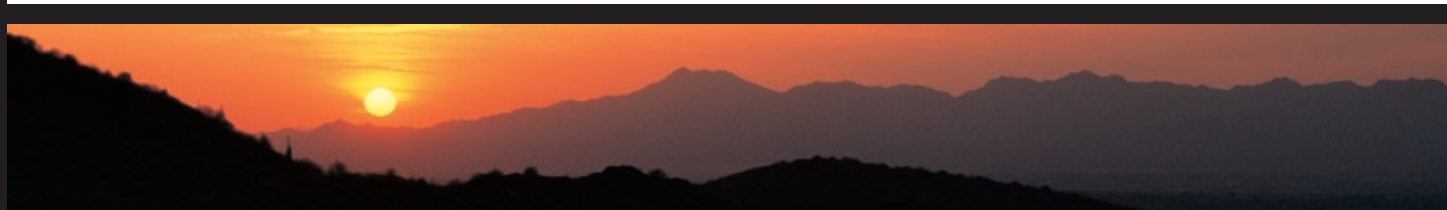




Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2008



PimaCountyCommunityCollegeDistrict



PimaCountyCommunityCollegeDistrict
4905D East Broadway Boulevard
Tucson, Arizona 85709-1220

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2008

Prepared by

District Finance Office
Budget and Reporting Department

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Introductory Section



PimaCountyCommunityCollegeDistrict



PimaCountyCommunityCollegeDistrict

December 3, 2008

The Governing Board 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, 2008.

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 13 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) and 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. In accordance with GASB Statement Nos. 14 and 39, the financial reporting entity consists of a primary reporting entity and one component unit. 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 Statement 39.

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.

Classes were first offered in the fall of 1970 utilizing temporary facilities until the original West Campus facility on Anklam Road west of I-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 and has developed innovative instruction methods including supervised, individualized instruction with video/CD lessons.

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.

The Community Campus was opened near St. Mary's Road and Interstate 10 in January of 1997. Community Campus classes also meet at more than 100 facilities throughout southern Arizona, including Davis-Monthan Air Force Base, Green Valley and locations throughout the Tucson area. 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 is at the center of the College's distance education programs, offered via cable TV, interactive video and the internet.

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 to raise funds for the purpose of providing scholarships, grants, and awards to deserving students and outstanding faculty, staff and administrators at the College.

Organization and Administration

The Governing Board of the College (the Governing Board) is comprised of five members. Each member is elected for a six-year term from one of the five precincts of the College District. The administrative staff of the College, led by the Chancellor, is responsible for the operation and administration of all College functions.

Service Area

Pima County (the 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. Approximately 60 percent of the 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, the County is today the second most populous in Arizona, with a total population in excess of 1,016,600.

The City of Tucson is the economic and transportation center of the County, as well as southern Arizona. Tucson is situated on Interstate 10 connecting 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, national and international air 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. Figures from the Arizona Department of Economic Security indicate that, as of July 2008, 460,200 persons were employed in the County, up from 438,700 in July of 2007.

Economic Condition and Outlook

Pima County's economic condition began to decline, consistent with the rest of the state and the country during fiscal year 2008. The County's population increased from 1,002,800 to 1,016,600 during 2008, an increase of 1.4 percent. Employment trends showed that the number of jobs decreased over the year, and the unemployment rate increased from 3.3 percent at June 30, 2007, to 4.7 percent at June 30, 2008. Retail sales increased by only 0.7 percent and the total dollar volume of housing sales for July 2008 decreased by 30.1 percent from July 2007. Airline passenger traffic at Tucson International Airport increased by 3.6 percent from July 2007 to July 2008.

During the fiscal year 2009, the County's economy is projected to continue to decline. Historically, in times of declining economy, enrollment in higher education increases. The College experienced increased enrollment of 2.1 % for fiscal year 2008 and enrollment for the fall 2008 term is currently up from the prior year by almost 5%. According to forecasts published by the University of Arizona in the October 2008 issue of "Arizona's Economy", moderate population gains are projected to continue, with the population increasing by 1.5 percent in 2008 and by 1.6 percent in 2009. Other economic gains projected for 2008 include a 4.7 percent for personal income and 1.3 percent for retail sales.

Major Program Initiatives

The College completed the 2006-2008 College Plan Final Report. The 2006-2008 College Plan included five initiatives, 37 strategies and 201 activities. The College completed 99% of the proposed activities.

Future Program Initiatives

The 2008-2011 College Plan was accepted by the Board of Governors on May 14, 2008. The initiatives in the new plan are: 1) provide evidence of student learning and teaching effectiveness; 2) improve student success in developmental education; 3) redesign student services; 4) create foundations for creativity and innovation; 5) improve the use of physical assets; 6) master technology; and 7) strengthen administrative operations.

In addition, the College will prepare the first draft of the self study report as part of the reaccreditation process by the Higher Learning Commission of the North Central Association of Colleges and Schools during fiscal year 2009.

Fiscal Integrity and Oversight

Internal Controls

The College's District Finance Office is responsible for establishing and maintaining a system of internal controls designed to ensure that the assets of the College are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements that conform to generally accepted accounting principles. The College's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The College's Internal Auditor periodically reviews, and recommends improvements for internal controls in all operational and financial areas of the College. This position reports directly to the Chancellor.

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 demonstrates compliance with statutory expenditure limits by issuing an annual budgeted expenditure limitation report, which is audited by the Auditor General.

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 levy limit for the College.

Cash Management and Investments

The College complies with the Arizona Revised Statutes relating to the investment of idle funds. The responsibility for such investments is entrusted to the Governing Board and facilitated through the District Finance Office.

College funds are deposited with local financial institutions. Amounts that are not needed for current operations are invested in the State Treasurer's Local Government Investment Pool (LGIP) and in federal and federally-sponsored agency securities.

Risk Management

College operations include a risk management function that endeavors to minimize the probability of loss through risk identification and analysis. Risk is reduced through the implementation of activities such as safety and loss control programs, the utilization of risk financing, and risk transfer techniques including the review and standardization of contract provisions and the purchase of insurance.

Independent Audit

The Office of the Auditor General for the State of Arizona conducts the annual financial audit for the College. 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, 2008, the College received an unqualified opinion.

A local independent accounting firm conducts the annual financial audit for the Foundation. The Foundation also received an unqualified opinion for the fiscal year ending June 30, 2008.

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, 2007. This was the sixteenth consecutive year that the College has received 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 current CAFR continues to meet the Certificate of Achievement Program's requirements and will be submitted to the GFOA to determine its eligibility for another certificate.

Acknowledgements

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

Respectfully submitted,

David W. Bea, Ph.D.
Executive Vice Chancellor
for Administration

Susan Diane Groover
Assistant Vice Chancellor
for Finance and Controller

Dian L. Moore
Director of Budget & Reporting

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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, 2007

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



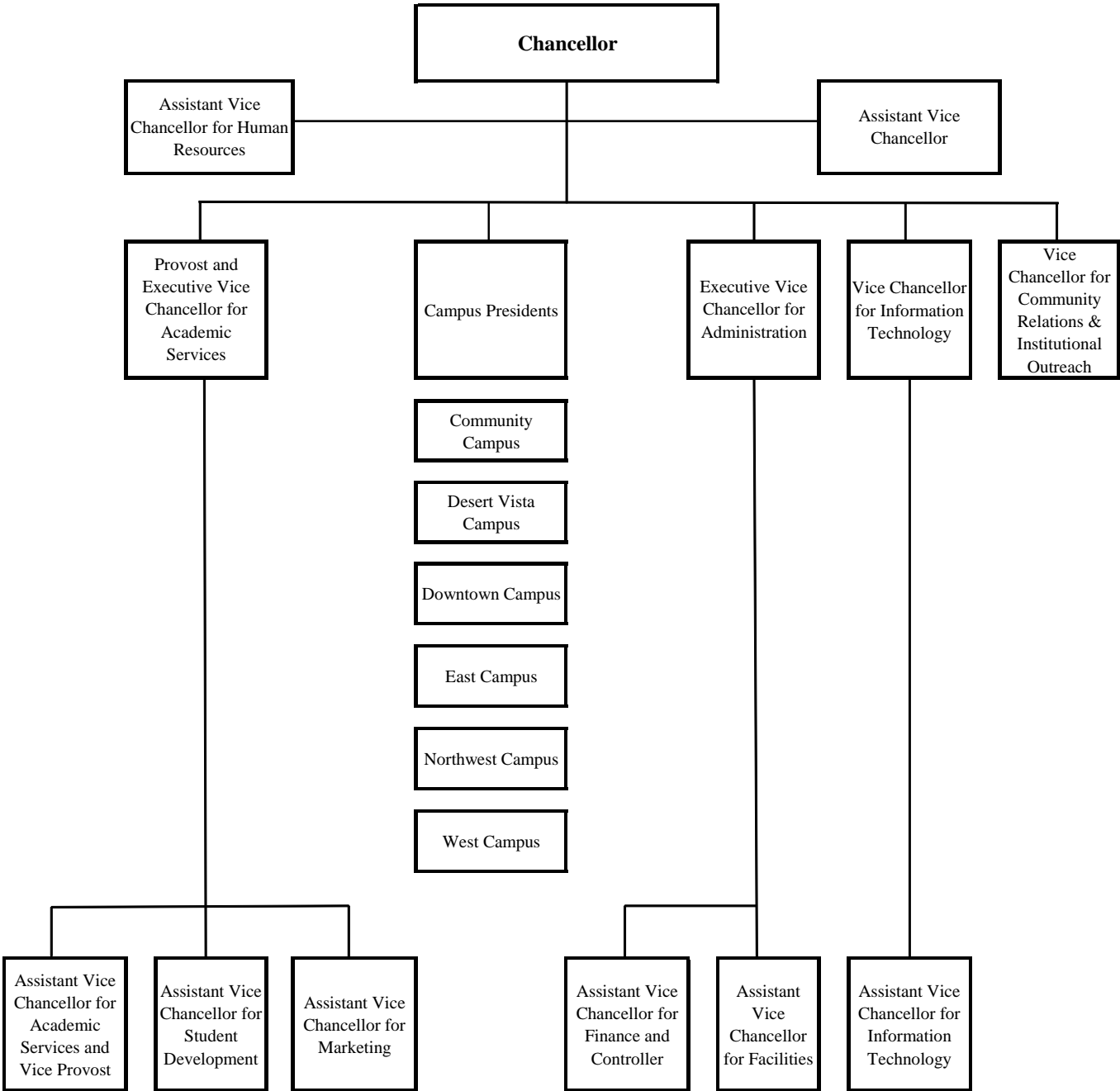
Oliver S. Cox

President

Jeffrey R. Egan

Executive Director

Organization Chart



List of Principal Officers

Governing Board Members

Scott A. Stewart, Chairman, District 4
Dr. Brenda B. Even, Secretary, District 1
Richard G. Fimbres, Member, District 2
Sherryn S. Marshall, Member, District 3
E. Marty Cortez, Member, District 5

District Administration

Dr. Roy Flores, Chancellor
Dr. Suzanne L. Miles, Provost and Executive Vice Chancellor for Academic Services
Dr. David W. Bea, Executive Vice Chancellor for Administration
Dr. Raul Ramirez, Vice Chancellor for Community Relations and Institutional Outreach
Kirk R. Kelly, Vice Chancellor for Information Technology

Brigid Murphy, Assistant Vice Chancellor for Academic Services and Vice Provost
Dr. Robert Riza, Assistant Vice Chancellor for Student Development
Vacant, Assistant Vice Chancellor for Marketing
S. Diane Groover, Assistant Vice Chancellor for Finance and Controller
William R. Ward, Assistant Vice Chancellor for Facilities
Arthur P. Leible, Assistant Vice Chancellor for Information Technology
Lynne Wakefield, Assistant Vice Chancellor for Human Resources
Donna H. Gifford, Assistant Vice Chancellor

Campus Administration

Jana B. Kooi, President, Community Campus
Dr. Christal Albrecht, President, Desert Vista Campus
Dr. Johnson Bia, President, Downtown Campus
Charlotte A. Fugett, President, East Campus
Dr. Sylvia M. Lee, President, Northwest Campus
Dr. Louis S. Albert, President, West Campus

College Mission

College Vision

Pima Community College will provide access to learning without the limits of time, place or distance.

College Values

We value:

- Accountability
- Diversity
- Innovation
- Integrity
- People
- Quality

Mission Statement

The mission of Pima Community College is to develop our community through learning.

College Goals

- To improve access to all College programs and services.
- To provide excellent teaching and responsive student services.
- To prepare a highly skilled workforce.
- To create student-centered partnerships with colleges and universities.
- To provide effective developmental and adult basic education.
- To create partnerships with business and industry, the local schools, government and other constituencies, that enhance the community.
- To foster responsible civic engagement.

Financial Section



PimaCountyCommunityCollegeDistrict



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

Independent Auditors' Report

Members of the Arizona State Legislature

The Governing Board of
Pima County Community College District

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of Pima County Community College District as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the discretely presented component unit were not audited by the other auditors in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of Pima County Community College District as of June 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement Nos. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* and 50, *Pension Disclosures (an amendment of GASB Statements No. 25 and No. 27)*, for the year ended June 30, 2008, which represent changes in accounting principles.

The Management's Discussion and Analysis on pages 13 through 18 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

Debbie Davenport
Auditor General

December 3, 2008

Management's Discussion and Analysis

Introduction

The Management's Discussion and Analysis section of the College's Comprehensive Annual Financial Report presents management's discussion and analysis of the College's financial activity for the fiscal year ended June 30, 2008. Please read it in conjunction with the transmittal letter on page 1 and the financial statements and accompanying notes, which begin on page 20.

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 for the presentation of financial activity and balances in a consolidated, single-column, entity-wide format. The Foundation's activity is presented in a separate column for each statement, except for the *Statement of Cash Flows*, in which the Foundation's activity was not presented as per the GASB rules stated above.

The Statement of Net Assets presents the financial position of the College as of June 30, 2008. It reflects the various assets owned or controlled by the College and the Foundation, the related liabilities and other obligations, and the various categories of net assets. Net assets is an accounting concept defined as total assets less total liabilities, and represents the organization's equity or ownership in the total assets of the College.

The Statement of Revenues, Expenses and Changes in Net Assets presents the College's and Foundation's results of operations for the fiscal year. It reflects the various types of revenues and expenses, both operating and nonoperating, and links the year's results of operations back to the *Statement of Net Assets* by reconciling the beginning of the year net assets amount to the end of the year net assets amount.

The Statement of Cash Flows presents the inflows and outflows of cash and cash equivalents 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 Assets* described above.

The focus of this report is on the primary government's overall financial position, financial condition, and results of operations and cash flows for the fiscal year ended June 30, 2008. 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 Assets

The College's overall financial position improved in fiscal year 2008 with total net assets increasing by \$13.1 million. This reflects increases of \$6.5 million in amounts invested in capital assets, \$9.1 million in

Management's Discussion and Analysis

unrestricted net assets and a decrease of \$2.5 million in restricted net assets. The increase in total net assets is higher than in the fiscal year 2007, in which total net assets increased by \$10.9 million. The College continues to have sufficient reserves to meet all current obligations.

Current assets increased by \$10.4 million as a result of increased cash and cash equivalents from the positive results of operations. Noncurrent assets decreased by \$1.6 million, primarily due to a reduction in long-term investments and a reduction in restricted cash and cash equivalents required for debt service payments. Capital assets decreased by \$6.8 million mainly in the buildings and improvements and equipment categories due to depreciation, as discussed below. Other liabilities increased by \$1.1 million, primarily in accounts payable, primarily due to the timing of the payment of year-end obligations. Long-term liabilities decreased by \$12.5 million, primarily due to scheduled long-term debt payments. This category now includes the current portion of long-term liabilities for both fiscal year 2007 and fiscal year 2008.

Statement of Revenues, Expenses and Changes in Net Assets

Compared to the prior year, total revenues increased by \$8.3 million, while total expenses increased by \$6.0 million. Tuition and fee revenues increased by \$3.9 million primarily due to increased enrollment and increased tuition and fee rates. Property tax revenue increased by \$6.3 million, principally due to increased property valuations and new construction. Gifts and other nonoperating revenues decreased due to fewer gifts received. Investment income decreased by \$0.8 million due to lower interest rates. Contracts revenue decreased by \$0.6 million, due to a lower volume of instructional contracts, primarily in the Community Campus Workforce and Business Development area. Federal grants, now classified as nonoperating revenues, increased by \$1.0 million, primarily due to increased Pell grants awarded to students. State and local grants, now classified as nonoperating revenues, increased by \$0.3 million due to increased grants received in the Community Campus Adult Education area. Capital gifts and grants decreased due to a one-time \$1 million grant from a private foundation to fund improvements in facilities and capital equipment purchases for the nursing and radiology instructional programs, which was received in fiscal year 2007.

All operating expense categories increased except student financial aid and depreciation. The increases are primarily due to increased salaries and benefits for all employee groups. Student financial aid decreased due to fewer scholarships awarded to students. Interest on capital asset-related debt decreased due to the decrease in long-term debt outstanding.

Capital Assets and Debt Administration

Total net capital assets decreased by \$6.8 million, to \$135.7 million, a 4.8% decrease from the prior year. This decrease is primarily due to depreciation on existing buildings and equipment. Note 3 to the basic financial statements, on page 28, includes additional information on capital asset activity and descriptions of the asset categories.

During fiscal year 2008, the College reduced its outstanding long-term debt by \$13.3 million. At June 30, 2008, the College had five outstanding debt issues totaling \$44.4 million. Note 4 to the basic financial statements beginning on page 28 shows additional detail on bond issues and long-term obligations.

Management's Discussion and Analysis

Condensed Financial Information

Summarized Schedule of Assets, Liabilities and Net Assets

	As of <u>June 30, 2008</u>	As of <u>June 30, 2007</u>	<u>% Change</u>
<u>Assets</u>			
Current Assets	\$ 91,225,927	\$ 80,836,765	12.9%
Noncurrent Assets – Restricted	1,713,252	3,295,265	-48.0%
Capital Assets, net	135,717,290	142,485,720	-4.8%
Other Noncurrent Assets	3,992,694	4,348,782	-8.2%
Total Assets	<u>232,649,163</u>	<u>230,966,532</u>	0.7%
<u>Liabilities</u>			
Other Liabilities	12,149,847	11,031,750	10.1%
Long-term Liabilities	51,584,228	64,118,115	-19.5%
Total Liabilities	<u>63,734,075</u>	<u>75,149,865</u>	-15.2%
<u>Net Assets</u>			
Invested in Capital Assets (net of related debt)	91,317,290	84,835,720	7.6%
Restricted Net Assets	7,415,875	9,894,749	-25.1%
Unrestricted Net Assets	70,181,923	61,086,198	14.9%
Total Net Assets	<u>\$168,915,088</u>	<u>\$155,816,667</u>	8.4%

Summarized Schedule of Revenues, Expenses and Changes in Net Assets

	For the year ended <u>June 30, 2008</u>	For the year ended <u>June 30, 2007*</u>	<u>% Change</u>
Operating Revenues			
Tuition and Fees (net of allowances)	\$ 30,540,815	\$ 26,598,153	14.8%
Contracts	4,056,206	4,653,215	-12.8%
Other Operating Revenues	2,710,118	2,531,663	7.0%
Total Operating Revenues	<u>37,307,139</u>	<u>33,783,031</u>	10.4%
Total Operating Expenses	162,135,039	155,646,500	4.2%
Operating Loss	(124,827,900)	(121,863,469)	2.4%
Nonoperating Revenues (Expenses)			
Property Taxes	87,864,083	81,545,867	7.7%
State Appropriations	19,593,500	19,593,500	0.0%
Federal Grants	21,535,563	20,516,659	5.0%
State and Local Grants	2,111,608	1,796,011	17.6%
Investment Income	3,686,392	4,484,818	-17.8%
Other Nonoperating Revenues	2,663,351	3,786,312	-29.7%
Interest on Capital Asset-Related Debt	(2,589,150)	(3,171,063)	-18.4%
Gain/(Loss) on Capital Asset Disposal	(100,080)	(122,363)	-18.2%
Other Nonoperating Expenses	(171,472)	(24,160)	609.7%
Net Nonoperating Revenues	<u>134,593,795</u>	<u>128,405,581</u>	4.8%
Excess before Capital Appropriations, Gifts and Grants	9,765,895	6,542,112	49.3%
Capital Appropriations, Gifts and Grants	3,332,526	4,314,126	-22.8%
Increase in Net Assets	13,098,421	10,856,238	20.7%
Net Assets, beginning of year	<u>155,816,667</u>	<u>144,960,429</u>	7.5%
Net Assets, end of year	<u>\$168,915,088</u>	<u>\$155,816,667</u>	8.4%

*Federal, state and local grant revenues were reclassified to non-operating revenues for comparison purposes.

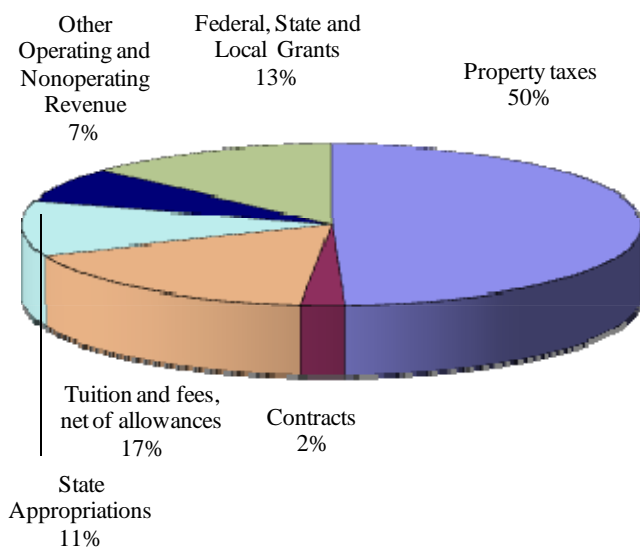
Management's Discussion and Analysis

Revenues by Source

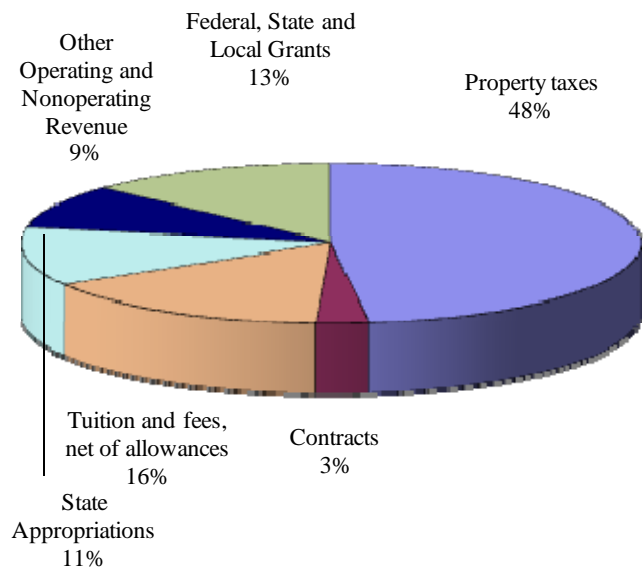
	<u>FY 2008</u>	<u>FY 2007*</u>	<u>\$ Change</u>	<u>% Change</u>
<u>Operating Revenues</u>				
Tuition and Fees (net of allowances)	\$ 30,540,815	\$ 26,598,153	\$ 3,942,662	14.8%
Contracts	4,056,206	4,653,215	(597,009)	-12.8%
Commissions and Rents	1,484,209	1,415,147	69,062	4.9%
Other Operating Revenues	1,225,909	1,116,516	109,393	9.8%
Total Operating Revenues	37,307,139	33,783,031	3,524,108	10.4%
<u>Nonoperating Revenues</u>				
Property Taxes	87,864,083	81,545,867	6,318,216	7.7%
State Appropriations	19,593,500	19,593,500	0	0.0%
Federal Grants	21,535,563	20,516,659	1,018,904	5.0%
State and Local Grants	2,111,608	1,796,011	315,597	17.6%
Share of State Sales Tax	2,659,271	2,740,430	(81,159)	-3.0%
Gifts & Other Nonoperating Revenues	4,080	1,045,882	(1,041,802)	-99.6%
Investment Income	3,686,392	4,484,818	(798,426)	-17.8%
Total Nonoperating Revenues	137,454,497	131,723,167	5,731,330	4.4%
Capital Appropriations	3,198,900	3,262,900	(64,000)	-2.0%
Capital Gifts and Grants	133,626	1,051,226	(917,600)	-87.3%
Total Revenues	\$ 178,094,162	\$ 169,820,324	\$ 8,273,838	4.9%

*Federal, state and local grant revenues were reclassified to non-operating revenues for comparison purposes.

**Revenues by Source
FY 2008
\$178,094,162**



**Revenues by Source
FY 2007
\$169,820,324**

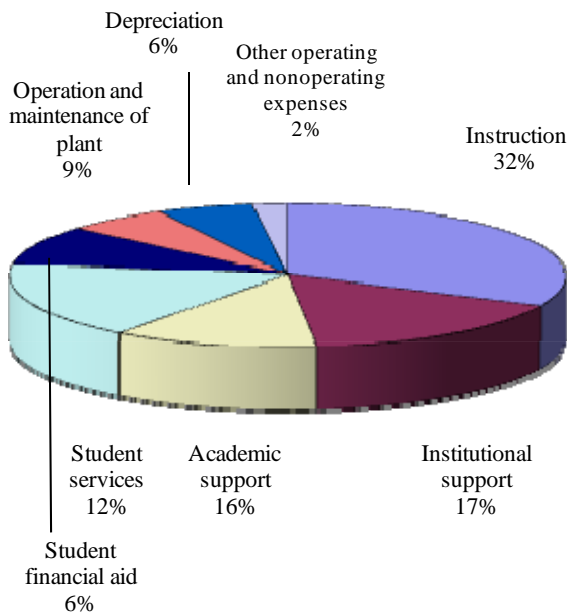


Management's Discussion and Analysis

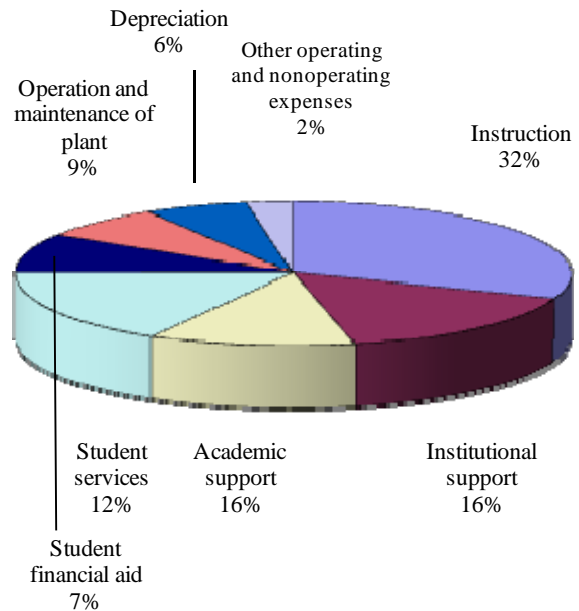
Expenses by Category

	<u>FY 2008</u>	<u>FY 2007</u>	<u>\$ Change</u>	<u>% Change</u>
<u>Operating Expenses</u>				
Educational and General				
Instruction	\$ 52,780,535	\$ 50,358,712	\$ 2,421,823	4.8%
Academic Support	26,847,901	25,845,798	1,002,103	3.9%
Student Services	19,899,674	19,646,698	252,976	1.3%
Institutional Support	28,316,662	25,841,538	2,475,124	9.6%
Operation and Maintenance of Plant	14,591,818	13,663,309	928,509	6.8%
Student Financial Aid	9,982,314	10,217,749	(235,435)	-2.3%
Auxiliary Enterprises	445,760	442,005	3,755	0.8%
Depreciation	9,270,375	9,630,691	(360,316)	-3.7%
Total Operating Expenses	162,135,039	155,646,500	6,488,539	4.2%
<u>Nonoperating Expenses</u>				
Interest on Capital Asset-Related Debt	2,589,150	3,171,063	(581,913)	-18.4%
Loss on Capital Asset Disposal	100,080	122,363	(22,283)	-18.2%
Other Nonoperating Expenses	171,472	24,160	147,312	609.7%
Total Nonoperating Expenses	2,860,702	3,317,586	(456,884)	-13.8%
Total Expenses	\$ 164,995,741	\$ 158,964,086	\$ 6,031,655	3.8%

**Expenses by Category
FY 2008
\$164,995,741**



**Expenses by Category
FY 2007
\$158,964,086**



Management's Discussion and Analysis

Economic Outlook

For the year ended June 30, 2008, the economic conditions in Pima County continued to decline while demand from the community for educational services increased, with full-time student equivalent enrollment (FTSE) increasing by over 400, or 2.1%. The College will begin progress on the initiatives approved in the 2008-2011 College Plan and will target new program development to support the economic growth of the region.

In fiscal year 2009, the College will increase the in-state resident tuition rate from \$47 to \$49.50 per credit hour and decrease the existing student activities fee from \$2.50 to \$2.00 per credit hour. Increased property values in Pima County will result in decreases in the tax rates both for operations and for debt retirement for fiscal year 2009, but tax revenues for operations will increase. State appropriations were reduced by \$.7 million for maintenance and operations and by \$3.2 million for capital for a total of 17.2% for fiscal year 2009. The revenue increases from property taxes and other sources, combined with the increase in net assets for the year ended June 30, 2008, will result in a strong financial base for the College going into the future.

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, 4905 East Broadway Boulevard, Building D, Tucson, AZ, 85709-1200.

Basic Financial Statements

Statement of Net Assets As of June 30, 2008

	Primary Government College	Component Unit Foundation
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 81,902,166	\$ 248,372
Short-term Investments		1,416,483
Receivables		
Property Taxes (less allowance of \$315,500)	3,274,600	
Accounts (less allowance of \$358,582)	1,075,079	
Government Grants and Contracts	1,915,098	
Student Loans, current portion	311,176	
Other (less allowance for College of \$13,040)	1,806,050	62,194
Inventories	200,638	
Prepaid Expenses	741,120	675
Total Current Assets	91,225,927	1,727,724
Noncurrent Assets		
Restricted Cash and Cash Equivalents	1,713,252	3,418,301
Student Loans Receivable (less allowance of \$596,135)	1,397,576	
Other Long-term Investments	2,595,118	327,300
Capital Assets		
Land and Improvements	15,291,311	
Construction in Progress	255,736	
Buildings and Improvements (net of depreciation)	110,932,984	
Equipment (net of depreciation)	4,757,450	
Leasehold Improvements (net of depreciation)	2,561,877	
Library Books (net of depreciation)	1,917,932	
Total Noncurrent Assets	141,423,236	3,745,601
Total Assets	232,649,163	5,473,325
Liabilities		
Current Liabilities		
Accrued Payroll and Employee Benefits	3,736,028	
Accounts Payable and Accrued Liabilities	5,506,643	151,902
Deposits Held in Custody for Others	378,036	243,786
Unearned Revenue	2,529,140	
Current Portion of Long-term Liabilities	3,650,817	3,186
Total Current Liabilities	15,800,664	398,874
Noncurrent Liabilities		
Long-term Liabilities	47,933,411	7,389
Total Noncurrent Liabilities	47,933,411	7,389
Total Liabilities	63,734,075	406,263
Net Assets		
Invested in Capital Assets (net of related debt)	91,317,290	
Restricted for:		
Expendable:		
Debt Service	1,320,091	
Grants and Contracts	4,560,937	
Scholarships and Other Programs		1,512,408
Nonexpendable:		
Perkins Loans	1,534,847	
Permanently Restricted Endowment		3,418,301
Unrestricted	70,181,923	136,353
Total Net Assets	\$168,915,088	\$5,067,062

See accompanying notes to financial statements

**Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2008**

	Primary Government College	Component Unit Foundation
Operating Revenues		
Tuition and Fees (net of scholarship allowances of \$7,892,248)	\$ 30,540,815	
Contracts	4,056,206	
Commissions and Rents	1,484,209	
Other Operating Revenues	1,225,909	\$ 886,648
Total Operating Revenues	<u>37,307,139</u>	<u>886,648</u>
Operating Expenses		
Educational and General		
Instruction	52,780,535	
Academic Support	26,847,901	
Student Services	19,899,674	
Institutional Support	28,316,662	707,334
Operation and Maintenance of Plant	14,591,818	
Student Financial Aid	9,982,314	421,843
Auxiliary Enterprises	445,760	
Depreciation	9,270,375	
Total Operating Expenses	<u>162,135,039</u>	<u>1,129,177</u>
Operating Loss	<u>(124,827,900)</u>	<u>(242,529)</u>
Nonoperating Revenues (Expenses)		
Property Taxes	87,864,083	
State Appropriations	19,593,500	
Federal Grants	21,535,563	
State and Local Grants	2,111,608	
Share of State Sales Tax	2,659,271	
Gifts	4,080	77,703
Investment Income (loss)	3,686,392	(167,401)
Interest on Capital Asset-Related Debt	(2,589,150)	
Loss on Capital Asset Disposal	(100,080)	
Other Nonoperating Expenses	(171,472)	
Net Nonoperating Revenues (Expenses)	<u>134,593,795</u>	<u>(89,698)</u>
Income Before Other Revenues, Expenses, Gains, or Losses	9,765,895	(332,227)
Capital Appropriations	3,198,900	
Capital Gifts and Grants	133,626	
Increase (Decrease) in Net Assets	<u>13,098,421</u>	<u>(332,227)</u>
Net Assets		
Net Assets - Beginning of Year (as restated for Component Unit, see Note 10)	155,816,667	5,399,289
Net Assets - End of Year	<u>\$168,915,088</u>	<u>\$5,067,062</u>

See accompanying notes to financial statements

**Statement of Cash Flows
For the Year Ended June 30, 2008**

	Primary Government College
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and Fees	\$ 30,165,466
Contracts	3,996,633
Commissions and Rents	1,461,704
Collection of Loans to Students	502,176
Other Receipts	1,084,834
Payments to Suppliers	(31,776,287)
Payments to Employees	(109,122,263)
Loans Issued to Students	(607,365)
Payments for Scholarships	(9,982,314)
Net Cash Used for Operating Activities	<u>(114,277,416)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Property Taxes	87,501,493
State Appropriations	19,593,500
Grants	24,070,475
Share of State Sales Tax	2,659,271
Federal Family Education Loans and Direct Loans Received	22,004,242
Federal Family Education Loans and Direct Loans Disbursed	(22,016,223)
Deposits Held in Custody for Others Received	1,375,181
Deposits Held in Custody for Others Disbursed	(1,374,810)
Gifts	4,080
Net Cash Provided by Noncapital Financing Activities	<u>133,817,209</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Appropriations	3,198,900
Purchases of Capital Assets	(2,602,026)
Principal Paid on Capital Debt	(13,250,000)
Interest Paid on Capital Debt	(2,643,100)
Capital Gifts and Grants Received	51,226
Net Cash Used for Capital and Related Financing Activities	<u>(15,245,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	485,047
Interest Received on Investments	3,923,138
Net Cash Provided by Investing Activities	<u>4,408,185</u>
Net Increase in Cash and Cash Equivalents	8,702,978
Cash and Cash Equivalents - Beginning of Year	74,912,440
Cash and Cash Equivalents - End of Year	<u>\$ 83,615,418</u>

See accompanying notes to financial statements

**Statement of Cash Flows (continued)
For the Year Ended June 30, 2008**

RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES	
Operating Loss	\$ (124,827,900)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation Expense	9,270,375
Changes in Assets and Liabilities:	
Increase in Receivables, Net	(336,227)
Increase in Inventories	(150,532)
Increase in Prepaid Expenses	(113,267)
Decrease in Accrued Payroll and Employee Benefits	(240,836)
Increase in Accounts Payable and Accrued Liabilities	1,637,371
Decrease in Unearned Revenue	(232,513)
Increase in Long-term Liabilities (Compensated Absences Portion)	716,113
Net Cash Used for Operating Activities	<u><u>\$ (114,277,416)</u></u>

Nonoperating Non-cash Transactions Not Included in Above Statement:

Unrealized Change in Fair Value of Investments	\$ (69,274)
Net loss on disposal of capital assets with an original cost of \$2,628,354, accumulated depreciation of \$2,528,274	(100,080)
Donated Capital Assets	82,400

See accompanying notes to financial statements

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

For the year ended June 30, 2008, the College implemented the provisions of GASB Statement Nos. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, and 50, *Pension Disclosures (an amendment of GASB Statements No. 25 and No. 27)*. GASB Statement No. 45 establishes governmental employer accounting and financial reporting requirements for postemployment benefits other than pensions. GASB Statement No. 50 amends GASB Statement Nos. 25 and 27 to require governmental employers to present certain additional pension disclosures in the notes.

Reporting Entity:

The College is a special-purpose government that is governed by a separately elected governing body. 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 in a separate column in the financial statements to emphasize that it is legally separate from the College. The Foundation's cash flows are not presented because that information is not required by generally accepted accounting principles for public colleges. 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 goals of the Foundation are to provide scholarships and to advance and assist in the development, growth, and operation of the College. Because the resources held by the Foundation can only be used by, or for the benefit of the College, the Foundation is considered a component unit of the College. During the year ended June 30, 2008, the Foundation distributed \$222,202 of in-kind gifts for those purposes. Complete financial statements can be obtained from the Foundation Office at 4905C East Broadway Boulevard, Tucson, AZ 85709-1320.

Basis of Presentation and Accounting:

The financial statements include the following:

- A. *Statement of Net Assets*: provides information about the assets, liabilities, and net assets of the College at the end of the year. Assets and liabilities are classified as either current or noncurrent. Net assets are classified into three broad categories: unrestricted, restricted, and invested in capital assets (net of related debt).

Notes to Financial Statements

- B. *Statement of Revenues, Expenses and Changes in Net Assets*: 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 assets 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, state appropriations 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 beginning with fiscal year 2007/2008 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. State appropriations are recognized as revenue in the year the appropriation is first made available for use. 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:

The College's 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. 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 estimated fair 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

Notes to Financial Statements

straight-line method, using one full year's depreciation in the first year and no depreciation in the year of disposal. 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.

Compensated Absences:

Compensated absences consist of annual leave and a calculated amount of sick leave earned by employees based on services already rendered.

Employees may accumulate up to 315 hours of annual leave depending on years of service and employee group classification. Annual leave is accumulated by each employee on a prorated basis, every two weeks. 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 1,350 hours) and vests after 10 years of continuous service for regular employees who retire from the College under the provisions of the Arizona State Retirement System. Vested sick leave is payable to College employees upon retirement at a rate of 75 percent of the employee's then current rate of pay to a maximum of \$100 per day. Vested 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.

The College also provides a death or disability benefit to employees hired on or after July 1, 1999 who separate from the College due to permanent disability or death. This benefit is paid at one hundred percent of the employee's then current daily rate of pay for all accumulated sick leave limited to a total amount of \$10,000.

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

Investment Income:

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

2. DEPOSITS AND INVESTMENTS

Arizona Revised Statutes (A.R.S.) require the College to deposit special tax levies for the College's maintenance and operation and capital outlay with the County Treasurer. The statutes do not require the College to deposit other public monies in its custody with the County Treasurer; however, the College must act as if it was a prudent person dealing with the property of another when making investment decisions about those monies. The statutes do not include any requirements for credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the College's investments.

Notes to Financial Statements

Deposits:

At June 30, 2008 the College's total cash on hand was \$28,950. The carrying amount of the College's deposits was \$758,580 and the bank balance was \$1,606,168.

Investments:

The State Board of Investment provides oversight for the State Treasurer's pools. The fair value of a participant's position in the pool approximates the value of that participant's pool shares and the participant's shares are not identified with specific investments. No comparable oversight is provided for the County Treasurer's investment pool, and that pool's structure does not provide for shares. The College's investments at June 30, 2008, consist of the following:

Investment Type	Fair Value
State Treasurer's investment pool	\$ 77,667,181
County Treasurer's investment pool	732,653
Repurchase agreements collateralized by mortgage-backed government securities	3,881,654
Mortgage-backed government securities (implicitly guaranteed by the U.S. government)	2,595,118
U.S. Treasury money market mutual funds	546,400
Total Investments	\$ 85,423,006

Credit risk:

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The College does not have a formal policy regarding credit risk. Following is a summary of the College's investments and credit ratings as determined by Moody's rating agency as of June 30, 2008.

Investment Type	Rating	Rating Agency	Fair Value
State Treasurer's investment pool	Unrated	N/A	\$ 77,667,181
County Treasurer's investment pool	Unrated	N/A	732,653
Repurchase agreements collateralized by mortgage-backed government securities	Aaa	Moody's	3,881,654
Mortgage-backed government securities (implicitly guaranteed by the U.S. government)	Aaa	Moody's	2,595,118
U.S. Treasury money market mutual funds	Aaa	Moody's	546,400
Total Investments Subject to Credit Risk			\$ 85,423,006

Custodial Credit Risk:

For investments, custodial credit risk is the risk that, in the event of the counterparty's failure, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The College does not have a formal policy regarding custodial credit risk for investments.

The College's U.S. Treasury money market mutual funds totaling \$546,400 are investments held by trustees in the trustees' Federal Reserve Bank accounts. These investments are recorded in the College's name in the records of the trustees. The College is exposed to custodial credit risk due to

Notes to Financial Statements

the fact that the trustees act as both custodial and purchasing agents for investment transactions.

Interest rate risk:

Interest rate risk is the risk that changes in interest rates will adversely affect an investment's value. The College does not have a formal policy regarding interest rate risk. At June 30, 2008, the College had the following investments in debt securities:

Investment Type	Maturities			Fair Value
	Less than 1 Year	1-5 Years	6-10 Years	
State Treasurer's investment pool	\$ 77,667,181			\$ 77,667,181
County Treasurer's investment pool	732,653			732,653
Repurchase agreements collateralized by mortgage-backed government securities	3,881,654			3,881,654
Mortgage-backed government securities (implicitly guaranteed by the U.S. government)		\$ 1,476,214	\$ 1,118,904	2,595,118
U.S. Treasury money market mutual funds	546,400			546,400
Total Investments Subject to Interest Rate Risk	\$ 82,827,888	\$ 1,476,214	\$ 1,118,904	\$ 85,423,006

3. CAPITAL ASSETS

The College's capital asset activity for the year ended June 30, 2008, is detailed below. The estimated costs to complete open construction projects at June 30, 2008, were \$354,764.

Description	Balance 7/1/2007	Increases	Decreases	Balance 6/30/2008
Land and improvements	\$ 15,291,311			\$ 15,291,311
Construction in progress	17,749	\$ 237,987		255,736
Depreciable assets				
Buildings and improvements	177,520,132	116,020		177,636,152
Equipment	23,298,383	1,820,466	\$ 2,628,355	22,490,494
Leasehold improvements	3,385,100			3,385,100
Library books	6,500,768	427,553	107,505	6,820,816
Total capital assets	226,013,443	2,602,026	2,735,860	225,879,609
Less accumulated depreciation:				
Buildings and improvements	60,554,684	6,148,484		66,703,168
Equipment	17,646,231	2,615,087	2,528,274	17,733,044
Leasehold improvements	680,385	142,838		823,223
Library books	4,646,423	363,966	107,505	4,902,884
Total accumulated depreciation	83,527,723	9,270,375	2,635,779	90,162,319
Capital assets, net	\$ 142,485,720	\$ (6,668,349)	\$ 100,081	\$ 135,717,290

4. LONG -TERM LIABILITIES

The following schedule details the College's long-term liability and obligation activity for the year ended June 30, 2008:

Notes to Financial Statements

Description	Balance 7/1/2007	Additions	Reductions	Balance 6/30/2008	Due Within One Year
General obligation bonds	\$ 51,155,000		\$ 11,250,000	\$ 39,905,000	
Lease purchase	4,505,000		210,000	4,295,000	\$ 215,000
Revenue bonds	480,000		280,000	200,000	
PRRO's	1,510,000		1,510,000		
Compensated absences payable	6,468,115	\$ 5,059,240	4,343,127	7,184,228	3,435,817
Total long-term liabilities	\$ 64,118,115	\$ 5,059,240	\$ 17,593,127	\$ 51,584,228	\$ 3,650,817

Bonds, Lease Purchase, and Pledged Revenue Refunding Obligations Payable:

The College's bonded debt consists of three issues of general obligation bonds and one issue of revenue bonds. Certain bonds may be redeemed by the owner (the College) prior to maturity, usually by paying a premium to the holder of the bond. This is referred to as being "callable," since the holder of the bond has no control over the redemption of the bond. The Series A (1996) and Series B (1999) bonds are callable. The Series C (2001) bonds are noncallable. The revenue bonds are generally callable. The Pledged Revenue Refunding Obligations (PRROs) were retired during the fiscal year. On all bonds and obligations, interest is payable semiannually on January 1 and July 1 of each year. Lease interest is payable semiannually on May 1 and November 1 of each year.

Description	Outstanding Principal	Interest Rates
General obligation bonds:		
Buildings and improvements:		
Project of 1995 - Series A (1996)	\$ 9,985,000	5.0 to 5.5%
Project of 1995 - Series B (1999)	11,030,000	4.70%
Project of 1995 - Series C (2001)	18,890,000	4.1 to 4.3%
Lease purchase	4,295,000	5.1 to 5.3%
Revenue bonds:		
Project of 1970 - Series A	200,000	7.0%
Total	\$ 44,400,000	

Bond proceeds and the lease purchase agreement were used primarily to acquire land or construct capital facilities. Certain general obligation bonds were issued to advance refund previously issued bonds. The College repays general obligation bonds from ad-valorem property taxes. Payment of interest and principal on revenue bonds is secured by funds deposited in a trust account held by the bond trustee.

At June 30, 2008, \$5.1 million of general obligation bonds were considered defeased because the College placed refunding bond proceeds in a depository trust in a prior year to provide for all future debt service payments on the bonds. Accordingly, the trust account assets and the liability for these defeased bonds are not included in the College's financial statements.

Notes to Financial Statements

The following schedule details debt service requirements to maturity for the College's bonds and lease purchase payable at June 30, 2008:

Year ending June 30:	Revenue Bonds		General Obligation Bonds		Lease Purchase	
	Principal	Interest	Principal	Interest	Principal	Interest
2009		\$ 7,000		\$ 2,090,030	\$ 215,000	\$ 223,525
2010	\$ 100,000	10,500	\$ 12,570,000	1,542,543	225,000	213,125
2011	100,000	3,500	12,700,000	960,956	240,000	201,500
2012			9,535,000	477,325	250,000	191,100
2013			1,820,000	223,675	260,000	178,300
2014-2018			3,280,000	154,563	1,545,000	659,675
2019-2023					1,560,000	203,600
Total	\$ 200,000	\$ 21,000	\$ 39,905,000	\$ 5,449,092	\$ 4,295,000	\$ 1,870,825

Lease Purchase:

On July 1, 2004, the College entered into a lease purchase agreement with the Arizona Board of Regents, on behalf of the University of Arizona, to acquire a building at the College's Northwest Campus. Greater than expected enrollment necessitated expansion at the Northwest facility. At inception, total payments, including principal and interest, over the 18-year term of the agreement were \$7.9 million. At June 30, 2008, total minimum lease payments were \$6.2 million. Of that amount, \$1.9 million represented interest and \$4.3 million was the present value of the net minimum lease payments. Lease payments are based on University of Arizona debt service payments related to the leased building. Future College lease payments may change if the University's debt service payments change. The title to the building transfers to the College at the end of the lease. The carrying value of the building as of June 30, 2008 is \$4.5 million.

5. OPERATING LEASE

The College leases building space and land under the provisions of various long-term lease agreements classified as operating leases for accounting purposes, with provisions for renewal options. Lease expenses under the terms of the operating leases were \$465,283 for the year ended June 30, 2008. The operating leases have remaining non-cancelable lease terms of three to five years. The future minimum payments required under the operating leases at June 30, 2008, were as follows:

Year ending June 30:	
2009	\$ 475,257
2010	380,593
2011	179,689
2012	60,567
Total Minimum Lease Payments	\$ 1,096,106

Notes to Financial Statements

6. PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Plan Description:

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

The System issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report may be obtained by writing the System at 3300 North Central Avenue, P.O. Box 33910, Phoenix, AZ, 85067-3910, by calling (602) 240-2000 or 1-800-621-3778, or by looking at the System's website at www.azasrs.gov.

Funding Policy:

The Arizona State Legislature establishes and may amend active plan members' and the College's contribution rates. For the year ended June 30, 2008, active plan members were required by statute to contribute at the actuarially determined rate of 9.6 percent (9.1 percent for retirement and 0.5 percent for long-term disability) of the members' annual covered payroll and the College was required by statute to contribute at the actuarially determined rate of 9.6 percent (8.05 percent for retirement, 1.05 percent for health insurance premium and 0.5 percent for long-term disability) of the members' annual covered payroll.

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

Years ended June 30:	Retirement Fund	Health Benefit Supplement Fund	Long - Term Disability Fund	Totals
2008	\$ 5,871,666	\$ 765,870	\$ 361,936	\$ 6,999,472
2007	5,160,416	804,581	344,447	6,309,444
2006	3,684,433	721,562	316,698	4,722,693

7. 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

Notes to Financial Statements

applied. The trust has never had such an assessment. The College carries commercial insurance for other risks of loss, including property, workers' compensation, and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

In addition, the College finances uninsured risks of loss for prescription 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 utilizes a consultant to determine the required funding annually based upon anticipated utilization, cost trends, and benefit levels. The College does not purchase insurance for claims in excess of the projected funding level. An independent administrator provides claim and record-keeping services for the plan.

Prescription Plan	Year Ending June 30	
	2007	2008
Claims liability at beginning of year	\$ 0	\$ 0
Claims incurred during the year	1,323,874	1,639,365
Payments on claims	(1,323,874)	(1,639,365)
Claims liability at end of year	\$ 0	\$ 0

8. OPERATING EXPENSES

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

Description	Amount
Compensation and Benefits	\$ 109,597,539
Communications and Utilities	5,922,676
Travel	1,777,706
Contractual Services	13,292,403
Supplies and Materials	8,908,925
Scholarships	9,982,314
Other Expenses	3,383,101
Depreciation	9,270,375
Total operating expenses	\$ 162,135,039

9. SUBSEQUENT EVENT

As a result of the Lehman Brothers Chapter 11 bankruptcy filing on September 14, 2008, the State Treasurer segregated the Lehman bonds held in the Local Government Investment Pool into a separate investment pool. The College share of this pool totals \$861,284. This amount is approximately 1.0 percent of the total cash and cash equivalents presented on the Statement of Net Assets. It is not known at this time whether all or a portion of this amount will be recovered through the bankruptcy proceedings.

Notes to Financial Statements

10. DISCRETELY PRESENTED COMPONENT UNIT – PIMA COMMUNITY COLLEGE FOUNDATION

10a. 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 to raise funds for the purpose of providing scholarships, grants and awards to deserving students and outstanding faculty, staff and administrators at Pima Community College (College).

Basis of Presentation and Accounting:

The Foundation is required under generally accepted accounting principles to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Contributions:

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor restrictions. Time and purpose restrictions are reported as temporarily restricted support and then reclassified to unrestricted net assets upon expiration of the time or purpose restriction. Endowment contributions are reported as additions to permanently restricted net assets.

Cash and cash equivalents:

Cash and cash equivalents includes all cash balances and highly liquid investments with an original maturity of three months or less. The Foundation maintains its cash in bank or investment brokerage accounts that may exceed federally insured limits or otherwise be unsecured and uncollateralized. At June 30, 2008, cash and cash equivalents exceeded the FDIC insurance limit by \$50,465.

Income tax status:

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Income from certain activities not directly related to the Foundation's tax-exempt purpose, however, may be subject to taxation as unrelated business income. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(1).

Notes to Financial Statements

Advertising:

The Foundation expenses advertising costs as incurred. Advertising costs for the years ended June 30, 2008 and 2007 totaled \$14,248 and \$2,934 respectively.

Investments:

Investments in marketable securities are valued at fair market value based on market quotations. Partnership interests are valued at the fair market value of the underlying net assets.

Funds held for others:

Various nonprofit and other entities give funds to the Foundation for students to obtain scholarships, in which the other entity selects the scholarship recipient. As the Foundation has no control over who receives the scholarships, these are reported as funds held for others.

10b. Cash and Investments

At June 30, 2008, the Foundation's unrestricted cash and cash equivalents were in the amount of \$248,372.

The Foundation's investments at June 30, 2008, consisted of the following:

<i>Foundation</i> 2008	
Bond Funds	\$ 1,982,690
Equity Funds	2,735,840
Other	101,833
Funds on deposit with Community Foundation for Southern Arizona	14,421
Less restricted for long-term endowments	(3,418,301)
Total available for operations	\$ 1,416,483

10c. Beginning Balance Restated

The Foundation's net assets as of June 30, 2007 were restated to reflect a decrease of \$17,200 in unrestricted assets to correct the understatement of a grant payable and to reflect a decrease of \$50,666 in temporarily restricted assets to correct the understatement of funds held for others. These adjustments resulted in a net decrease to beginning net assets of \$67,866.

Statistical Section



PimaCountyCommunityCollegeDistrict

**Pima County Community College District
Statistical Section**

Table of Contents: Statistical Section

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

Revenue Capacity.....42
These schedules contain trend information to help the reader assess the factors affecting the College's ability to generate property taxes, tuition, grants and other revenues.

Debt Capacity.....48
The debt capacity information will assist the reader in understanding and assessing the College's debt burden and ability to issue debt.

Demographic and Economic Information.....54
The demographic and economic information is presented to assist users in understanding certain aspects of the environment in which the College operates.

Operating Information.....57
These schedules contain contextual information to help the reader assess the delivery and effectiveness of College operations.

**Pima County Community College District
Financial Trends**

Schedule of Net Assets by Component
Fiscal Years 2008 to 2002

	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
Invested in Capital Assets, Net of Related Debt	\$ 91,317,290	\$ 84,835,720	\$ 79,326,718	\$ 73,154,179	\$ 66,710,465	\$ 53,913,435	\$ 47,685,475
Restricted - expendable	5,881,028	8,318,933	5,990,638	5,322,202	5,205,969	4,303,234	22,476,640
Restricted - nonexpendable	1,534,847	1,575,816	1,414,922	1,557,428	1,438,781	1,445,787	2,368,884
Unrestricted	70,181,923	61,086,198	58,228,151	55,570,013	53,334,542	50,248,390	23,993,015
Total District Net Assets	\$ 168,915,088	\$ 155,816,667	\$ 144,960,429	\$ 135,603,822	\$ 126,689,757	\$ 109,910,846	\$ 96,524,014

Source: District Records

Note: Due to reporting format and definition changes prescribed by GASB Statement 34/35, only fiscal years 2008 - 2002 are available.

Pima County Community College District Financial Trends

Schedule of Other Changes in Net Assets Fiscal Years 2008 to 2002

	2008	2007	Fiscal Year 2006	2005	2004	2003	2002
Income Before Other Changes in Net Assets	\$ 9,765,895	\$ 6,542,112	\$ 6,037,381	\$ 6,481,940	\$ 12,794,885	\$ 10,470,074	\$ 13,161,215
State Capital Grants and appropriations	3,198,900	3,262,900	3,268,000	3,297,800	2,654,800	2,654,800	2,710,200
Capital Gifts and Grants	133,626	1,051,226	51,226	51,226	1,329,226	261,958	166,726
Total Change in District Net Assets	<u>\$ 13,098,421</u>	<u>\$ 10,856,238</u>	<u>\$ 9,356,607</u>	<u>\$ 9,830,966</u>	<u>\$ 16,778,911</u>	<u>\$ 13,386,832</u>	<u>\$ 16,038,141</u>

Source: District Records

Note: Due to reporting format and definition changes prescribed by GASB Statement 34/35, only fiscal years 2008 - 2002 are available.

**Pima County Community College District
Financial Trends**

Schedule of Expenses by Identifiable Activity
Fiscal Years 2008 to 2002

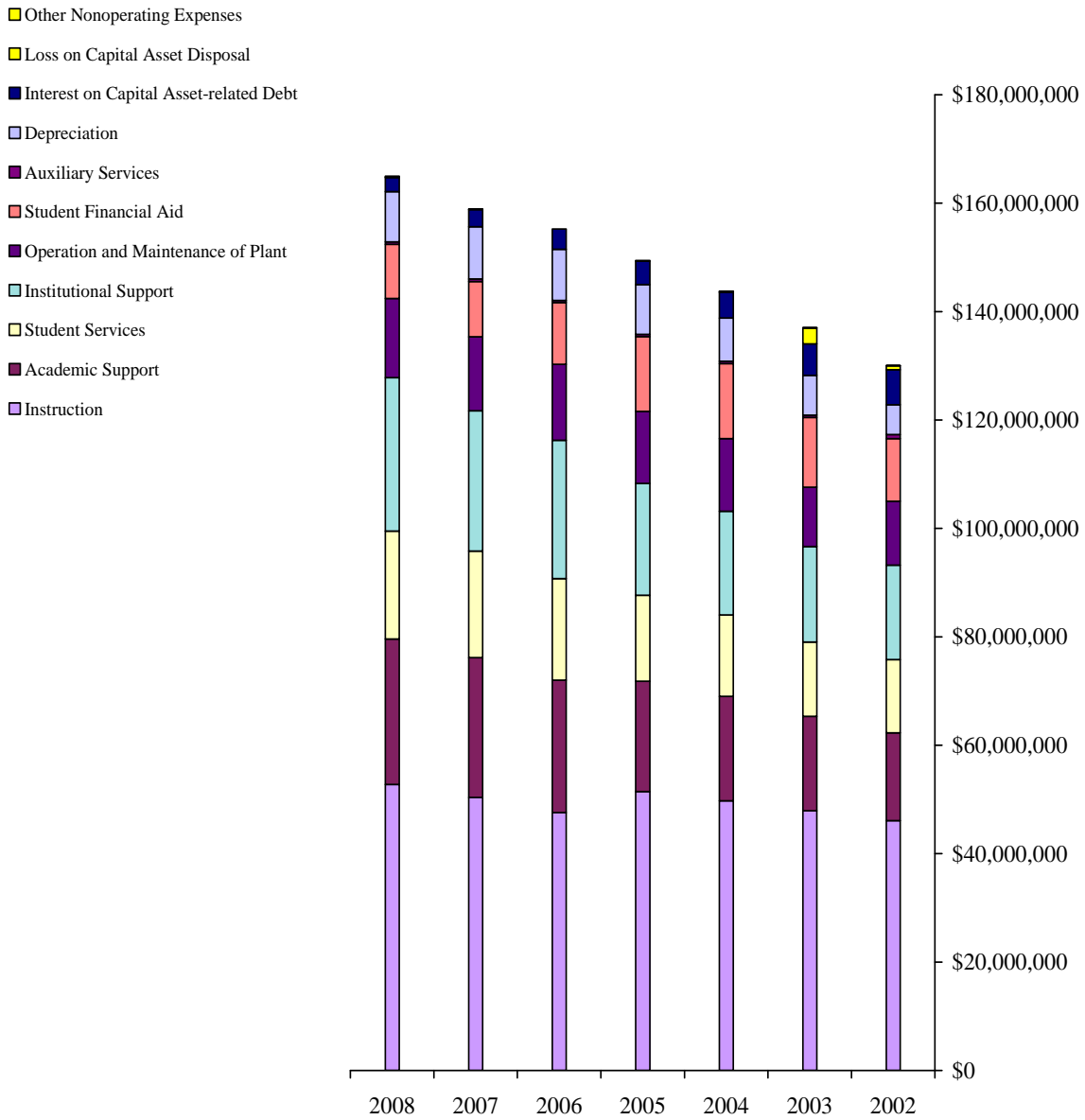
	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
Operating Expenses							
Instruction	\$ 52,780,535	\$ 50,358,712	\$ 47,590,586	\$ 51,458,514	\$ 49,763,342	\$ 47,902,100	\$ 46,110,240
Academic Support	26,847,901	25,845,798	24,404,446	20,353,720	19,288,581	17,429,871	16,194,068
Student Services	19,899,674	19,646,698	18,773,819	15,850,844	14,993,217	13,714,265	13,491,171
Institutional Support	28,316,662	25,841,538	25,518,916	20,612,824	19,126,135	17,603,225	17,451,004
Operation and Maintenance of Plant	14,591,818	13,663,309	14,005,767	13,299,786	13,391,180	10,950,863	11,776,256
Student Financial Aid	9,982,314	10,217,749	11,390,995	13,827,818	13,874,635	12,903,217	11,538,248
Auxiliary Enterprises	445,760	442,005	376,163	405,840	400,314	404,040	749,955
Depreciation	9,270,375	9,630,691	9,426,904	9,183,078	7,989,477	7,346,308	5,497,027
Total Operating Expenses	162,135,039	155,646,500	151,487,596	144,992,424	138,826,881	128,253,889	122,807,969
Nonoperating Expenses							
Interest on Capital Asset Related Debt	2,589,150	3,171,063	3,747,663	4,346,303	4,732,158	5,780,427	6,443,178
Loss on Capital Asset Disposal	100,080	122,362		101,565	138,012	2,923,462	773,247
Other Nonoperating Expenses	171,472	24,161			49,539	84,520	43,035
Total Nonoperating Expenses	2,860,702	3,317,586	3,747,663	4,447,868	4,919,709	8,788,409	7,259,460
Total Expenses	\$ 164,995,741	\$ 158,964,086	\$ 155,235,259	\$ 149,440,292	\$ 143,746,590	\$ 137,042,298	\$ 130,067,429

Source: District Records

Note: Due to reporting format and definition changes prescribed by GASB Statement 34/35, only fiscal years 2008 - 2002 are available.

Pima County Community College District Financial Trends

Graph of Expenses by Identifiable Activity
Fiscal Years 2008 to 2002



Source: District Records

Note: Due to reporting format and definition changes prescribed by GASB Statement 34/35, only fiscal years 2008 - 2002 are available.

Pima County Community College District Financial Trends

Schedule of Revenues by Source Fiscal Years 2008 to 2002

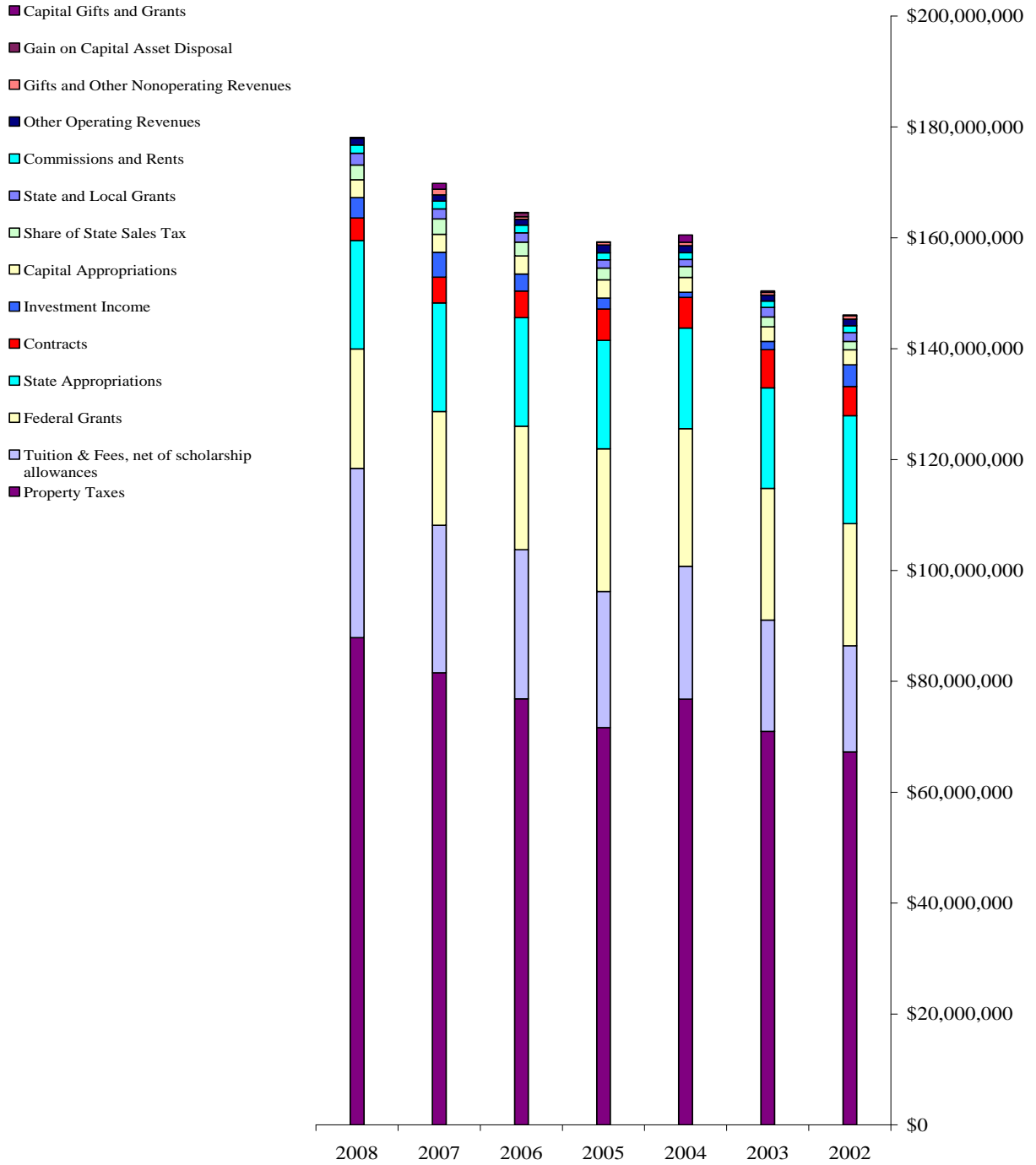
	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
Operating Revenues							
Tuition and Fees, net of scholarship allowances	\$ 30,540,815	\$ 26,598,153	\$ 26,916,148	\$ 24,569,880	\$ 23,923,443	\$ 20,091,395	\$ 19,160,870
Contracts	4,056,206	4,653,215	4,774,704	5,638,159	5,546,986	6,884,060	5,282,596
Commissions and Rents	1,484,209	1,415,147	1,386,225	1,272,341	1,210,544	1,141,535	1,253,423
Other Operating Revenues	1,225,909	1,116,516	1,059,377	1,415,404	1,267,483	1,065,217	1,196,049
Total Operating Revenues	37,307,139	33,783,031	34,136,454	32,895,784	31,948,456	29,182,207	26,892,938
Nonoperating Revenues							
Property Taxes	87,864,083	81,545,867	76,820,090	71,646,214	76,808,328	70,962,776	67,273,353
State Appropriations	19,593,500	19,593,500	19,593,500	19,593,500	18,125,700	18,125,700	19,465,800
Federal Grants	21,535,563	20,516,659	22,279,565	25,711,090	24,845,423	23,764,169	22,008,213
State and Local Grants	2,111,608	1,796,011	1,673,520	1,473,173	1,267,471	1,741,892	1,581,297
Share of State Sales Tax	2,659,271	2,740,430	2,500,110	2,107,302	1,989,552	1,769,777	1,486,719
Gifts and Other Nonoperating Revenues	4,080	1,045,882	444,736	521,017	602,015	506,992	613,289
Investment Income	3,686,392	4,484,818	3,084,756	1,974,152	954,530	1,458,859	3,907,035
Gain on Capital Asset Disposal			739,909				
Capital Appropriations	3,198,900	3,262,900	3,268,000	3,297,800	2,654,800	2,654,800	2,710,200
Capital Gifts and Grants	133,626	1,051,226	51,226	51,226	1,329,226	261,958	166,726
Total Nonoperating Revenues	140,787,023	136,037,293	130,455,412	126,375,474	128,577,045	121,246,923	119,212,632
Total Revenues	\$ 178,094,162	\$ 169,820,324	\$ 164,591,866	\$ 159,271,258	\$ 160,525,501	\$ 150,429,130	\$ 146,105,570

Source: District Records

Note: Due to reporting format and definition changes prescribed by GASB Statement 34/35, only fiscal years 2008 - 2002 are available.
Data for Contracts, Federal Grants and State and Local Grants was restated to coincide with revenue classification for fiscal year 2008.

Pima County Community College District Financial Trends

Graph of Revenues by Source
Fiscal Years 2008 to 2002



Source: District Records

Note: Due to reporting format and definition changes prescribed by GASB Statement 34/35, only fiscal years 2008 – 2002 are available

**Pima County Community College District
Revenue Capacity**

Assessed Value and Full Cash Value of All Taxable Property

Last Ten Fiscal Years

Dollars in Thousands

<u>Fiscal Year/Levy Type (1)</u>	<u>Net Assessed Value</u>	<u>Full Cash Values (2)</u>	<u>Ratio of Net Assessed to Full Cash Value</u>
2007/08 Primary	\$7,334,079	\$64,290,551	11.41%
2007/08 Secondary	8,220,396	72,101,321	11.40%
2006/07 Primary	\$6,467,202	\$56,437,790	11.46%
2006/07 Secondary	6,869,955	59,890,229	11.47%
2005/06 Primary	\$5,849,549	\$50,631,267	11.55%
2005/06 Secondary	6,050,950	52,335,111	11.56%
2004/05 Primary	\$5,412,550	\$46,754,009	11.58%
2004/05 Secondary	5,620,156	48,474,537	11.59%
2003/04 Primary	\$5,022,474	\$42,927,737	11.70%
2003/04 Secondary	5,221,271	44,423,165	11.75%
2002/03 Primary	\$4,669,336	\$39,908,791	11.70%
2002/03 Secondary	4,835,561	41,109,997	11.76%
2001/02 Primary	\$4,361,493	\$37,257,921	11.71%
2001/02 Secondary	4,491,395	38,196,337	11.76%
2000/01 Primary	\$4,111,664	\$34,898,941	11.78%
2000/01 Secondary	4,236,070	35,819,691	11.83%
1999/00 Primary	\$3,853,630	\$32,801,718	11.75%
1999/00 Secondary	4,000,624	33,893,530	11.80%
1998/99 Primary	\$3,682,397	\$33,930,287	10.85%
1998/99 Secondary	3,852,574	35,297,284	10.91%

Source: Pima County Department of Finance (June 30, 2007 CAFR)
Pima County Assessor's Office

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) Full Cash Value or Secondary Value approximates market value.

**Pima County Community College District
Revenue Capacity**

Property Tax Levies and Collections (1)
Last Ten Fiscal Years

Fiscal Year	Original Real Property Tax Levy	Board Ordered Changes thru 6/30/08	Adjusted Levy	(2) Collections/ Payments Initial Tax Year	Percent of Original Levy	(2) Collections/ Payments thru 6/30/08	Percent of Adjusted Levy	(3) Taxes Receivable as of 6/30/08
2008	\$71,233,238	(\$116,130)	\$71,117,108	\$68,590,439	96.29%	\$68,590,439	96.45%	\$2,526,669
2007	65,036,724	(61,644)	64,975,080	62,767,895	96.51%	64,951,755	99.96%	23,325
2006	60,651,389	(11,583)	60,639,806	58,642,022	96.69%	60,560,436	99.87%	79,370
2005	57,155,078	(97,326)	57,057,752	55,279,797	96.72%	57,047,386	99.98%	10,366
2004	53,959,971	(190,573)	53,769,398	51,984,279	96.34%	53,754,041	99.97%	15,357
2003	50,866,027	(219,259)	50,646,768	48,822,905	95.98%	50,614,684	99.94%	32,084
2002	47,198,401	(300,000)	46,898,401	45,098,759	95.55%	46,885,796	99.97%	12,605
2001	45,463,598	(256,470)	45,207,128	43,432,345	95.53%	45,196,320	99.98%	10,808
2000	42,382,688	(204,481)	42,178,207	40,411,129	95.35%	42,141,707	99.91%	36,500
1999	38,923,992	(207,185)	38,716,807	37,169,033	95.49%	38,700,818	99.96%	15,989
Totals	\$532,871,106	(\$1,664,651)	\$531,206,455	\$512,198,603		\$528,443,382		\$2,763,073

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. Unsecured personal property taxes are not included in this schedule because the dates of the monthly tax rolls vary each year. On the average, 93% of unsecured property taxes are collected within 90 days after the due date.

Total unsecured personal property tax board ordered changes and collections for fiscal year 2007-08 were \$195,867 and \$3,397,019 respectively, for tax years 2003 through 2007, including rolls and cycles through June 30, 2008. The total outstanding levy at June 30, 2008 for the period cited stands at \$346,214.

(2) Amounts collected are on a cash basis.

(3) Represents the difference between the adjusted levy and collected to June 30, 2008.

**Pima County Community College District
Revenue Capacity**

Schedule of Principal Property Taxpayers
Last Ten Years as of 2007 (1)
Dollars in Thousands

<u>Employer</u>	<u>2007</u>			<u>2006</u>			<u>2005</u>			<u>2004</u>			<u>2003</u>		
	<u>Estimated Assessed Value (2)</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>	<u>Estimated Assessed Value (2)</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>	<u>Estimated Assessed Value (2)</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>	<u>Estimated Assessed Value (2)</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>	<u>Estimated Assessed Value (2)</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>
Tucson Electric Power	\$150,771	1	1.8%	\$143,362	1	2.1%	\$145,937	1	2.4%	\$125,597	1	2.2%	\$122,499	1	2.3%
QWEST	94,300	2	1.1%	87,093	2	1.3%	104,468	2	1.7%	104,944	2	1.9%	108,829	2	2.1%
Phelps Dodge	93,656	3	1.1%	55,176	4	0.8%	21,209	6	0.4%	15,250	7	0.3%	14,375	8	0.3%
Southwest Gas Corporation	62,919	4	0.8%	62,846	3	0.9%	62,970	3	1.0%	59,528	3	1.1%	55,710	3	1.1%
Raytheon Missile Systems	58,987	5	0.7%	21,665	6	0.3%	16,069	8	0.3%	13,895	9	0.2%	13,290	9	0.3%
Arizona Portland Cement	23,468	6	0.3%	22,858	5	0.3%	22,459	4	0.4%	21,296	4	0.4%	19,990	4	0.4%
DND Neffson (Tucson Mall)	19,897	7	0.2%	19,087	7	0.3%	22,377	5	0.4%	19,364	5	0.3%	18,703	5	0.4%
TRICO	18,044	8	0.2%	14,806	10	0.2%				12,925	10	0.2%	11,467	10	0.2%
Westin La Paloma	15,959	9	0.2%	15,504	9	0.2%	16,358	7	0.3%	15,943	6	0.3%	16,057	6	0.3%
Star Pass Resorts	15,280	10	0.2%	17,068	8	0.2%									
HDP Northwest							14,708	9	0.2%						
El Conquistador Hotel							13,653	10	0.2%	14,655	8	0.3%	14,461	7	0.3%
Total Top Ten	\$553,281		6.7%	\$459,465		6.6%	\$440,208		7.3%	\$403,397		7.2%	\$395,381		7.7%

Source: Pima County Department of Finance (June 30, 2007 CAFR)

Notes: (1) 2008 statistics not available at time of publication.

(2) Secondary Assessed Valuation for Tax Year

\$8,220,396

\$6,869,955

\$6,050,950

\$5,620,156

\$5,221,271

**Pima County Community College District
Revenue Capacity**

Schedule of Principal Property Taxpayers (continued)

Last Ten Years as of 2007 (1)

Dollars in Thousands

<u>Employer</u>	<u>2002</u>			<u>2001</u>			<u>2000</u>			<u>1999</u>			<u>1998</u>		
	<u>Estimated Assessed Value (2)</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>	<u>Estimated Assessed Value (2)</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>	<u>Estimated Assessed Value (2)</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>	<u>Estimated Assessed Value (2)</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>	<u>Estimated Assessed Value (2)</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>
Tucson Electric Power	\$137,315	1	2.8%	\$136,337	1	3.0%	\$ 166,949	1	3.9%	\$ 166,300	1	4.2%	\$ 166,300	1	4.3%
QWEST	87,757	2	1.8%	84,382	2	1.9%	78,642	2	1.9%	78,336	2	2.0%	78,336	2	2.0%
Phelps Dodge	18,250	6	0.4%												
Southwest Gas Corporation	53,668	3	1.1%	51,214	3	1.1%	46,191	3	1.1%	46,441	3	1.2%	46,441	3	1.2%
Raytheon Missile Systems	13,349	10	0.3%	13,642	9	0.3%	14,193	8	0.3%	14,193	8	0.4%	15,040	7	0.4%
Arizona Portland Cement	18,213	7	0.4%	16,614	6	0.4%	13,146	9	0.3%	13,363	9	0.3%	13,267	9	0.3%
DND Neffson (Tucson Mall)	18,733	5	0.4%	19,362	4	0.4%	15,168	6	0.4%	18,910	6	0.5%	19,071	6	0.5%
Westin La Paloma	16,703	8	0.3%	16,183	7	0.4%	15,097	7	0.4%	15,669	7	0.4%	14,486	8	0.4%
ASARCO Mining	27,736	4	0.6%	18,911	5	0.4%	21,200	4	0.5%	35,170	4	0.9%	35,170	4	0.9%
Ventana Hotel Associates							12,950	10	0.3%	12,983	10	0.3%	11,720	10	0.3%
Cyprus/Sierrita Mining Co.							20,000	5	0.5%	27,300	5	0.7%	27,300	5	0.7%
AT & T				14,292	8	0.3%									
El Conquistador Hotel	13,898	9	0.3%	13,632	10	0.3%									
Total Top Ten	\$405,622		8.4%	\$384,569		8.5%	\$ 403,536		9.6%	\$ 428,665		10.9%	\$ 427,131		11.0%

Source: Pima County Department of Finance (June 30, 2007 CAFR)

Notes: (1) 2008 statistics not available at time of publication.

(2) Secondary Assessed Valuation for Tax Year

\$4,835,561

\$4,491,395

\$ 4,236,070

\$ 4,000,624

\$ 3,852,574

Pima County Community College District Revenue Capacity

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

Fiscal Year	Pima County Community College District	State of Arizona	Central Arizona Water Conservation District	(1)			(2)	
				Pima County	Flood Control District	County Library District	Education Assistance	Cortaro-Marana Irrigation District
2008	1.1845 (4)	0.0000	0.1000	4.3253	0.3446	0.3975	0.0000	65.0000
2007	1.2515 (4)	0.0000	0.1200	4.5985	0.3746	0.3675	0.0000	60.0000
2006	1.3114 (4)	0.0000	0.1200	4.8290	0.3746	0.2575	0.4358	60.0000
2005	1.3428 (4)	0.0000	0.1200	4.9297	0.3546	0.2124	0.4560	60.0000
2004	1.4884 (4)	0.0000	0.1200	4.9311	0.3546	0.2124	0.4717	50.0000
2003	1.5333 (4)	0.0000	0.1300	4.9328	0.3546	0.2124	0.4889	24.7500
2002	1.5470 (4)	0.0000	0.1300	5.0158	0.3546	0.2124	0.4974	24.7500
2001	1.5574 (4)	0.0000	0.1300	5.0565	0.3046	0.2024	0.5123	1.0000
2000	1.3696 (4)	0.0000	0.1400	5.0581	0.3046	0.2024	0.5217	1.0000
1999	1.1922 (4)	0.0000	0.1400	4.7017	0.3246	0.2224	0.5300	1.0000

Fiscal Year	(2)	(2)	City of Tucson	City of South Tucson	(3)	(5)	School Districts	
	Flowing Wells Irrigation District	Silverbell Irrigation District			Mobile Home Relocation District	Towns Other	From	Range To
2008	12.9000	3.0000	1.1321	0.2258		6.4000	1.6020	8.1490
2007	12.9000	3.0000	1.2257	0.2383		3.1000	1.7394	9.1529
2006	12.9000	3.0000	1.2364	0.2383		2.8000	1.8090	8.6482
2005	12.9000	3.0000	1.1847	0.2383		2.8000	1.8931	8.4846
2004	10.4000	3.0000	1.1569	0.2513		0.3751	1.9583	9.1041
2003	10.4000	3.0000	1.1202	0.2706			2.0296	9.6945
2002	10.4000	3.0000	1.1202	0.2828	0.5000		2.0647	10.3706
2001	6.9300	3.0000	1.1270	0.2918	0.5000		2.1265	10.3609
2000	6.9300	3.0000	1.0238	0.2937	0.5000		2.1654	10.6897
1999	6.9300	3.0000	0.9601	0.2937	0.5000		2.2000	10.5437

Source: Pima County Department of Finance (June 30, 2007 CAFR)

Notes: (1) The Pima County Flood Control District tax levy applies only to real property.

(2) Irrigation districts tax rates shown are levied on a per acre basis.

(3) Mobile Home Relocation levy applies only to unsecured mobile homes (not presented after 2001-02).

(4) Rate includes the secondary tax levy for debt service on general obligation bonds.

(5) The amount for 2003/04 represents the rates for the Towns of Casa Adobes and Tortolita incorporation costs, the amounts for 2004/05 & 2005/06 represents the Gladden Farms Community Facilities District, the amount for 2006/07 represents the Gladden Farms & Vanderbilt Farms Community Facilities Districts and the amount for 2007/08 represents the Gladden Farms, Vanderbilt Farms and Quail Creek Community Facilities Districts.

(A) The Towns of Marana, Oro Valley and Sahuarita do not currently levy a property tax.

(B) The Tucson Business Improvement District levy (on a per-business basis) is not shown.

**Pima County Community College District
Revenue Capacity**

Schedule of Tuition
Last Ten Academic Years

Academic Year Beginning (1)	Full-Time Tuition & Fees (2) (3)		Tuition per Credit Hour	
	<u>In State (4)</u>	<u>Out of State (5)</u>	<u>In State</u>	<u>Out of State (6)</u>
Fall 2007	\$ 1,565	\$ 7,235	\$ 47.00	\$ 236.00
Fall 2006	1,475	7,025	46.00	231.00
Fall 2005	1,415	6,725	44.00	213.00
Fall 2004	1,345	6,415	42.00	211.00
Fall 2003	1,102	6,172	42.00	211.00
Fall 2002	1,024	5,794	39.00	198.00
Fall 2001	959	5,504	36.50	188.00
Fall 2000	920	5,270	35.00	180.00
Fall 1999	894	5,124	34.00	175.00
Fall 1998	832	4,942	33.00	170.00

Source: District Records

- Notes:** (1) Tuition rate changes are effective beginning the fall term each year.
(2) These amounts are for full-time students with an academic year of 30 credit-hours.
(3) Amounts include processing fees of \$20 per year beginning in 2005 and \$10 per year for all prior years, student activity fees of \$2.50 per credit hour beginning in 2004 and technology fees of \$2.00 per credit hour beginning in 2007. Course fees vary by course and are not included.
(4) For years prior to 2004, tuition cost for 13 to 18 credits was a flat amount and not on a per credit hour basis.
(5) For years prior to 2004, tuition cost for 13 to 18 credits was a flat amount, plus an additional amount per credit hour.
(6) Rates shown are for 6 or more credit hours.

Pima County Community College District Debt Capacity

Schedule of Ratios of Outstanding Debt

Last Ten Fiscal Years

Dollars in Thousands

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Bonded Debt										
Total General Bonded Debt	\$ 39,905	\$ 51,155	\$ 61,730	\$ 71,675	\$ 80,785	\$ 94,215	\$ 107,550	\$ 131,450	\$ 85,630	\$ 26,485
Per Headcount	\$ 0.64	\$ 0.82	\$ 0.99	\$ 1.16	\$ 1.33	\$ 1.38	\$ 1.61	\$ 2.02	\$ 1.38	\$ 0.45
Per FTSE	\$ 1.97	\$ 2.58	\$ 3.09	\$ 3.51	\$ 3.96	\$ 4.57	\$ 5.65	\$ 7.29	\$ 4.81	\$ 1.52
Per Capita (Pima County)	\$ 0.04	\$ 0.05	\$ 0.06	\$ 0.08	\$ 0.09	\$ 0.10	\$ 0.12	\$ 0.15	\$ 0.10	\$ 0.03
Other Debt										
Revenue Bonds	\$ 200	\$ 480	\$ 1,345	\$ 2,440	\$ 3,470	\$ 4,470	\$ 5,415	\$ 6,320	\$ 7,180	\$ 8,000
Capital Lease Obligations	4,295	4,505	4,705	4,900	0	109	319	516	703	881
Certificates of Ownership of Supplemental Interest						725				
Revenue Refunding Obligations		1,510	2,950	4,320	5,620	6,870	8,070	9,070		
Certificates of Participation									9,810	10,300
Total Outstanding Debt	\$ 44,400	\$ 57,650	\$ 70,730	\$ 83,335	\$ 89,875	\$ 106,389	\$ 121,354	\$ 147,356	\$ 103,323	\$ 45,666
Per Headcount	\$ 0.72	\$ 0.92	\$ 1.14	\$ 1.35	\$ 1.48	\$ 1.55	\$ 1.82	\$ 2.26	\$ 1.67	\$ 0.77
Per FTSE	\$ 2.20	\$ 2.91	\$ 3.54	\$ 4.09	\$ 4.40	\$ 5.16	\$ 6.38	\$ 8.17	\$ 5.80	\$ 2.62
Per Capita (Pima County)	\$ 0.04	\$ 0.06	\$ 0.07	\$ 0.09	\$ 0.10	\$ 0.12	\$ 0.14	\$ 0.17	\$ 0.12	\$ 0.05

Source: District Records

**Pima County Community College District
Debt Capacity**

Revenue Bond Coverage (1)
Last Ten Fiscal Years

Fiscal Year	Revenue:	Debt Service Requirements			Coverage
	Registration & Other Student Fees (2)	Principal	Interest	Total	
2008	\$ 12,173,479	\$ 100,000	\$ 21,000	\$ 121,000	100.61
2007	11,142,229	1,690,000	107,900	1,797,900	6.20
2006	11,376,931	2,305,000	224,425	2,529,425	4.50
2005	11,103,905	2,465,000	353,840	2,818,840	3.94
2004	9,376,459	2,330,000	474,970	2,804,970	3.34
2003	8,703,780	2,250,000	579,155	2,829,155	3.08
2002	8,206,759	2,145,000	627,398	2,772,398	2.96
2001	7,728,897	1,905,000	416,382	2,321,382	3.33
2000	7,597,565	860,000	391,805	1,251,805	6.07
1999	7,425,155	820,000	431,745	1,251,745	5.93
Totals	\$ 94,835,159	\$ 16,870,000	\$ 3,628,620	\$ 20,498,620	

Source: District Records

Notes: (1) Includes revenue bonds and pledged revenue refunding obligations.

(2) Repayment of revenue bond debt is secured by a pledge of student fees as defined by the bond indentures.

**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

Dollars in Thousands

<u>Fiscal Year</u>	<u>General Obligation Bond Debt</u>	<u>Secondary Net Assessed Value</u>	<u>Percent Net General Bond Debt to Assessed Value</u>	<u>Population at July 1</u>	<u>Net General Bonded Debt per Capita</u>
2008	\$ 39,905	\$ 8,220,396	0.49%	1,016,600	\$ 0.04
2007	51,155	6,896,955	0.74%	1,002,800	0.05
2006	61,730	6,050,950	1.02%	983,600	0.06
2005	71,675	5,620,156	1.28%	954,300	0.08
2004	80,785	5,221,271	1.55%	928,500	0.09
2003	94,215	4,835,561	1.95%	908,400	0.10
2002	107,550	4,491,395	2.39%	888,100	0.12
2001	131,450	4,236,070	3.10%	868,100	0.15
2000	85,630	4,000,624	2.14%	863,500	0.10
1999	26,485	3,852,574	0.69%	842,800	0.03

Source: District Records, secondary net assessed values from Pima County Department of Finance (June 30, 2007 CAFR) and population from the "Arizona Economy" magazine, www.ebr.eller.arizona.edu

Note: Details regarding outstanding debt can be found in Notes to Financial Statements.

**Pima County Community College District
Debt Capacity**

Computation of Direct and Overlapping Governmental Debt Outstanding

At June 30 2007 (1)

Dollars in Thousands

<u>Governmental unit</u>	<u>Debt Outstanding</u>	<u>Amount Overlapping (3)</u>
Debt repaid with property tax (1)		
City of Tucson	\$ 294,774	\$ 294,774
School Districts	521,169	521,169
Total Overlapping		<u>\$ 815,943</u>
Debt repaid with property tax		
Pima County (2)	\$ 290,150	\$ 290,150
Flood Control District	1,470	1,470
Pima County Community College District	51,155	51,155
Total Direct		<u>\$ 342,775</u>
Other Debt:		
Revenue Bonds	\$ 480	\$ 480
Capital Lease Obligations	4,505	4,505
Revenue Refunding Obligations	1,510	1,510
Total other debt		<u>\$ 6,495</u>
Total direct and overlapping debt		<u><u>\$ 1,165,213</u></u>

Source: District Records and Pima County Department of Finance (June 30, 2007 CAFR)

Notes: (1) June 30, 2008 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, 2007 (1)
Dollars in Thousands

<u>Fiscal Year</u>	<u>Total Overlapping Debt</u>	<u>Secondary Net Assessed Value</u>	<u>Percentage of Assessed Value</u>	<u>Population at July 1</u>	<u>Debt per Capita</u>
2007	\$ 1,107,662	\$ 6,869,955	16.12%	1,002,800	\$ 1.10
2006	1,146,388	6,050,950	18.95%	983,600	1.17
2005	1,185,435	5,620,156	21.09%	954,300	1.24
2004	1,091,892	5,221,271	20.91%	928,500	1.18
2003	1,129,103	4,835,561	23.35%	908,400	1.24
2002	1,134,289	4,491,395	25.25%	888,100	1.28
2001	1,135,282	4,236,070	26.80%	868,100	1.31
2000	1,067,544	4,000,624	26.68%	863,500	1.24
1999	1,090,052	3,852,574	28.29%	842,800	1.29
1998	1,124,003	3,700,218	30.38%	809,700	1.39

Source: Pima County Department of Finance (June 30, 2007 CAFR)

Note: (1) June 30, 2008 amounts were unavailable at the time of publication

Pima County Community College District Debt Capacity

Legal Debt Margin Last Ten Fiscal Years *Dollars in Thousands*

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Assessed Value	\$ 8,220,396	\$ 6,869,955	\$ 6,050,950	\$ 5,620,156	\$ 5,221,271	\$ 4,835,561	\$ 4,491,395	\$ 4,236,070	\$ 4,000,624	\$ 3,852,574
Legal Debt Margin										
Debt Limit (15% of assessed value)	1,233,059	1,030,493	907,643	843,023	783,191	725,334	673,709	635,411	600,094	577,886
Debt applicable to limit:										
General obligation bonds	39,905	51,155	61,730	71,675	80,785	94,215	107,550	131,450	85,630	26,485
Certs of Supplemental Interest						725				
Leases	5,390	5,988	5,821	6,310	1,699	1,944	2,560	3,160	11,641	10,249
Total net debt applicable to the limit	<u>45,295</u>	<u>57,143</u>	<u>67,551</u>	<u>77,985</u>	<u>82,484</u>	<u>96,884</u>	<u>110,110</u>	<u>134,610</u>	<u>97,271</u>	<u>36,734</u>
Legal debt margin	<u>\$ 1,187,764</u>	<u>\$ 973,350</u>	<u>\$ 840,092</u>	<u>\$ 765,038</u>	<u>\$ 700,707</u>	<u>\$ 628,450</u>	<u>\$ 563,599</u>	<u>\$ 500,801</u>	<u>\$ 502,823</u>	<u>\$ 541,152</u>
Total net debt applicable to the limit as a percentage of debt limit.	3.67%	5.55%	7.44%	9.25%	10.53%	13.36%	16.34%	21.18%	16.21%	6.36%

Source: District records

Pima County Community College District Demographic and Economic Information

Schedule of Principal Employers Last Ten Years

Employer	2008			2007			2006			2005			2004		
	FTE (1)	Rank	Percent of Total County Employment	FTE (1)	Rank	Percent of Total County Employment	FTE (1)	Rank	Percent of Total County Employment	FTE (1)	Rank	Percent of Total County Employment	FTE (1)	Rank	Percent of Total County Employment
Raytheon Missile Systems	12,515	1	2.7%	11,184	1	2.5%	10,756	2	2.4%	10,300	3	2.3%	10,171	2	2.4%
State of Arizona	10,754	2	2.3%	9,927	3	2.2%	9,742	4	2.2%	9,750	4	2.2%	9,753	4	2.3%
University of Arizona	10,535	3	2.3%	10,354	2	2.3%	10,282	3	2.3%	10,348	2	2.3%	10,078	3	2.3%
Tucson Unified School District No. 1	8,018	4	1.7%	7,419	6	1.6%	7,623	6	1.7%	7,684	6	1.7%	7,690	6	1.8%
Davis-Monthan Air Force Base	7,701	5	1.7%	8,233	5	1.8%	8,233	5	1.9%	8,727	5	2.0%	7,692	5	1.8%
Pima County	6,954	6	1.5%	7,290	7	1.6%	6,765	7	1.5%	6,767	7	1.5%	6,987	7	1.6%
U.S. Army Intelligence Center and Fort Huachuca	6,701	7	1.5%	9,119	4	2.0%	13,098	1	3.0%	12,250	1	2.8%	11,939	1	2.8%
City of Tucson	5,848	8	1.3%	5,848	8	1.3%	5,306	8	1.2%	6,757	8	1.5%	5,495	8	1.3%
Freeport-McMoRan Copper & Gold Inc. (2)	5,840	9	1.3%	4,900	10	1.1%	4,123	10	0.9%	4,500	10	1.0%			
Wal-Mart Stores Inc.	5,805	10	1.3%	5,625	9	1.2%	4,980	9	1.1%	4,595	9	1.0%	4,420	9	1.0%
Tohono O'odham Nation													3,515	10	0.8%
Total	80,671		17.6%	79,899		17.6%	80,908		18.2%	81,678		18.3%	77,740		18.1%
Total Work Force	459,200			453,500			443,300			443,100			431,400		

Source: Current year: "The Star 200" - The Arizona Daily Star, www.azstarnet.com Previous years: Pima County Department of Finance (June 30, 2007 CAFR)

Note: (1) FTE equals approximate full time equivalent employment.

(2) Formerly Phelps Dodge Mining Co.

Pima County Community College District Demographic and Economic Information

Schedule of Principal Employers (continued) Last Ten Years

<u>Employer</u>	<u>2003</u>			<u>2002</u>			<u>2001</u>			<u>2000</u>			<u>1999</u>		
	<u>FTE (1)</u>	<u>Rank</u>	<u>Percent of Total County Employment</u>	<u>FTE (1)</u>	<u>Rank</u>	<u>Percent of Total County Employment</u>	<u>FTE (1)</u>	<u>Rank</u>	<u>Percent of Total County Employment</u>	<u>FTE (1)</u>	<u>Rank</u>	<u>Percent of Total County Employment</u>	<u>FTE (1)</u>	<u>Rank</u>	<u>Percent of Total County Employment</u>
U.S. Army Intell. Ctr & Ft. Huachuca	11,580	1	2.7%	10,969	2	2.8%	11,376	1	2.9%	11,140	1	2.8%	10,312	2	2.3%
Raytheon Missile Systems	10,100	3	2.4%	10,400	3	2.6%	10,149	3	2.6%	9,800	4	2.5%	7,700	6	1.7%
University of Arizona	11,335	2	2.7%	11,606	1	2.9%	11,032	2	2.8%	10,850	2	2.8%	10,520	1	2.4%
State of Arizona	9,732	5	2.3%	9,932	4	2.5%	9,978	4	2.5%	10,071	3	2.6%	9,694	3	2.2%
Davis-Monthan Air Force Base	9,947	4	2.3%	9,200	5	2.3%	8,796	6	2.2%	8,346	5	2.1%	8,352	4	1.9%
Tucson Unified School District No. 1	8,234	6	1.9%	8,278	6	2.1%	9,102	5	2.3%	8,239	6	2.1%	8,187	5	1.9%
Pima County	7,135	7	1.7%	7,175	7	1.8%	7,119	7	1.8%	6,832	7	1.7%	7,028	7	1.6%
City of Tucson	6,168	8	1.5%	5,933	8	1.5%	6,058	8	1.5%	5,494	8	1.4%	5,497	8	1.2%
Wal-Mart Stores Inc.	4,000	9	0.9%	3,800	9	1.0%									
Freeport-McMoRan Copper & Gold Inc. (2)				3,783	10	1.0%	4,200	9	1.1%	3,275	10	0.8%			
Carondelet Health Network							3,329	10	0.8%	3,596	9	0.9%	5,497	9	1.2%
TMC Health Care Inc.													3,060	10	0.7%
Tohono O'odham Nation	3,375	10	0.8%												
Total	81,606		19.2%	81,076		20.5%	81,139		20.5%	77,643		19.7%	75,847		17.1%
Total Work Force	424,400			397,900			393,200			394,100			440,254		

Source: "The Star 200" - The Arizona Daily Star, www.azstarnet.com. Previous years: Pima County Department of Finance (June 30, 2007 CAFR)

Note: (1) FTE equals approximate full time equivalent employment.

(2) Formerly Phelps Dodge Mining Co.

**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
2008	1,016,600	\$33,009,000	\$32,470	4.7%
2007	1,002,800	\$30,899,000	\$30,813	3.3%
2006	983,600	\$28,421,000	\$28,894	4.4%
2005	954,300	\$26,161,000	\$27,412	4.1%
2004	928,500	\$24,327,000	\$26,201	3.7%
2003	908,400	\$22,645,000	\$24,928	4.5%
2002	888,100	\$22,236,000	\$25,036	4.8%
2001	868,100	\$21,116,000	\$24,234	3.1%
2000	863,500	\$20,580,000	\$23,835	2.8%
1999	842,800	\$19,140,000	\$22,710	2.7%

Source: "Arizona Economy" magazine, www.ebr.eller.arizona.edu

**Pima County Community College District
Operating Information**

Administrators, Faculty and Staff Statistics
Last Ten Fiscal Years

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Administrators										
Regular	62	56	56	51	48	48	48	49	46	45
Faculty										
Regular	387	362	380	380	361	378	378	364	364	363
Adjunct	629	551	564	639	533	464	464	471	461	490
Staff										
Regular	1,023	927	1,020	1,017	1,059	1,043	1,022	959	811	777
Temporary	177	190	189	241	198	192	192	396	438	268
Student	47	72	97	95	103	122	122	122	148	161

Source: District Records

Note: All figures above are based on budgeted full-time equivalents.

**Pima County Community College District
Operating Information**

Admissions, Enrollment and Degree Statistics
Last Ten Fiscal Years

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Students Statistics										
Part-Time %	72%	72%	70%	69%	70%	72%	73%	75%	74%	74%
Full-Time %	28%	28%	30%	31%	30%	28%	27%	25%	26%	26%
Degrees Awarded	2,359	2,080	1,918	1,833	1,742	1,527	1,407	1,369	1,181	1,063
Certificates Awarded	2,094	2,553	2,836	2,135	2,409	2,286	2,052	1,150	680	692
Ethnicity										
Hispanic American %	28%	30%	30%	30%	30%	29%	29%	28%	27%	27%
African American %	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Asian American %	3%	4%	4%	4%	4%	4%	3%	4%	4%	4%
Indigenous American %	2%	2%	2%	3%	3%	3%	4%	3%	3%	3%
White/Other %	54%	54%	56%	56%	55%	56%	56%	56%	62%	62%
Not Reported %	9%	6%	4%	3%	4%	4%	4%	5%		
Gender										
Male %	42%	41%	42%	42%	42%	42%	43%	44%	45%	45%
Female %	56%	57%	56%	56%	56%	55%	55%	55%	54%	55%
Not Reported %	2%	2%	2%	2%	2%	3%	2%	1%	1%	

Source: District Records

**Pima County Community College District
Operating Information**

Historic Enrollment - Headcount and Full Time Student Equivalent

Last Ten Fiscal Years

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
HEADCOUNT										
Total District	61,925	62,360	62,252	61,769	60,820	68,425	66,636	65,221	61,973	58,950

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
FTSE										
Campus										
Community	2,871	2,846	3,085	3,166	3,491	4,532	4,030	3,586	3,267	3,222
Desert Vista	1,602	1,527	1,574	1,707	1,650	1,699	1,557	1,436	1,301	1,240
Downtown	3,909	3,704	3,776	3,974	4,155	4,295	3,892	3,778	3,952	3,946
East	2,997	2,946	3,017	3,186	2,676	2,640	2,465	2,199	2,182	2,051
Northwest	2,072	1,862	1,792	1,793	1,406	39				
West	5,340	5,358	5,438	5,463	5,754	6,102	5,788	5,650	5,793	5,994
Center for Training & Dev.	145	231	324	314	443	565	532	402	412	391
Public Safety Institute	1,286	1,332	987	790	850	739	762	976	912	560
Total District	20,222	19,806	19,993	20,393	20,425	20,611	19,026	18,027	17,819	17,404

Source: District Records

**Pima County Community College District
Operating Information**

Schedule of Capital Asset Information
Fiscal Years 2008 to 2002

	2008	2007	2006	2005	2004	2003	2002
Computer / Audio Visual	\$ 9,871,571	\$ 11,279,651	\$ 11,279,956	\$ 10,325,677	\$ 10,780,400	\$ 9,009,753	\$ 8,775,011
Education & Recreation	1,118,262	1,154,934	1,164,172	1,181,762	1,276,679	1,016,770	1,023,835
Library Books	6,820,816	6,500,768	6,216,833	5,942,433	5,739,631	5,436,804	5,053,251
Medical & Technical	3,749,130	3,172,234	2,632,126	2,467,733	2,164,740	951,552	733,811
Office Equipment & Furniture	1,470,064	1,634,443	1,809,859	1,821,137	1,858,525	1,722,607	1,420,425
Other	1,819,891	1,600,723	1,534,580	1,382,323	1,450,730	1,482,029	1,489,942
Physical Plant	1,369,761	1,411,883	1,388,668	1,636,206	1,612,443	1,442,282	1,141,014
Vehicles	3,091,815	3,044,515	2,749,032	2,533,637	2,211,796	1,976,372	1,800,399
Buildings	177,636,152	177,520,132	177,520,132	177,124,410	172,885,025	150,444,749	115,681,986
Construction in Progress	255,736	17,749	25,831	405,252	2,183,537	20,411,328	44,101,256
Land	10,971,088	10,971,088	10,971,088	11,065,383	11,065,383	11,065,383	11,065,383
Land Improvements	4,320,223	4,320,223	4,320,223	4,301,476	2,340,546	2,340,546	1,569,615
Leasehold Improvements	3,385,100	3,385,100	3,385,100	3,385,100	2,585,100	2,585,100	2,460,062
	<u>\$ 225,879,609</u>	<u>\$ 226,013,443</u>	<u>\$ 224,997,600</u>	<u>\$ 223,572,529</u>	<u>\$ 218,154,535</u>	<u>\$ 209,885,275</u>	<u>\$ 196,315,990</u>

Source: District Records

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

Due to reporting format and definition changes prescribed by GASB Statement 34/35, only fiscal years 2008-2002 are available.

The Board of Governors of Pima County Community College District has affirmed that the College is an equal education/employment opportunity institution.

The College has policies relative to nondiscrimination on the basis of sex, sexual orientation, race, religion, color, national origin, age, disability and/or membership as set forth in USERRA. Such policies apply to all educational programs, services, activities, and facilities, and to all terms and conditions of employment.

For further information, you may contact the Affirmative Action/Equal Employment Opportunity Office, District Office, 4905C East Broadway Boulevard, Tucson, Arizona, 85709-1310.

Reasonable accommodations, including materials in an alternative format, will be made for individuals with disabilities when a minimum of five working days advance notice is given. For the general public, please contact the College information line at (520) 206-4500 or TTY (520) 206-4530; for College students, please contact the appropriate campus Disabled Student Resources Office.