) are set by the County Board of Supervisors or the governing boards of other taxing jurisdictions.
The Towns of Marana, Oro Valley, and Sahuarita do not currently levy a property tax.
The Tucson Business Improvement District levy (on a per-business basis) is not shown.
(1) Rate includes any secondary tax levy for debt service on general obligation bonds.
(2) Rate includes the secondary tax levy for debt service on general obligation bonds and fire district assistance.
(3) The Pima County Flood Control District tax levy applies only to real property.
(4) Irrigation districts' tax rates shown are levied on a per acre basis.
(5) Mobile Home Relocation levy applies only to unsecured mobile homes.
(6) The 2009 figures represent the Community Facilities Districts of Gladden Farms, Vanderbilt Farms and Quail Creek. The 2010 to 2018 figures represent the aggregate rate for the Community Facilities Districts of: Gladden Farms, Vanderbilt Farms, Quail Creek, Gladden Farms Phase II and Saguaro Springs.

Pima County Community College District
Revenue Capacity

Schedule of Tuition
Last Ten Fiscal Years

Academic Year [1]	Full-Time Tuition & Fees [2, 3] In State	Full-Time Tuition & Fees [2, 3] Out of State	Tuition per Credit Hour In State	Tuition per Credit Hour Out of State [4]
2019	$ 2,670	$ 9,315	$ 82.50	$ 304.00
2018	2,640	9,285	81.50	303.00
2017	2,550	9,195	78.50	300.00
2016	2,460	10,755	75.50	352.00
2015	2,300	10,055	70.50	329.00
2014	2,150	10,055	65.50	329.00
2013	2,060	9,725	63.50	319.00
2012	1,910	8,975	58.50	294.00
2011	1,760	8,225	53.50	269.00
2010	1,685	7,910	51.50	259.00

Source: District Records

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

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

Pima County Community College District
Debt Capacity

Schedule of Ratios of Outstanding Debt
Last Ten Fiscal Years
Dollars in Thousands

	Fiscal Year				
	2019	**2018**	**2017**	**2016**	**2015**
General Bonded Debt					
Total General Bonded Debt	$ 0	$ 0	$ 0	$ 0	$ 0
Per Headcount	0	0	0	0	0
Per FTSE	0	0	0	0	0
Per Capita (Pima County)	0	0	0	0	0
Other Debt					
Revenue Bonds	57,415	0	0	0	0
Capital Lease Obligations	2,300	1,329	0	0	0
Total Outstanding Debt	**$ 59,715**	**$ 1,329**	**$ 0**	**$ 0**	**$ 0**
Per Headcount	1.47	0.03	0	0	0
Per FTSE	4.25	0.09	0	0	0
Per Capita (Pima County)	0	0	0	0	0

	Fiscal Year				
	2014	**2013**	**2012**	**2011**	**2010**
General Bonded Debt					
Total General Bonded Debt	$ 0	$ 1,355	$ 3,280	$ 5,100	$ 14,635
Per Headcount	0	0.03	0.06	0.08	0.24
Per FTSE	0	0.07	0.15	0.23	0.66
Per Capita (Pima County)	0	0	0	0	0.01
Other Debt					
Revenue Bonds	0	0	0	0	0
Capital Lease Obligations	0	0	3,365	3,615	3,855
Total Outstanding Debt	**$ 0**	**$ 1,355**	**$ 6,645**	**$ 8,715**	**$ 18,490**
Per Headcount	0	0.03	0.11	0.14	0.30
Per FTSE	0	0.07	0.30	0.38	0.84
Per Capita (Pima County)	0	0	0.01	0.01	0.02

Source: District Records. Per Capita calculations based on forecasted population from "Arizona's Economy" magazine, Fall Issues. https://www.azeconomy.org

Pima County Community College District
Debt Capacity

Revenue Bond Coverage
Last Ten Fiscal Years [1]

Fiscal Year	Gross Revenues [2]	Debt Service Requirements Principal	Interest	Total	Coverage
2019	$ 37,801,250	$ 0	$ 0	$ 0	N/A
2018	0	0	0	0	N/A
2017	0	0	0	0	N/A
2016	0	0	0	0	N/A
2015	0	0	0	0	N/A
2014	0	0	0	0	N/A
2013	0	0	0	0	N/A
2012	0	0	0	0	N/A
2011	0	0	0	0	N/A
2010	0	0	0	0	N/A
Totals	**$ 37,801,250**	**$ 0**	**$ 0**	**$ 0**	

Source: District Records

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

Pima County Community College District
Debt Capacity

Ratio of General Bonded Debt to Assessed Value and Net Bonded Debt per Capita
Last Ten Fiscal Years, as of June 30, 2019
Dollars in Thousands

Fiscal Year	General Obligation Bond Debt	Secondary Net Assessed Value	Percent Net General Bond Debt to Assessed Value	Population at July 1	Net General Bonded Debt per Capita
2019	$ 0	$9,030,169	0.00%	1,042,100	$ 0
2018	0	8,508,990	0.00%	1,032,900	0
2017	0	8,262,665	0.00%	1,018,600	0
2016	0	7,906,190	0.00%	1,016,700	0
2015	0	7,579,899	0.00%	1,022,100	0
2014	0	7,623,691	0.00%	1,007,200	0
2013	1,355	8,171,212	0.02%	996,000	0
2012	3,280	8,448,282	0.04%	990,400	0
2011	5,100	9,342,561	0.05%	986,100	0.01
2010	14,635	9,860,981	0.15%	981,200	0.01

Source: District Records; secondary net assessed values and population from Pima County Department of Finance (Fiscal years 2010-2018, CAFR. June 30, 2019 statistics were unavailable at time of publication); Pima County Department of Finance (Fiscal year 2018-2019 adopted budget), and Fall 2019 issue of "Arizona's Economy", http://ebr.eller.arizona.edu.

Pima County Community College District
Debt Capacity

Computation of Direct and Overlapping Governmental Debt Outstanding

At June 30, 2018 [1]

Dollars in thousands

Governmental unit	Debt Outstanding	Amount Overlapping [3]
Debt repaid with property tax		
City of Tucson	$ 174,640	$ 174,640
School Districts	619,165	619,165
Total Overlapping		$ 793,805
Debt repaid with property tax		
Pima County [2]	$ 288,182	$ 288,182
Pima County Community College District	1,328	1,328
Total Direct		$ 289,510
Other Debt:		
Certificates of Participation	$ 166,617	$ 166,617
Installment note payable	2,078	2,078
Capital Lease Payable	38	38
Transportation bonds	85,508	85,508
Total other debt		$ 254,241
Total direct, overlapping, and other debt		$ 1,337,556

Source: District Records and Pima County Department of Finance (June 30, 2018 CAFR)

Notes: (1) June 30, 2019 amounts were unavailable at the time of publication.

(2) Excludes improvement districts.

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

Pima County Community College District
Debt Capacity

Ratio of Direct and Overlapping Debt to Property Values and per Capita
Last Ten Fiscal Years, as of June 30, 2018
Dollars in Thousands

Fiscal Year	Total Overlapping Debt	Secondary Net Assessed Value	Percentage of Assessed Value	Population at July 1 [1]	Debt per Capita
2018	$1,337,556	$ 8,508,990	15.72%	1,034,000	$ 1.294
2017	1,393,757	8,262,665	16.87%	1,025,000	1.360
2016	1,445,104	7,906,190	18.28%	1,016,700	1.421
2015	1,501,691	7,579,899	19.81%	1,022,100	1.469
2014	1,153,220	7,623,691	15.13%	1,007,200	1.145
2013	1,311,417	8,171,212	16.05%	996,000	1.317
2012	1,284,219	8,448,282	15.20%	990,400	1.297
2011	1,335,431	9,342,561	14.29%	986,100	1.353
2010	1,302,802	9,860,981	13.21%	981,200	1.328
2009	1,213,050	9,594,862	12.64%	984,300	1.232

Source: Pima County Department of Finance (June 30, 2018 CAFR). June 30, 2019 statistics were unavailable at the time of publication

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

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

Pima County Community College District
Debt Capacity

Legal Debt Margin
Last Ten Fiscal Years
Dollars in Thousands

	2019	2018	2017	2016	2015
Assessed Value	$ 9,030,169	$ 8,508,990	$ 8,262,665	$ 7,906,190	$ 7,579,899
Legal Debt Margin					
Debt Limit (15% of assessed value)	1,354,525	1,276,348	1,239,400	1,185,929	1,136,985
Debt applicable to limit:					
General obligation bonds	0	0	0	0	0
Leases	2,300	1,329	0	0	0
Total net debt applicable to the limit	2,300	1,329	0	0	0
Legal debt margin	**$ 1,352,225**	**$ 1,275,019**	**$ 1,239,400**	**$ 1,185,929**	**$ 1,136,985**
Total net debt applicable to the limit as a percentage of debt limit.	0.17%	0.10%	0.00%	0.00%	0.00%

	2014	2013	2012	2011	2010
Assessed Value	$ 7,623,691	$ 8,171,212	$ 8,448,282	$ 9,342,561	$ 9,860,981
Legal Debt Margin					
Debt Limit (15% of assessed value)	1,143,554	1,225,682	1,267,242	1,401,384	1,479,147
Debt applicable to limit:					
General obligation bonds	0	1,355	3,280	5,100	14,635
Leases	0	0	3,365	3,615	4,451
Total net debt applicable to the limit	0	1,355	6,645	8,715	19,086
Legal debt margin	**$ 1,143,554**	**$ 1,224,327**	**$ 1,260,597**	**$ 1,392,669**	**$ 1,460,061**
Total net debt applicable to the limit as a percentage of debt limit.	0.00%	0.11%	0.52%	0.62%	1.29%

Source: District records and Pima County Department of Finance (June 30, 2017 CAFR and FY 2017-2018 Adopted Budget)

Pima County Community College District
Demographic and Economic Information

Schedule of Principal Employers
Most Recent Year and Nine Years Prior as of 2019

	2019			2010		
Employer	**FTE** [1]	**Rank**	**Percent of Total County Employment**	**FTE** [1]	**Rank**	**Percent of Total County Employment**
University of Arizona	16,217	1	3.2%	10,363	2	2.1%
Raytheon Missile Systems	11,295	2	2.3%	12,140	1	2.5%
Pima County	7,697	3	1.5%	6,511	7	1.3%
Davis-Monthan Air Force Base	7,211	4	1.4%	7,755	4	1.6%
Tucson Unified School District No. 1	6,872	5	1.4%	7,012	6	1.4%
State of Arizona	6,654	6	1.3%	8,708	3	1.8%
Banner - University Medicine [2]	6,499	7	1.3%	*		
Wal-Mart Stores Inc.	4,414	8	0.9%	7,192	5	1.5%
City of Tucson	4,093	9	0.8%	5,399	9	1.1%
Tucson Medical Center	3,987	10	0.8%	*		
U.S. Army Intelligence Center of Excellence & Fort Huachuca	*			6,236	8	1.3%
Carondelet Health Network	*			4,566	10	0.9%
Total	74,939		15.0%	75,882		15.5%
Total Work Force	500,018			488,500		

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

Source: The University of Arizona Comprehensive Annual Financial Report, Fiscal Year 2019.
Notes:
(1) FTE equals approximate full time equivalent employment.
(2) Formerly UA Healthcare, and, The University of Arizona Health Network.

Pima County Community College District
Demographic and Economic Information

Schedule of Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	County Population	Countywide Personal Income (in thousands)	Countywide Personal Income per Capita	Countywide Unemployment Rate
2019	1,042,100	$46,615,000	$44,732	5.0%
2018	1,032,900	$43,223,000	$41,846	4.4%
2017	1,018,600	$41,350,000	$40,595	4.9%
2016	1,015,500	$40,359,000	$39,743	5.7%
2015	1,015,100	$39,106,000	$38,524	5.5%
2014	1,002,700	$37,867,000	$37,765	6.9%
2013	996,700	$36,838,000	$36,960	7.6%
2012	990,300	$37,000,000	$37,362	9.7%
2011	976,900	$36,696,700	$37,564	9.1%
2010	1,030,700	$34,974,000	$33,932	8.6%

Source: 2019 Population and personal income data are forecast estimates obtained from "Arizona's Economy" magazine's Forecast Tables. Countywide unemployment rate for June 2019 obtained from "Arizona Economy" magazine's Arizona Economic Indicators for the Tucson Metropolitan Statistical Area (MSA). October 2019: Fall Issue. http://www.ebr.eller.arizona.edu and District Records.

Pima County Community College District
Operating Information

Administrators, Faculty and Staff Statistics
Last Ten Fiscal Years

	Fiscal Year									
	2019	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Administrators										
Regular	45	50	48	51	56	56	55	54	53	53
Faculty										
Regular	327	347	360	391	390	391	391	391	392	388
Adjunct	558	551	516	519	547	569	630	692	772	742
Staff										
Regular	987	1,058	1,084	1,121	1,090	1,051	1,019	1,059	1,037	1,016
Temporary	139	139	141	144	157	168	162	192	197	206
Student	22	27	26	25	35	38	39	39	33	52

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

Pima County Community College District
Operating Information

Admissions, Enrollment and Degree Statistics
Last Ten Fiscal Years

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Students Statistics [2, 3]										
Part-Time %	69%	68%	69%	68%	68%	67%	66%	66%	66%	66%
Full-Time %	31%	32%	31%	32%	32%	33%	34%	34%	34%	34%
Degrees Awarded	2,278	2,351	2,585	2,626	2,721	2,644	2,634	2,549	2,282	2,162
Certificates Awarded	2,852	3,018	3,062	3,365	3,013	2,880	2,856	2,622	2,775	2,471
Ethnicity										
Hispanic/Latino %	44%	41%	41%	41%	39%	38%	36%	33%	30%	27%
Black or African American %	5%	5%	5%	4%	4%	5%	5%	5%	4%	4%
Asian %	3%	3%	3%	3%	3%	3%	4%	4%	4%	4%
American Indian or Alaska Native %	2%	2%	2%	2%	2%	2%	2%	3%	2%	3%
Two or More Races %	2%	4%	4%	4%	3%	3%	3%	3%	4%	0%
White %	38%	41%	41%	42%	43%	45%	47%	47%	47%	52%
Not Reported %	6%	4%	4%	4%	6%	4%	3%	5%	9%	10%
Gender										
Male %	43%	43%	44%	44%	44%	45%	45%	44%	44%	45%
Female %	51%	51%	50%	50%	51%	51%	52%	53%	54%	53%
Not Reported %	6%	6%	6%	6%	5%	4%	3%	3%	2%	2%

Source: District Records

Note: (1) Starting in Fall 2010, PCCCD transitioned to new race/ethnicity categories as mandated by the Federal Integrated Postsecondary Education Data System. A survey was carried out during Fall 2010 in which students were asked if they were Hispanic or Latino and to select one or more of five race categories. If they selected "Yes" to Hispanic/Latino then they are counted in that category. If they responded "No", they were counted in the other categories. Students could choose more than one race and those students are reported as "Two or More Races." If students did not respond to the survey, they were mapped to the new categories based on data from previous semesters (if available). All other students were reported as unknown.

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

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

Pima County Community College District
Operating Information

Historic Enrollment – Headcount and Full Time Student Equivalent (FTSE)
Last Ten Fiscal Years

	Fiscal Year									
	2019	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Headcount										
Total District	40,557	40,983	41,976	42,787	44,513	49,504	53,550	59,303	62,973	61,961

	Fiscal Year									
	2019	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
FTSE										
Campus										
Community	3,588	3,351	2,963	2,264	2,145	2,255	2,500	2,688	2,902	2,860
Desert Vista	1,215	1,291	1,358	1,728	1,749	1,882	1,998	2,317	2,373	2,045
Downtown	2,079	2,341	2,517	2,655	2,948	3,411	3,773	4,271	4,441	4,346
East	1,568	1,730	1,804	2,152	2,437	2,652	2,845	3,302	3,520	3,461
Northwest	1,323	1,497	1,543	1,663	1,972	2,182	2,382	2,881	2,987	2,756
West	3,600	3,777	3,704	4,091	4,358	4,747	5,188	5,702	5,886	5,787
Center for Training & Development	214	197	255	235	201	245	256	296	342	245
Public Safety Institute	471	600	635	594	648	589	572	570	455	521
Total District	14,058	14,784	14,779	15,382	16,458	17,963	19,514	22,027	22,906	22,021

Source: District Records

Pima County Community College District
Operating Information

Schedule of Capital Asset Information
Last Ten Fiscal Years

	Fiscal Year				
	2019	2018	2017	2016	2015
Computer / Audio Visual	$ 6,151,466	$ 6,261,708	$ 6,941,501	$ 7,151,494	$ 7,035,466
Education & Recreation	1,050,203	1,041,380	1,041,380	809,372	837,034
Library Books	6,662,764	6,630,026	7,052,667	7,307,717	7,165,411
Medical & Technical	10,905,113	11,840,597	11,206,162	10,765,663	9,992,965
Office Equipment & Furniture	325,043	285,676	158,526	199,884	216,382
Other	6,730,333	5,538,675	4,874,522	4,675,145	3,933,473
Physical Plant	1,061,313	1,672,125	1,782,590	1,881,053	2,006,180
Vehicles	4,387,332	3,928,535	3,816,431	3,766,376	3,720,857
Buildings	190,452,158	190,452,158	190,452,158	190,452,158	189,947,916
Construction in Progress	5,836,825	2,361,583	47,392	0	0
Land	10,971,088	10,971,088	10,971,088	10,971,088	10,971,088
Land Improvements	4,320,223	4,320,223	4,320,223	4,320,223	4,320,223
Leasehold Improvements	3,260,062	3,260,062	3,260,062	3,260,062	3,260,062
	$ 252,113,923	$ 248,563,836	$ 245,924,702	$ 245,560,235	$ 243,407,057

	Fiscal Year				
	2014	2013	2012	2011	2010
Computer / Audio Visual	$ 6,920,823	$ 7,923,704	$ 8,025,772	$ 8,417,256	$ 9,582,667
Education & Recreation	923,817	1,217,677	1,192,609	1,113,565	1,146,282
Library Books	7,322,133	7,401,241	7,248,861	7,089,440	6,839,290
Medical & Technical	8,661,480	7,390,865	6,033,567	5,421,527	5,203,044
Office Equipment & Furniture	250,107	421,304	479,842	563,088	917,161
Other	3,507,462	3,218,678	2,259,692	2,134,436	1,912,687
Physical Plant	1,980,542	2,127,709	2,242,208	2,242,137	2,208,687
Vehicles	3,664,253	3,606,332	3,441,151	3,332,506	3,374,845
Buildings	189,670,381	178,676,673	178,480,684	178,480,684	178,365,580
Construction in Progress	0	3,851,830	1,450,322	171,778	0
Land	10,971,088	10,971,088	10,971,088	10,971,088	10,971,088
Land Improvements	4,320,223	4,320,223	4,320,223	4,320,223	4,320,223
Leasehold Improvements	3,260,062	3,260,062	3,260,062	3,385,100	3,385,100
	$ 241,452,371	$ 234,387,386	$ 229,406,081	$ 227,642,828	$ 228,226,654

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

Pima County Community College District
Operating Information

Statutory Limit to Budgeted Expenditures - Expenditure Limitation

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

Fiscal Year	Statutory Expenditure Limitation [1]	Budgeted Expenditures Subject to the Limitation [2]	Unused Legal Limit
2018	$ 101,399,448	$ 101,399,447	$ 1
2017	$ 100,884,152	$ 100,884,151	$ 1
2016	$ 114,444,168	$ 105,319,375	$ 9,124,793
2015	$ 112,293,950	$ 110,712,581	$ 1,581,369
2014	$ 115,829,735	$ 108,736,671	$ 7,093,064
2013	$ 126,021,541	$ 126,021,540	$ 1
2012	$ 125,892,320	$ 125,892,319	$ 1
2011	$ 122,989,612	$ 122,989,611	$ 1
2010	$ 105,379,583	$ 105,379,582	$ 1
2009	$ 98,068,940	$ 98,068,939	$ 1
2008	$ 92,895,350	$ 92,895,349	$ 1

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

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

(2) Budgeted expenditures are net of allowable exclusions.

Links to Additional Information

Additional information about Pima Community College is available on our website: www.pima.edu. Specific information related to this Comprehensive Annual Financial Report includes:

Glossary for Financial Reports: www.pima.edu/about-pima/reports/finance-reports/docs-annual-financial/PCC-FinancialStatements-Glossary.pdf.

PCC Finance webpage: www.pima.edu/administrative-services/finance/index.html. Including links to:

1) Property Tax information and Understanding Property Tax whitepaper
2) Metrics comparing PCC to other Arizona Community Colleges
3) Financial Indicators
4) PCC Financial Ratios
5) Revenue Bond and Bond Ratings
6) Finance Newsletters

PCC Financial Reports webpage: www.pima.edu/about-pima/reports/finance-reports/index.html. Including links to:

1) Economic Impact Report
2) PCC Monthly Financial Reports
3) PCC Annual Budget and General Fund Budget Detail
4) PCC Comprehensive Annual Financial Reports (CAFR) FY 2005-present
5) State of Arizona Office of the Auditor General reports, including:
    a) Highlights from Audits
    b) Reports on Internal Control and Compliance
    c) Expenditure Limitation Reports
    d) A-133 Single Audit Reports
    e) Audited Full-Time Equivalent Student Enrollment Report (FTSE)

PCC Budget webpage: www.pima.edu/administrative-services/finance/budget/index.html. Including links to:

1) Budget related documents by fiscal year
2) Financial related presentations made to the College Community
3) Employee Salary Look-up
4) Strategic Planning Committee documents

PCC Governing Board's Finance and Audit Committee webpage: www.pima.edu/about-pima/board-of-governors/board-committees/finance-audit-committee/index.html. Including links to:

1) Meeting resources
2) Agendas, Notices, Supporting Material, and Meeting Minutes
3) Annual Reports to the Governing Board
4) Committee Membership

PCC Reports webpage: www.pima.edu/about-pima/reports/index.html. Including links to:

1) Student Reports: www.pima.edu/about-pima/reports/student-reports/index.html
2) Federal Reporting: www.pima.edu/about-pima/reports/federal-reporting/index.html
3) Financial Reports: www.pima.edu/about-pima/reports/finance-reports/index.html
4) Other Reports: www.pima.edu/about-pima/reports/other-reports/index.html

PCC Accreditation webpage: www.pima.edu/about-pima/accreditation/index.html

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