

Pinal County Community College District

(Central Arizona College)

Signal Peak

Superstition Mountain

Aravaipa

Maricopa

San Tan



Maricopa Campus

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2017



**Central
Arizona
College**

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

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2017



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Prepared by the Business Affairs Department

Chris Wodka, VP Business Affairs



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Pinal County Community College District
(Central Arizona College)
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2017

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**Central
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Introductory Section



December 19, 2017

The District Governing Board of Pinal County Community College District:

The Comprehensive Annual Financial Report (CAFR) of the Pinal County Community College District (the "District"), for the fiscal year ended June 30, 2017, is submitted herewith.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. Please read the management's discussion and analysis in conjunction with the Vice President of Business Affairs and Executive Director II, Accounting Services/Comptroller's transmittal letter.

This report is prepared in accordance with U.S. generally accepted accounting principles (GAAP) as prescribed by the Government Accounting Standards Board (GASB) using the guidelines as recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Management is responsible for establishing and maintaining internal controls designed to ensure that assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. Because the cost of a control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements.

The District is required to undergo an annual audit. Audit services are provided to the District by the State of Arizona Office of the Auditor General. For the year ended June 30, 2017, the State of Arizona Office of the Auditor General has issued an unmodified opinion of the District's financial statements. The independent auditors' report is displayed in the front of the financial section of these statements.

The Reporting Entity

The District is an independent reporting entity within the criteria established by the GASB. According to GASB Statement No. 14, the financial reporting entity consists of “a primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.” The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. Although the District shares the same geographic boundaries with Pinal County, financial accountability for all activities related to public community college education in Pinal County is exercised solely by the District. In accordance with GASB Statement No. 39, the financial activity of the Central Arizona College Foundation is presented as a component unit of the District. The District is not included in any other governmental financial reporting entity.

History

The District was established in 1961, when the Arizona Legislature passed a bill permitting counties with the necessary assessed valuation and potential numbers of students to form junior college districts. Groundbreaking ceremonies were held at Signal Peak on Nov. 8, 1968 and Central Arizona College opened its doors in the fall of 1969 near the base of Signal Peak Mountain.

The District began extending its accessibility throughout Pinal County, becoming an important community-building entity that still exists today.

For 48 years now, the District has been serving and educating the diverse communities of Pinal County. With a total of five campuses and three centers located strategically throughout the county, the District provides accessible, educational, economic, cultural, and personal growth opportunities for those of all ages.

Service Area

Pinal County was formed from portions of Maricopa and Pima counties on Feb. 1, 1875, in response to the petition of residents of the upper Gila River Valley, as Act #1 of the Eighth Territorial Legislature. Florence, established in 1866, was designated and has remained the county seat.

The county encompasses 5,374 square miles, of which 4.5 are water. In both economy and geography, Pinal County has two distinct regions. The eastern portion is characterized by mountains with elevations to 6,000 feet and copper mining. The western area is primarily low desert valleys and irrigated agriculture.

The county is home to many interesting attractions, including the Old West Highway 60, Casa Grande Ruins National Monument, Picacho Peak State Park, Picacho Reservoir,

Boyce Thompson Southwestern Arboretum, Oracle State Park and Columbia University's Biosphere II, McFarland State Park, Lost Dutchman State Park, Skydive Arizona, the world's largest skydiving drop-zone, and the Florence Historical District, with 120 buildings on the National Register.

Economic Outlook

Forecasts made by the Economic & Business Research Center, Eller College of Management, The University of Arizona, indicate that Arizona's economic growth continues to accelerate modestly. Retail sales grew by 2.8 percent, which is an increase from the 2.3 percent increase in 2016, signifying continued but modest growth. The strong growth rate in the state economy is anticipated to last through 2020. During the fiscal year 2018, the County's economy is projected to continue to improve slightly in the areas of personal income, retail sales, and employment. In addition, both statewide personal income and retail sales are forecasted to increase by 6.1 percent and 4.6 percent, respectively, in 2018.

Figures from the Arizona Department of Administration, Office of Employment and Population Statistics (ADOA), indicate that Pinal County's population is projected to increase by 2.7 percent from 2016 to 2017 and ADOA published forecasts show population gains of 2.7 percent projected for 2018 and 2019, respectively. As of June 30, 2017, 157,548 persons were employed in Pinal County, up slightly from 152,999 in June of 2016. Employment trends showed that the County unemployment rate of 5.4 percent was slightly higher than the national rate of 4.4 percent at June 30, 2017. This unemployment rate is slightly improved compared to the rate of 5.8 percent in 2016.

According to September 2017 data published by Long Realty, housing unit sales volume increased by 9 percent compared to September 2016 and the median price of sold homes increased by 9 percent from September 2016 to September 2017.

Historically, when economic conditions are improving, enrollment in community colleges decreases. The College experienced decreased enrollment of 5.8 percent for fiscal year 2017 and enrollment for the fall 2016 term was down from the prior year by 4.6 percent.

Major Program Initiatives

Major Accomplishments in 2016-2017

- In March 2017, five Central Arizona College students were selected to the 2017 All-Arizona Academic Team – Cheyenne Dickey, Edna Garcia, Justin Huxel, Thao Nguyen, and Dominic Savana. Dickey was also named a Coca-Cola Scholar.
- Entertainment Industry Technology (E.I.T.) students in the “nu-metal/post-hardcore” band Go Ask Alice signed a record deal with Legend Recordings, a Cleveland, Ohio-based record company.
- The College hosted the first annual Young Advanced Technology Academy at the Signal Peak Campus. More than 50 seventh through tenth graders attended.
- A new workforce development partnership between Central Arizona College and Tempe-based general contractor Sundt Construction, Inc. was developed. Students can gain certifications, certificates, and degrees in heavy equipment operator, structural welding, pipefitting, industrial construction and concrete construction technology.
- Central Arizona College awarded a total of 575 certificates and 566 degrees during the 2016-2017 academic year.
- A new Community Health Worker Certificate Program began in the fall with the first cohort of students graduating in summer 2017.

Major Issues & Resolutions in 2016-2017

- Central Arizona College announced a partnership with Lucid Motors and began offering classes in February leading to an Industrial Maintenance Certificate, Production Technician Certificate, Advanced Industrial Maintenance Certificate, Advanced Production Maintenance Certificate, or an Advanced Production Technician Certificate.
- Throughout the month of April, Central Arizona College President, Jackie Elliott, conducted community forums at all Central Arizona College campuses and the community of Saddlebrooke.
- Central Arizona College made the decision to change six theater courses from credit to non-credit offerings. The College and BlackBox Foundation entered into a partnership to offer non-credited theatre and dance related workshops along with theatrical performances.

Future Program Initiatives

Upcoming Issues for 2017-2018

- A new Nexus Student module will go live in November 2017 with the CRM module and Financial Aid automation going live in February 2018. The implementation of the Finance, HR, and Payroll module are scheduled to be complete by June 2018.
- Construction continues on the new student union and science building at the Signal Peak Campus. Both buildings will be completed by summer 2018.

Acknowledgements

The preparation of this report could not be accomplished without the efficient and dedicated efforts of the Business Office staff. We would like to express our appreciation to all those who assisted in, and contributed to, the preparation of this report.

Respectfully submitted,

Chris Wodka

Vice President of Business Affairs

Luisa M. Ott

Executive Director II, Accounting
Services/Comptroller



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

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

Principal Officers

June 30, 2017



District Governing Board

Gladys S. Christensen, President, District 1

Jack Yarrington, Secretary/Vice President, District 5

Richard D. Gibson, District 3

Dr. Debra L. Banks, District 2

Daniel Miller, District 4

Senior Administration

Dr. Jacquelyn Elliott, President

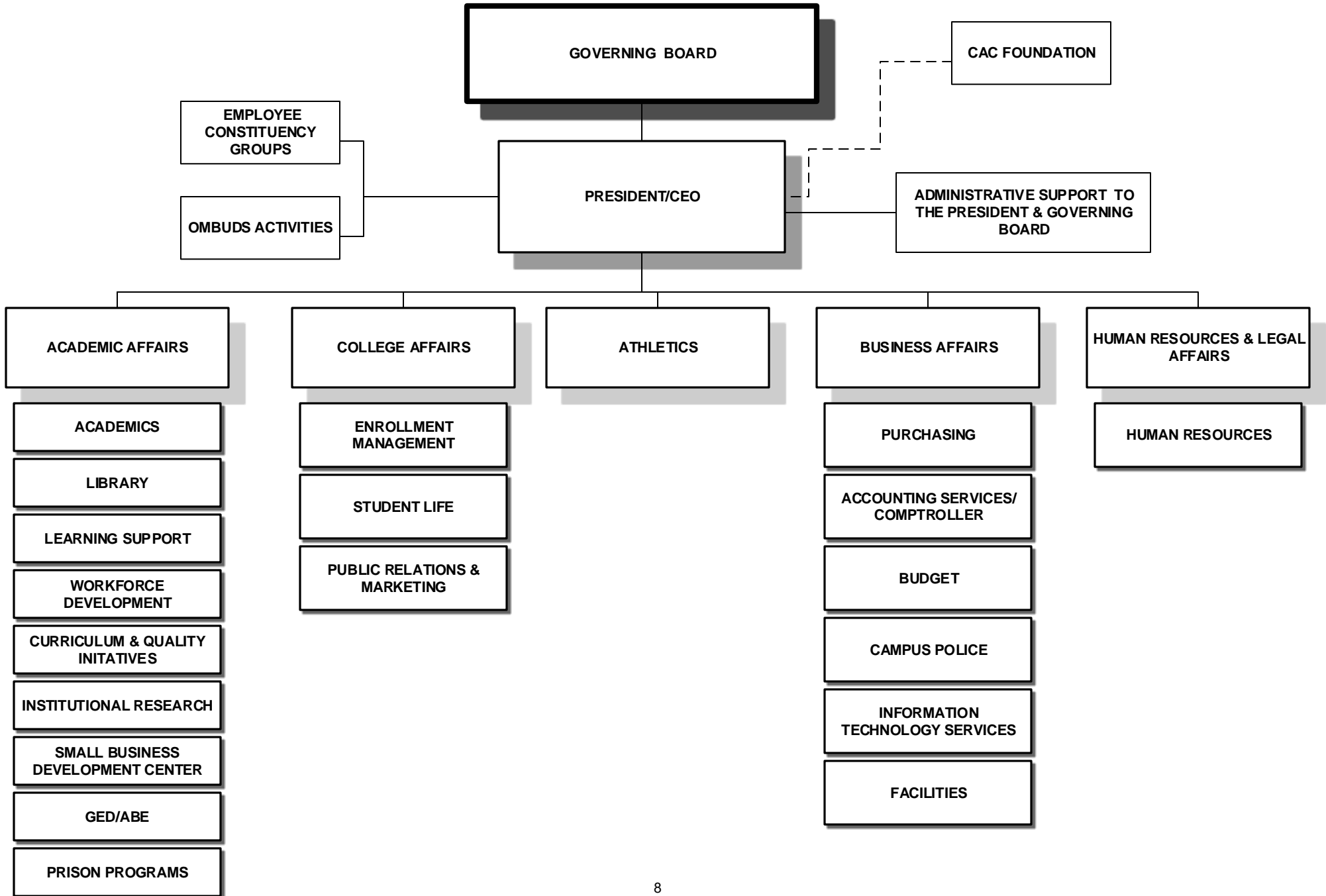
Jenni Cardenas, Interim Vice President College Affairs

Chris Wodka, Vice President Business Affairs

Dr. Mary K. Gilliland, Vice President Academic Affairs

Brandi Clark, Vice President Human Resources & Legal Affairs

**Pinal County Community College District
(Central Arizona College)
Organizational Chart as of June 30, 2017**





**Central
Arizona
College**

Financial Section



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent auditors' report

Members of the Arizona State Legislature

The Governing Board of
Pinal County Community College District

Report on the financial statements

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

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinions

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

Other matters

Required supplementary information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 12 through 19, schedule of the District's proportionate share of the net pension liability on page 54, and schedule of district pension contributions on page 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

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

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

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2017, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Debbie Davenport
Auditor General

December 19, 2017

Pinal County Community College District
(Central Arizona College)
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2017

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the year ended June 30, 2017. Please read it in conjunction with the transmittal letter on page 1 and the District's financial statements, which immediately follow.

Basic Financial Statements

The District's annual financial statements are presented in accordance with the Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments* and Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*. These statements allow for the presentation in a consolidated, single-column, entity-wide format. This format is similar to the type of financial statements typical of a business enterprise. In accordance with GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, the District reports as a component unit those organizations that raise and hold economic resources for the direct benefit of the District. Based on GASB Statement No. 39, the District has one component unit, the Central Arizona College Foundation (Foundation). The Foundation is audited separately from the District, and its financial activity is presented in conjunction with the District's financial statements.

Information on the component unit can be found in the report in the component unit's Statement of Financial Position and Statement of Activities, as well as Note 10. Management's Discussion and Analysis focuses only on the District and does not address the component unit.

The Statement of Net Position reflects the financial position of the District at June 30, 2017. The statement shows the District's assets, deferred outflows and inflows of resources, liabilities, and net position. Net position reflects the institutional equity in the District's total assets.

The Statement of Revenues, Expenses, and Changes in Net Position reflects the results of operations and changes for the fiscal year ended June 30, 2017. This statement reports revenues and expenses, categorized as operating and nonoperating, special and extraordinary items, and the changes in net position for the year.

The Statement of Cash Flows reflects the cash and cash equivalent inflows and outflows for the year ended June 30, 2017. It shows cash flows from operating activities, noncapital financing activities, capital and related financing activities, and investing activities. It also provides for a reconciliation of beginning and ending cash and cash equivalent balances for the year and a reconciliation of the cash flows from operating activities to the operating loss as reported on the Statement of Revenues, Expenses, and Changes in Net Position.

Pinal County Community College District
(Central Arizona College)
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2017

Condensed Financial Information

<u>Net Position — Primary Government</u>		
	<u>As of June 30, 2017</u>	<u>As of June 30, 2016</u>
Assets:		
Current assets	\$ 73,356,299	\$ 64,016,554
Noncurrent assets, other than capital assets	37,326,781	6,021,780
Capital assets, net	<u>156,491,086</u>	<u>155,482,876</u>
Total assets	<u>267,174,166</u>	<u>225,521,210</u>
Deferred Outflows of Resources:		
Deferred amount on refunding	3,257,498	3,449,115
Deferred outflows related to pensions	<u>7,395,013</u>	<u>3,223,218</u>
Total deferred outflows of resources	<u>10,652,511</u>	<u>6,672,333</u>
Liabilities:		
Long-term liabilities	160,887,493	133,408,146
Other liabilities	<u>4,361,216</u>	<u>4,243,121</u>
Total liabilities	<u>165,248,709</u>	<u>137,651,267</u>
Deferred Inflows of Resources:		
Deferred inflows related to pensions	<u>4,622,720</u>	<u>3,530,862</u>
Total deferred inflows of resources	<u>4,622,720</u>	<u>3,530,862</u>
Net Position:		
Net investment in capital assets	63,860,469	57,763,011
Restricted	10,910,380	6,185,680
Unrestricted	<u>33,184,399</u>	<u>27,062,723</u>
Total net position	<u>\$ 107,955,248</u>	<u>\$ 91,011,414</u>

Financial Highlights and Analysis

Total assets increased by \$41.7 million in the fiscal year ending June 30, 2017, due largely to an increase in cash and investments, both current and noncurrent. The increase in cash and investments classified as current was primarily from an increase in revenue. The increase in revenue was mainly due to increases in property tax as well as receiving more in property tax revenues than anticipated. The increase in cash and investments classified as non-current was primarily from revenue bond proceeds deposited into a trust account to fund new construction. Deferred outflows related to

Pinal County Community College District
(Central Arizona College)
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2017

pensions increased by \$4.2 million primarily due to the current year effect of the difference between projected and actual investment earnings related to pensions. Total liabilities increased by \$27.6 million primarily due to the college issuing revenue bonds to finance new construction. The bonds were issued at a premium. Total net position increased by \$16.9 million (19 percent) in fiscal year 2017 compared with an increase of \$14.8 million (19 percent) over the previous year.

<u>Changes in Net Position — Primary Government</u>		
	<u>Year Ended June 30, 2017</u>	<u>Year Ended June 30, 2016</u>
Operating revenues	\$ 5,745,614	\$ 6,660,522
Operating expenses	66,707,389	64,554,751
Operating Loss	<u>(60,961,775)</u>	<u>(57,894,229)</u>
Nonoperating revenues less expenses	77,792,982	72,646,512
Capital grants and gifts	<u>112,627</u>	<u>-</u>
Increase in net position	<u>16,943,834</u>	<u>14,752,283</u>
Net position, beginning of year	<u>91,011,414</u>	<u>76,259,131</u>
Net position, end of year	<u><u>\$ 107,955,248</u></u>	<u><u>\$ 91,011,414</u></u>

During fiscal year 2017, there was an increase in total revenues of \$3.8 million when compared with the prior year. Property tax revenues increased by \$1.6 million due to the total assessed valuation increasing from the prior year. The primary assessed values and secondary assessed values increased around 3 percent for fiscal year 2017. Operating revenues decreased by \$0.9 million due mainly to decreases in student enrollment.

Government grants revenue increased by \$3.2 million primarily due to budgeted increases in grant spending. State appropriations decreased by \$.2 million due to a planned cut in funding by the State of Arizona. Investment income increased by 58% percent because reserve cash balances increased during the fiscal year.

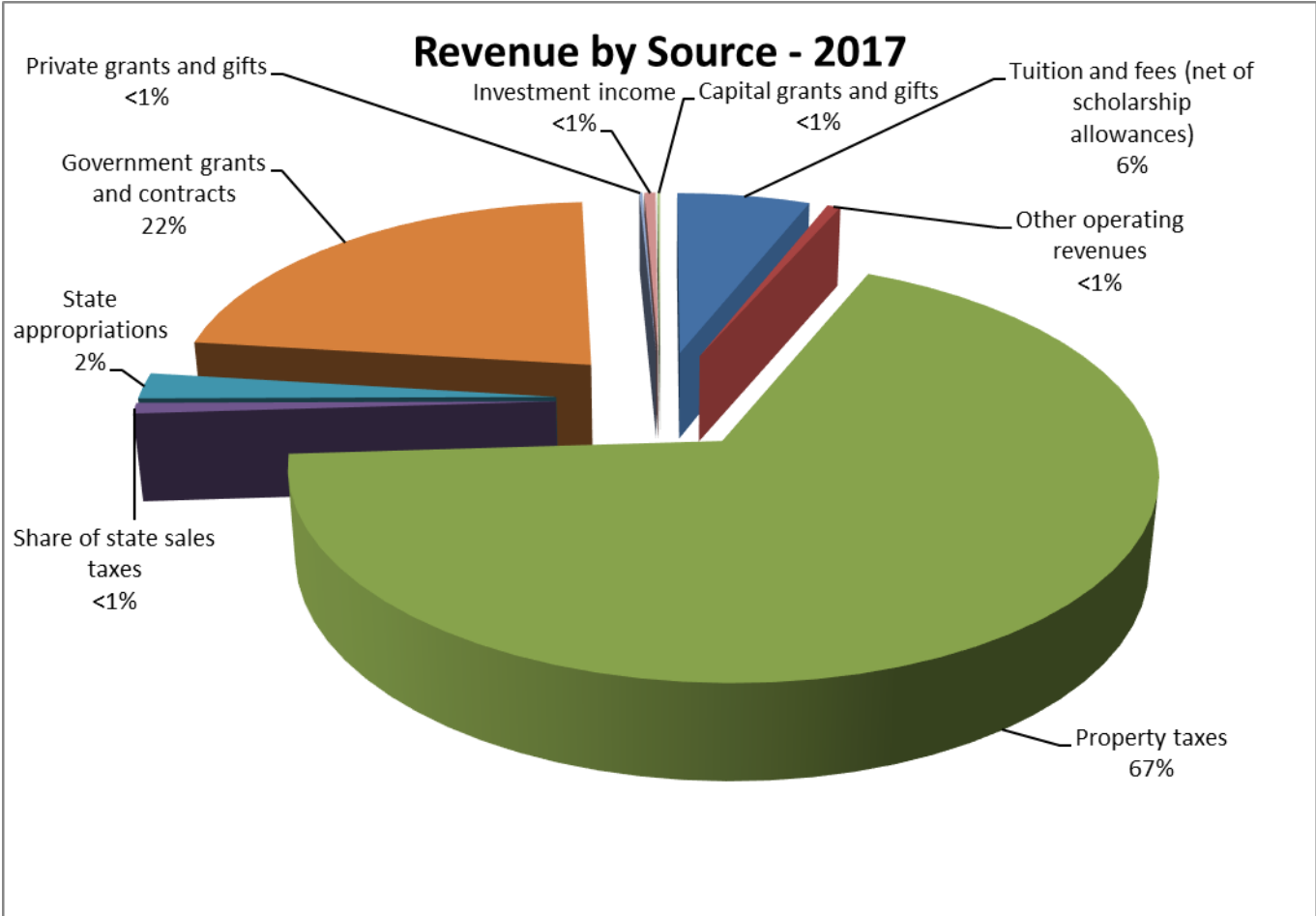
Total expenses increased by 3 percent as compared with the prior year due primarily to an increase in instruction expenses as well as a decrease in scholarships provided to students. The increase in the instructional functions was due primarily to an increase in spending from the prior year. The District had increases in instructional expenses mostly related to increased spending associated with additional grant funding. Scholarship expense decreased due to lower student enrollment.

Pinal County Community College District
(Central Arizona College)
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2017

The following is a summary of revenues for fiscal years ended June 30, 2017, and June 30, 2016:

Revenues by Source — Primary Government				
	Year Ended June 30, 2017		Year Ended June 30, 2016	
Operating revenues:				
Tuition and fees (net of scholarship allowances)	\$ 5,218,478	6.0%	\$ 5,803,046	7.0%
Other operating revenues	527,136	0.6%	857,476	1.0%
Total operating revenues	<u>5,745,614</u>	<u>6.6%</u>	<u>6,660,522</u>	<u>8.0%</u>
Nonoperating revenues:				
Property taxes	58,663,549	67.4%	57,079,404	68.7%
State appropriations	1,821,200	2.1%	2,000,000	2.4%
Share of state sales taxes	748,221	0.9%	715,933	0.9%
Government grants and contracts	19,360,337	22.3%	16,170,153	19.5%
Private grants and gifts	122,261	0.1%	198,066	0.2%
Investment income	439,054	0.5%	277,354	0.3%
Total nonoperating revenues	<u>81,154,622</u>	<u>93.3%</u>	<u>76,440,910</u>	<u>92.0%</u>
Capital grants and gifts	<u>112,627</u>	<u>0.1%</u>	<u>-</u>	<u>-</u>
Total revenues	<u>\$ 87,012,863</u>	<u>100.0%</u>	<u>\$ 83,101,432</u>	<u>100.0%</u>

Pinal County Community College District
(Central Arizona College)
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2017

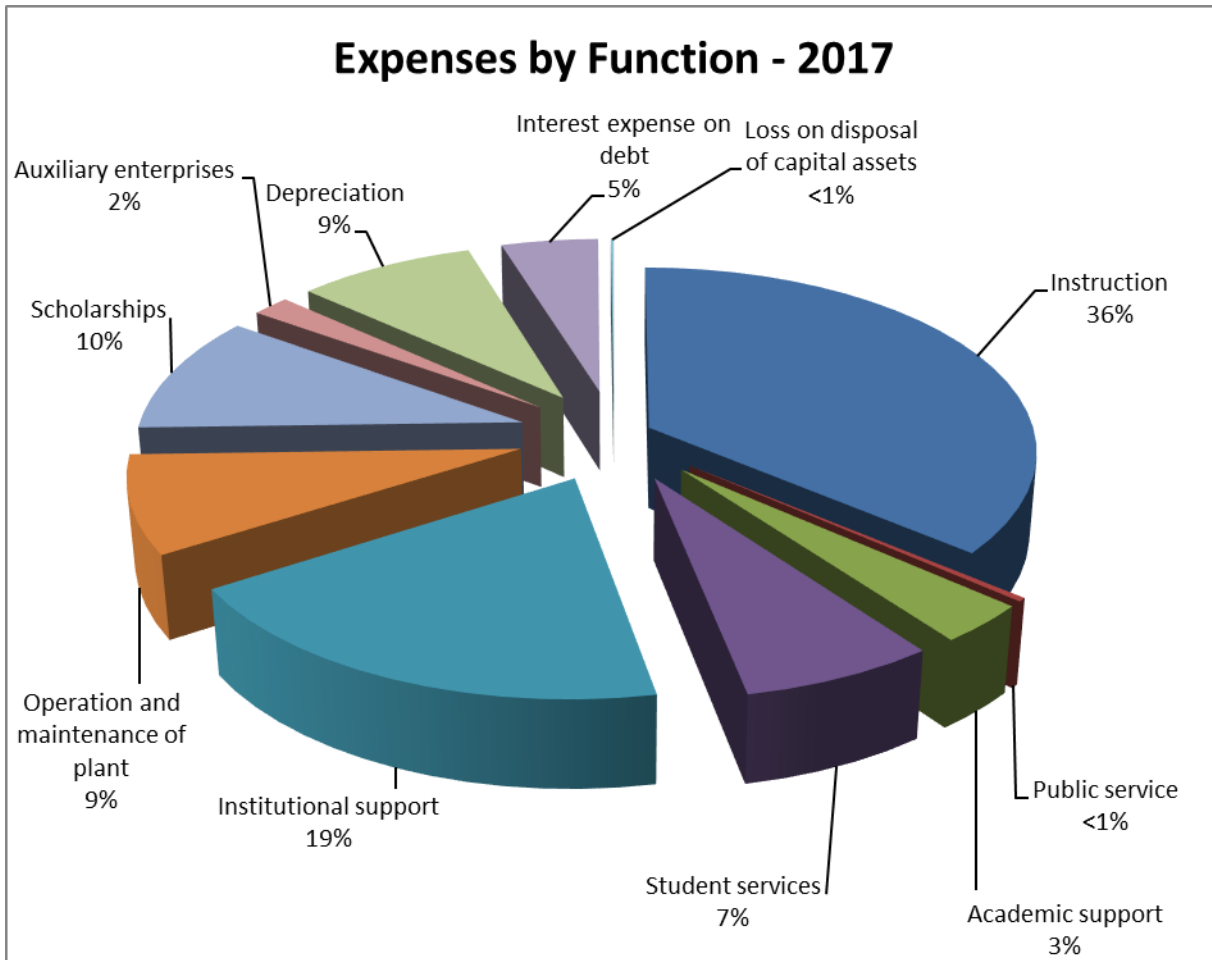


Pinal County Community College District
(Central Arizona College)
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2017

The following is a summary of expenses for fiscal years ended June 30, 2017 and June 30, 2016:

Expenses by Function — Primary Government				
	Year Ended		Year Ended	
	June 30, 2017		June 30, 2016	
Operating expenses:				
Educational and general:				
Instruction	\$ 25,294,670	36.1%	\$ 22,406,606	32.8%
Public service	229,182	0.3%	236,315	0.3%
Academic support	2,395,117	3.4%	2,402,822	3.5%
Student services	4,951,129	7.1%	4,666,022	6.8%
Institutional support	13,377,377	19.1%	14,112,505	20.6%
Operation and maintenance of plant	5,981,320	8.5%	5,853,781	8.6%
Scholarships	7,215,802	10.3%	7,686,691	11.2%
Auxiliary enterprises	1,267,741	1.8%	1,092,141	1.6%
Depreciation	5,995,051	8.6%	6,097,868	8.9%
Total operating expenses	<u>66,707,389</u>	<u>95.2%</u>	<u>64,554,751</u>	<u>94.4%</u>
Nonoperating expenses:				
Interest expense on debt	3,260,098	4.7%	3,769,810	5.5%
Loss on disposal of capital assets	101,542	0.1%	24,588	0.0%
Total nonoperating expenses	<u>3,361,640</u>	<u>4.8%</u>	<u>3,794,398</u>	<u>5.6%</u>
Total expenses	<u>\$ 70,069,029</u>	<u>100%</u>	<u>\$ 68,349,149</u>	<u>100%</u>

Pinal County Community College District
 (Central Arizona College)
 Management's Discussion and Analysis
 Fiscal Year Ended June 30, 2017



Capital Assets and Debt Administration

As of June 30, 2017, the District's capital assets, net of accumulated depreciation, totaled \$156.5 million, an increase of \$1 million from the prior year, due to purchases and dispositions netting to \$5.9 million, depreciation expense of \$6 million as well as a reduction of accumulated depreciation in the amount of \$1 million as a result of the disposal of mainly fully depreciated capital assets. Capital assets include land, equipment, buildings, improvements other than buildings, library books, water rights, and construction in progress. Additional information on capital assets can be found in Note 3 to the District's financial statements.

The College entered into a contract to purchase and implement a new Enterprise Resource Planning System on June 30, 2016. The total contractual commitment of \$3,869,408 is payable over 5 years. \$1,736,984 was paid during the year ending June 30, 2017, \$1,324,197 is expected to be incurred and paid during the year ending June 30, 2018, and \$328,394 is expected to be incurred and paid for each

Pinal County Community College District
(Central Arizona College)
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2017

of the following two fiscal years, and \$151,439 is expected to be incurred and paid during the year ending June 30, 2021.

The District issued \$40 million Series A general obligation bonds in fiscal year 2010 as a part of the \$99 million capital project initiative approved by the voters in 2008. The District issued the remaining \$59 million Series B general obligation bonds in fiscal year 2012. The District used these proceeds to fund the Superstition Mountain Campus expansion, purchase land for the new Maricopa Campus, construct the first phase of the new Maricopa Campus, purchase land for the new San Tan Campus, construct the first phase of the new San Tan Campus, and renovate selected buildings on the Signal Peak and Aravaipa Campuses. Both bond issues have been rated Aa2 by Moody's Investment Services and AA- by Standard and Poor's. The District issued revenue refunding bonds in the amount of \$7.8 million during the fiscal year 2015. The proceeds were used to advance refund the outstanding balance of the series 2004 revenue bonds and 2004 pledged revenue obligations. The District issued general obligation bonds during the fiscal year 2016 to advance refund older, higher rate issues. The proceeds were used to purchase securities that it placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. The partially refunded debt is considered defeased, and the related liabilities are not included in the District's financial statements. The District also issued revenue bonds in the amount of \$27,535,000 during the fiscal year 2017 to fund the construction of a new student union building and a new science building on the Signal Peak Campus. As of June 30, 2017, \$26,673,039 of the bond proceeds is included in restricted net assets. The project is expected to be completed by July of 2018. Additional information on the District's long-term debt is discussed in Note 5 to the District's financial statements.

Current Factors Having Probable Future Financial Significance

For fiscal year 2017 the primary assessed value for property in the county increased by 3 percent and the secondary assessed value for property increased by 3 percent. The county projected additional recovery in home prices last year and an additional 3 percent increase in home values for fiscal year 2018. The District is continuing to develop budgetary strategies to fund its commitment to expand access to postsecondary education for Pinal County residents.

Requests for Information

This discussion and analysis is designed to provide a general overview of the Pinal County Community College District's finances for all those with an interest in such matters. Written requests for additional financial information should be addressed to the Office of the Vice President of Business Affairs, Pinal County Community College District, 8470 N. Overfield Rd., Coolidge, AZ 85128.

Pinal County Community College District
(Central Arizona College)
Statement of Net Position — Primary Government
June 30, 2017

	<u>Business-Type Activities</u>
Assets	
Current assets:	
Cash and investments	\$ 64,619,642
Receivables:	
Accounts (net of allowance of \$366,488)	2,522,878
Property taxes (net of allowance of \$373,771)	3,790,493
Government grants	2,413,090
Student loans (net of allowance of \$918)	110
Other	10,086
Total current assets	<u>73,356,299</u>
Noncurrent assets:	
Restricted assets:	
Cash and investments held by County Treasurer	7,914,392
Cash and investments held by trustee	29,406,542
Other receivables	5,847
Capital assets, not being depreciated	32,084,017
Capital assets, being depreciated, net	<u>124,407,069</u>
Total noncurrent assets	<u>193,817,867</u>
Total assets	<u>267,174,166</u>
Deferred Outflows of Resources	
Deferred amount on refunding	3,257,498
Deferred outflows related to pensions	<u>7,395,013</u>
Total deferred outflows of resources	<u>10,652,511</u>
Liabilities	
Current liabilities:	
Accounts payable	1,453,142
Accrued payroll and employee benefits	1,642,396
Deposits held in custody for others	675,678
Insurance claims payable	590,000
Current portion of compensated absences payable	483,255
Current portion of long-term debt	<u>5,998,908</u>
Total current liabilities	<u>10,843,379</u>

(Continued)

Pinal County Community College District
(Central Arizona College)
Statement of Net Position — Primary Government
June 30, 2017
(Continued)

	Business-Type Activities
Noncurrent liabilities:	
Compensated absences payable	\$ 1,858,328
Long-term debt	116,562,246
Net pension liability	35,984,756
Total noncurrent liabilities	154,405,330
Total liabilities	165,248,709
Deferred Inflows of Resources	
Deferred inflows related to pensions	4,622,720
Total deferred inflows of resources	4,622,720
Net Position	
Net investment in capital assets	63,860,469
Restricted:	
Expendable:	
Grants and contracts	1,010,817
Loans	68,391
Debt service	8,299,085
Other	1,532,087
Unrestricted	33,184,399
Total net position	\$ 107,955,248

Pinal County Community College District
 (Central Arizona College)
 Statement of Financial Position — Component Unit
 June 30, 2017

	<u>Central Arizona College Foundation</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 80,179
Promises to give	4,000
Total current assets	<u>84,179</u>
Noncurrent Assets:	
Certificates of deposit	499,446
Investments	4,043,567
Total noncurrent assets	<u>4,543,013</u>
Total assets	<u>\$ 4,627,192</u>
Liabilities	
Accounts payable	<u>\$ 164,945</u>
Total liabilities	<u>164,945</u>
Net Assets	
Unrestricted	239,029
Temporarily restricted	908,182
Permanently restricted	3,315,036
Total net assets	<u>4,462,247</u>
Total liabilities and net assets	<u>\$ 4,627,192</u>

Pinal County Community College District
(Central Arizona College)
Statement of Revenues, Expenses, and Changes in Net Position — Primary Government
Year Ended June 30, 2017

	Business-Type Activities
Operating revenues:	
Tuition and fees (net of scholarship allowances of \$5,609,860)	\$ 5,218,478
Dormitory rentals and fees (net of scholarship allowances of \$320,942)	285,070
Other	242,066
Total operating revenues	5,745,614
Operating expenses:	
Educational and general:	
Instruction	25,294,670
Public service	229,182
Academic support	2,395,117
Student services	4,951,129
Institutional support	13,377,377
Operation and maintenance of plant	5,981,320
Scholarships	7,215,802
Auxiliary enterprises	1,267,741
Depreciation	5,995,051
Total operating expenses	66,707,389
Operating loss	(60,961,775)
Nonoperating revenues (expenses):	
Property taxes	58,663,549
State appropriations	1,821,200
Government grants	19,360,337
Share of state sales taxes	748,221
Private grants and gifts	122,261
Investment earnings	439,054
Interest expense on debt	(3,260,098)
Loss on disposal of capital assets	(101,542)
Total nonoperating revenues (expenses)	77,792,982
Income before other revenues, expenses, gains, or losses	16,831,207
Capital grants and gifts	112,627
Increase in net position	16,943,834
Net position, July 1, 2016	91,011,414
Net position, June 30, 2017	\$ 107,955,248

Pinal County Community College District
(Central Arizona College)
Statement of Activities — Component Unit
Year Ended June 30, 2017

	Central Arizona College Foundation			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains, and other support				
Contributions	\$ 17,685	\$ 86,130	\$ 1,520	\$ 105,335
Contributions - donated services, space, and operational expenses	185,458	-	-	185,458
Investment income	7,992	131,815	-	139,807
Net realized and unrealized gains on investments	41,525	457,637	-	499,162
Net assets released from restrictions	253,497	(253,497)	-	-
Total revenues, gains and other support	506,157	422,085	1,520	929,762
Expenses				
Scholarships	146,820	-	-	146,820
Program expenses and internships	10,174	-	-	10,174
Office operation expenses	185,758	-	-	185,758
Total expenses	342,752	-	-	342,752
Change in net assets	163,405	422,085	1,520	587,010
Net assets, beginning of year	75,624	486,097	3,313,516	3,875,237
Net assets, end of year	\$ 239,029	\$ 908,182	\$ 3,315,036	\$ 4,462,247

Pinal County Community College District
(Central Arizona College)
Statement of Cash Flows — Primary Government
Year Ended June 30, 2017

	Business-Type Activities
Cash flows from operating activities:	
Tuition and fees	\$ 5,646,108
Dormitory rentals and fees	296,111
Collection of loans to students	2,195
Other receipts	269,149
Payments to suppliers and providers of goods and services	(17,097,415)
Payments for employee wages and benefits	(36,262,370)
Payments to students for scholarships	(7,217,428)
Other payments	(913,462)
Net cash used for operating activities	<u>(55,277,112)</u>
Cash flows from noncapital financing activities:	
Property taxes	58,375,674
State appropriations	1,821,200
Grants	18,833,713
Share of state sales taxes	748,221
Noncapital endowments and gifts	112,627
Federal direct lending receipts	4,064,151
Federal direct lending disbursements	(4,064,151)
Deposits held in custody for others received	(67,253)
Deposits held in custody for others disbursed	115,114
Net cash provided by noncapital financing activities	<u>79,939,296</u>
Cash flows from capital and related financing activities:	
Proceeds from the issuance of capital debt	30,000,000
Principal paid on capital debt	(5,343,449)
Interest paid on capital debt	(3,542,240)
Purchases of capital assets	(6,056,199)
Net cash provided by capital and related financing activities	<u>15,058,112</u>
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	32,813,468
Interest received on investments	439,054
Purchase of investments	(32,813,468)
Net cash provided by investing activities	<u>439,054</u>
Net increase in cash and cash equivalents	40,159,350
Cash and cash equivalents, July 1, 2016	<u>61,781,226</u>
Cash and cash equivalents, June 30, 2017	<u>\$ 101,940,576</u>

(Continued)

Pinal County Community College District
(Central Arizona College)
Statement of Cash Flows — Primary Government
Year Ended June 30, 2017
(Continued)

	Business-Type Activities
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	\$ (60,961,775)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	5,995,051
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Receivables, net	450,674
Accrued payroll and employee benefits	237,338
Student loans receivable	690
Compensated absences payable	59,049
Net pension liability	2,578,979
Accounts payable	(267,386)
Deferred outflows of resources related to pensions	(4,171,795)
Insurance claims payable	(289,795)
Deferred inflows of resources related to pensions	1,091,858
Net cash used for operating activities	<u>\$ (55,277,112)</u>
Noncash investing, capital, and noncapital financing activities:	
Disposal of capital assets being depreciated	\$ 1,157,595
Loss on disposal of capital assets, net	101,542
Amortization of GO bond premiums	317,583
Amortization of Revenue bond premium	156,176
Amortization of deferred amount on revenue bond refunding	191,617
Reconciliation of cash and cash equivalents, as presented on the Statement of Net Position:	
Cash and investments	64,619,642
Restricted assets:	
Cash and investments held by County Treasurer	7,914,392
Cash and investments held by trustee	29,406,542
Total cash and cash equivalents, June 30, 2017	<u>\$ 101,940,576</u>

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2017

Note 1 — Summary of Significant Accounting Policies

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

A. Reporting Entity

The District is a special-purpose government that is governed by a separately elected governing body. It is legally separate and fiscally independent of other state and local governments. The accompanying financial statements present the activities of the District (the primary government) and its discretely presented component unit, the Central Arizona College Foundation (Foundation).

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

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

During the year ended June 30, 2017, the Foundation distributed \$156,994 to the District for restricted purposes. Complete financial statements for the Foundation can be obtained from the Central Arizona College Foundation, 8470 North Overfield Road, Coolidge, AZ 85128.

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2017

B. Basis of Presentation and Accounting

The financial statements include a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows.

A statement of net position provides information about the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at the end of the year. Assets and liabilities are classified as either current or noncurrent. Net position is classified according to external donor restrictions or availability of assets to satisfy the District's obligations. Net investment in capital assets represents the value of capital assets, net of accumulated depreciation, less any outstanding debt incurred to acquire or construct the assets. Expendable restricted net position represents grants, contracts, gifts, and other resources that have been externally restricted for specific purposes. Unrestricted net position consists of all other resources, including those that have been designated by management to be used for other than general operating purposes.

A statement of revenues, expenses, and changes in net position provides information about the District's financial activities during the year. Revenues and expenses are classified as either operating or nonoperating, and all changes in net position are reported, including capital contributions and additions to endowments. Operating revenues and expenses generally result from exchange transactions. Accordingly, revenues, such as tuition and dormitory charges, in which each party receives and gives up essentially equal values, are considered operating revenues. Other revenues, such as property taxes, state appropriations, and government grants result from transactions in which parties do not exchange equal values and are considered nonoperating revenues. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Other expenses, such as interest expense on debt, are considered nonoperating expenses.

A statement of cash flows provides information about the District's sources and uses of cash and cash equivalents during the year. Increases and decreases in cash and cash equivalents are classified as either operating, noncapital financing, capital financing, or investing.

The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. State appropriations are recognized as revenue in the year in which the appropriation is first made available for use. Grants and donations are recognized as revenue as soon as all eligibility requirements the provider imposed have been met. It is the District's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Internal transactions and activities, such as transfers between funds, revenues and expenses recorded for internal service activities, and certain internal revenues and expenses recorded for grant activity have been eliminated for financial statement purposes.

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2017

C. Cash and Investments

For the statement of cash flows, the District’s cash and cash equivalents are considered to be cash on hand, demand deposits, cash and investments held by the County Treasurer, and only those highly liquid investments with a maturity of 3 months or less when purchased. All investments are stated at fair value.

D. Capital Assets

Capital assets are reported at actual cost (or estimated historical cost if historical records are not available). Donated assets are reported at acquisition value.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the financial statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	All	N/A	N/A
Buildings	\$5,000	Straight-line	40 years
Modular buildings	5,000	Straight-line	20 years
Improvements other than buildings	5,000	Straight-line	15 years
Equipment	5,000	Straight-line	5 years
Intangibles			
Water rights	5,000	Straight-line	100 years
Software	5,000	Straight-line	5 years
Library books	All	Straight-line	10 years

Depreciation is accounted for using a half-year convention. Buildings and improvements other than buildings that are classified as construction in progress are not depreciated until completed. Upon completion, these capital assets are reclassified and reported as buildings and improvements other than buildings.

E. Deferred Outflows and Inflows of Resources

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

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2017

Deferred inflows of resources represent an acquisition of net position that applies to future periods and will be recognized as a revenue in future periods.

F. Pensions

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

G. Investment Earnings

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

H. Compensated Absences

Compensated absences payable consists of vacation leave and a calculated amount of sick leave employees earned based on services already rendered.

Employees may accumulate up to 320 hours of vacation, but they forfeit any unused vacation hours in excess of the maximum amount at fiscal year-end. Upon terminating employment, the District pays all unused and unforfeited vacation benefits to employees. Accordingly, vacation benefits are accrued as a liability in the financial statements.

Employees may accumulate up to 960 hours of sick leave. Generally, sick leave benefits provide for ordinary sick pay and are cumulative, but employees forfeit them upon terminating employment. However, for employees who have 5 or more years of service, 50 percent of the unused sick leave benefits do vest at employee termination. Sick leave benefits are accrued to the extent it is probable that the District will compensate employees through cash payments upon termination. Those amounts are accrued as a liability in the financial statements.

I. Scholarship Allowances

A scholarship allowance is the difference between the stated charge for goods and services the District provides and the amount that the student or third parties making payments on the student's behalf pays. Accordingly, some types of student financial aid, such as Pell grants and scholarships the District awards, are considered to be scholarship allowances. These allowances are netted against tuition and fees revenues in the statement of revenues, expenses, and changes in net position.

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2017

Note 2 — Deposits and Investments

Arizona Revised Statutes (A.R.S.) requires the District to deposit special tax levies for the District's maintenance or capital outlay with the County Treasurer. Although not statutorily required, the District has also chosen to deposit other public monies in its custody with the County Treasurer. A.R.S. requires collateral for deposits at 102 percent of all deposits not covered by federal depository insurance. A.R.S. does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the District's investments.

Deposits – At June 30, 2017, the carrying amount of the District's deposits was \$14,311,117 and the bank balance was \$14,578,015. The District does not have a policy with respect to custodial credit risk.

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

	Amount	Fair value measurement using Quoted prices in active markets for identical assets (Level 1)
Investments by fair value level		
Mutual Funds - U.S. Treasury securities	\$ 29,406,542	\$ 29,406,542
Total investments by fair value level	29,406,542	\$ 29,406,542
 External investment pools measured at fair value		
County Treasurer's investment pool	58,201,889	
Total external investment pools measured at fair value	58,201,889	
Total investments measured at fair value	87,608,431	
Total investments	\$ 87,608,431	

Investments categorized as Level 1 are valued using prices quoted in active markets for those investments. The investment in the County Treasurer's pool is valued using the District's proportionate participation in the pool because the pool's structure does not provide for shares. The County Treasurer's investment pool is not registered with the Securities and Exchange Commission as an investment company, and there is no regulatory oversight of its operations.

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2017

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

Investment Type	Rating	Rating Agency	Amount
County Treasurer's investment pool	Unrated	Not applicable	\$ 58,201,889
Mutual funds - U.S. Treasury securities	Aaa	Moody's	29,406,542
Total			<u>\$ 87,608,431</u>

Custodial credit risk - For an investment, custodial credit risk is the risk that, in the event of the counterparty's failure, the District will not be able to recover the value of its investments or collateral securities that are in an outside party's possession. The District does not have a formal policy with respect to custodial credit risk. At June 30, 2017, the District did not have any investments or collateral securities that were subject to custodial credit risk.

Interest rate risk - The District does not have a formal policy for interest rate risk. At June 30, 2017, the District had the following investments in debt securities:

Investment Type	Amount	Weighted Average Maturity
County Treasurer's investment pool	\$ 58,201,889	2.05 months
Mutual funds - U.S. Treasury securities	29,406,542	0.87 months
Total	<u>\$ 87,608,431</u>	

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

Cash, deposits, and investments:		Statement of Net Position:	
Cash on hand	\$ 21,028	Cash and investments	\$ 64,619,642
Amount of deposits	14,311,117	Restricted assets:	
Amount of investments	87,608,431	Cash and investments held	
		by County Treasurer	7,914,392
		Cash and investments held	
		by trustees	29,406,542
Total	<u>\$ 101,940,576</u>	Total	<u>\$ 101,940,576</u>

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2017

Note 3 — Capital Assets

Capital asset activity for the year ended June 30, 2017, was as follows:

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017
Capital assets not being depreciated:				
Land	\$ 26,013,275			\$ 26,013,275
Construction in progress	993,854	\$ 5,076,888		6,070,742
Total capital assets not being depreciated	<u>27,007,129</u>	<u>5,076,888</u>	<u>-</u>	<u>32,084,017</u>
Capital assets being depreciated:				
Buildings	138,685,393	980,154		139,665,547
Improvements other than buildings	29,717,401	45,000	\$ 469,159	29,293,242
Water rights	1,171,172			1,171,172
Equipment	14,204,932	873,116	551,745	14,526,303
Library books	1,902,492	129,645	136,691	1,895,446
Total capital assets being depreciated	<u>185,681,390</u>	<u>2,027,915</u>	<u>1,157,595</u>	<u>186,551,710</u>
Less accumulated depreciation for:				
Buildings	33,104,020	2,973,105		36,077,125
Improvements other than buildings	10,730,082	1,794,095	367,617	12,156,560
Water rights	46,847	11,711		58,558
Equipment	11,983,014	1,121,446	551,746	12,552,714
Library books	1,341,680	94,694	136,690	1,299,684
Total accumulated depreciation	<u>57,205,643</u>	<u>5,995,051</u>	<u>1,056,053</u>	<u>62,144,641</u>
Total capital assets being depreciated, net	<u>128,475,747</u>	<u>(3,967,136)</u>	<u>101,542</u>	<u>124,407,069</u>
Capital assets, net	<u>\$ 155,482,876</u>	<u>\$ 1,109,752</u>	<u>\$ 101,542</u>	<u>\$ 156,491,086</u>

Note 4 — Construction and other commitments

The District had major contractual commitments related to various capital projects at June 30, 2017, for the construction of a new student union and new science building. At June 30, 2017, the District had spent \$4,187,413 on the construction projects and had remaining contractual commitments with contractors of \$23,644,402. The construction is being financed with the issuance of revenue bonds in the amount of \$27,535,000. The District also spent \$1,736,984 on the implementation of a new Enterprise Resource Planning system and had remaining contractual commitments of \$2,132,424. Construction and implementation of the enterprise resource planning system are scheduled to be completed by June 30, 2018.

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2017

Note 5 — Long-Term Liabilities

The following schedule details the District's long-term liability and obligation activity for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Due within 1 year
Bonds payable:					
General obligation bonds	\$ 82,770,000		\$ 2,950,000	\$ 79,820,000	\$ 3,090,000
Premium	5,891,784	\$ 3,123,528	473,759	8,541,553	473,759
Revenue bonds		27,535,000		27,535,000	
Revenue refunding bonds	6,204,970		2,039,970	4,165,000	2,065,000
Total bonds payable	<u>94,866,754</u>	<u>30,658,528</u>	<u>5,463,729</u>	<u>120,061,553</u>	<u>5,628,759</u>
Capital leases payable	2,853,081		353,479	2,499,601	370,149
Compensated absences payable	2,282,534	1,001,186	942,137	2,341,583	483,255
Net pension liability	33,405,777	2,578,979		35,984,756	
Total long-term liabilities	<u>\$ 133,408,146</u>	<u>\$ 34,238,693</u>	<u>\$ 6,759,345</u>	<u>\$ 160,887,493</u>	<u>\$ 6,482,163</u>

Bonds – The District's bonded debt consists of general obligation bonds and revenue bonds that are generally callable with interest payable semiannually. Bond proceeds primarily pay for acquiring, constructing capital facilities or refunding previously issued bonds. In fiscal year 2010, the District issued general obligation bonds totaling \$40 million to fund the purchase of land, the construction of new facilities, the renovation of existing facilities, and the purchase of equipment. In fiscal year 2012, the District issued the remaining \$59 million of voter-approved general obligation bonds to fund the remaining costs associated with these projects. During the year ended June 30, 2016, the District issued general obligation bonds with an average interest rate of 4.12 percent to advance-refund older, higher-rate issues with an average interest rate of 5.15 percent. The District realized net proceeds of \$33,032,632 after payment of \$368,060 in underwriting fees, insurance, and other issuance costs. The District used these proceeds to purchase securities that it placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. The partially refunded debt is considered defeased, and related liabilities are not included in the District's financial statements.

The District repays general obligation bonds from voter-approved property taxes. Bonds outstanding at June 30, 2017, were as follows:

Description	Original Amount Issued	Maturity Ranges	Interest Rates	Outstanding Principal
General Obligation Bonds - Series 2012B	\$58,975,000	7/1/17 - 36	2.0-4.5%	\$48,465,000
General Obligation Bonds - Series 2009A	40,000,000	7/1/17 - 34	4.0-5.0%	2,505,000
GO Refunding Bonds - Series 2016	28,895,000	7/1/17 - 34	2.0-5.0%	28,850,000

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2017

Under Article IX of the Arizona Constitution, the total amount of indebtedness of the District may not exceed 15% of the County's secondary property assessed valuation. As of June 30, 2017 the District's total net debt applicable to the limit was 25.89% of the legal debt limit. The bonds are subject to federal arbitrage regulations.

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

Year Ending June 30	General Obligation Bonds	
	Principal	Interest
2018	3,090,000	3,224,976
2019	3,195,000	3,120,826
2020	3,305,000	3,000,176
2021	3,395,000	2,915,176
2022	3,460,000	2,847,276
2023-2027	19,910,000	11,631,330
2028-2032	24,925,000	6,807,478
2033-2036	18,540,000	1,681,600
Total	<u>\$ 79,820,000</u>	<u>\$ 35,228,838</u>

Pledged revenue obligations - During the year ended June 30, 2015, the District issued revenue refunding bonds with an average interest rate of 1.46 percent. The proceeds from the bonds were used to advance refund the outstanding balance of the series 2004 revenue bonds and 2004 pledged revenue obligations which at the date of refunding was \$3.42 million (average interest rate 4.25%) and \$4.305 million (average interest rate 3.97%), respectively. The District realized net proceeds of \$7.815 million and after payment of \$7.812 million to repay debt, underwriting fees, insurance, and other issuance costs the district used the remaining \$2,700 to offset related debt interest costs. During the year ended June 30, 2017, the District issued revenue bonds totaling \$27,535,000 to fund the construction of new facilities and the purchase of equipment.

The Revenue Refunding Bonds – Series 2014 and Revenue Bonds – Series 2017 are pledged with gross revenues and are currently repaid from tuition and fees and dormitory rentals and fees. The District has committed to designate each year, from gross revenue, amounts sufficient to cover the principal and interest requirements on the District's revenue refunding bonds. The total principal and interest remaining on the Revenue Refunding Bonds – Series 2014 is \$4,165,000 and \$61,605, respectively, with annual requirements ranging from \$2,110,735 to \$2,115,330. The total principal and interest remaining on the Revenue Bonds – Series 2017 is \$27,535,000 and \$15,249,393, respectively, with annual requirements ranging from \$1,132,393 to \$2,265,925. Pledged gross revenues have averaged approximately \$6,692,876 over the prior 5 fiscal years and principal and interest payments on revenue bonds are expected to require 39.9% of gross revenues annually. For the current year, principal and interest paid by the District was \$2,115,701, and total tuition and fees and dormitory rentals and fees, net of scholarship allowances, was \$5,503,548.

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Pledged revenue obligation requirements at June 30, 2017, were as follows:

Description	Amount Issued	Maturity Ranges	Interest Rate	Outstanding Principal
Revenue Refunding Bonds - Series 2014	\$7,815,000	7/1/17 - 18	1.46%	\$4,165,000
Revenue Bonds - Series 2017	27,535,000	7/1/17 - 36	3.00% - 5.00%	27,535,000

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

Year Ending June 30	Revenue Refunding Bonds	
	Principal	Interest
2018	2,065,000	45,735
2019	2,100,000	15,330
Total	<u>\$ 4,165,000</u>	<u>\$ 61,065</u>

Year ended June 30	Revenue Bonds	
	Principal	Interest
2018	-	1,132,393
2019	-	1,216,900
2020	1,065,000	1,200,925
2021	1,095,000	1,163,050
2022	1,140,000	1,112,650
2023 - 2027	6,370,000	4,902,900
2028 - 2032	7,895,000	3,324,625
2033 - 2037	9,970,000	1,195,950
	<u>\$ 27,535,000</u>	<u>\$ 15,249,393</u>

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for these defeased bonds are not included in the District's financial statements.

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At June 30, 2017, the following outstanding bonds were considered defeased:

Description	Amount
General Obligation Bonds	\$ 29,255,000

Capital leases - The District has acquired energy-savings equipment under the provisions of a long-term lease agreement classified as a capital lease for accounting purposes because it provides for a bargain purchase option or a transfer of ownership by the end of the lease term.

The assets acquired through the capital lease are as follows:

Improvements other than buildings	\$ 2,810,296
Equipment	2,249,586
Less accumulated depreciation	<u>(4,029,440)</u>
Carrying value	<u>\$ 1,030,442</u>

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

Year ending June 30		
2018		474,900
2019		476,063
2020		477,276
2021		478,540
2022		479,856
2023		<u>481,222</u>
Total minimum lease payments		<u>2,867,857</u>
Less amount representing interest		<u>(368,256)</u>
Present value of net minimum lease payments		<u>\$ 2,499,601</u>

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Note 6 — Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates with other Arizona community college districts and more than 200 Arizona school districts in the Arizona School Risk Retention Trust, Inc. (Trust), a public-entity risk pool. The Trust insures the District against liabilities arising from general liability; professional liability; property, automobile, boiler and machinery liability; and commercial crime risks. The coverage limit for general liability is \$10 million with no deductible except for employer’s liability and cyber liability, which is \$500,000 and \$5,000, respectively. The coverage limit for professional liability is \$10 million with no deductible (except for student’s clinical practicum, the coverage limit is \$3 million, no deductible). The coverage limit for property insurance is \$177.7 million with a \$1,000 deductible. The coverage limit for automobile liability is \$10 million with no deductible. The coverage limit for commercial crime is \$1,500,000 with a \$100 deductible. The Trust’s operating agreement includes a provision for the member to be charged an additional assessment in the event that total claims paid by the Trust exceed the members’ contributions and reserves in any single year. The District will be charged for any such assessment in the following year.

The District also carries commercial insurance for other risks of loss, including workers’ compensation, accidental death and dismemberment for students and employees, employee travel, and extended reporting for errors and omissions. Settled claims resulting from any of these risks have not exceeded commercial insurance coverage in any of the past 3 fiscal years.

Insurance Claims – The District finances uninsured risks of loss for certain health benefits to eligible employees and dependents. The healthcare plan provides coverage for claims up to \$110,000 for each individual per year, not to exceed an aggregate stop loss of \$1 million. The District purchases commercial insurance for claims in excess of these limits. Settled claims have not exceeded the District’s coverage for this plan in any of the past 3 fiscal years. An independent administrator provides claim and recordkeeping services for the plan.

The insurance claims payable liability of \$590,000 at June 30, 2017, is the estimated ultimate cost of settling claims that have been reported but not settled and claims that have been incurred but not reported. This estimate is based on historical data for health insurance claims reported during the year, prior-year claims of continuing duration, and claims incurred but not reported as of June 30, 2017. Changes in the District’s claims payable for the years ended June 30, 2017, and June 30, 2016, were as follows:

	2017	2016
Claims payable, beginning of year	\$ 879,795	\$ 567,948
Current year claims and changes in estimates	4,165,175	4,851,014
Claims payments	<u>(4,454,970)</u>	<u>(4,539,167)</u>
Claims payable, end of year	<u>\$ 590,000</u>	<u>\$ 879,795</u>

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Note 7 — Operating Leases

The District leases classroom and office space under provisions of a long-term lease agreement classified as an operating lease for accounting purposes. Rental expense under the term of the operating lease was \$505,695 for the year ended June 30, 2017. The operating lease has a remaining non-cancelable term of 4 years and provides a renewal option. The future minimum payments required under the operating lease at June 30, 2017, are as follows:

Year ending June 30	
2018	378,237
2019	393,366
2020	409,101
2021	425,465
Total minimum lease payments	\$ 1,606,169

Note 8 — Pension and Other Postemployment Benefits

A. Arizona State Retirement System (ASRS)

Plan Descriptions – District employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 2 and 2.1. The ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azasrs.gov. The District also contributes to the Public Safety Personnel Retirement System (PSPRS), a state administered agent multiple-employer defined benefit pension plan. The net pension liability for PSPRS has not been recorded at June 30, 2017 and no further disclosures are presented due to its relative insignificance to the District’s financial statements.

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

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Retirement

Initial membership date:

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

* With actuarially reduced benefits.

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

Contributions – In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2017, statute required active ASRS members to contribute at the actuarially determined rate of 11.48 percent (11.34 percent for retirement and 0.14 percent for long-term disability) of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 11.48 percent (10.78 percent for retirement, 0.56 percent for health insurance premium benefit, and 0.14 percent for long-term disability) of the active members' annual covered payroll.

In addition, the District was required by statute to contribute at the actuarially determined rate of 9.47 percent (9.17 percent for retirement, .21 percent health benefit and 0.09 percent for long-term disability) of annual covered payroll of retired members who worked for the District in positions that an employee who contributes to the ASRS would typically fill. The District's contributions to the pension plan for the year ended June 30, 2017 were \$2,317,219.

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The District's OPEB contributions for the current and 2 preceding years, all of which were equal to the required contributions, were as follows:

Years ended June 30,	Health Benefit Supplement Fund	Long-Term Disability Fund
2017	\$63,107	\$14,588
2016	\$48,992	\$12,100
2015	\$58,404	\$11,481

Pension Liability – At June 30, 2017, the District reported a liability of \$35,984,756 for its proportionate share of the ASRS's net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2015, to the measurement date of June 30, 2016. The total pension liability as of June 30, 2016, reflects a change in actuarial assumption for a decrease in loads for future potential benefit increases.

The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The District's proportion measured as of June 30, 2016 was .223 percent, which was an increase of .009 from its proportion measured as of June 30, 2015.

Pension Expense and Deferred Outflows/Inflows of Resources – For the year ended June 30, 2017 the District recognized pension expense for ASRS of \$1,769,553. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 218,677	\$ 2,475,488
Net difference between projected and actual earnings on pension plan investments	3,899,550	
Changes in proportion and differences between district contributions and proportionate share of contributions	959,567	243,351
District contributions subsequent to the measurement date	2,317,219	
Changes of assumptions or other inputs		1,903,881
Total	<u>\$ 7,395,013</u>	<u>\$ 4,622,720</u>

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The \$2,317,219 reported as deferred outflows of resources related to ASRS pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year Ending June 30	
2018	(1,477,447)
2019	(837,034)
2020	1,676,132
2021	1,093,422

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

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

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

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

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

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

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

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
District's proportionate share of the net pension liability	\$ 45,883,296	\$ 35,984,756	\$ 28,048,290

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

Pension Contributions Payable – The District’s accrued payroll and employee benefits included \$72,769 of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2017.

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Note 9 — Operating Expenses

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

Personal services	\$	35,768,004
Contract services		6,102,064
Supplies and other services		8,233,091
Communications and utilities		2,313,006
Scholarships		7,215,923
Depreciation		5,995,051
Other		1,080,250
Total	<u>\$</u>	<u>66,707,389</u>

Note 10 — Central Arizona College Foundation

Nature of Activities - The Central Arizona College Foundation (the “Foundation”) was formed in 1968 as an Arizona not-for-profit corporation. The Foundation’s mission and purpose is to support the programs and activities of Central Arizona College (the “College”). The Foundation supports student scholarships, faculty development and programs that enrich both campus and community life.

The major activities of the Foundation include providing scholarships to college students, sponsorship of community events and college development activities. Resources to fund these activities are provided mainly from investment income, contributions and grants.

Basis of Accounting and Financial Statement Presentation - The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Temporarily restricted net assets are composed of assets that have been restricted by the donors and contain either time or purpose restrictions plus unspent accumulated investment income on the permanently restricted endowments.

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Promises to Give - Unconditional promises to give are recognized as revenues in the period the promise is received and as assets, decreases of liabilities or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using rates as determined by management applicable to the years in which the promises are received. Amortization of the discounts is included in contribution support.

Fair Value Measurements and Investments - A framework for measuring fair value has been established by Accounting Standards and provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under Accounting Standards are as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified term (contractual term), the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement, and usually reflect the Foundation's own assumptions that market participants would use in pricing the assets (i.e. real estate valuations, broker quotes).

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

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Investment income or loss (including realized and unrealized gains and losses) on endowment funds are included in the change in temporarily restricted net assets in the accompanying statement of activities. Investment income on other funds is included in the change in unrestricted net assets, unless the income or loss is restricted by donor or law. The Foundation invests most of the endowments in an investment pool which is managed by an investment advisor to the Foundation. This is a commission based account and investment fees are assessed on transaction activity.

Risks and Uncertainty - The Foundation invests in various types of investments which are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amount reported in the statement of financial position.

Endowment Funds - The Foundation's endowment funds consist of approximately 40 funds established for a variety of purposes. The endowment funds include donor-restricted endowment funds. Net assets associated with these endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation follows the Arizona's Management of Charitable Funds Act (MCFA) and its own governing documents. MCFA requires the preservation of endowment funds. When a donor's intent is not expressed, MCFA directs the Foundation to spend an amount that is prudent and consistent with the purposes of the fund, relevant economic factors and the donor's intent that the fund continue in perpetuity.

The Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by MCFA.

In accordance with MCFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) the Foundation's other resources, and (7) the Foundation's investment policies.

Investment Return Objectives, Risk Parameters and Strategies - The investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. The

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Foundation's primary objective is to obtain the best possible return on investments with the appropriate degree of risk and to meet the priorities of the Foundation and Central Arizona College over time. Endowment assets are invested in a well-diversified asset mix that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution, while growing the funds if possible. The Foundation has contracted with an asset manager to actively manage the investment portfolio with set objectives.

Spending Policy – The Foundation has adopted a spending policy that governs the overall spending from the endowment funds. Under this policy, the amount of funds allocated for expenditure will typically range from 0% to 3% of the rolling prior 28 quarter average market value of the endowment funds, never to exceed 7% of that value. In establishing this practice, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation. The Foundation expects the current spending practice to allow its endowment funds to grow over time.

Contributions - Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributions of donated non-monetary assets are recorded at their fair value in the period received. Contributions of donated services are recorded if they create or enhance non-financial assets; or if they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donated services. Donated services received from personnel of the College are recognized as revenue by the Foundation at the amount of the personnel cost recognized by the College. In-kind donations during the year ended June 30, 2017 include donated services for the Foundation Director's salary and benefits of \$115,730, donated services for the Foundation Secretary's salary and benefits of \$43,158, donated operating expenses of \$24,770, and donated facility space of \$1,800.

Scholarship Expense and Scholarships Payable - The College's Financial Aid Office is responsible for determining student eligibility and qualifications under the various scholarship funds and provides the Foundation with a detail of total scholarship funds awarded. Scholarships are expensed for financial statement purposes when the funds are committed by the College's financial aid office.

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Functional Expenses - Management and general expenses include direct office operation expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

Income Taxes - The Foundation is exempt from payment of income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. In addition, the Foundation has been classified as a Foundation that is not a private foundation under Section 509(a)(3).

The Foundation recognizes uncertain tax positions in the financial statements when it is more-likely-than-not the positions will not be sustained upon examination by the tax authorities. At June 30, 2017, the Foundation had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements

The Foundation recognizes interest and penalties associated with income taxes in operating expenses. During the year ended June 30, 2017, the Foundation did not have any income tax related interest and penalty expense.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Date of Management's Review - In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through September 7, 2017, the date the financial statements were available to be issued.

Concentration of Credit Risk - Financial instruments that subject the Foundation to potential concentrations of credit risk consist principally of cash and cash equivalent and investments. The Foundation maintains its cash in bank accounts, which at times may exceed federally insured limits. At June 30, 2017, the bank balances did not exceed the federally insured limits.

The Foundation also maintains cash in accounts with stock brokerage firms. The accounts contain cash and securities. Balances are insured up to \$500,000 (with a limit of \$250,000 for cash) by the Securities Investor Protection Corporation (SIPC). Balances over \$500,000 are insured by the brokerage firms. At June 30, 2017, balances held with the stock brokerage firms exceeded the federally insured limits although, were insured by the brokerage firm. The Foundation has not experienced any losses in such amounts and believes it is not exposed to any significant credit risk on its cash balances.

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Certificates of Deposit - Certificates of deposit consisted of the following at June 30, 2017:

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
4/1/2020	3.55%	\$ 64,544
12/21/2021	3.00%	63,756
4/5/2022	2.80%	59,419
4/4/2023	3.05%	63,473
10/1/2024	3.15%	64,160
3/25/2025	2.95%	55,806
4/25/2025	2.90%	62,563
4/19/2027	2.80%	65,725
		<u>\$ 499,446</u>

Investments - The following is a summary of the value of investments at June 30, 2017:

Stocks	\$ 677,142
Exchange traded and closed end funds	1,063,147
Mutual Funds	<u>2,303,278</u>
	<u>\$ 4,043,567</u>

The following schedule summarizes the investment return for the year ended June 30, 2017:

Interest and dividend income	\$ 139,807
Net realized gains	31,427
Net unrealized gains	<u>467,735</u>
	<u>\$ 638,969</u>

Investment return is reported net of related investment expenses in the statement of activities. The amount of expense/commissions netted with income was \$17,375 for the year ended June 30, 2017.

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Fair Value of Financial Instruments - Investments with readily determinable fair values are measured at fair value in the statement of financial position as determined by quoted market prices in active markets (Level 1).

The following is a summary of these fair values at June 30, 2017:

	Level 1	Level 2	Level 3	Total
Measured at fair value on a recurring basis				
Stocks	\$ 677,142	\$ -	-	\$ 677,142
Exchange traded and closed end funds	\$ 1,063,147	\$ -	-	\$ 1,063,147
Mutual Funds	2,303,278	-	-	2,303,278
Total Investments	<u>\$ 4,043,567</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,043,567</u>

Restricted Net Assets - Permanently restricted net assets are restricted to investment in perpetuity, the income from which is expendable to support services and programs to Central Arizona College and the students of Central Arizona College as designated by the donors. At June 30, 2017, the Foundation held 37 permanently restricted net asset funds. Temporarily restricted net assets are expendable for the purposes designated by their source. At June 30, 2017, the Foundation held 41 temporarily restricted net asset funds. The nature of these restrictions is as follows:

Permanently restricted net assets

The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by MCFA \$ 3,315,036

Temporarily restricted net assets

The investment income on perpetual endowment funds subject to a time restriction under MCFA \$ 545,054

Other net assets temporarily purpose restricted:

Scholarships (non-endowed) 363,128
\$ 908,182

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2017

Endowment Funds - Endowment funds include funds restricted in perpetuity by the donors. Endowment net asset composition by type of fund as of June 30, 2017 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Funds
Permanently restricted funds	\$ -	\$ 545,054	\$ 3,315,036	\$ 3,860,090

Changes in endowment funds are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Funds
Balance, June 30, 2016	\$ (99,658)	\$ 187,416	\$ 3,313,516	\$ 3,401,274
Contributions	-	-	1,520	1,520
Interest and dividend income	-	113,005	-	113,005
gains	-	329,008	-	329,008
Amounts appropriated for expenditure	-	(86,200)	-	(86,200)
Recovery of underwater balances	99,658	-	-	99,658
Transfers	-	1,825	-	1,825
Balance, June 30, 2017	\$ -	\$ 545,054	\$ 3,315,036	\$ 3,860,090

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or MCFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature amounting to \$99,658 were reported in unrestricted net assets as of June 30, 2016. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board of Directors. During the year ended June 30, 2017, these underwater balances were recovered.

Pinal County Community College District
(Central Arizona College)
Notes to Financial Statements
June 30, 2017

Related Party Transactions - The staff members of the Foundation are employees of Central Arizona College. The College donated the cost of salaries and benefits for the Foundation's Director and the Foundation Secretary for the year ending June 30, 2017. In prior years the Foundation would reimburse the college for payroll and other operating expenses paid by Central Arizona College. The balance of accounts payable at June 30, 2017 is primarily made up of amounts due to the College for these expenses. Other College employees assist the Foundation and the Foundation is not charged for their services. No amounts have been recorded for these non-reimbursed payroll costs as the services are deemed to be solely for carrying out the operations of the College activities. Other College employees, by virtue of their position, provide advisory services within the Foundation. As a result, Central Arizona College has significant input regarding the operations and goals of the Foundation. The current Foundation investment advisor is also a voting member of the Foundation's board.



**Central
Arizona
College**

**Other Required Supplementary
Information**

Pinal County Community College District
(Central Arizona College)
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
June 30, 2017

Arizona State Retirement System

	Reporting Fiscal Year			
	(Measurement Date)			
	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2008
District's proportion of the net pension liability	0.22%	0.21%	0.22%	Information
District's proportionate share of the net pension liability	\$ 35,984,756	\$ 33,405,777	\$ 32,057,173	not available
District's covered payroll	\$ 20,647,346	\$ 19,528,236	\$ 19,327,742	
District's proportionate share of the net pension liability as a percentage of its covered payroll	174.28%	171.06%	165.86%	
Plan fiduciary net position as a percentage of the total pension liability	67.06%	68.35%	69.49%	

Pinal County Community College District
(Central Arizona College)
Required Supplementary Information
Schedule of District Pension Contributions
June 30, 2017

Arizona State Retirement System	Reporting Fiscal Year				2013 through 2007
	2017	2016	2015	2014	
Statutorily required contribution	\$ 2,317,219	\$ 2,311,647	\$ 2,160,799	\$ 2,089,676	Information not available
District's contributions in relation to the statutorily required contribution	2,317,219	2,311,647	2,160,799	2,089,676	
District's contribution deficiency (excess)	\$ -	\$ -	\$ -		
District's covered payroll	\$ 21,150,671	\$ 20,647,346	\$ 19,528,236	\$ 19,327,742	
District's contributions as a percentage of covered payroll	10.96%	11.20%	11.06%	10.81%	



**Central
Arizona
College**

Statistical Section

NARRATIVE TO THE STATISTICAL SECTION

Financial Trends

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

- Net Position by Component
- Changes in Net Position
- Statutory Limit to Budgeted Expenditures

Revenue Capacity

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

- Property Tax Levies and Collections
- Pinal County Assessed Value and Estimated Actual Value of Taxable Property
- Direct and Overlapping Property Tax Rates
- Pinal County Direct Property Tax Rates
- Assessed Valuation, Tax Rate and Levy History
- Principal Property Tax Payers for Pinal County

Debt Capacity

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

- Ratios of Outstanding Debt by Type
- Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Bonded Debt Per Capita
- Ratio of Annual Debt Service Expenditures to Operating Expenses/Expenditures
- Ratio of Pledged Revenue Obligations to Annual Debt Service Expenditures
- Legal Debt Margin Information

Demographic and Economic Information

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

- Principal Employers for Pinal County
- Pinal County Demographic and Economic Statistics
- Economic Indicators for Pinal County
- Miscellaneous Statistics for Pinal County

Operating Information

These schedules provide contextual information about the operations and resources to assist readers in using financial statement information to understand and assess the District's economic information.

- Student Enrollment, Degree and Demographic Statistics
- Historic Enrollment
- Faculty and Staff Statistics
- Capital Asset Information
- Tuition Schedule

**Pinal County Community College District
Net Position by Component
Last Ten Fiscal Years**

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net Investment in Capital Assets	\$ 63,860,469	\$ 57,763,011	\$ 60,370,065	\$ 60,212,992	\$ 54,487,137	\$ 22,232,514	\$ 22,107,043	\$ 20,365,305	\$ 19,714,853	\$ 16,202,720
Restricted - Expendable	10,910,380	6,185,680	4,468,022	5,812,903	10,016,468	2,210,949	2,565,183	2,679,369	1,596,057	8,372,183
Restricted - Nonexpendable										
Unrestricted	<u>33,184,399</u>	<u>27,062,723</u>	<u>11,421,044</u>	<u>37,184,168</u>	<u>35,463,703</u>	<u>72,733,072</u>	<u>67,642,071</u>	<u>57,695,264</u>	<u>45,750,655</u>	<u>31,923,782</u>
Total Net Position	<u>\$ 107,955,248</u>	<u>\$ 91,011,414</u>	<u>\$ 76,259,131</u>	<u>\$ 103,210,063</u>	<u>\$ 99,967,308</u>	<u>\$ 97,176,535</u>	<u>\$ 92,314,297</u>	<u>\$ 80,739,938</u>	<u>\$ 67,061,565</u>	<u>\$ 56,498,685</u>

Source: District audited financial statements

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Operating revenues:										
Tuition and fees* (net of scholarship allowances)	\$ 5,218,478	\$ 5,803,046	\$ 5,393,072	\$ 5,274,693	\$ 5,997,913	\$ 5,783,033	\$ 5,546,834	\$ 5,341,242	\$ 5,923,455	\$ 4,902,355
Food service income	-	-	-	-	-	-	-	-	-	6,537
Dormitory rentals and fees* (net of scholarship allowances)	285,070	285,540	230,773	247,141	281,699	256,706	259,952	263,745	309,758	303,302
Other operating revenues	242,066	571,936	771,800	683,493	1,050,519	706,729	612,877	620,024	440,743	613,591
Total operating revenues	\$ 5,745,614	\$ 6,660,522	\$ 6,395,645	\$ 6,205,327	\$ 7,330,131	\$ 6,746,468	\$ 6,419,663	\$ 6,225,011	\$ 6,673,956	\$ 5,825,785
* Pledged as security for revenue obligations and bonds										
Operating expenses:										
Educational and General										
Instruction	\$ 25,294,670	\$ 22,406,606	\$ 21,167,536	\$ 21,077,842	\$ 20,884,600	\$ 20,278,756	\$ 20,583,431	\$ 20,832,207	\$ 18,913,011	\$ 17,291,369
Public service	229,182	236,315	313,846	260,855	372,572	254,705	246,036	230,119	251,802	271,389
Academic support	2,395,117	2,402,822	2,667,475	3,181,172	2,964,889	4,340,455	3,363,850	3,318,227	2,934,075	2,553,716
Student services	4,951,129	4,666,022	4,736,622	4,797,955	4,008,712	4,440,378	4,221,676	4,116,052	3,468,481	3,244,400
Institutional Support	13,377,377	14,112,505	12,402,954	13,851,937	13,638,518	12,151,296	10,973,524	10,309,003	9,342,887	10,314,464
Operation and maintenance of plant	5,981,320	5,853,781	6,123,290	6,584,000	5,659,506	4,833,938	4,569,432	4,688,191	4,939,362	4,693,010
Scholarships	7,215,802	7,686,691	8,695,427	9,035,684	10,171,074	11,009,844	10,267,328	8,408,310	4,180,344	2,419,062
Auxiliary enterprise	1,267,741	1,092,141	1,047,126	1,082,034	1,281,191	955,375	985,096	1,012,010	841,553	541,849
Depreciation	5,995,051	6,097,868	6,201,956	5,358,184	4,524,884	3,198,550	3,108,478	3,440,266	3,454,389	2,892,284
Total operating expenses	\$ 66,707,389	\$ 64,554,751	\$ 63,356,232	\$ 65,229,663	\$ 63,505,946	\$ 61,463,297	\$ 58,318,851	\$ 56,354,385	\$ 48,325,904	\$ 44,221,543
Operating Loss	\$ (60,961,775)	\$ (57,894,229)	\$ (56,960,587)	\$ (59,024,336)	\$ (56,175,815)	\$ (54,716,829)	\$ (51,899,188)	\$ (50,129,374)	\$ (41,651,948)	\$ (38,395,758)
Nonoperating revenues (expenses):										
Property taxes	\$ 58,663,549	\$ 57,079,404	\$ 48,307,654	\$ 46,906,012	\$ 41,792,777	\$ 41,240,729	\$ 41,515,641	\$ 43,455,031	\$ 35,382,129	\$ 34,802,386
State appropriations	1,821,200	2,000,000	3,033,200	2,392,700	2,107,800	2,086,200	4,935,100	4,935,100	5,401,293	6,052,000
Government grants	19,360,337	16,170,153	16,364,967	16,385,572	18,162,631	18,712,367	17,681,184	16,122,536	10,367,257	6,655,478
Share of state sales taxes	748,221	715,933	649,792	738,258	630,814	643,450	603,286	556,505	538,742	650,602
Private grants and gifts	122,261	198,066	607,478	334,269	434,386	777,473	734,550	596,877	465,941	406,248
Investment earnings	439,054	277,354	120,475	79,625	210,634	308,390	681,310	880,987	954,909	1,389,266
Interest expense on debt	(3,260,098)	(3,769,810)	(3,994,255)	(4,382,623)	(4,507,546)	(3,390,240)	(2,671,037)	(2,770,824)	(895,443)	(1,126,981)
Gain/(Loss) on disposal of capital assets	(101,542)	(24,588)	4,591	(186,722)	109,093	(799,302)	(6,487)	(2,515)	-	(132,911)
Net nonoperating revenues	\$ 77,792,982	\$ 72,646,512	\$ 65,093,902	\$ 62,267,091	\$ 58,940,589	\$ 59,579,067	\$ 63,473,547	\$ 63,773,697	\$ 52,214,828	\$ 48,696,088
Income before other revenues, expenses, gains and losses	\$ 16,831,207	\$ 14,752,283	\$ 8,133,315	\$ 3,242,755	\$ 2,764,774	\$ 4,862,238	\$ 11,574,359	\$ 13,644,323	\$ 10,562,880	\$ 10,300,330
Capital appropriations	-	-	-	-	-	-	-	-	-	797,600
Capital grants and gifts	112,627	-	-	-	25,999	-	-	34,050	-	150,000
Increase in net position	\$ 16,943,834	\$ 14,752,283	\$ 8,133,315	\$ 3,242,755	\$ 2,790,773	\$ 4,862,238	\$ 11,574,359	\$ 13,678,373	\$ 10,562,880	\$ 11,247,930
Total net position, July 1	\$ 91,011,414	\$ 76,259,131	\$ 68,125,816 ¹	\$ 99,967,308	\$ 97,176,535	\$ 92,314,297	\$ 80,739,938	\$ 67,061,565	\$ 56,498,685	\$ 45,250,755
Total net position, June 30	\$ 107,955,248	\$ 91,011,414	\$ 76,259,131	\$ 103,210,063	\$ 99,967,308	\$ 97,176,535	\$ 92,314,297	\$ 80,739,938	\$ 67,061,565	\$ 56,498,685

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

Source: District audited financial statements

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

Fiscal Year	Statutory Expenditure Limitation¹	Budgeted Expenditures Subject to Limitation²	Unused Legal Limit
2008	34,286,446	34,286,445	1
2009	34,558,261	34,558,260	1
2010	37,397,683	37,397,682	1
2011	44,661,427	44,661,426	1
2012	48,815,447	48,815,446	1
2013	47,407,363	47,407,362	1
2014	50,575,442	50,575,441	1
2015	47,753,245	47,753,244	1
2016	46,455,464	46,455,463	1
2017	44,851,258	-	³

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

² Budgeted expenditures are net of allowable exclusions.

³ 2017 data not available at the time this report was published.

Source: Audited Annual Budgeted Expenditure Limitation Reports

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

Tax Year	Original Tax Levy¹	Adjustments	Adjusted Levy as of 06/30/17	Collected within the Fiscal Year of the Levy²		Collections in Subsequent Years	Total Collections to 06/30/17	
				Collections Initial Tax Year	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2007	34,358,431	(388,785)	33,969,646	32,523,669	94.66%	\$ 1,419,509	33,943,178	99.92%
2008	34,850,119	(43,145)	34,806,974	32,929,240	94.49%	\$ 1,834,319	34,763,559	99.88%
2009	42,592,817	(78,552)	42,514,265	40,473,270	95.02%	\$ 1,987,479	42,460,749	99.87%
2010	40,750,139	(251,138)	40,499,001	38,631,260	94.80%	\$ 1,811,317	40,442,577	99.86%
2011	40,169,269	(831,770)	39,337,499	37,884,199	94.31%	\$ 1,371,060	39,255,259	99.79%
2012	40,522,956	(531,539)	39,991,417	38,640,453	95.35%	\$ 1,266,046	39,906,499	99.79%
2013	44,822,855	(674,717)	44,148,138	42,917,017	95.75%	\$ 1,133,474	44,050,491	99.78%
2014	45,508,829	(582,269)	44,926,560	43,860,643	96.38%	\$ 969,051	44,829,694	99.78%
2015	54,520,894	(980,912)	53,539,982	52,330,717	95.98%	\$ 1,063,955	53,394,672	99.73%
2016	55,683,737	(466,679)	55,217,058	53,952,637	96.89%	\$ -	53,952,637	97.71%

¹ Includes both primary and secondary taxes.

² Amounts collected are on a cash basis.

Source: Pinal County Treasurer's Office Tax Distribution Report and District records

Pinal County Community College District
Pinal County Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Tax Years
(\$ Amounts expressed in thousands)

Tax Year	Primary Assessed Value				Total Taxable Assessed Value ¹	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
	Commercial Property	Residential and Vacant Property	Vacant/Ag Land	Other				
2007	406,589	1,186,738	308,491	6,984	1,908,802	4.4036	16,552,287	11.53%
2008	471,977	1,526,547	467,028	7,948	2,473,500	3.8522	21,583,423	11.46%
2009	550,729	1,789,488	530,360	9,975	2,880,552	3.6684	25,251,970	11.41%
2010	561,560	1,470,541	504,035	10,813	2,546,949	4.3213	22,166,148	11.49%
2011	581,044	1,216,288	353,163	9,656	2,160,151	4.3304	18,877,720	11.44%
2012	613,223	1,203,181	325,002	12,377	2,153,783	4.1464	18,747,927	11.49%
2013	651,188	1,136,974	285,853	14,867	2,088,882	4.1343	17,907,662	11.66%
2014	603,138	1,184,374	202,173	15,467	2,005,152	4.1324	18,408,874	10.89%
2015	498,880	1,256,820	282,841	19,008	2,057,548	4.3324	19,104,777	10.77%
2016	508,481	1,329,953	262,787	18,530	2,119,751	4.2014	20,091,668	10.55%

¹ Property in Pinal County is assessed annually with values being set by either the County Assessor or the Arizona Department of Revenue. The values are the basis for Primary Taxes and annual changes therein are restricted by State Constitution. Assessment ratios are set by the Legislature for individual property types. The taxable assessed value is arrived at by multiplying an assessment ratio that has varied from ten percent for residential property, to twenty-five percent for commercial property. Tax rates are per \$100 of assessed value.

Source: Pinal County CAFR 06/30/15 - Pinal County Assessor's Office/AZDOR Abstract of Assessment Roll

**Pinal County Community College District
Direct and Overlapping Property Tax Rates
Last Ten Tax Years**

Tax Year	Overlapping Rates									District Tax Rates			
	State Equalization	County	Community College District	Casa Grande Elementary School District	Stanfield Elementary School District	Toltec Elementary School District	Central Arizona Valley Institute of Technology	City of Casa Grande	City of Coolidge	Other	Primary	Secondary	Total
2007	-	4.14	1.80	3.72	3.36	3.17	0.05	0.88	1.38	0.05-32.00	1.80	-	1.80
2008	-	3.56	1.41	2.81	3.28	3.06	0.05	1.38	0.99	0.04-35.00	1.41	-	1.41
2009	-	3.36	1.46	2.56	3.08	2.33	0.05	1.34	0.91	0.04-35.00	1.38	0.08	1.46
2010	0.36	4.00	1.59	2.96	3.06	2.33	0.05	1.44	1.12	0.04-35.00	1.47	0.12	1.59
2011	0.43	4.00	1.85	3.14	3.06	2.33	0.05	1.53	1.51	0.04-35.00	1.61	0.25	1.86
2012	0.47	3.80	1.88	3.47	2.83	2.93	0.05	1.58	1.51	0.04-35.00	1.61	0.27	1.88
2013	0.51	3.80	2.25	3.82	2.78	3.76	0.05	1.63	1.86	0.04-35.01	1.89	0.36	2.25
2014	0.51	3.80	2.26	3.60	2.24	3.76	0.05	1.63	1.85	0.04-35.01	1.91	0.35	2.26
2015	0.51	4.00	2.65	3.54	2.83	3.76	0.05	1.63	1.93	0.04-35.00	2.30	0.35	2.65
2016	0.50	3.87	2.63	3.60	2.85	3.76	0.05	1.63	1.93	0.04-38.00	2.29	0.34	2.63

Source: Pinal County 2016- 2017 Tax Levies/Rates per \$100 of Valuation - A.R.S. Sec. 42-17151

**Pinal County Community College District
Pinal County Direct Property Tax Rates
Last Ten Tax Years**
(\$ Amounts expressed in thousands)

Tax Year	Assessed Value	County Primary Rate	Library	Flood	Fire	Mary C O'Brien School¹	Total
2007	1,908,802	4.0183	0.0770	0.1300	0.0522	0.1261	4.4036
2008	2,473,500	3.4355	0.0970	0.1500	0.0438	0.1259	3.8522
2009	2,880,552	3.2316	0.0970	0.1700	0.0439	0.1259	3.6684
2010	2,546,949	3.9999	0.0970	0.1700	0.0544	N/A	4.3213
2011	2,160,151	3.9999	0.0970	0.1700	0.0635	N/A	4.3304
2012	2,153,783	3.7999	0.0970	0.1700	0.0795	N/A	4.1464
2013	2,088,882	3.7999	0.0970	0.1700	0.0674	N/A	4.1343
2014	2,005,152	3.7999	0.0970	0.1700	0.0688	N/A	4.1357
2015	2,057,548	3.9999	0.0970	0.1700	0.0655	N/A	4.3324
2016	2,119,751	3.8699	0.0965	0.1693	0.0657	N/A	4.2014

¹ As of fiscal year 2011 the Mary C. O'Brien School rate is included in the County's Primary Rate.

Source: Pinal County 2016 - 2017 Tax Levies/Rates Per \$100 of Valuation - A.R.S. Sec. 42-17151

**Pinal County Community College District
Assessed Valuation, Tax Rate and Levy History
Last Ten Fiscal Years**

(\$ Amounts expressed in thousands)

Fiscal Year	Primary			Secondary		
	Assessed Valuation	Tax Rate	Tax Levy	Assessed Valuation	Tax Rate	Tax Levy
2008	1,908,802	1.8000	34,358	2,334,827	-	-
2009	2,473,500	1.4100	34,876	3,449,599	-	-
2010	2,880,552	1.3800	39,752	3,398,761	0.0836	2,841
2011	2,546,949	1.4700	37,440	2,673,415	0.1154	3,085
2012	2,160,151	1.6070	34,714	2,218,642	0.2459	5,456
2013	2,153,783	1.6118	34,715	2,177,012	0.2668	5,808
2014	2,088,882	1.8918	39,517	2,005,344	0.3589	7,197
2015	2,005,152	1.9103	38,304	2,040,750	0.3530	7,204
2016	2,057,548	2.3000	47,324	2,057,548	0.3498	7,197
2017	2,119,751	2.2874	48,487	2,119,751	0.3395	7,197

Source: County assessment records and Pinal County 2008-2017 Tax Levies/Rates Per \$100 of Valuation - A.R.S. §42-17151

**Pinal County Community College District
Principal Property Taxpayers for Pinal County
Tax Year 2016 and Tax Year 2007**
(\$ Amounts expressed in thousands)

Taxpayer	2016			2007		
	Primary Assessed Value	Rank	Percent of Total Value	Primary Assessed Value	Rank	Percent of Total Value
Arizona Public Service Company	\$ 73,666	1	3.58%	\$ 79,799	1	5.42%
CCA Properties of Arizona LLC	44,295	2	2.15%	14,837	6	1.01%
ASARCO LLC/Ray Copper Complex	29,280	3	1.42%	19,829	3	1.35%
Kinder Morgan	18,393	4	0.89%	26,187	2	1.78%
Unisource Energy Corporation (EPF)	12,453	5	0.61%	-	0	-
Arizona Water Company	11,958	6	0.58%	10,093	8	-
Union Pacific Railroad Company	11,630	7	0.57%	-	0	-
Southwest Gas Corporation	10,899	8	0.53%	11,393	7	0.01
Johnson Utilities LLC	9,683	9	0.47%	-	-	-
Frito Lay Sales Inc	9,522	10	0.46%	-	-	-
Qwest Corporation	-	-	-	19,007	4	1.29%
Wal-Mart Stores East, LP	-	-	-	15,362	5	1.04%
Pulte Home Corporation	-	-	-	5,391	9	0.37%
Abbott Manufacturing Inc	-	-	-	4,486	10	0.30%
Total	\$ 231,779		11.26%	\$ 206,384		13.33%
Total Assessed Value	\$ 2,057,548			\$ 1,472,160		

Source: County Treasurer Tax Records

**Pinal County Community College District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	GO Refunding Bonds	Revenue Bonds	Revenue Refunding Bonds	Premium	Pledged Revenue Obligations	Capital Lease Obligations	Total Outstanding Debt	Percentage of Personal Income¹	Per Capita¹
2008	-	-	8,165,000	-	-	10,520,000	5,400,227	24,085,227	0.030%	73
2009	-	-	7,565,000	-	-	9,705,000	4,930,728	22,200,728	0.036%	63
2010	40,000,000	-	6,945,000	-	-	8,870,000	4,667,399	60,482,399	0.014%	170
2011	38,175,000	-	6,300,000	-	-	8,015,000	4,395,559	56,885,559	0.016%	151
2012	93,930,000	-	5,625,000	-	2,103,512	7,135,000	4,114,812	112,908,324	0.008%	295
2013	91,340,000	-	4,920,000	-	2,015,866	6,225,000	3,820,835	108,321,701	0.009%	280
2014	88,680,000	-	4,185,000	-	1,928,220	5,285,000	3,512,996	103,591,216	0.010%	266
2015	85,940,000	-	-	7,815,000	1,840,574	-	3,190,640	98,786,214	0.011%	243
2016	53,875,000	28,895,000	-	6,204,970	5,891,784	-	2,853,081	97,719,835	-	² 233
2017	50,970,000	28,850,000	27,535,000	4,165,000	8,541,553	-	2,499,602	122,561,155	-	² -

¹ Pinal County Demographic and Economic Statistics .

² Data not available at the time this report was published.

Source: District records, Bureau of Economic Analysis and Arizona Department of Economic Security

**Pinal County Community College District
Ratio of Net General Obligation Bonded Debt to
Assessed Value and Net General Bonded Debt Per Capita
Last Ten Fiscal Years**

Fiscal Year	Estimated Population Pinal County (000's)¹	Secondary Assessed Value (000's)	General Obligation Bonds²	Amount Available for Retirement of GO Bond Debt	Net Bonded Debt	Percentage of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2008	328	2,334,827	-	-	-	0.0%	-
2009	351	3,449,599	-	-	-	0.0%	-
2010	356	3,398,761	40,000,000	40,230,780	(230,780)	0.0%	(0.65)
2011	376	2,673,415	38,175,000	14,679,551	23,495,449	0.9%	62.49
2012	383	2,218,642	96,033,512	21,436,424	74,597,088	3.4%	194.77
2013	387	2,177,013	93,355,866	2,072,835	91,283,031	4.2%	235.87
2014	389	2,005,344	90,608,220	520,040	90,088,180	4.5%	231.59
2015	379	2,040,750	87,780,574	3,267,049	84,513,525	4.1%	222.99
2016	417	2,057,548	88,661,784	3,932,263	84,729,521	4.1%	203.19
2017	428	2,119,751	88,361,553	7,914,392	80,447,161	3.8%	187.96

¹ Demographic and Economic Statistics for Pinal County.

² Presented net of original issuance discounts and premiums.

Source: District records, Pinal County Assessors Office, and Arizona Department of Economic Security

Pinal County Community College District
Ratio of Annual Debt Service Expenditures to Operating Expenses/Expenditures
Last Ten Fiscal Years

Fiscal Year	GO Bonds		GO Refunding Bonds		Revenue Bonds		Pledged Revenue Obligations		Revenue Refunding Bonds		Capital Lease		Total Debt Service	Total Operating Expenses / Expenditures	Percentage of Debt Service to Operating Expenses / Expenditures		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest					
2008	-	-	-	-	580,000	355,506	790,000	384,638	-	-	119,897	9,833	-	-	2,239,874	44,221,543	5.1%
2009	-	-	-	-	600,000	334,806	815,000	361,581	-	-	124,717	5,013	344,782	129,128	2,715,027	48,325,904	5.6%
2010	-	968,696	-	-	620,000	310,406	835,000	339,937	-	-	-	-	263,330	211,654	3,549,023	56,354,385	6.3%
2011	1,825,000	2,870,288	-	-	645,000	284,703	855,000	316,675	-	-	-	-	271,840	200,107	7,268,613	58,318,851	12.5%
2012	3,220,000	2,773,319	-	-	675,000	257,478	880,000	290,650	-	-	-	-	280,746	188,187	8,565,380	61,463,297	13.9%
2013	2,590,000	3,962,018	-	-	705,000	228,134	910,000	262,663	-	-	-	-	293,978	175,832	9,127,625	63,505,946	14.4%
2014	2,660,000	3,890,118	-	-	735,000	196,175	940,000	229,075	-	-	-	-	307,839	162,895	9,121,102	65,229,663	14.0%
2015	2,740,000	3,816,018	-	-	765,000	5,647	980,000	6,653	-	54,197	-	-	322,356	149,347	8,839,218	63,356,232	14.0%
2016	2,810,000	3,739,418	-	-	-	-	-	-	1,610,030	100,920	-	-	337,559	65,765	8,663,692	64,554,751	13.4%
2017	2,905,000	2,149,026	45,000	1,208,410	-	-	-	-	2,039,970	75,701	-	-	353,479	120,306	8,896,892	66,707,389	13.3%

Source: District records

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

Fiscal Year ²	Pledged Revenues	Revenue Bonds ¹		Revenue Refunding Bonds ²		Pledged Revenue Obligations ¹		Total Debt Service	Coverage
		Principal	Interest	Principal	Interest	Principal	Interest		
2008	5,205,657	580,000	355,506	-	-	790,000	384,638	2,110,144	2.47
2009	6,233,213	600,000	334,806	-	-	815,000	361,581	2,111,387	2.95
2010	5,604,987	620,000	310,406	-	-	835,000	339,937	2,105,343	2.66
2011	5,806,786	645,000	284,703	-	-	855,000	316,675	2,101,378	2.76
2012	6,039,739	675,000	257,478	-	-	880,000	290,650	2,103,128	2.87
2013	6,279,612	705,000	228,134	-	-	910,000	262,663	2,105,797	2.98
2014	5,521,834	735,000	196,175	-	-	940,000	229,075	2,100,250	2.63
2015	5,623,845	765,000	5,647	-	54,197	980,000	6,653	1,811,497	3.10
2016	6,937,876	-	-	1,610,030	100,920	-	-	1,710,950	4.05
2017	6,184,668	-	-	2,039,970	75,701	-	-	2,115,671	2.92

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

² Revenue refunding bonds issued in 2015, used to refund the outstanding balances of the revenue and pledged revenue bonds, are secured by the District's gross revenues.

Source: District records

**Pinal County Community College District
 Legal Debt Margin Information
 Last Ten Fiscal Years**
 (Amounts expressed in thousands)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Secondary assessed valuation of real and personal property	\$ 2,334,827	\$ 3,449,599	\$ 3,398,761	\$ 2,673,415	\$ 2,218,642	\$ 2,177,012	\$ 2,005,344	\$ 2,040,750	\$ 2,057,548	\$ 2,119,751
Debt Limit, 15% of secondary assessed value	350,224	517,440	509,814	401,012	332,796	326,552	300,802	306,113	308,632	317,963
Total net debt applicable to limit	-	-	40,000	38,175	93,930	91,340	88,680	85,940	85,623	82,320
Legal Debt Margin	\$ 350,224	\$ 517,440	\$ 469,814	\$ 362,837	\$ 238,866	\$ 235,212	\$ 212,122	\$ 220,173	\$ 223,009	\$ 235,643
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	7.85%	9.52%	28.22%	27.97%	29.48%	28.07%	27.74%	25.89%

Source: Pinal County Assessor's Office and District Records

**Pinal County Community College District
Principal Employers for Pinal County
Fiscal Year 2016 and Fiscal Year 2007**

Employer	2016¹			2007		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
State of Arizona	3,110	1	1.99%	3,009	1	3.46%
Walmart	2,290	2	1.47%	1,143	3	2.60%
Corrections Corporation of America	1,920	3	1.23%	958	5	1.15%
Pinal County	1,390	4	0.89%	2,261	2	2.60%
Pinal County Community College District	1,120	5	0.72%	-	-	-
Frys Food Stores	900	6	0.58%	-	-	-
Casa Grande Elementary School District	890	7	0.57%	-	-	-
Caesars Entertainment Operating Co., Inc.	700	8	0.45%	-	-	-
Banner Hospital	650	9	0.42%	-	-	-
McDonalds	650	10	0.42%	-	-	-
BHP Copper Inc Total	-	-	-	1,000	4	1.31%
U.S. Government	-	-	-	770	6	1.10%
Harrah's Operating Co	-	-	-	750	7	0.89%
Casa Grande Community Hospital Total	-	-	-	745	8	0.86%
ASARCO (Groupo Mexico)	-	-	-	700	9	0.86%
Gila River Indian Community Total	-	-	-	570	10	0.80%

¹ Schedule contains the most recent information available at time of production, which is calendar year 2016.

Source: Maricopa Association of Governments Employer and Job Centers Database; 2016 source - FY2007 Pinal County CAFR; 2007 source

Total County Employment Source: Arizona Office of Employment and Population Statistics, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics

Pinal County Community College District
Pinal County Demographic and Economic Statistics
Last Ten Fiscal Years
(\$ Amounts expressed in thousands)

Fiscal Year	Population¹	Personal Income²	Per Capita Income²	Unemployment Rate¹
2007	300	6,041,934	20	4.8%
2008	328	7,164,122	22	4.7%
2009	351	7,892,358	22	6.6%
2010	356	8,259,897	23	12.1%
2011	376	8,860,496	24	11.9%
2012	383	9,301,723	24	9.2%
2013	387	9,793,208	25	9.1%
2014	389	9,932,684	26	8.1%
2015	407	11,255,255	28	6.5%
2016	419	- ³	- ³	5.4%

¹ Population data through 09/10 and Unemployment data through 10/11 from the Arizona Department of Commerce, Arizona Workforce Informer. For 10/11 the population data is from the US Census Bureau, American FactFinder for the 2010 census. For 11/12 through 13/14 the population data is from the US Department of Commerce, Bureau of Economic Analysis, Regional Data and the Unemployment data is from Arizona Department of Administration, Office of Employment and Population Statistics, LAUS (Local Area Unemployment Statistics) Reference Tables for calendar year data. For 14/15/16 the population data is from the US Census Bureau, QuickFacts.

² Personal income and per capita income data is obtained from the Arizona Department of Economic Security, Arizona Regional Economic Profile through 06/07, from the U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Accounts for 07/08 through 14/15.

³ Personal income and per capital income data was not available at the time this report was published.

Source: Arizona Department of Administration, Office of Employment and Population Statistics, LAUS (Local Area Unemployment Statistics) Reference Tables for calendar year data, Bureau of Economic Analysis and United States Census Bureau.

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

Employment by Sector¹	# of Employees	Percent
Education, healthcare and social assistance	28,720	21.4%
Retail trade	15,346	11.4%
Arts, entertainment and recreation	13,317	9.9%
Manufacturing	12,950	9.7%
Professional, scientific, and management	13,101	9.8%
Public administration	11,519	8.6%
Finance and insurance	9,433	7.0%
Construction	8,096	6.0%
Other services (except public transportation)	5,462	4.1%
Transportation, warehousing and utilities	6,235	4.6%
Agriculture, forestry, fishing and mining	5,237	3.9%
Wholesale trade	2,330	1.7%
Information	2,436	1.8%
<i>Civilian employed population 16 years and over</i>	134,182	100.0%

Employment by Occupation¹	# of Employees	Percent
Management, business, science and arts	40,864	30.5%
Sales and office	33,257	24.8%
Service	29,849	22.2%
Natural resources, construction and maintenance	14,701	11.0%
Production, transportation and material moving	15,511	11.6%
<i>Civilian employed population 16 years and over</i>	134,182	100.0%

Unemployment Rate² **5.40%**

¹ US Census Bureau - American Fact Finder. Accessed 08/16/17. 2011-2015 American Community Survey 5-Year Estimates - Selected Industry and Occupation by Sex for the Civilian Employed Population 16 years and over.

² Arizona Department of Administration, Office of Employment and Population Statistics, LAUS (Local Area Unemployment Statistics) Reference Tables data as of June 2017.

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

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

Population	2000	2010	2016
Pinal County		375,770	418,540
State of Arizona	5,130,632	6,392,310	6,561,516

Age Distribution	% of Total	
	Pinal County	State of Arizona
Persons under 3 years, percent, 2016	4.0%	3.9%
Persons 3 to under 17, percent 2016	21.5%	20.7%
Persons 18 to under 29, percent 2016	14.7%	16.7%
Persons 30 to under 39, percent 2016	14.2%	12.8%
Persons 40 to under 49, percent 2016	12.2%	12.7%
Persons 50 to under 59, percent 2016	11.3%	12.5%
Persons 60 years and over, percent, 2016	22.0%	20.5%
Female persons, percent, 2016	48.1%	50.3%

Population Composition	% of Total	
	Pinal County	State of Arizona
White alone, percent, 2016	83.2%	83.3%
Black or African American alone, percent, 2016	5.0%	4.9%
American Indian and Alaska Native alone, percent, 2016	6.6%	5.4%
Asian alone, percent, 2016	1.9%	3.4%
Native Hawaiian or Other Pacific Islander alone, percent 2016	0.4%	0.3%
Two or More Races, percent, 2016	2.9%	2.7%
	<u>100.00%</u>	<u>100.00%</u>

Source: U.S. Census Bureau and Arizona Department of Economic Security and Arizona Association of Counties Office of Employment & Population Statistics, Arizona Department of Administration
Arizona Department of Economic Security: *Arizona Counties Demographics and DES Client/Provider Summary Handbook 2016*. Accessed August 16, 2017. <https://www.des.az.gov/documents-center?qt-content-tab=1>.

**Pinal County Community College District
Student Enrollment, Degree and Demographic Statistics
Last Ten Fiscal Years**

Student Enrollment										
Fiscal Year	Enrollment		Gender			Residency				
	Full-Time	Part-Time	Male	Female	Not Recorded	Resident	Out of County	Out of State	Foreign	Not Identified
2008	1,747	10,492	48.8%	51.0%	0.2%	73.9%	23.0%	2.2%	0.3%	0.6%
2009	2,061	11,915	48.5%	51.0%	0.5%	74.8%	21.5%	2.4%	0.2%	1.1%
2010	2,491	12,538	45.8%	53.8%	0.4%	73.8%	20.6%	2.7%	0.2%	2.7%
2011	2,546	12,100	43.0%	56.6%	0.4%	73.0%	16.5%	3.2%	0.2%	7.1%
2012	2,656	11,752	42.3%	57.1%	0.6%	76.3%	17.5%	4.0%	0.2%	2.0%
2013	2,367	10,849	41.0%	58.9%	0.1%	76.5%	17.0%	4.3%	0.2%	2.0%
2014	2,103	9,643	40.3%	59.4%	0.3%	77.4%	16.4%	4.2%	0.2%	1.8%
2015	2,017	8,684	40.2%	59.2%	0.6%	78.3%	16.4%	4.2%	0.3%	0.9%
2016	1,901	8,330	40.3%	58.8%	0.9%	77.7%	16.7%	3.7%	0.3%	1.5%
2017	1,821	7,920	40.1%	58.5%	1.3%	77.6%	15.8%	3.1%	0.3%	3.2%

Degrees and Certificates Awarded		
Fiscal Year	Degrees Awarded	Certificates Awarded
2008	288	1,157
2009	317	829
2010	356	559
2011	440	534
2012	518	513
2013	552	563
2014	532	360
2015	569	541
2016	589	551
2017	566	575

Demographic Statistics										
Fiscal Year	Age		Ethnic Background							
	Median	Average	Asian American	African American	Hawaiian-Pacific Islander	Native American	Hispanic	White	Other	Not Identified
2008	32	33	1.1%	6.5%	0.3%	5.4%	29.3%	52.3%	0.7%	4.4%
2009	30	32	1.2%	6.8%	0.3%	5.3%	28.4%	51.3%	0.8%	5.9%
2010	28	31	1.2%	7.0%	0.4%	5.5%	27.6%	50.3%	1.3%	6.7%
2011	27	30	1.4%	7.1%	0.5%	5.8%	27.1%	50.0%	2.1%	6.0%
2012	26	30	1.4%	7.3%	0.5%	5.3%	28.0%	48.6%	2.6%	6.3%
2013	25	29	1.4%	7.3%	0.5%	5.1%	28.9%	47.1%	3.1%	6.6%
2014	24	28	1.7%	7.0%	0.5%	5.1%	29.1%	45.9%	3.3%	7.4%
2015	24	28	1.7%	6.6%	0.5%	4.8%	28.6%	45.5%	3.7%	8.7%
2016	23	28	1.9%	6.6%	0.5%	5.1%	29.5%	43.9%	3.9%	8.5%
2017	23	27	2.1%	7.2%	0.5%	5.2%	31.0%	41.6%	3.7%	8.7%

Source: District Records

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Headcount	9741	10,231	10,701	11,746	13,216	14,408	14,646	15,029	13,976	12,239
Full time student enrollment (FTSE) by campus	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Aravaipa	72.13	73.89	83.51	75.10	95.95	134.68	149.31	143.03	134.33	117.28
Arizona Learning System	-	-	-	-	-	-	-	1.05	0.10	-
Arizona State Prison	131.95	135.15	150.08	171.87	301.92	410.70	443.58	583.28	802.80	844.08
Casa Grande Center	42.24	45.48	60.95	81.22	83.97	18.80	33.32	31.25	12.23	-
Central Corporate Center	51.81	70.97	100.47	112.40	123.11	96.94	91.15	113.12	198.67	102.69
Coolidge	-	-	-	-	65.84	25.08	20.37	34.21	29.11	-
District/Statewide Programs	-	-	-	-	1.20	732.73	848.11	775.67	608.19	507.71
Florence Center	0.40	1.97	3.58	10.80	10.77	10.43	17.63	27.72	27.57	21.77
Maricopa Campus	282.88	276.74	265.45	259.50	180.58	122.15	117.48	101.02	74.83	42.65
Saddlebrooke Center	-	-	-	1.90	4.45	6.16	9.24	4.12	-	-
San/Tan Johnson Ranch	319.84	329.29	287.67	216.58	213.12	201.22	191.72	154.67	34.33	4.75
Signal Peak	1,289.27	1,392.33	1,424.56	1,595.98	1,733.90	2,603.57	2,472.13	2,315.79	1,852.60	1,671.50
Superstition Mountain	344.20	386.42	457.15	509.71	603.32	588.35	524.96	516.05	422.03	340.57
Virtual ²	1,186.25	1,236.47	1,296.62	1,390.58	1,475.23	193.42	-	-	-	-
WFD-East ¹	-	-	-	-	-	5.10	7.60	15.08	22.59	21.14
WFD-North ¹	-	-	-	-	-	29.00	67.30	76.23	51.15	22.40
WFD-West ¹	-	-	-	-	-	67.95	135.27	143.52	136.29	115.75
Total District FTSE	<u>3720.97</u>	<u>3,948.71</u>	<u>4,130.04</u>	<u>4,425.64</u>	<u>4,893.36</u>	<u>5,246.28</u>	<u>5,129.17</u>	<u>5,035.81</u>	<u>4,406.82</u>	<u>3,812.29</u>

¹ Starting in 2013 WFD (Workforce Development) numbers were combined with the other campuses.

² Beginning in 2012 FTSE from online classes is being counted as a separate campus. In previous years online courses were credited to the campus that originated the course.

Source: District Records

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Full-Time										
Teaching	103	107	96	92	95	91	90	91	94	93
Non-Teaching										
Support	108	115	110	119	122	125	120	122	125	116
Managerial & Technical	131	127	137	130	131	127	118	123	118	107
Administration	15	15	14	13	15	16	17	17	18	13
Total Non-Teaching	<u>254</u>	<u>257</u>	<u>261</u>	<u>262</u>	<u>268</u>	<u>268</u>	<u>255</u>	<u>262</u>	<u>261</u>	<u>236</u>
Total Full-Time	<u>357</u>	<u>364</u>	<u>357</u>	<u>354</u>	<u>363</u>	<u>359</u>	<u>345</u>	<u>353</u>	<u>355</u>	<u>329</u>
Part-Time										
Teaching	273	272	311	381	420	428	381	298	116	220
Non-Teaching	228	260	244	204	194	254	254	174	235	156
Total Part-Time	<u>501</u>	<u>532</u>	<u>555</u>	<u>585</u>	<u>614</u>	<u>682</u>	<u>635</u>	<u>472</u>	<u>351</u>	<u>376</u>
Total Employees	<u>858</u>	<u>896</u>	<u>912</u>	<u>939</u>	<u>977</u>	<u>1041</u>	<u>980</u>	<u>825</u>	<u>706</u>	<u>705</u>

Source: District Records

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

Asset Type	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Capital assets not being depreciated										
Land	\$ 26,013,275	\$ 26,013,275	\$ 26,013,275	\$ 26,013,275	\$ 26,013,275	\$ 26,013,275	\$ 17,326,623	\$ 4,202,798	\$ 2,545,147	\$ 2,545,147
Construction in progress	6,070,742	993,854	153,281	-	44,097,762	41,350,472	12,497,822	216,015	110,250	-
Total capital assets not being depreciated	<u>32,084,017</u>	<u>27,007,129</u>	<u>26,166,556</u>	<u>26,013,275</u>	<u>70,111,037</u>	<u>67,363,747</u>	<u>29,824,445</u>	<u>4,418,813</u>	<u>2,655,397</u>	<u>2,545,147</u>
Capital assets being depreciated:										
Buildings	139,665,547	138,685,393	137,871,866	137,281,629	96,647,063	61,076,660	50,430,071	50,648,346	49,953,525	45,814,621
Improvements other than buildings	29,293,242	29,717,401	29,739,695	29,705,822	22,217,817	14,536,352	7,867,171	7,375,906	7,375,906	7,375,906
Water rights	1,171,172	1,171,172	1,171,172	1,171,172	1,171,172	1,171,172	-	-	-	-
Other intangibles	-	-	-	-	25,999	11,750	-	-	-	-
Equipment	14,526,303	14,204,932	15,314,349	14,830,718	15,149,558	13,595,640	17,776,296	18,058,727	16,446,224	16,091,821
Library books	1,895,446	1,902,492	2,001,628	1,888,256	1,683,083	1,499,840	1,754,876	1,678,809	1,621,410	1,541,105
Total capital assets being depreciated	<u>186,551,710</u>	<u>185,681,390</u>	<u>186,098,710</u>	<u>184,877,597</u>	<u>136,894,692</u>	<u>91,891,414</u>	<u>77,828,414</u>	<u>77,761,788</u>	<u>75,397,065</u>	<u>70,823,453</u>
Less accumulated depreciation for:										
Buildings	36,077,125	33,104,020	30,125,656	27,082,762	24,899,090	22,953,066	21,811,421	20,833,263	19,595,680	18,260,598
Improvements other than buildings	12,156,560	10,730,082	8,904,082	7,045,881	5,368,570	4,264,299	3,783,553	3,309,991	2,839,474	2,381,234
Water rights	58,558	46,847	35,135	11,712	-	-	-	-	-	-
Other intangibles	-	-	-	-	13,000	1,175	-	-	-	-
Equipment	12,552,714	11,983,014	12,611,194	11,599,555	12,650,299	11,389,781	14,226,818	14,070,294	12,416,216	11,235,991
Library books	1,299,684	1,341,680	1,432,920	1,346,754	1,265,932	1,195,653	1,420,348	1,349,410	1,285,511	1,202,830
Total accumulated depreciation	<u>62,144,641</u>	<u>57,205,643</u>	<u>53,108,987</u>	<u>47,086,664</u>	<u>44,196,891</u>	<u>39,803,974</u>	<u>41,242,140</u>	<u>39,562,958</u>	<u>36,136,881</u>	<u>33,080,653</u>
Total capital assets being depreciated (net)	<u>124,407,069</u>	<u>128,475,747</u>	<u>132,989,723</u>	<u>137,790,933</u>	<u>92,697,801</u>	<u>52,087,440</u>	<u>36,586,274</u>	<u>38,198,830</u>	<u>39,260,184</u>	<u>37,742,800</u>
Capital assets, (net)	<u>\$ 156,491,086</u>	<u>\$ 155,482,876</u>	<u>\$ 159,156,279</u>	<u>\$ 163,804,208</u>	<u>\$ 162,808,838</u>	<u>\$ 119,451,187</u>	<u>\$ 66,410,719</u>	<u>\$ 42,617,643</u>	<u>\$ 41,915,581</u>	<u>\$ 40,287,947</u>

Source: District audited financial statements

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

Fiscal Year	Annual Tuition Rates¹	Tuition per Credit Hour
2008	1,710	57
2009	1,800	60
2010	1,860	62
2011	1,950	65
2012	2,100	70
2013	2,160	72
2014	2,310	77
2015	2,400	80
2016	2,460	82
2017	2,520	84

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

Source: District Records