

Maricopa County Community College District

Phoenix, Arizona

Chandler-Gilbert

Estrella Mountain

GateWay

Glendale

Mesa

Paradise Valley

Phoenix

Rio Salado

Scottsdale

South Mountain



Phoenix College

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025





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**Maricopa County Community College District
Phoenix, Arizona**

Prepared by
Division of Business Services



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Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025

Table of Contents

Introductory Section

Message from the Chancellor.....	1
Letter of Transmittal.....	5
Certificate of Achievement for Excellence in Financial Reporting.....	15
Organizational Chart.....	16
Principal Officers	17
Vision, Mission, and Values.....	18

Financial Section

Independent Auditors' Report.....	19
Management's Discussion and Analysis	23
Basic Financial Statements:	
Statement of Net Position – Primary Government	32
Statement of Financial Position – Component Unit.....	33
Statement of Revenues, Expenses, and Changes in Net Position – Primary Government	34
Statement of Activities and Change in Net Assets – Component Unit	35
Statement of Cash Flows – Primary Government.....	36
Notes to Financial Statements.....	38
Required Supplementary Information:	
Schedule of the District's Proportionate Share of the Net Pension Liability	68
Schedule of District Pension Contributions	69
Schedule of the District's Proportionate Share of the Health Insurance Premium Benefit Liability	70
Schedule of District Health Insurance Premium Benefit Contributions	71
Schedule of the District's Proportionate Share of the Long-term Disability Benefit Liability	72
Schedule of District Long-term Disability Benefit Contributions	73
Supplementary Information:	
Schedule of Revenues, Expenses, and Changes in Net Position by College/Center.....	74
Notes to Supplementary Information.....	76

Statistical Section

Financial Trends:	
Schedule of Net Position by Component – Last Ten Fiscal Years.....	77
Schedule of Expenses by Identifiable Activity – Last Ten Fiscal Years.....	78
Schedule of Expenses by Use – Last Ten Fiscal Years.....	79
Schedule of Revenues by Source – Last Ten Fiscal Years.....	80
Schedule of Other Changes in Net Position – Last Ten Fiscal Years	81
Revenue Capacity:	
Assessed Value and Estimated Market Value of Taxable Property – Last Ten Fiscal Years.....	82
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	83
Principal Taxpayers – Current Year and Nine Years Ago	84
Property Tax Levies and Collections – Last Ten Fiscal Years.....	85
Historic Tuition and Fees – Last Ten Fiscal Years	86
Debt Capacity:	
Schedule of Ratios of Outstanding Debt – Last Ten Fiscal Years	87
Computation of Legal Debt Margin – Last Ten Fiscal Years	88
Demographic and Economic Information:	
Schedule of Demographic and Economic Statistics – Last Ten Fiscal Years	89
Top 10 Employers in Maricopa County – Current Year and Nine Years Ago.....	90
Operating Information:	
Employee Statistics – Last Ten Fiscal Years	91
Enrollment and Degree Statistics – Last Ten Fiscal Years	92
Student Enrollment Demographic Statistics – Last Ten Fiscal Years	93
Schedule of Capital Asset Information – Last Ten Fiscal Years.....	94



Introductory Section

December 19, 2025

To the Citizens of Maricopa County:

I am pleased to submit the Annual Comprehensive Financial Report for the year ending on June 30, 2025. As the largest community college system in the nation, we continue to set new standards of excellence and remain committed to providing affordable, accessible, high-quality learning opportunities for all students. With 10 individually accredited colleges and 31 satellite locations spanning Maricopa County's 9,202 square miles, we meet students where they are. This year, we welcomed continued growth and advancements across the system. The Annual Comprehensive Financial Report captures a mere fraction of the progress made by the Maricopa County Community College District (MCCCD) and our students. I encourage you to read through the report to gain greater insight into our continued success and broader impact.

Adjusting MCCCD's Expenditure Limit

The passage of Proposition 486 marked a critical moment for MCCCD and learners throughout the Valley. In November 2024, Maricopa County voters overwhelmingly supported Proposition 486, a ballot initiative aimed at adjusting the system's expenditure limit. The expenditure limit, originally set in 1980, no longer reflects the annual spending needed to support the infrastructure, technology, programs, and resources that today's students require. Had the ballot measure not passed, MCCCD would have faced cutting \$100 million from our operational budget. To put this dollar amount into perspective, \$100 million is equivalent to the operating budget of one of our larger colleges, meaning students would lose access to critical resources and program offerings. Through proactive educational materials and meaningful conversations with community members, and strategic partners, the ballot measure successfully passed. The support of Maricopa County voters reflects the vital role MCCCD plays in educating Arizona residents and strengthening the health and prosperity of the growing region.

Accelerating the Future of Work

In partnership with Arizona Governor Katie Hobbs and the Arizona Commerce Authority (ACA), MCCCD was selected to launch two state-of-the-art Future48 Workforce Accelerators. The accelerator initiative works with community colleges across the state to offer customized training in order to prepare students for jobs in Arizona's fastest-growing industries. Announced in the Fall of 2025, GateWay Community College's (GWCC) semiconductor-focused workforce accelerator will be housed at the college's Central City campus. The project is supported by a \$20 million investment provided by the governor's office and the ACA. Slated for a 2027 opening, the facility will feature a full-size mock clean room and modular learning stations, connecting students with the hands-on learning needed to compete in the booming semiconductor industry. By 2030, Arizona's semiconductor workforce is projected to grow by nearly 115,000 jobs. GWCC's first-of-its-kind accelerator will bridge the gap between education and career, providing students with the opportunity to learn directly from industry professionals.



Thanks to \$6 million in funding from the ACA, Chandler-Gilbert Community College's (CGCC) aerospace and defense workforce accelerator will be located at the college's Williams campus and is anticipated to open in the Fall of 2026. The facility will feature flexible training spaces, labs, and industry-standard equipment. The accelerator will expand on existing aviation program offerings, including Aircraft Maintenance Technology and Airway Science Technology. Arizona serves as a central hub for aerospace and defense, with over 1,200 companies, including Honeywell Aerospace and The Boeing Company, contributing nearly \$15 billion annually to the local economy. The cutting-edge space is expected to support nearly 1,000 students each year, providing access to accelerated training and reskilling programs.

Arizona's Most Affordable Bachelor's Degree

In December 2024, the Higher Learning Commission (HLC) approved accreditation for three new bachelor's degree programs, including the Bachelor of Science in Artificial Intelligence (AI) and Machine Learning at CGCC, the Bachelor of Business Administration–Accounting at Paradise Valley Community College, and the Bachelor of Business Administration–Management at Scottsdale Community College. Since the Fall of 2023, MCCCDC has successfully launched 11 bachelor's degree programs. Through our strategic and intentional approach, our bachelor's degree programs, along with their graduates, will directly support a number of



Arizona's expanding industries, such as healthcare, education, public safety administration, and technology. Uniquely designed with students in mind, programs offer the flexibility to start at any of our 10 colleges, along with cost savings of approximately 75% on tuition, when compared to an in-state traditional four-year institution. Furthermore, our programs deliver on the community college promise—providing affordable, accessible pathways to higher education. During the Spring 2025 commencement season, MCCCDC celebrated a historic milestone, honoring nearly 100 bachelor's degree recipients from the Behavioral Sciences, Early Childhood Education–Dual Language,

Elementary Education and Special Education, Information Technology, and Public Safety Administration programs. In just two years, MCCCDC has enrolled 7,500 students across our bachelor's degree portfolio. We remain committed to expanding program offerings in order to support student demand and regional workforce needs.

Partnering for Student Success

The 2025 commencement season marked another milestone for our system, as our 10 colleges celebrated the academic achievements of over 20,000 students who graduated with certificates, associate degrees, and bachelor's degrees. As the largest provider of workforce training in Maricopa County, we pride ourselves in preparing graduates to leave our institutions equipped with the skills necessary to move into roles within Arizona's growing occupational sectors. We know that for many students, their academic endeavors don't end with us. With an extensive network of transfer partners, our students can seamlessly move on to their next pathway, whether it be in-state or nationwide. During the 2024-25 academic year, MCCCDC established three new articulation agreements with Utah Tech University, the University of Advancing Technology, and Northland Pioneer College (NPC). Our groundbreaking partnership with NPC marks MCCCDC's first formal

community college transfer agreement since launching bachelor's degree programs in 2023. Through this collaboration, NPC students who complete an Associate of Applied Science in Behavioral Health Studies will have a clear and efficient pathway to transfer into the Bachelor of Science in Behavioral Sciences offered at South Mountain Community College. This partnership is designed to reduce barriers while maximizing credit transfer, without delay or duplication.



A Vision for the Future

As the nation's largest community college system, MCCCDC serves more Arizona residents than any other academic institution in the state. We are the number one choice for homegrown talent, with 90% of our student population living and working in Maricopa County. According to a recent economic impact study conducted by Lightcast, MCCCDC creates a positive net impact on Maricopa County's economy, generating a return on investment for students, taxpayers, and society. According to a recent economic impact study, MCCCDC contributed nearly \$9 billion in added income to the county's economy. Furthermore, the activities of our 10 colleges and their students support one out of every 30 jobs throughout the Valley of the Sun. Building on more than a century of progress, this Spring, I unveiled my vision—centered on four key areas designed to position MCCCDC as the premier institution of higher learning in Arizona.

At the Forefront of Technology

MCCCDC has long been a leader in technology. In 2020, in collaboration with Intel Corporation, we launched the nation's first AI and machine learning associate degree and certificate program at CGCC. As part of my vision, MCCCDC will be a future-ready, institutional leader in technology for community colleges across the U.S. Today's learners are more connected than ever before and expect a seamless digital learning experience. By embracing technological advancements, we can effectively meet the evolving needs of our students and employees. Innovation is already taking center stage, with teams throughout our organization exploring how we can better integrate technology, including AI, into learning and business processes.

Creating a College-Going Mentality

We know that college-going behaviors can develop as early as elementary and middle school. By introducing students to a college-going mentality at an early age, we can nurture their academic aspirations, develop readiness skills, and put students on the path to postsecondary success. Central to my vision is establishing a



college-going behavior for all K-12 students throughout Maricopa County. By expanding K-12 partnerships and removing barriers, we can ensure a seamless transition from high school to a college setting. Today, we operate charter high schools at both GWCC and Phoenix College. I envision a future where each of MCCCDC's 10 colleges is home to a charter high school, with students earning 12 college credits by the time they graduate. In Arizona, 91% of students take advantage of early college opportunities through their local community college. During the 2024-25 academic year, our colleges served more than 27,000 high schoolers through dual

enrollment courses. By leveraging our shared strengths, we can create an environment where higher education becomes the natural next step for students across Maricopa County.

Fueling Arizona's Workforce

MCCCD is an economic engine, creating life-changing opportunities for our students while fueling Arizona's growing workforce. By 2031, 67% of all jobs created in Arizona will require some form of postsecondary training beyond high school. As the most affordable access point to higher education in the Valley, we will continue to connect students to the jobs of today and tomorrow. As part of the framework of my vision, MCCCD will be the leader in workforce development for Maricopa County. For years, we have forged new and strengthened existing partnerships with business and industry leaders across the growing region. Together, we will prioritize the growth and expansion of program offerings in the areas that keep us top of mind for decision makers, including employers, elected officials, non-profit organizations, and community partners. This means redefining our current structure to create greater systemic collaboration across our 10 colleges and the District Office. By aligning our workforce strategies under shared goals, we can operate more efficiently, help close critical workforce gaps, and launch our students into high-opportunity occupations.



Transforming our Communities

As a leader in higher education, we know that today's learners require support that goes beyond tuition and fees. According to the Hope Center's student basic needs survey, 59% of students experience at least one form of basic needs insecurity, including food and housing insecurity. In order to ensure our students cross the finish line, the final component of my vision focuses on driving positive community impact by addressing critical economic and social needs in the regions we serve. This means reimagining wrap-around support services and working hand-in-hand with our community partners. Under my vision, what we can achieve and who we can impact has no limits. As part of our ongoing efforts, we are exploring ways to better leverage underutilized real estate across our system with the goal of creating affordable housing, which would not only generate revenue, but also provide significant aid to students and their families.

As MCCCD's Chancellor, I am immensely proud of all we have accomplished during the 2024-25 fiscal year. Education is a powerful force for change. Each year we serve more than 140,000 students, as we live out our vision of creating excellence in education for a better world. While I recognize we still have significant work ahead of us, I look forward to what the future holds as we embark on another year of growth, innovation, and continuous improvement.

Respectfully,

A handwritten signature in black ink that reads "Steven R. Gonzales".

Steven R. Gonzales, Ed.D.
Chancellor
Maricopa County Community College District

December 19, 2025

To the Governing Board and Residents of the Maricopa County Community College District:

We are pleased to provide you with the Annual Comprehensive Financial Report (ACFR) of the Maricopa County Community College District (MCCCD; the District) for the fiscal year ended June 30, 2025 (FY 2025).

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

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

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

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

Reporting Entity

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

Profile of Maricopa County Community College District

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

The District serves the educational needs of Maricopa County through ten accredited colleges and three skill centers. The colleges and skill centers are managed by ten college presidents. District-wide administrative and support services are centralized and administered by the Chancellor; Executive Vice Chancellor and Provost; Senior Vice Chancellor, External Affairs; Chief Operating Officer; Vice Chancellor, Business Services and Chief Financial Officer; Vice Chancellor, Workforce and Economic Development; Chief Human Resource Officer; Chief Information Officer; Chief of Staff; and General Counsel.

History

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

Geography/Population

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

Maricopa County continues to have one of the fastest growing populations in the United States. According to the U.S. Census Bureau Population Division, the County's population is estimated to have increased by 16% in the 10-year period between the official census dates of April 2010 and April 2020. As of July 2024, the Arizona Office of Economic Opportunity estimated the County's population to be 4,726,247, making it the fourth most populated county in the nation.

Maricopa County has 62% of the State's total population and 66% of the total labor force. A majority of the County's labor force (86%) is employed in the service markets. These include trade, transportation, and utilities; professional and business services; educational and health services; government; leisure and hospitality; and financial activities.

Shared Governance Council Structure

In January 2025, the Chancellor unveiled a new Shared Governance Council (SGC) structure designed to bring together a wide range of voices and expertise to address challenges, pursue new opportunities, and ensure decisions made throughout the system thoughtfully align with the District's long-term goals. In the new SGC structure, long-standing committees, councils, task forces and working groups were aligned with an SGC that consists of diverse subject-matter experts, allowing for input and collaboration across the District in a more timely manner, while balancing expert and formal authority, legitimacy and credibility.

Profile of Maricopa County Community College District (continued)

The new SGC structure is composed of the following five groups:

- **Shared Governance Executive Council (SGEC)** – comprised of the Chancellor’s executive team, the faculty executive council president, and a co-president from staff representation. The SGEC serves as both a resource and a recommending body on all matters of shared governance, facilitating cross-council collaboration and overseeing the entire SGC system.
- **Teaching, Learning and Classroom Council** – focused on academic excellence and instructional quality, providing guidance, decisions, and recommendations on issues with system-wide impact.
- **Student Access, Success and Experiences Council** – dedicated to enhancing the student journey, offering guidance, decisions and recommendations related to student success, including recruitment, enrollment persistence, retention, completion and guided pathways.
- **Operational & Human Resources, Facilities and Technology Council** – oversees essential services that support system-wide operations, providing guidance, decisions and recommendations on issues related to human resources, business services, facilities, and information technology services that fall outside the scope of routine operational decisions and management.
- **Institutional Effectiveness, Planning and Compliance Council** – ensures alignment with strategic planning, performance and regulatory standards. This council plays a key role in fostering a culture of accountability, transparency and continuous improvement.

The SGC structure ensures that every voice has the opportunity through a representative system to shape the future of the District and creates space for new perspectives and subject matter experts, strengthening collaboration and inclusivity.

Types of Services

The District is the largest single provider of post-secondary education in Arizona – offering affordable education to over 146,000 individuals year-round in credit classes and over 7,000 individuals in special-interest/non-credit classes.

The District offers a wide range of quality academic, career and technical, and personal interest programs to meet the needs of students throughout Maricopa County. Students planning to transfer to a four-year institution may first complete the 35-credit hour Arizona General Education Curriculum core and/or an associate degree. The District offers the following associate degrees: Associate in Arts (including specialized degrees in Elementary Education and Fine Arts), Associate in Business, Associate in Science, Associate in General Studies, and Associate in Applied Sciences. Numerous Associate of Applied Science degrees and Certificates of Completion are available for students seeking technical expertise or upgrading skills in a specific career area. Non-credit personal interest courses are available in many areas including the arts, computer technology, personal development, and financial management.

Starting in FY 2024, the District began offering Bachelor’s degree programs in Behavioral Sciences, Data Analytics and Programming, Early Childhood Education – Dual Language, Elementary Education and Special Education, Information Technology, Nuclear Medicine Technology and Computed Tomography, and Public Safety Administration. In FY 2025, a Registered Nurse to Bachelor of Science In Nursing program was added to the District’s offerings. The program was further expanded for FY 2026 when the Higher Learning Commission (HLC) approved accreditation for three new bachelor’s degree programs, including Artificial Intelligence and Machine Learning, Business Administration – Accounting, and Business Administration – Management. In addition, for those that already have a bachelor’s degree, Arizona residents interested in bringing their skills and experience to the next generation of Arizona students may enroll in the Arizona Teachers Academy offered at two of the Maricopa Community Colleges. The programs offer post baccalaureate certifications to teach at the K – 12 levels.

Profile of Maricopa County Community College District (continued)

Students may begin pursuing their educational aspirations as early as high school by enrolling in the District's dual enrollment program. Multiple Intergovernmental Agreements (IGA) with local high schools are in place to offer college level courses that may be counted toward both high school and college graduation requirements at the high school during the school day. In addition, the District provides university transfer partnerships with over 40 public, private and online institutions across the country and continues to be a pipeline for the State's four-year universities, primarily Arizona State University (ASU). By taking advantage of Northern Arizona University's (NAU) 90/30 Program, students are able to attend a Maricopa Community College and complete their bachelor's degree through NAU—located about 150 miles north of the valley—without ever leaving the valley. NAU is the only university in the state that offers a 90/30 bachelor's degree program where students can transfer up to 90 lower-division credits and complete 30 upper-division credits through NAU. In academic year 2024-2025, 24,929 undergraduates enrolled at the three state universities had transferred 12 or more credits from MCCCDC.

The District also offers Fast-Track Training certificates and Micro credential Pathway programs. Fast-track certificates consist of highly focused classes to help students master a specialized track in a particular study area in as little as two semesters. Micro credential Pathways consist of micro credentials developed with prominent employers to quickly prepare students for in-demand jobs. Both programs are designed where courses and certificates can be stacked to work toward a degree when students are ready to take their learning to the next level.

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

State and Local Economy

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

Employment in Arizona increased by 179,414 jobs from 3,306,211 jobs in the second quarter of 2022 to 3,485,625 jobs in the second quarter of 2024. The Office of Economic Opportunity within the Arizona Department of Administration projected Arizona's economy to grow steadily for the calendar years 2024-2026. Specifically, Arizona's jobs are projected to increase to 3,552,704 in 2026, which indicates an estimated net growth of 67,079 jobs. This translates into 1.0% annualized growth for the two-year period. In August 2025, Arizona's seasonally adjusted nonfarm employment increased by 41,400 jobs (1.3%) to 3,253,700 and the unemployment rate was 4.1%, a year-over-year increase of 0.4%.

Long-term Financial and Operational Planning

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

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

This planning process and policy guidance support the development of the District's long-term operational planning, which is included each year in the annual budget and related presentations. This multi-year plan helps the District align its key components of strategic and financial planning with estimated trends in funding as well as linking long-term strategic directions with estimated long-term budget resources.

Budget Process

The District's elected Governing Board establishes policy and sets goals and priorities. With an eye toward shared governance, the Chancellor has established an Advisory Budget Council (ABC) comprised of representatives from employee groups (faculty and staff), college presidents, college senior councils, and District Office leadership. The purpose of ABC is to discuss and provide recommendations to the Chancellor and the Shared Governance Executive Council (SGEC) on resource projections and funding priorities for future budgets. These recommendations are the basis for a fiscally stable budget presented to the Governing Board for its consideration. The Governing Board adopts a final budget at a public meeting in the spring, no later than June 20.

Financial Reporting

An automated financial accounting system captures all financial transactions and provides data for the preparation of this ACFR, including the audited financial statements. These statements present information on the financial position of the District and confirm that resources were adequate to cover the costs of providing services during the reporting period. The District's award-winning ACFR is distributed to the Board, executive management, the state legislature, federal and state agencies, bond-rating agencies, financial institutions and the general public. Internal management reports, customized to meet the information and decision-making needs at all levels of the organization, aid in the management of financial resources. The District also routinely monitors and reports on revenue collections and actual expenses compared to budget at each college. It carefully reviews fluctuations and implements strategies to remedy variances throughout the year.

Major Initiatives

The District embarked on a new strategic planning process in FY 2023 that included a comprehensive environmental scan; planning and future visioning sessions with the MCCCCD Governing Board and District leadership; and feedback surveys, interviews and focus group participation with faculty, staff, students, alumni and community stakeholders. The planning process upheld the District's shared governance practices, as the Governing Board, Chancellor, and Shared Governance Executive Council worked together

Major Initiatives (continued)

to develop the plan. A systemwide Strategic Plan Steering Team continues to monitor the plan and provides annual recommendations on modifications and updates to activities, milestones and timelines, based on the evolving needs of students and the community. Designed to help the District become a forward-focused and agile organization equipped to respond to uncertainties, this strategic plan has a multi-year timeline that aims to establish direction while providing off-ramps that allow for recalibration as needed by adhering to constant feedback loops and launching new system-wide plans every three years. Development of the next multi-year systemwide strategic plan began in Spring 2025.

The 2023 – 2026 systemwide strategic plan—*Excellence 2026*—provides a framework to align the District’s current and future states and includes four key priorities: (1) student outreach and success; (2) economic resources and sustainability; (3) a cohesive identity; and (4) organizational talent.

Student Outreach and Success

Student outreach and success are primary pillars of the strategic plan. The District strives to create an educational environment where every individual is supported, motivated and inspired to overcome barriers, transforming aspirations into tangible achievements. The District launched a stop-out student outreach campaign in June 2024 aiming to increase enrollment of the stop-out student population by 5-7%. The campaign is multi-pronged and outreach occurs via social media retargeting, including email and text messaging, to follow up with students interested in returning to MCCCCD and to assist them with their specific needs to re-enroll. In FY 2025, the District instituted a hands-on, highly student-centered approach to actively support students throughout the enrollment process. This work has informed improvements to existing processes as well as a more efficient and effective system-wide approach to student enrollment. The result is a set of tools that will be implemented system-wide for all students and employees to use.

Economic Resources and Sustainability

The backbone of the District’s growth lies in fostering economic resources and sustainability. The District is committed to charting a path dedicated to fortifying a solid financial foundation, enhancing technological capabilities and diversifying revenue streams to ensure continued success.

On June 3, 1980, Arizonans voted in favor of Arizona Constitution Article IX, section 21, which established an annual expenditure limit (EL) in the state to restrict how much a community college district can spend—even if funding is available. If a community college district exceeds its EL, it is subject to penalties—based on a formula that was established 45 years ago.

In March 2024, following an extensive data collection effort, analysis and impact studies by an expenditure limitation planning committee made up of faculty, staff, students, Governing Board and community members, the District Governing Board approved a resolution to forward a ballot referral to Maricopa County voters to permanently adjust the fiscal year 1979-1980 base expenditures on which the EL is calculated. In November 2024, Proposition 486 was passed by voters, providing the District with a framework that allows for the continued delivery of high-quality, flexible and affordable education while operating within a more realistic EL—one that truly reflects today’s costs for the high-impact and critical programs offered to the community. And while adjusting the EL establishes a more realistic framework for the District’s budget, it does not provide new funding. Several projects were undertaken by the District during FY 2025 to prepare for FY 2026.

Major Initiatives (continued)

In Fall 2024, using shared governance, the ABC embarked on developing a new budget allocation model for the District's general fund resources with a goal toward utilizing a new model during the FY 2026 budget development process. The 2023 - 2026 strategic plan set a goal to assess and recommend a strategic funding model to more equitably fund our colleges based on data and without reliance on past budget practices. Guiding principles established for the budget allocation model includes fiscal responsibility, student success, organizational cooperation, transparency and innovation. A five-year implementation plan of the new budget model was presented to the Governing Board in January 2025 and was included in the FY 2026 Budget adopted by the Governing Board in May 2025. While the FY 2026 budget is the first year of implementation, the District plans to reassess each years' initial assumptions and calculations with updated data, providing opportunities for further collaboration to make adjustments and honor the need for fair and equitable resource allocation.

During this same time period, ABC developed and implemented a multi-year capital improvement plan for physical and technology infrastructure. Aligned with the annual budget cycle, a standardized rubric is applied to annual submissions in order to prioritize projects using available capital and fund balances. 31 projects totaling \$156 million were included in the FY 2026 Adopted Budget. These projects will be completed over the next 5 years and will be primarily funded with college and system balances, restricted and unrestricted, as appropriate.

The final ABC project was to balance the general fund budget by FY 2027; however, the FY 2026 budget adopted by the Governing Board includes a balanced General Fund budget. Through a combination of relatively minor expenditure reductions at the system-level and increases in revenues, the District was able to achieve the goal by FY 2026. Investment income was revised to conservatively reflect current economic conditions, anticipated enrollment increases resulted in increased tuition revenue, and keeping some of the property tax increase originally targeted for capital purposes in the General Fund resulted in a balanced budget.

A Cohesive Identity

While celebrating the diverse aspects of our system, creating a more cohesive identity by enhancing collaboration is central to the District's forward progression. Creating a dynamic and integrated framework, which includes academic, enrollment management, facilities and technology, the District will more effectively meet student needs and enhance their ability to seamlessly access support across all colleges.

Organizational Talent

Organizational talent forms the bedrock of the District's success and serves as a catalyst for excellence. Plans are underway to revolutionize how the District recruits, develops and empowers a thriving workforce that will attract diverse, passionate individuals who will cultivate a culture of continuous improvement and shape the future of our educational community.

In September 2023, the District identified an optimal way to utilize performance management to elevate services while supporting employee growth. A district-wide performance model for staff, Performance Success, was launched to build opportunities for supervisors and employees to build relationships through collaboration; focus on employee growth and success; and align work for organizational impact. The model empowers employees to collaborate in innovative solutions and processes while setting their sights on goals that have significant organizational impact. It also paves the way for employees to grow their skills, experiences and careers within the District. Enhancements to the program and training continued throughout FY 2025.

Major Initiatives (continued)

Over several years, strategic commitments were identified to further the District's objective to increase student success and completion rates. To achieve these commitments and better meet the needs of students and the community, the District embarked on a transformation plan and committed resources to see its implementation. As a community of colleges serving a large and diverse metropolitan area, shifting our culture from 10 individual colleges to a system of colleges working together to support students and the community, will enable the District to be more entrepreneurial, increase efficiency and collaboration, and better leverage resources across the system. The District's transformation is focused on three primary areas: Guided Pathways and Student Support, Industry Partnerships, and Enterprise Performance.

Guided Pathways and Student Support

Research shows that students are more likely to complete on time if they identify a career goal early on, have a clear outline of the courses required, and receive consistent guidance and support along the way. We have structured our colleges to more effectively support students from the time they seek access through successful completion of a course of study and receive a certification, associate's degree, or transfer to a higher education institution. Guided Pathways represents a comprehensive approach to improving student completion and provides students with more clarity about the steps necessary to achieve their educational goals. Additional guidance from counseling or advising early in students' journeys increases the likelihood of completion (transfer or career placement).

Industry Partnerships

Robust relationships between colleges and local employers are critical to building strong workforce development programs for students. Industry partners play a key role in curriculum development and credential validation to ensure graduates and certification holders have the right credentials to perform the necessary functions. Those same partners also can bring to life career options and work-based experiences that help students apply their education and potentially earn credits while earning wages. The District is working to transform targeted industry sector programs into regional "institutes" involving multiple colleges and programs. These institutes will be managed centrally but deliver relevant credit and non-credit programs across each region targeted to fill critical labor market gaps. A single industry advisory board will be established for each sector representing the entire county and student offerings will include structured internships, apprenticeships, and other on-the-job and immersion experiences for students. Through these institutes, the District will establish partnerships that lead to meaningful changes to traditional curriculum and instructional practices and provide resources for community college faculty and staff to develop skills needed to design new curricula, teach integrated developmental, occupational and academic course work and better track student progress and employer needs.

Enterprise Performance

The focus of the strategic commitments at their core is students and much of the work in the previous areas rely heavily on the District's employees and systems it has in place. Therefore, the District is placing significant emphasis on becoming more efficient and effective through both its human resources and enterprise systems. One effort is to ensure we have a robust and comprehensive talent management system that ensures we retain and attract the best and the brightest employees. Another effort will be to ensure we eliminate any unnecessary redundancies in our processing of transactions. Yet another is to fully implement a budget approach that allocates funds to where funds are most needed to achieve the goals of the District.

Major Initiatives (continued)

Public University Partnerships

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

Residential/Adjunct Faculty Ratio

The District has initiated a plan that calls for 60% of the instructional load at each college to be taught by residential faculty. By implementing the 60:40 ratio, the District will support student success and retention through increased workforce stability, enhanced learning environments, and improved student engagement.

Capital Development Program

After decades of directing most capital expenditures toward facility expansion through significant capital bond programs, the District continues to reinvest in existing facilities and address significant deferred maintenance needs. A districtwide deferred maintenance study was launched with a consultant in 2017 to identify current and future maintenance requirements. Upon completion of the analysis, comprehensive project lists were developed for college and district office facilities. Additionally, projects and estimated costs for the next 10 years were prioritized based on the following investment criteria: reliability, asset preservation, safety/code, and economic opportunity. With support from the Governing Board, the District launched a multi-year deferred maintenance program intended to address nearly 5,400 projects with an estimated 2019 repair/replacement value of \$378 million.

As of FY 2025, 1,406 projects have been completed or initiated at a total cost of approximately \$139.4 million. Efficiencies are sought whenever possible to maximize funding. For example, combining similar projects within a building, across multiple campuses or even district wide, may provide economies of scale, reduce mobilization costs, and reduce or eliminate multiple project rebuild/reinstall costs. Planning for future projects includes an inflation escalator to capture volatile market conditions.

In FY 2019, the District adopted a funding strategy for its capital needs, including the deferred maintenance program, which shifts a portion of the secondary property tax levy no longer needed for debt service to the primary levy to be used for capital needs. The shift in purpose of the levy allows the total property tax levy to continue to decline while providing the District an opportunity to forego the need to issue future taxpayer funded General Obligation bonds.

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Maricopa County Community College District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This was the 34th consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal regulations.

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

Acknowledgment

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

Respectfully submitted,



Kimberly Brainard Granio, CPA
Vice Chancellor, Business Services & CFO



Dawn D. Rector, CPA, MBA
Associate Vice Chancellor, Business Services &
Controller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Maricopa County Community College District
Arizona**

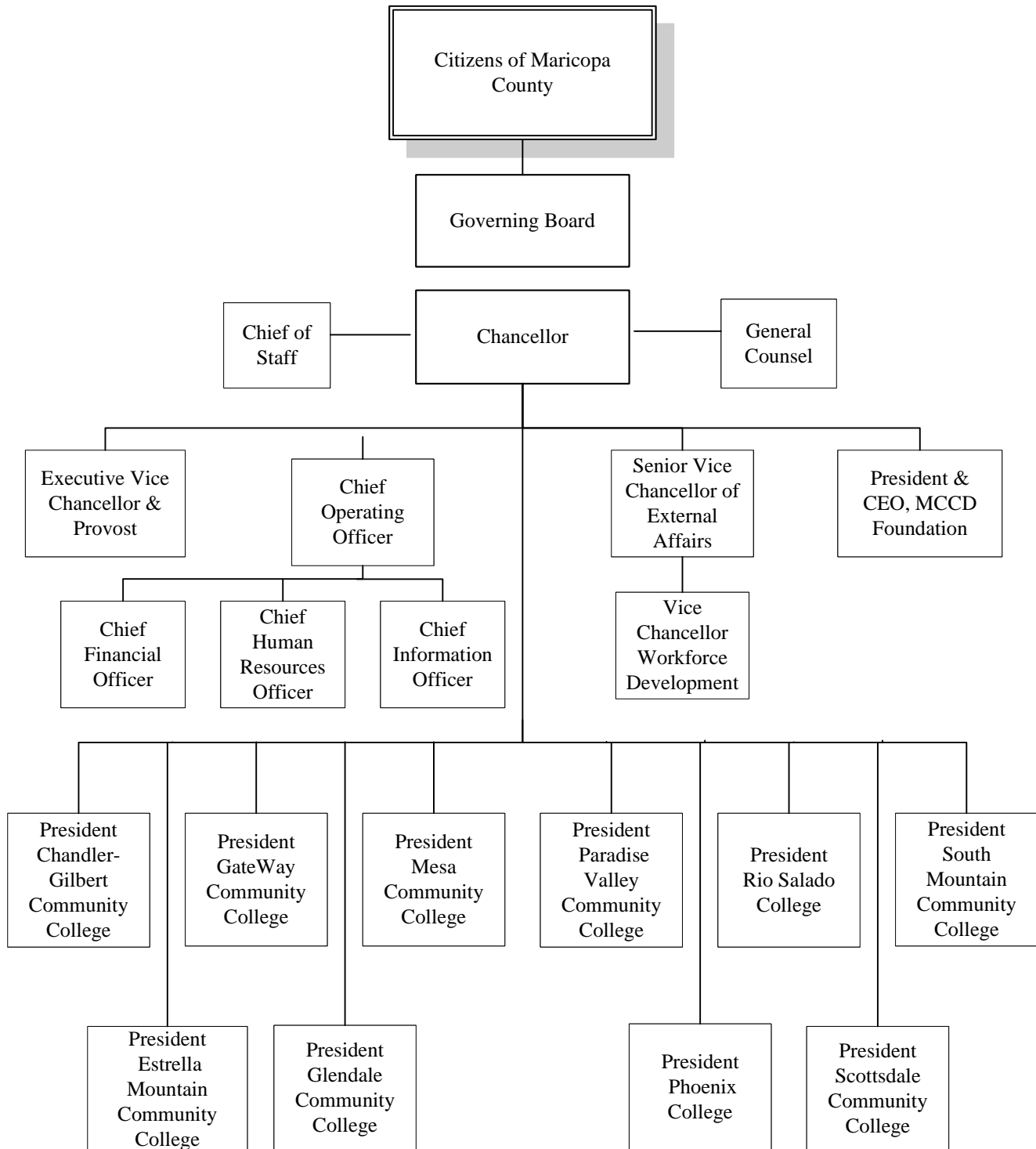
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

Maricopa County Community College District Organizational Chart



Maricopa County Community College District

Principal Officers

Governing Board

Ms. Susan Bitter Smith, *President*
Ms. Marie Sullivan, *Secretary*
Ms. Kelli Butler
Ms. Donna Davis
Dr. Tom Nerini
Ms. Jacqueline Smith
Dr. Linda Thor
Ms. Pamela Smith, *Student Member*

Administration

Dr. Steven R. Gonzales, *Chancellor*
Dr. Lisa Armour, *Executive Vice Chancellor and Provost*
Ms. Lee Ann Bohn, *Chief Operating Officer*
Dr. Jess Evans, *Vice Chancellor and Chief Information Officer*
Ms. Janice Falkenberg, *General Counsel*
Dr. Eddie Genna, *Senior Vice Chancellor of External Affairs*
Ms. Kimberly Granio, *Vice Chancellor and Chief Financial Officer*
Ms. Cathleen Hernandez, *Chief of Staff*
Ms. Valerie Jones, *Vice Chancellor Workforce Development*
Ms. Charlene Polege, *Vice Chancellor and Chief Human Resource Officer*
Ms. Julie Dunnigan, *President & CEO, MCCD Foundation*

College Presidents

Dr. CJ Wurster, *President, Chandler-Gilbert Community College*
Dr. Rey Rivera, *President, Estrella Mountain Community College*
Dr. Amy Diaz, *President, GateWay Community College*
Dr. Tiffany Hernandez, *President, Glendale Community College*
Dr. Richard Daniel, *President, Mesa Community College*
Dr. Jana Schwartz, *President, Paradise Valley Community College*
Dr. Kimberly Britt, *President, Phoenix College*
Dr. Kate Smith, *President, Rio Salado College*
Dr. Eric Leshinskie, *President, Scottsdale Community College*
Ms. Veronica Hipolito, *President, South Mountain Community College*



Vision, Mission & Values

Vision

Excellence in education for a better world.

Mission

The Maricopa Community Colleges ignite talent, transform lives, and enrich communities through teaching, learning, and service.

Values

Student-Centric:

Students are the essence of our work; we partner with students as leaders and decision-makers in their own learning.

Integrity:

We foster a culture of honesty, trust, and transparency.

Collaboration:

We work together using system-thinking in pursuit of our vision and mission.

Inclusiveness:

We value all contributions and diverse perspectives.

Innovation:

We advance a culture that stimulates big ideas, creativity, and exploration.

Respect:

We treat each other with dignity, civility, and kindness.



Financial Section



ARIZONA AUDITOR GENERAL

Lindsey A. Perry, Auditor General

Melanie M. Chesney, Deputy Auditor General

Independent Auditors' Report

Members of the Arizona Legislature

The Governing Board of
Maricopa County Community College District

Report on the audit of the financial statements

Opinions

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of the Maricopa County Community College District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of the District as of June 30, 2025, 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.

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.

Basis for opinions

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 U.S. Comptroller General. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of matter

As discussed in Note 1 to the financial statements, for the year ended June 30, 2025, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No.101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Management's responsibilities for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*, we:

- ▶ Exercise professional judgment and maintain professional skepticism throughout the audit.
- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- ▶ Obtain an understanding of internal control relevant to the audit 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.

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- ▶ Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the audit's planned scope and timing, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required supplementary information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 23 through 31, schedule of the District's proportionate share of the net pension/OPEB liability on pages 68, 70, and 72, and schedule of District pension/OPEB contributions on pages 69, 71, and 73 be presented to supplement the basic financial statements. Such information is management's responsibility and, 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.

Supplementary information

Schedule of revenues, expenses, and changes in net position by college/center

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of revenues, expenses, and changes in net position by college/center is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is management's responsibility and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the accompanying schedule of revenues, expenses, and changes in net position by college/center is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance on the other information.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other reporting required by *Government Auditing Standards*

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

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

December 19, 2025

Maricopa County Community College District Management's Discussion and Analysis For the Year Ended June 30, 2025

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, 2025. Please read it in conjunction with the transmittal letter, which precedes this section, and the financial statements, which immediately follow.

For the fiscal year ended June 30, 2025, the District implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The District's financial statements reflect the new provisions that have been applied prospectively and the accompanying Notes to the Financial Statements – Notes 1 and 5—provide further detail.

Basic Financial Statements

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

The *Statement of Net Position* reflects the financial position of the District as of June 30, 2025. It shows the assets owned or controlled, deferred outflows of resources, related liabilities and other obligations, deferred inflows of resources, and the categories of net position. Net position is an accounting concept defined as total assets and deferred outflows less total liabilities and deferred inflows. As such, it represents the residual of all other elements presented in the Statement of Net Position of the District.

The *Statement of Revenues, Expenses, and Changes in Net Position* reflects the results of operations and other changes for the year ended June 30, 2025. It shows revenues and expenses, both operating and non-operating, and reconciles the beginning net position amount to the ending net position amount, which is shown on the *Statement of Net Position* described above.

The *Statement of Cash Flows* reflects the inflows and outflows of cash and cash equivalents for the year ended June 30, 2025. It shows the cash activities by type and reconciles the beginning cash and cash equivalents amount to the ending cash and cash equivalents amount, which is shown on the *Statement of Net Position*, described above. In addition, this statement reconciles cash flows from operating activities to operating loss on the *Statement of Revenues, Expenses, and Changes in Net Position* described above.

Basic Financial Statements (continued)

Although the primary focus of this document is on the results and activity for fiscal year 2024-25 (FY 2025), comparative data is presented for the previous fiscal year, 2023-24 (FY 2024). This Management's Discussion and Analysis (MD&A) uses the prior fiscal year as a reference point to illustrate issues and trends for determining whether the institution's financial health may have improved or deteriorated.

Condensed Financial Information

<i>Statement of Net Position</i>		
	<i>As of</i> <u>June 30, 2025</u>	<i>As of</i> <u>June 30, 2024</u>
Assets		
Current assets	\$756,427,046	\$764,638,364
Noncurrent assets, other than capital assets	60,820,112	39,605,649
Capital assets, net	634,578,741	668,052,535
Total assets	<u>1,451,825,899</u>	<u>1,472,296,548</u>
Deferred Outflows of Resources	<u>86,549,234</u>	<u>64,323,167</u>
Liabilities		
Other liabilities	71,365,785	112,736,612
Long-term liabilities	625,574,097	667,435,461
Total liabilities	<u>696,939,882</u>	<u>780,172,073</u>
Deferred Inflows of Resources	<u>48,938,378</u>	<u>41,549,043</u>
Net position		
Net investment in capital assets	551,919,871	548,339,653
Restricted net position	215,971,851	159,953,191
Unrestricted net position, as previously reported	24,605,151	6,605,755
Total net position	<u><u>\$792,496,873</u></u>	<u><u>\$714,898,599</u></u>

Condensed Financial Information (continued)*Statement of Revenues, Expenses, and Changes in Net Position*

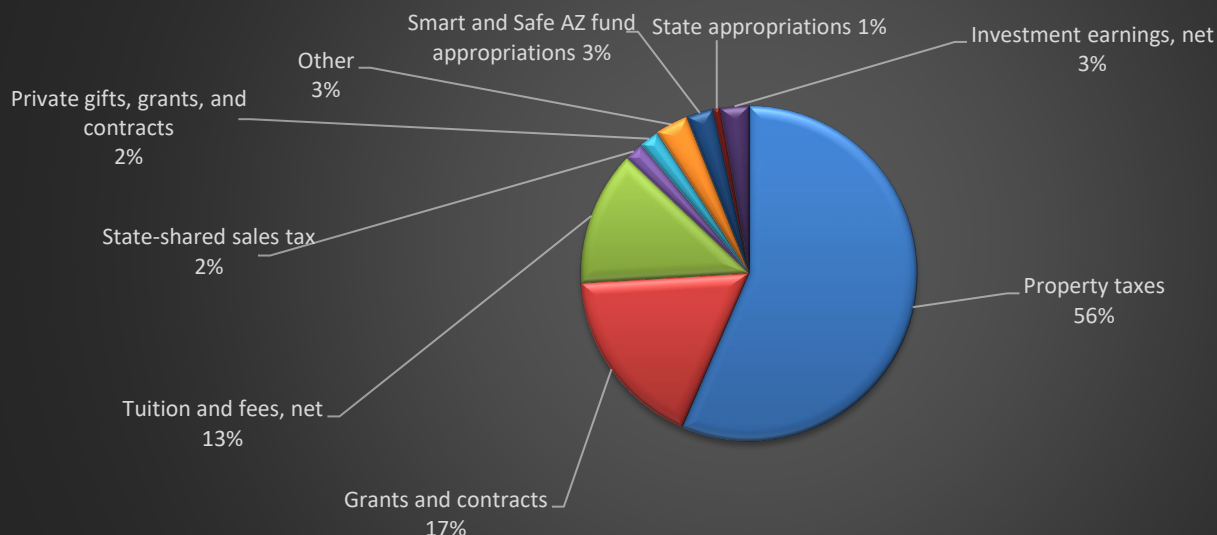
	<i>For the Year Ended June 30, 2025</i>	<i>For the Year Ended June 30, 2024</i>
Operating revenues	\$183,244,387	\$167,872,086
Operating expenses:		
Educational and general	938,261,423	949,530,520
Auxiliary enterprises	49,027,155	52,739,336
Depreciation/amortization	68,664,344	64,957,108
Total operating expenses	1,055,952,922	1,067,226,964
Operating loss	(872,708,535)	(899,354,878)
Non-operating revenues and expenses	950,160,525	922,212,389
Income before other revenues, expenses, gains, or losses	77,451,990	22,857,511
Other revenues, expenses, gains, or losses	146,284	34,557
Change in net position	77,598,274	22,892,068
Net position, beginning of year	714,898,599	692,006,531
Net position, end of year	\$792,496,873	\$714,898,599

Condensed Financial Information (continued)

The following schedule presents a summary and comparison of revenues for the fiscal years ended June 30, 2025, and June 30, 2024.

<i>Revenues by Source</i>	FY 2025		FY 2024		Increase/(Decrease)	
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Change</u>
<u>Operating revenues</u>						
Tuition and fees, net of scholarship allowance	\$147,238,529	13%	\$150,483,282	14%	(\$3,244,753)	(2%)
Other	36,005,858	3	17,388,804	1	18,617,054	107
Total operating revenues	183,244,387	16	167,872,086	15	15,372,301	9
<u>Non-operating revenues</u>						
Property taxes	640,299,258	56	627,452,957	57	12,846,301	2
State appropriations	8,073,700	1	7,927,600	1	146,100	2
Smart and Safe AZ fund appropriations	29,537,515	3	28,417,411	3	1,120,104	4
State-shared sales tax	20,730,347	2	20,055,440	2	674,907	3
Grants and contracts	198,913,787	17	189,861,149	17	9,052,638	5
Private gifts, grants, and contracts	21,538,525	2	19,808,857	2	1,729,668	9
Investment earnings, net of investment expense	30,636,469	3	29,396,817	3	1,239,652	4
Net bond premium revenue and interest expense on debt	418,401	0			418,401	100
Gain on sale/disposal of capital assets	12,523	0			12,523	100
Total non-operating revenues	950,160,525	84	922,920,231	85	27,240,294	3
Capital grants and gifts	146,284	0	34,557	0	111,727	323
Total revenues	\$1,133,551,196	100%	\$1,090,826,874	100%	\$42,724,322	4%

Revenues by Source FY 2025

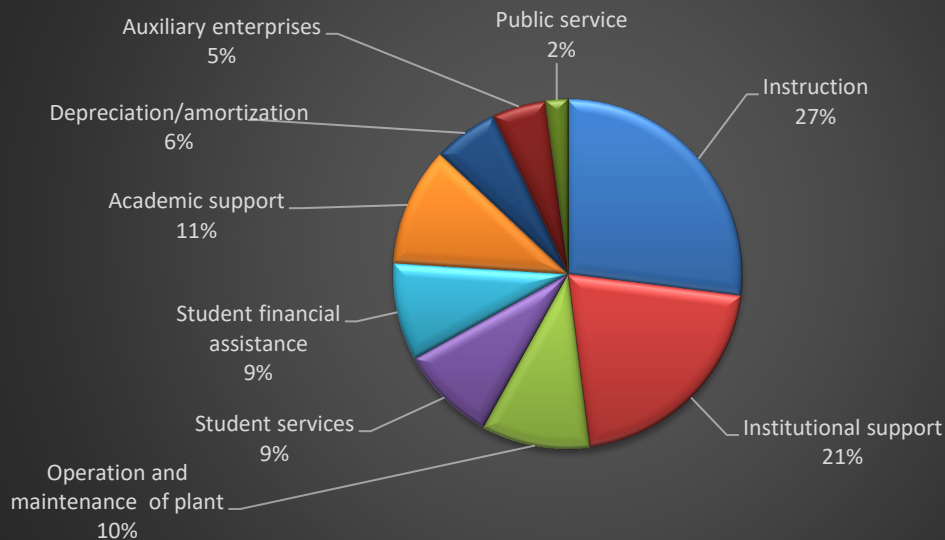


Condensed Financial Information (continued)

The following schedule presents a summary and comparison of expenses for the fiscal years ended June 30, 2025, and June 30, 2024.

<i>Expenses by Function</i>	FY 2025		FY 2024		Increase/(Decrease)	
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Change</u>
<u>Operating expenses</u>						
Educational and general						
Instruction	\$287,357,620	27%	\$298,876,759	28%	(\$11,519,139)	(4%)
Public service	17,179,911	2	17,338,401	2	(158,490)	(1)
Academic support	116,727,391	11	117,516,510	11	(789,119)	(1)
Student services	97,711,587	9	99,420,620	9	(1,709,033)	(2)
Institutional support	217,811,566	21	248,055,431	23	(30,243,865)	(12)
Operation and maintenance of plant	108,221,397	10	93,544,163	9	14,677,234	16
Student financial assistance	93,251,951	9	74,778,636	7	18,473,315	25
Auxiliary enterprises	49,027,155	5	52,739,336	5	(3,712,181)	(7)
Depreciation/amortization	68,664,344	6	64,957,108	6	3,707,236	6
Total operating expenses	<u>1,055,952,922</u>	<u>100</u>	<u>1,067,226,964</u>	<u>100</u>	<u>(11,274,042)</u>	<u>(1)</u>
<u>Non-operating expenses</u>						
Interest expense on debt	0	0	615,604	0	(615,604)	(100)
Loss on sale or disposal of capital assets	0	0	92,238	0	(92,238)	(100)
Total non-operating expenses	<u>0</u>	<u>0</u>	<u>707,842</u>	<u>0</u>	<u>(707,842)</u>	<u>(100)</u>
Total expenses	<u>\$1,055,952,922</u>	<u>100%</u>	<u>\$1,067,934,806</u>	<u>100%</u>	<u>(\$11,981,884)</u>	<u>(1%)</u>

Expenses by Function FY 2025



Financial Highlights and Analysis

Statement of Net Position

The District's overall financial position grew in FY 2025 as the total net position improved by \$77.6 million over FY 2024. Total net position is comprised of the following sub-categories: net investment in capital assets, restricted, and unrestricted. The increase of \$3.6 million in net investment in capital assets is primarily the result of a net decrease of \$1.5 million in lease liability and a net decrease of \$2.2 million subscription-based information technology agreements (SBITA) liability. Restricted net position increased by \$56.0 million. State grants and contracts revenues over expense activity increased by \$11.2 million, which includes academic FTSE revenue over related expense activity (\$5.9 million), an accrual of state grant revenue (\$3.3 million), and the Rio Salado College Adult Basic Education program (\$2.0 million). In addition, both state propositions 301 sales tax and 207 excise tax revenues exceeded related expense activity by \$9.4 million and \$15.0 million, respectively, which includes investment income totaling \$6.0 million. Federal grant and contract revenue over expense activity combined with an accrual of federal grant revenue totaled \$4.7 million and the federal student aid program had a net increase of \$1.1 million; other restricted fund programs had a net decrease of \$4.8 million. The District recognized an Other Postemployment Benefits (OPEB) asset of \$19.0 million.

Unrestricted net position increased by \$18.0 million in FY 2025. This increase is primarily due to a net operating revenue increase of \$15.4 million resulting from employee and employer contributions toward the District's self-insured health spending account and an increase in property tax collections of \$12.8 million, offset by an overall decrease in operating expense activity. This decrease is partially a result of the Qasimyar expense that was accrued at the end of FY 2024.

In a Qasimyar (Q) v. Maricopa County (MC) class action case covering tax years 2015 through 2023, Q questioned the method the MC Assessor used to assess the Limited Property Values (LPV) of a residential property and the courts ruled in favor of Q. As a result, all MC taxing jurisdictions are impacted and each taxing district is responsible to contribute to the taxpayer refunds in proportion to their tax levy/rate. Although litigation has been ongoing since 2015, the District was not made aware of its obligation to pay back these monies until April 2024. MC decreased the amount of fall 2024 property tax receipts distributed to the District by \$44.7 million, which included principal and interest accrued during this nine-year period. Ultimately, MC withheld property tax revenues from the District for a total of \$46.0 million, an additional \$1.3 million over their original estimate.

Total assets decreased by \$20.5 million. Current assets decreased \$8.2 million, primarily due to decreases in cash and account receivable balances. In addition to the \$5.9 million decrease in cash, current receivables decreased by \$3.2 million, primarily due to government grants receivables. The total decrease in current assets is offset by an increase in noncurrent assets, which is primarily the result of an Other Post Employment Benefit (OPEB) asset of \$19.0 million. In addition, a \$0.8 million increase in restricted cash and cash equivalents, reflecting the use of funds to support restricted expense activity, along with a net decrease in total capital assets of \$33.5 million, which is the result of a continuing decline in major capital acquisitions outweighed by depreciation and amortization.

The most significant components of long-term liabilities for the District are bonds payable and net pension liability. The decrease in long-term liabilities of \$41.9 million is primarily due to a combination of the payment of debt service and amortization of bond premiums of \$34.4 million, no issuance of any new debt, and a decrease in the net pension and OPEB liability of \$2.3 million. Additional net decreases include lease and subscription liabilities of \$3.8 million and compensated absence liability of \$1.5 million.

Statement of Revenues, Expenses, and Changes in Net Position

The District has three major revenue sources in property taxes; grants and contracts; and tuition and fees. Total revenue for the District increased by \$42.7 million (4%) as a result of increases and decreases in these and various other categories.

Total operating revenues increased by \$15.4 million (9%). While the District's enrollment continues to be lower than pre-pandemic levels by 13% and 8.9% in unduplicated student headcount and full-time student equivalent (FTSE), respectively, tuition and fees reflect a \$6.1 million (2.8%) increase over FY 2024 as a result of increases in unduplicated student headcount and FTSE of 2.9% and 4.3%, respectively. A \$9.3 million (14.4%) increase in scholarship discounts and allowances resulted in a \$3.2 million (2%) net tuition revenue decrease.

Other operating revenues increased by \$18.6 million, which includes the District's recognition of employee and employer self-insurance contributions of \$63.9 million to cover related insurance expenses of \$80.9 million. The rising costs of insurance claims required an additional District contribution of \$17.4 million in FY 2025. The District is continuing its efforts to pursue a multi-pronged approach to managing this self-insurance fund.

Total Nonoperating revenues increased by \$27.2 million (3%). Property tax revenue rose by \$12.8 million; state STEM program funds to support workforce development and training programs increased by \$0.1 million; and the Smart and Safe Arizona Fund appropriations increased by \$1.1 million. Grants and contracts increased by \$9.1 million due to increases in the Federal Pell Grant Program (\$19.9 million), Workforce Scholarship Grant (\$1.6 million), and the Nursing Expansion Pilot Grant (\$2.0 million). These were offset by decreases that resulted from the ending of multiple grants, including GEER funding (\$5.0 million), the AZDE Tuition Assistance Program (\$1.1 million), the DES Child Care Grant Program (\$3.0 million), the Home and Community Based Services Program (\$2.9 million), the Behavioral Health Grant (\$1.8 million), and the Broadband Transformation Grant (\$0.6 million). Investment earnings increased by \$1.2 million due to declining but favorable interest rates.

FY 2025 marked the fifth year of the District's multi-year strategic compensation plan, which anticipated an overall \$24.7 million (4.1%) increase in salaries. Total salaries increased by \$17.2 million (3.4%) and total benefits decreased by \$9.5 million (5.7%), resulting in a net decrease in salary and benefit expenses of \$7.7 million (1.2%). Residential and adjunct faculty instructional salaries increased by \$5.7 million, classified staff salaries increased by \$11.8 million, and the use of vacation and sick leave increased by \$3.2 million. The overall decrease in benefits is primarily the result of a decrease in the Arizona State Retirement expense (\$34.6 million), an increase in the District's contribution toward its self-insurance health spending account (\$19.8 million), an increase in health insurance claims (\$4.3 million).

Total non-payroll expenses decreased by \$19.0 million, with the lion's share of this decrease related to the \$44.7 million expense accrual in FY 2024 to account for the fall 2024 property tax distributions planned to be withheld by Maricopa County as previously noted. Additional decreases include contractual services (\$8.9 million), student stipends (\$3.3 million) and supplies (\$1.2 million), largely due to inflation. Notable increases include facility rental and insurance expenses (\$1.6 million), construction-related building and equipment purchases (\$9.7 million), amortization of subscription-based information technology agreement (SBITA) assets (\$2.5 million), depreciation of buildings & equipment (\$1.2 million), and utilities (\$0.7 million).

Capital Assets and Debt Administration

The District's capital assets as of June 30, 2025, totaled \$634.6 million (net of accumulated depreciation/amortization). Capital assets include land, construction in progress, buildings, equipment, intangibles, improvements other than buildings, and library books. The District's total capital assets decreased as depreciation and amortization outpaced capital spending with the 2004 GO Bond program closing out in early FY 2020. The District has \$4.0 million in construction in progress with an estimated \$18,449 cost to complete. Additional information on capital assets can be found in Notes to Financial Statements – Note 4.

The District has issued nearly 100% of the \$951.4 million in GO bonds that were approved by voters in November 2004 and all remaining proceeds were expended early in FY 2020. Information on all of the District's bond issues is presented in greater detail in Notes to Financial Statements – Note 5.

Current Factors Having Probable Future Financial Significance

The District began to experience enrollment stabilization in FY 2022, which has continued to increase each successive year, including in FY 2025. Unduplicated student headcount increased by 2.9% over FY 2024 and, while this recovery is a good sign, the District's unduplicated headcount remains down 8.9% from pre-pandemic levels. Student course-taking behavior for course modality (online, in-person, and hybrid) changed dramatically during the pandemic with the reversal of in-person and online enrollment as the primary means to attend class, requiring the District to continue to adjust course offerings to meet the evolving course-taking behavior of students.

In fall 2022, the Higher Learning Commission (HLC) approved accreditation for seven Bachelor's degree programs at seven of our colleges to launch in fall 2023. In December 2022, MCCC's Governing Board approved a tuition rate for upper division (300/400 level) courses of 150% of the District's rate for lower division (100/200 level) courses. In May 2024, the District celebrated a monumental milestone, marking the first bachelor's graduates from a community college in the state of Arizona and setting a precedent for future graduates and highlighting the expanding opportunities available through community college education. By May 2025, the District awarded 127 degrees: 41 Bachelor of Science, 36 Bachelor of Arts and 50 Bachelor of Applied Science.

In summer 2024, the HLC approved accreditation for the Registered Nurse to Bachelor of Science in Nursing (RN-BSN) degree, which was open for enrollment in fall 2024, and the District is pursuing additional accreditation from the Accreditation Commission for Education in Nursing (ACEN) for the RN-BSN. Additionally, HLC approved three additional Bachelor's degree programs to begin in fall 2025 including Artificial Intelligence and Machine Learning, Business Administration – Accounting, and Business Administration – Management.

The District is primarily supported by property taxes and tuition and fees received from students. Both revenue streams are generally very stable; however, the District has an interest in finding a third revenue stream to support the system. To this end, efforts are underway to assess revenue generating opportunities with existing land and buildings which may be underutilized and repurposed to generate revenue for the system.

Current Factors Having Probable Future Financial Significance (continued)

Arizona has a constitutional expenditure limitation (EL) provision which went into effect in 1980 and today, limits the District's ability to fully utilize its operational resources without incurring significant penalties (Article IX, Section 21, Constitution of Arizona). However, in 2021 and 2023, the State Legislature passed legislation establishing a de minimis penalty for exceeding the calculated expenditure limit up to a certain level for fiscal years ending 2022, 2023, 2024, and 2025. The District availed itself of this option of exceeding its expenditure limitation as it worked toward a longer-term solution for FY 2025-26. In March 2024, the District Governing Board approved a resolution to forward a ballot referral to Maricopa County voters in the November 2024 General Election to permanently adjust the base limit used to calculate the District's EL. Proposition 486, which permanently adjusts the EL base by \$52.8 million, passed on November 5, 2024, which allows the District to continue to support students across Maricopa County with flexible, high-quality and affordable education.

Requests for Information

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

Maricopa County Community College District
Statement of Net Position – Primary Government
June 30, 2025

	<u>Business-Type Activities</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 353,174,738
Investments	298,712,687
Receivables (net of allowance of \$63,778,579)	103,239,189
Other	1,300,432
Total current assets	<u>756,427,046</u>
Noncurrent assets:	
Receivables (net of allowance of \$8,302)	42,149
Other	2,842,007
Restricted assets:	
Cash and cash equivalents	35,601,929
Receivables (net of allowance of \$270,330)	3,240,596
Other	47,913
Net other postemployment benefits asset	19,045,518
Capital assets, not being depreciated/amortized	78,437,309
Capital assets, being depreciated/amortized, net	556,141,432
Total noncurrent assets	<u>695,398,853</u>
Total assets	<u>1,451,825,899</u>
Deferred Outflows of Resources	
Deferred outflows related to pensions and other postemployment benefits	86,549,234
Total deferred outflows of resources	<u>86,549,234</u>
Liabilities	
Current liabilities:	
Accounts payable	14,056,329
Accrued liabilities	49,290,870
Other liabilities	127,241
Interest payable	1,550,670
Unearned revenues	6,340,675
Long-term liabilities - current portion	43,538,289
Total current liabilities	<u>114,904,074</u>
Noncurrent liabilities:	
Net pension and other postemployment benefits liability	504,409,560
Compensated absences	34,336,436
Other long-term liabilities	43,289,812
Total noncurrent liabilities	<u>582,035,808</u>
Total liabilities	<u>696,939,882</u>
Deferred Inflows of Resources	
Deferred inflows related to pensions and other postemployment benefits	45,622,355
Deferred inflows related to leases and subscription-based information technology agreements	3,135,962
Deferred grant receipts	180,061
Total deferred inflows of resources	<u>48,938,378</u>
Net Position	
Net investment in capital assets	551,919,871
Restricted:	
Nonexpendable:	
Endowments	263,741
Student loans	97,087
Expendable:	
Scholarships	1,173,646
Grants and contracts	162,844,039
Student loans	11,125
Debt service	32,536,695
Other postemployment benefits	19,045,518
Unrestricted	24,605,151
Total net position	<u>\$ 792,496,873</u>

See accompanying notes to financial statements.

Maricopa County Community College District
Statement of Financial Position – Component Unit
June 30, 2025

	Maricopa County Community College District Foundation
Assets	
Cash and cash equivalents	\$ 764,228
Pledges receivable, net of discount and allowance	564,494
Investments	77,320,228
Cash surrender value of life insurance	190,561
Scholarships paid in advance	20,492
Other assets	31,188
Total assets	<u>\$ 78,891,191</u>
Liabilities and Net Assets	
Accounts and scholarships payable	\$ 299,872
Charitable gift annuity liability	114,427
Deferred advances	1,852,385
Total liabilities	<u>2,266,684</u>
Net assets:	
Without donor restrictions	
Board designated	600,000
Undesignated	5,065,890
Total net assets without donor restrictions	5,665,890
With donor restrictions	70,958,617
Total net assets	<u>76,624,507</u>
Total liabilities and net assets	<u>\$ 78,891,191</u>

See accompanying notes to financial statements.

Maricopa County Community College District
Statement of Revenues, Expenses, and Changes in Net Position –
Primary Government
For the Fiscal Year Ended June 30, 2025

	Business-Type Activities
Operating revenues:	
Tuition and fees (net of scholarship allowance of \$73,973,073)	\$ 147,238,529
Other	36,005,858
Total operating revenues	<u>183,244,387</u>
Operating expenses:	
Educational and general:	
Instruction	287,357,620
Public service	17,179,911
Academic support	116,727,391
Student services	97,711,587
Institutional support	217,811,566
Operation and maintenance of plant	108,221,397
Student financial assistance	93,251,951
Auxiliary enterprises	49,027,155
Depreciation and amortization	68,664,344
Total operating expenses	<u>1,055,952,922</u>
Operating loss	<u>(872,708,535)</u>
Nonoperating revenues:	
Property taxes	640,299,258
State appropriations	8,073,700
Smart and Safe AZ fund appropriations	29,537,515
State-shared sales tax	20,730,347
Government grants and contracts	198,913,787
Private grants and contracts	4,353,693
Private gifts	17,184,832
Investment earnings, net of investment expense	30,636,469
Net bond premium revenue and interest expense on debt	418,401
Gain on sale/disposal of capital assets	12,523
Total nonoperating revenues	<u>950,160,525</u>
Income before other revenues, expenses, gains, or losses	<u>77,451,990</u>
Capital grants and gifts	146,284
Change in net position	<u>77,598,274</u>
Net position July 1, 2024	<u>714,898,599</u>
Net position June 30, 2025	<u><u>\$ 792,496,873</u></u>

See accompanying notes to financial statements.

Maricopa County Community College District
Statement of Activities and Change in Net Assets – Component Unit
For the Year Ended June 30, 2025

Maricopa County Community College District Foundation

	Without donor restrictions	With donor restrictions	Total
Support and revenue:			
Contributions of financial assets	\$ -	\$ 14,662,845	\$ 14,662,845
Contributed space and services	1,970,838	-	1,970,838
Investment return	1,279,012	4,838,730	6,117,742
Change in cash surrender value of life insurance	-	(11,485)	(11,485)
Total support and revenue before net assets released from restrictions	3,249,850	19,490,090	22,739,940
Net assets released from restrictions	11,255,193	(11,255,193)	-
Total support and revenue	14,505,043	8,234,897	22,739,940
Expenses:			
Program support	5,882,999	-	5,882,999
Scholarship expenses	4,137,854	-	4,137,854
Salaries, wages, and benefits	1,867,027	-	1,867,027
Office space	103,811	-	103,811
Professional services	207,610	-	207,610
Office expenses	86,610	-	86,610
Information technology	324,021	-	324,021
Community engagement	69,404	-	69,404
Other expenses	1,574	-	1,574
Total expenses	12,680,910	-	12,680,910
Change in net assets	1,824,133	8,234,897	10,059,030
Net assets, beginning of year	3,841,757	62,723,720	66,565,477
Net assets, end of year	\$ 5,665,890	\$ 70,958,617	\$ 76,624,507

See accompanying notes to financial statements.

Maricopa County Community College District
Statement of Cash Flows – Primary Government
For the Year Ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	Business-Type Activities
Tuition and fees	\$ 147,235,590
Payments for employee wages and benefits	(712,705,776)
Payments to providers of goods and services	(260,899,739)
Payments to students for grants and scholarships	(93,542,833)
Other custodial receipts	3,251,713
Other custodial disbursements	(3,455,168)
Other receipts	32,334,053
Net cash used for operating activities	<u>(887,782,160)</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Property taxes	639,587,757
State appropriations	8,073,700
Smart and Safe AZ fund appropriations	29,537,515
State-shared sales tax	20,730,347
Grants and contracts	209,709,187
Federal direct student loans received	34,791,157
Federal direct student loans disbursed	(34,791,157)
Gifts received for other than operating or capital purposes	17,184,832
Net cash provided by noncapital financing activities	<u>924,823,338</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from sale of capital assets	8,293
Purchase of capital assets	(22,066,542)
Principal paid on capital debt	(46,464,282)
Interest paid on capital debt	(3,404,664)
Net cash used for capital and related financing activities	<u>(71,927,195)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Net proceeds from sales and maturities of investments	4,726,867
Interest received on investments	25,049,774
Net cash provided by investing activities	<u>29,776,641</u>
Net decrease in cash and cash equivalents	<u>(5,109,376)</u>
Cash and cash equivalents - beginning of year	393,886,043
Cash and cash equivalents - end of year	<u><u>\$ 388,776,667</u></u>

(continued)
See accompanying notes to financial statements.

Statement of Cash Flows (continued)

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

Operating loss	\$ (872,708,535)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation and amortization	68,664,344
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Net other postemployment benefits asset	(19,045,518)
Net pension liability	(2,258,990)
Deferred outflows of resources related to pensions and other postemployment benefits	(23,332,599)
Deferred inflows of resources related to pensions and other postemployment benefits	5,304,045
Receivables	(680,025)
Other assets	(5,662)
Student loans receivable	609
Accounts payable	(517,780)
Other current liabilities	(44,682,687)
Accrued liabilities	2,931,870
Unearned revenue	(2,939)
Compensated absences	(1,448,293)
Net cash used for operating activities	<u><u>\$ (887,782,160)</u></u>

Noncash transactions:

Increase in fair value of investments. The fair value of investments increased by \$5,412,256.

Amortization of premium on bonds and deferred charges. The District amortized \$4,675,826 of bond premiums and \$1,106,532 of deferred charges.

Addition of SBITAs. The District had a non-cash addition of \$12,976,674 of SBITA liability in FY 2025 for GASB 96.

See accompanying notes to financial statements.

Maricopa County Community College District
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 1 - Summary of Significant Accounting Policies

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

For the year ended June 30, 2025, the District implemented the provisions of GASB Statement No. 101, *Compensated Absences*, as amended, the objective of which is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Whereas previously only unused leave time paid at termination was accrued, the District must now perform an analysis to determine how much of each employee's leave balances at year end are more likely than not to be used as time off in future reporting periods. As a result, the District's current year financial statement line item for noncurrent compensated absence liability incorporates the likelihood of current earnings being paid out in the future. For additional information, refer to the Compensated Absences section below in this note as well as Note 5.

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

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

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

NOTE 1 - Summary of Significant Accounting Policies (continued)

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, 2025, the Foundation distributed \$10,020,853 to the District for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from the Foundation Office at 2419 W. 14th Street, Tempe, AZ 85281.

Basis of Presentation and Accounting - The financial statements include a Statement of Net 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/amortization, less any outstanding liabilities incurred to acquire or construct the assets. Nonexpendable restricted net position includes gifts that have been received for endowment purposes and federal contributions for the Federal Perkins Loan Program, the corpus of which cannot be expended. Expendable restricted net position represents grants, contracts, gifts, and other resources that have been externally restricted for specific purposes. Unrestricted net position consists of all other resources, including those that have been designated by management to be used for other than general operating purposes.

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 sales of auxiliary services, in which each party receives and gives up essentially equal values, are considered to be operating revenues. Other revenues, such as property taxes and educational grants, result from transactions in which the parties do not exchange equal values and are considered nonoperating revenues. Operating expenses include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. Other expenses, such as interest expense on debt, are considered nonoperating expenses. When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first. Internal transactions and activities, such as transfers between funds, revenues and expenses recorded for internal service activities, and certain internal revenues and expenses recorded for grant activity, have been eliminated for financial statement purposes.

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 and related financing, or investing.

NOTE 1 - Summary of Significant Accounting Policies (continued)

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 in the year in which the appropriation is first made available for use. Grants and donations are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

All investments are stated at fair value.

Capital Assets - Capital assets of the District consist of land, buildings, improvements other than buildings, equipment, intangibles, and library books. Capital assets are reported at actual cost (or estimated historical cost if historical records are not available). Donated assets are reported at acquisition value. Major outlays for assets or improvements to assets are capitalized as projects are constructed. These are categorized as construction in progress until completed, at which time they are reclassified to the appropriate asset type. Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation/amortization methods, and estimated useful lives of capital assets reported in the financial statements are as follows:

<u>Asset Category</u>	<u>Capitalization Threshold</u>	<u>Depreciation/ Amortization Method</u>	<u>Estimated Useful Life</u>
Land	All	Not applicable	Not applicable
Buildings	\$100,000	Straight-line	40 years
Improvements other than buildings	\$5,000	Straight-line	20 years
Equipment	\$5,000	Straight-line	4-10 years
Library books	All	Straight-line	10 years
Intangibles:			
Software	\$5,000	Straight-line	4-10 years
Right-to-use subscription assets	\$1,000,000	Straight-line	Subscription term *
Right-to-use lease assets:			
Land	\$100,000	Straight-line	Lease term *
Land improvements	\$100,000	Straight-line	Lease term *
Buildings	\$100,000	Straight-line	Lease term *
Equipment	\$5,000	Straight-line	Lease term *

NOTE 1 - Summary of Significant Accounting Policies (continued)

* Intangible right-to-use subscription assets are amortized over the shorter of the lease term or the useful life of the underlying IT assets. Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the District has determined is reasonably certain of being exercised—then the lease asset is amortized over the useful life of the underlying asset.

Compensated Absences - The implementation of GASB Statement No. 101, as noted above, requires that liabilities for compensated absences be recognized for [1] leave that has not been used and [2] leave that has been used but not yet paid in cash or settled through noncash means. A liability is recognized for leave that has not been used if [a] the leave is attributable to services already rendered, [b] the leave accumulates, and [c] the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Compensated absences payable consists of vacation leave, certain compensatory time and a calculated amount of sick leave employees earned based on services already rendered. Employees may accumulate up to 536 hours of vacation depending on years of service and employee group, but they forfeit any unused vacation hours in excess of the maximum amount at calendar year-end. Compensatory time is applicable to non-exempt employees in participating departments who elect to accrue compensatory time in lieu of receiving payment for overtime hours worked. According to District policy, sick leave benefits provide for ordinary sick pay, are cumulative, and balances are paid up to a maximum amount at retirement or death for employees having at least 10 years of service. Prior to the application of GASB 101, the District's sick leave liability was based solely on those employees having a minimum of 10 years of service. With the implementation of GASB 101, the District performed an historical analysis to determine the trend of employees who are more likely than not to meet the 10-year service requirement and calculated the sick leave liability based on this updated population.

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

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

Pensions/Other Post-Employment Benefits (OPEB) - For purposes of measuring the net pension/OPEB asset and liabilities, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB 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

NOTE 1 - Summary of Significant Accounting Policies (continued)

payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Leases and subscription-based information technology arrangements

Leases

The District, as lessee, leases real estate and determines the classification of the lease at commencement of the contract. Leases that have a maximum possible term of 12 months or less are expensed based on the provisions of the contract. For all leases in excess of 12 months and that do not have mutual termination provisions, do not transfer the asset to the District by the end of the lease, and are an exchange or exchange-like transaction, the District recognizes an intangible right-to-use lease asset and a corresponding lease liability based on the thresholds described below. The lease liability is measured at commencement of the lease based on the present value of the payments expected to be made. The intangible right-to-use lease asset is initially measured as the lease liability, plus payments made before lease commencement, plus direct costs incurred to place the asset into service, less any incentives received prior to commencement.

Key estimates and judgements include the determination of the discount rate to calculate the present value of lease payments, the lease term, and the lease payments. The District utilizes the rate implicit in the lease when it is readily determinable, otherwise the District has used professional judgement to determine the best estimate of its incremental borrowing rate based on the District's most recent debt issuance rating.

The District's threshold for lease accounting, as both lessee and lessor, is for all leases where the present value of minimum lease payments is \$5,000 or more for equipment and \$100,000 or more for real estate.

For leases where the District is the lessor, the lease receivable is initially recorded as the present value of the future payments using the stated rate or, if not readily determinable, then at our incremental borrowing rate based on the District's most recent debt issuance rating. Over the lease term, the District recognizes revenue from interest income and the amortization of the deferred inflows of resources on a straight-line basis.

Subscription-based information technology arrangements

The District recognizes subscription liabilities with an initial, individual value of \$1 million or more. The District uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement. The District's estimated incremental borrowing rate is calculated as described above.

NOTE 2 - Deposits and Investments

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

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

Deposits

At June 30, 2025, total cash on hand was \$137,850. The carrying amount of bank deposits on the District's accounting system was \$25,592,587. At June 30, 2025, the District's bank balance was \$29,674,983. The District does not have a formal policy with respect to custodial credit risk.

Investments

The District had total investments of \$661,758,917 at June 30, 2025. The District's investments at June 30, 2025, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

<u>Investments by fair value level</u>	<u>Amount</u>	<u>Fair value measurement using</u>	
		<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>
U.S. agency securities	\$32,535,998	\$ -	\$32,535,998
U.S. Treasury securities	203,002,530	-	203,002,530
Corporate bonds	68,008,192	-	68,008,192
Money market fund	1,032,983	1,032,983	-
Mutual funds – equity	232,754	232,754	-
Total investments categorized by fair value level	<u>\$304,812,457</u>	<u>\$1,265,737</u>	<u>\$303,546,720</u>

NOTE 2 - Deposits and Investments (continued)

Investments categorized as Level 1 of the fair value hierarchy are valued using unadjusted prices quoted for identical assets in active, exchange and brokered markets for those securities. Investments categorized as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The nature of these securities includes investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters on which can be directly observed.

The District also had the following investments in external investment pools measured at fair value:

	Amount
State Treasurer's investment pool 7	\$356,822,613
State Treasurer's investment pool 700	123,847
Total external investment pools measured at fair value	<u>\$356,946,460</u>

Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the District held. The fair value of a participant's position in the pools approximates the value of that participant's pool shares.

The State Board of Investment provides oversight for the State Treasurer's investment pools.

Credit Risk - The District does not have a formal policy with respect to credit risk. At June 30, 2025, credit risk for the District's investments was as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Amount</u>
State Treasurer's investment pool 7	Unrated	Not applicable	\$ 356,822,613
State Treasurer's investment pool 700	Unrated	Not applicable	123,847
Mutual funds - equity	Unrated	Not applicable	232,754
U.S. agency securities	Aa1	Moody's	32,535,998
Corporate bonds	A1	Moody's	25,834,391
Corporate bonds	A2	Moody's	11,314,975
Corporate bonds	Aa1	Moody's	2,739,501
Corporate bonds	Aa2	Moody's	5,673,001
Corporate bonds	Aa3	Moody's	17,459,240
Corporate bonds	AAA	Moody's	4,987,084
Money market fund	AAA	Moody's	1,032,983
Total			<u>\$458,756,387</u>

Concentration of Credit Risk – The District does not have a formal policy with respect to concentration of credit risk. The District did not have investments at June 30, 2025, of 5 percent or more with any one issuer.

NOTE 2 - Deposits and Investments (continued)

Interest Rate Risk - The District's policy states maturities shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. At June 30, 2025, the District had the following investments in debt securities:

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity (Months)</u>
State Treasurer's investment pool 7	\$356,822,613	0.90
State Treasurer's investment pool 700	123,847	24.39
Money market fund	1,032,983	0.00
U.S. agency securities	32,535,998	18.81
U.S. Treasury securities	203,002,530	16.54
Corporate bonds	68,008,192	27.68
Total	<u>\$661,526,163</u>	

The District's portfolio weighted average maturity is 9.34 months.

Custodial Credit Risk – The District's investment accounts are held in the District's name, segregated from the liabilities of the custodian banks. Therefore, the District did not have any custodial credit risk at June 30, 2025.

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

<u>Cash, deposits and investments:</u>		<u>Statement of Net Position:</u>	
Cash on hand	\$ 137,850	Cash and cash equivalents	\$353,174,738
Deposits	25,592,587	Investments	298,712,687
Investments	661,758,917	Restricted assets:	
		Cash and cash equivalents	<u>35,601,929</u>
Total	<u>\$687,489,354</u>	Total	<u>\$687,489,354</u>

NOTE 3 - Current Receivables

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

Property taxes (net of allowance of \$2,631,724)	\$ 15,782,521
Government grants	50,602,052
Private grants and contracts (net of allowance of \$286,367)	4,387,000
Student accounts (net of allowance of \$60,687,066)	27,868,447
Lease receivable	824,922
Other (net of allowance of \$173,422)	<u>3,774,247</u>
Total current receivables	<u>\$ 103,239,189</u>

NOTE 3 - Current Receivables (continued)

Property Taxes - The Maricopa County Treasurer is responsible for the collection of property taxes for all governmental entities within the County. The property taxes due to the District are levied in August by the County and are payable in two equal installments. The first installment is due on October first and becomes delinquent after the first business day of November. The second installment is due on March first of the following year and becomes delinquent after the first business day in May. A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy. Property taxes receivable consist of uncollected property taxes as determined from the records of the Maricopa County Treasurer's Office, in addition to property taxes the Maricopa County Treasurer's Office has collected but not yet distributed to the District.

NOTE 4 - Capital Assets

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

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Capital assets not being depreciated/amortized:				
Land	\$ 74,475,007	\$ -	\$ -	\$ 74,475,007
Construction in progress	4,608,773	14,912,828	15,559,299	3,962,302
Work in progress, right-to-use subscription assets	1,426,497	-	1,426,497	-
Total capital assets not being depreciated/amortized	<u>80,510,277</u>	<u>14,912,828</u>	<u>16,985,796</u>	<u>78,437,309</u>
Capital assets being depreciated/amortized:				
Buildings	1,101,867,573	11,426,527	-	1,113,294,100
Equipment	165,055,984	7,706,887	4,577,510	168,185,361
Intangibles:				
Right-to-use subscription assets	40,633,814	12,973,494	2,267,741	51,339,567
Right-to-use lease assets:				
Land	1,235,129	-	-	1,235,129
Buildings	10,781,522	-	-	10,781,522
Software	65,584,133	-	-	65,584,133
Improvements other than buildings	166,179,993	4,570,847	-	170,750,840
Library books	8,604,482	566,642	250,593	8,920,531
Total capital assets being depreciated/amortized	<u>1,559,942,630</u>	<u>37,244,397</u>	<u>7,095,844</u>	<u>1,590,091,183</u>
Less accumulated depreciation/amortization for:				
Buildings	629,141,822	32,273,443	-	661,415,265
Equipment	140,560,525	10,110,913	4,645,282	146,026,156
Intangibles:				
Right-to-use subscription assets	14,974,031	13,882,878	2,267,741	26,589,168
Right-to-use lease assets:				
Land	136,773	45,591	-	182,364
Buildings	4,119,821	1,439,679	-	5,559,500
Software	52,757,226	4,269,998	-	57,027,224
Improvements other than buildings	124,851,974	6,045,611	-	130,897,585
Library books	5,858,200	596,231	201,942	6,252,489
Total accumulated depreciation/amortization	<u>972,400,372</u>	<u>68,664,344</u>	<u>7,114,965</u>	<u>1,033,949,751</u>
Total capital assets being depreciated/amortized, net	<u>587,542,258</u>	<u>(31,419,947)</u>	<u>(19,121)</u>	<u>556,141,432</u>
Capital assets, net	<u>\$ 668,052,535</u>	<u>\$ (16,507,119)</u>	<u>\$ 16,966,675</u>	<u>\$ 634,578,741</u>

The District has active construction projects with a remaining contractual commitment at June 30, 2025, of \$18,449.

NOTE 5 - Long-term Liabilities

The following schedule details the long-term liability activity for the year ended June 30, 2025.

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due within one year
Bonds payable:					
General obligation bonds	\$ 87,320,000	\$ -	\$ 29,705,000	\$ 57,615,000	\$ 30,940,000
Premium on general obligation bonds	5,567,950	-	4,675,826	892,124	446,062
Total bonds payable	92,887,950	-	34,380,826	58,507,124	31,386,062
Leases payable	8,369,390	-	1,539,553	6,829,837	1,580,246
Subscriptions liability	18,358,632	12,976,674	15,210,375	16,124,931	5,205,771
Net pension and OPEB liability	506,668,550	-	2,258,990	504,409,560	-
Compensated absences	41,150,939	4,261,231	5,709,525	39,702,645	5,366,210
Total long-term liabilities	\$ 667,435,461	\$ 17,237,905	\$ 59,099,269	\$ 625,574,097	\$ 43,538,289

Legal Debt Margin

The Arizona Constitution, Article 9, Section 8, states that a county or school district may become indebted for an amount not to exceed fifteen percent of taxable property. For fiscal year 2024-25, the District could issue an additional \$8.7 billion of debt and remain within the legal debt margin. See Statistical Section – Computation of Legal Debt Margin for details.

Bonds Payable

The District's bonded debt consists of various issues of general obligation bonds. Bond proceeds primarily pay for improving, acquiring or constructing capital assets. Bonds have also been issued to advance refund previously issued bonds. Of the total general obligation bonds originally authorized in 2004 (\$951,359,000), \$3,000 of authorization remains unissued. The District repays general obligation bonds from voter-approved property taxes. Federal arbitrage regulations are applicable to all of the District's bond issues; however, the District has no current liability for arbitrage. Interest payments are due on a semi-annual basis. Bonds outstanding at June 30, 2025, were as follows:

<u>Description</u>	<u>Amount Issued</u>	<u>Maturity Ranges</u>	<u>Interest Rates</u>	<u>Outstanding Principal</u>
General obligation bonds				
Series 2013	\$151,090,000	7/01/2024-27	3.00-3.50%	\$39,400,000
Refunding Series B, C, D (2016)	191,260,000	7/01/2025	5.00%	18,215,000
			Total	<u>\$57,615,000</u>

NOTE 5 - Long-term Liabilities (continued)

The following schedule details debt service requirements to maturity for the District's bonds payable at June 30, 2025.

Year Ending June 30:	General Obligation Bonds		Total Debt Service Requirements
	Principal	Interest	
2026	\$ 30,940,000	\$ 1,579,875	\$ 32,519,875
2027	13,110,000	704,200	13,814,200
2028	13,565,000	237,388	13,802,388
Total	\$ 57,615,000	\$ 2,521,463	\$ 60,136,463

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

In August 2016, the District issued \$191,260,000 of general obligation refunding bonds to refund \$73,810,000 G.O. Bonds, Series B (2007); \$80,190,000, Series C (2009); and \$62,055,000, Series D (2011). The net proceeds were placed in the Depository Trust Fund to be used to refund the bonds being refunded. Accordingly, the trust account assets and the liability for these defeased bonds are not included in the District's financial statements. At June 30, 2025, Series D bonds were considered defeased, with an outstanding principal balance of \$21,650,000. The General Obligation Refunding Bonds of 2016 are not subject to early redemption prior to their stated maturity dates.

General Obligation Bonds, Series 2013

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

Leases

The District began recognizing the right to use lease assets at the start of FY2022, upon adoption of GASB Statement No. 87. The District, as lessee, has obtained the right to use classroom, office, and other space throughout Maricopa County under the provision of various lease agreements. As of June 30, 2025, the District had six active leases with payments that range from \$9,600 to \$848,590 and interest rates that range from 0.6373% to 2.8483%. Lease terms for our significant sites vary based on space availability and the District's needs.

Significant sites include a 99-year lease with the Salt River Pima-Maricopa Indian Community to lease approximately 40 acres of land in order to build out the Scottsdale Community College

NOTE 5 - Long-term Liabilities (continued)

campus, which the District entered into in 1967. In addition, the District, on behalf of Chandler-Gilbert Community College, entered into a 40-year ground lease with Williams Gateway Airport Authority in 2006 for the right to access and develop an aviation hangar/office building consisting of approximately 2.3 acres.

The total amount of lease assets and the related accumulated amortization are as follows:

Total intangible right-to-use lease assets	\$12,016,651
Less: accumulated amortization	<u>5,741,864</u>
Carrying value	<u>\$ 6,274,787</u>

The following schedule lists the principal and interest requirements to maturity for the District's leases payable as of June 30, 2025.

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 1,580,246	\$ 64,817	\$ 1,645,063
2027	1,363,653	49,956	1,413,609
2028	1,104,540	38,373	1,142,913
2029	1,139,624	27,149	1,166,773
2030	702,218	16,536	718,754
2031 - 2035	304,431	56,867	361,298
2036 - 2040	232,303	39,697	272,000
2041 - 2045	250,466	21,534	272,000
2046 - 2050	59,531	8,469	68,000
2051 - 2055	25,668	6,332	32,000
2056 - 2060	27,735	4,265	32,000
2061 - 2065	29,969	2,031	32,000
2066 - 2067	9,453	147	9,600
	<u>\$ 6,829,837</u>	<u>\$ 336,173</u>	<u>\$ 7,166,010</u>

Subscription-Based Information Technology Arrangements

The District began recognizing the right to use SBITA assets at the start of FY2023, upon adoption of GASB Statement No. 96. As of June 30, 2025, the District had 12 active subscriptions, including licensing for strategic scheduling, library, and instructional software; Microsoft and Adobe products; ERP cloud infrastructure/firewall service; and enterprise-wide CISCO systems that include firewall, multi-factor authentication, and threat defense malware. The subscriptions have payments that range from \$368,786 to \$6,476,717 and interest rates that range from 2.1857% to 3.2950%. As of June 30, 2025, the total combined value of the subscription liability is \$16,124,931, and the total combined value of the short-term subscription liability is \$5,205,771.

NOTE 5 - Long-term Liabilities (continued)

The total amount of subscription assets and the related accumulated amortization are as follows:

Total intangible right-to-use subscription assets	\$51,339,567
Less: accumulated amortization	<u>26,589,168</u>
Carrying value	<u>\$24,750,399</u>

The following schedule details minimum subscription payments to maturity for the District's subscription liability at June 30, 2025:

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 5,205,770	\$440,139	\$5,645,909
2027	3,976,207	297,246	4,273,453
2028	2,998,327	189,551	3,187,878
2029	2,008,363	106,743	2,115,106
2030	940,958	50,149	991,107
2031 - 2032	995,306	25,778	1,021,084
	<u>\$16,124,931</u>	<u>\$1,109,606</u>	<u>\$17,234,537</u>

NOTE 6 – Pension and Other Postemployment Benefits

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

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:

NOTE 6 – Pension and Other Postemployment Benefits (continued)

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

*With actuarially reduced benefits.

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

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

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

Contributions - In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2025, statute required active ASRS members to contribute at the actuarially determined rate of

NOTE 6 – Pension and Other Postemployment Benefits (continued)

12.27 percent (12.12 percent for retirement and 0.15 percent for long-term disability) of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 12.27 percent (12.05 percent for retirement, 0.07 percent for health insurance premium benefit and 0.15 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 10.19 percent (10.14 percent for retirement and 0.05 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, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2025 were \$53,999,093, \$313,688, and \$672,490, respectively.

Liability - At June 30, 2025 the District reported the following asset and liabilities for its proportionate share of the ASRS' net pension/OPEB asset or liability.

ASRS	Net pension/OPEB (asset) liability
Pension	\$ 504,327,442
Health insurance premium benefit	\$ (19,045,518)
Long-term disability	\$ 82,118

The net asset and net liabilities were measured as of June 30, 2024. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2023, to the measurement date of June 30, 2024.

The District's proportion of the net asset or net 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, 2024. The District's proportion measured as of June 30, 2024 and the change from its proportions measured as of June 30, 2023 were:

ASRS	Proportion June 30, 2024	Increase (decrease) from June 30, 2023
Pension	3.15175%	0.02058
Health Insurance Premium benefit	3.15204%	0.02080
Long-term disability	3.15014%	0.02039

NOTE 6 – Pension and Other Postemployment Benefits (continued)

Expense - For the year ended June 30, 2025, the District recognized the following pension and OPEB expense.

ASRS	Pension/OPEB Expense
Pension	\$ 30,029,147
Health insurance premium benefit	\$ (2,620,878)
Long-term disability	\$ 348,589

Deferred Outflows/Inflows of Resources - At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

ASRS	Pension		Health insurance premium benefit		Long-term disability	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$28,151,085	\$0	\$551,147	\$4,598,749	\$301,940	\$218,690
Changes of assumptions or other inputs	\$0	\$0	\$0	\$197,556	\$59,418	\$491,608
Net difference between projected and actual earnings on pension plan investments	\$0	\$32,206,827	\$0	\$1,309,197	\$0	\$89,692
Changes in proportion and differences between District contributions and proportionate share of contributions	\$2,158,892	\$6,332,351	\$319,124	\$57,195	\$22,357	\$120,490
District contributions subsequent to the measurement date (fiscal year 2025 district contributions)	\$53,999,093	\$0	\$313,688	\$0	\$672,490	\$0
Total	\$84,309,070	\$38,539,178	\$1,183,959	\$6,162,697	\$1,056,205	\$920,480

NOTE 6 – Pension and Other Postemployment Benefits (continued)

The amounts reported as deferred outflows of resources related to ASRS pensions and OPEB resulting from district contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions and OPEB will be recognized in pension expense as follows:

Year Ending June 30	Pension	Health insurance premium benefit	Long-term disability
2026	\$ (19,859,312)	(3,435,565)	(165,618)
2027	25,693,053	(710,012)	(34,809)
2028	(8,152,608)	(728,557)	(145,513)
2029	(5,910,333)	(347,599)	(140,514)
2030	0	(70,693)	(67,151)
Thereafter	0	0	16,840

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

Actuarial valuation date	June 30, 2023
Actuarial roll forward date	June 30, 2024
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9–8.4% for pensions/not applicable for OPEB
Inflation	2.3%
Permanent benefit increase	Included for pensions/not applicable for OPEB
Mortality rates	2017 SRA Scale U-MP for pensions and health insurance premium benefit
Recovery rates	2012 GLDT for long-term disability
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

NOTE 6 – Pension and Other Postemployment Benefits (continued)

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Public equity	44%	4.48%
Credit	23%	4.40%
Real estate	17%	6.05%
Private equity	10%	6.11%
Fixed income - interest rate sensitive	6%	(0.45)%
Total	<u>100%</u>	

Discount Rate - At June 30, 2024, the discount rate used to measure the ASRS total pension/OPEB liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Sensitivity of the District's Proportionate Share of the ASRS Net Pension/OPEB (Asset) Liability to Changes in the Discount Rate - The following table presents the District's proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.0 percent, as well as what the District's proportionate share of the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

District's proportionate share of the	1% Decrease (6.0%)	Current discount rate (7.0%)	1% Increase (8.0%)
Net Pension Liability	\$772,228,440	\$504,327,442	\$281,055,350
Net health insurance premium benefit liability (asset)	(\$13,845,958)	(\$19,045,518)	(\$23,466,166)
Net long-term disability liability (asset)	\$282,544	\$82,118	(\$115,043)

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

NOTE 7 - Operating Expenses

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

Salaries and benefits	\$ 676,695,361
Financial aid	96,868,041
Contract services	102,385,761
Depreciation and amortization	68,664,344
Noncapitalized equipment	48,384,233
Communications, utilities, and travel	27,241,085
Supplies and materials	15,887,959
Subscriptions, dues, insurance, and rentals	19,826,138
Total operating expenses	<u>\$ 1,055,952,922</u>

The District uses credit cards to pay certain vendors for goods and services. The District received \$231,874 in rebates resulting from credit card payments for the year ended June 30, 2025.

NOTE 8 - Risk Management

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

The District finances uninsured risks of loss for certain health benefits to eligible employees and their dependents. The healthcare plan provides coverage for amounts up to \$450,000 per claim. The District purchases commercial insurance for claims in excess of this limit and utilizes a consultant to determine the required annual funding based upon anticipated utilization, cost trends, and benefit levels. Independent administrators provide claim and recordkeeping services for each self-insured plan. The District self-insures workers' compensation claims up to \$500,000 and purchases commercial insurance for claims exceeding \$500,000. Settled claims for workers' compensation and health benefits have not exceeded the District's commercial insurance coverage in any of the past three fiscal years.

The insurance claims payable of \$6,199,287 at June 30, 2025, includes the amounts payable for both health benefits and workers' compensation. This amount has been recognized as an expense and is included in accrued liabilities in the Statement of Net Position. It is the estimated cost of settling claims that have been reported but not settled and claims that have been incurred but not reported and is based on actuarial valuations. The District's claims payable for the fiscal years ended June 30, 2025 and June 30, 2024 are as follows:

NOTE 8 - Risk Management (continued)

<u>Health Benefits:</u>	<u>2025</u>	<u>2024</u>
Claims payable, beginning of year	\$ 5,122,000	\$ 7,131,000
Current year actual and estimated claims	85,198,529	72,833,490
Less: Claim payments	<u>(84,720,529)</u>	<u>(74,842,490)</u>
Claims payable, end of year	<u>\$ 5,600,000</u>	<u>\$ 5,122,000</u>
<u>Workers' Compensation:</u>	<u>2025</u>	<u>2024</u>
Claims payable, beginning of year	\$ 825,724	\$ 1,083,358
Current year actual and estimated claims	414,021	252,550
Less: Claim payments	<u>(640,458)</u>	<u>(510,184)</u>
Claims payable, end of year	<u>\$ 599,287</u>	<u>\$ 825,724</u>

NOTE 9 - Contingencies and Litigation

The District is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of business. A reasonable estimate of the probable losses based on information currently available is \$260,000. This amount has been recognized as an expense and is included in accrued liabilities in the Statement of Net Position. Other reasonably possible claims have been estimated to be \$115,000. Management, through legal counsel, will seek denial of the claims. Management believes that the loss, if any, resulting from these claims will not have a material impact on the District's financial position, results of operations, or cash flows in future years.

NOTE 10 – Subsequent Event

On October 28, 2025, the Governing Board approved the purchase of a new location to house all District Office functions for \$27,000,000; closing occurred on November 5, 2025. The purchase price includes two buildings, a parking garage, a vacant lot, and all existing furnishings. It is expected that the District Office will relocate all of its operations within the next year.

NOTE 11 - Discretely Presented Component Unit Disclosures

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

NOTE 11 a - Organization Operations and Summary of Significant Accounting Policies

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

Basis of presentation - The financial statements are presented in accordance with FASB ASC 958-205, *Not-for-Profit Entities – Presentation of Financial Statements*. Under FASB ASC 958-205, the Foundation is required to report information regarding their financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

The Foundation maintains its accounts on the accrual basis of accounting. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grants. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Contributions received - The Foundation accounts for contributions received in accordance with FASB ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*. In accordance with ASC 958-605, the Foundation evaluates grants and contributions for evidence of the transfer of commensurate value from the Foundation to the grantor or resource provider. The transfer of commensurate value from the Foundation to the grantor or resource provider may include instances when a) the goods or services provided by the Foundation directly benefit the grantor or resource provider or are for the sole use of the grantor or resource provider or b) the grantor or resource provider obtains proprietary rights or other privileges from the goods or services provided by the Foundation. When such factors exist, the Foundation accounts for the grants or contributions as exchange transactions under ASC 606, *Revenue from Contracts with Customers*, or other appropriate guidance. In the absence of these factors, the Foundation accounts for the award under the contribution accounting model.

In the absence of the transfer of commensurate value from the Foundation to the resource provider, the Foundation evaluates the contribution for criteria indicating the existence of measurable barriers to entitlement for the Foundation or the right of return to the resource provider. A barrier to entitlement is subject to judgment and generally represents an unambiguous threshold for entitlement that provides clarity to both the Foundation and resource provider whether the threshold has been met and when. These factors may include

NOTE 11 a - Organization Operations and Summary of Significant Accounting Policies (continued)

measurable performance thresholds or limited discretion on the part of the Foundation to use the funds. Should the existence of a measurable barrier to entitlement exist and be accompanied by a right of return of the funds to the resource provider or release of the resource provider from the obligation, the contribution is treated as a conditional contribution. If both the barrier to entitlement and right of return do not exist, the contribution is unconditional.

The Foundation recognizes amounts received from unconditional contributions at the time the Foundation receives notification of the award. Contributions that include conditions imposed by the grantor or resource provider are recognized when those conditions are met by the Foundation.

During the year ended June 30, 2025, the Foundation received payments from several grants that are conditional in nature and the revenue can only be recognized once the Foundation has met the specified conditions, such as incurring qualified expenses or achieving specific milestones. As of June 30, 2025, unearned conditional grant revenue associated with these grants is \$1,852,385 and is included in deferred advances in the accompanying statement of financial position. Additionally, the Foundation is the recipient of certain conditional promises to give that will be recognized upon the satisfaction of the grant conditions, which include achieving specific performance milestones or raising matching contributions. As of June 30, 2025, conditional promises to give that have not been recognized because the conditions have not been met totaled \$2,525,742.

In accordance with FASB ASC 958-605, contributions received are recorded as contributions without donor restrictions or contributions with donor restrictions depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and change in net assets as net assets released from restrictions.

Contributions received without donor restrictions are distributed as scholarships, as designated by the Board of Directors of the Foundation, or used to further the objectives of the Foundation and to secure current or future endowments through fundraising activities and programs. Contributions received with donor restrictions are distributed according to donor specification, generally as scholarships to attendees of Maricopa County Community Colleges or to support programs and projects to advance these colleges. Contributions received with donor restrictions that are perpetual in nature require the principal be invested in perpetuity; the distributable income from the related investments is reflected as net assets with donor restrictions in the statement of activities and change in net assets as specified by the donor.

NOTE 11 a - Organization Operations and Summary of Significant Accounting Policies (continued)

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

Administration Fees - The Foundation charges an administration fee to defray part of the cost of managing restricted accounts held by the Foundation. A fee of 2% is charged on all new gifts, except endowment gifts. On January 1st of each year, an investment management fee of 200 basis points is charged on all accounts. This fee is not charged to endowment funds, if doing so would reduce the fund below its corpus. Fees on restricted funds resulted in \$1,221,475 being released from restriction for the year ended June 30, 2025.

Investments - The Foundation accounts for its investments in accordance with FASB ASC 958-320, *Not-for-Profit Entities – Investments – Debt Securities* and FASB ASC 958-321, *Not-for-Profit Entities – Investments – Equity Securities*. In accordance with FASB ASC 958-320 and 958-321, the Foundation carries its investments in equity and debt at fair value.

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

Fair value measurements - FASB ASC 820, *Fair Value Measurement*, establishes a common definition for fair value to be applied under GAAP requiring the use of fair value, establishes a framework for measuring fair value, and expands disclosures about such fair value measurements. FASB ASC 820 also establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values by requiring that assets and

NOTE 11 a - Organization Operations and Summary of Significant Accounting Policies (continued)

liabilities carried at fair value be classified and disclosed in one of the following three categories:

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

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

Level 3: Unobservable inputs for the asset or liability.

Income tax status - The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the “Code”) and, therefore, there is no provision for income taxes for the entity. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170 of the Code and has been deemed not to be a private foundation. Income determined to be unrelated business taxable income (“UBTI”) would be taxable. Management believes that none of the income in fiscal 2025 is UBTI.

NOTE 11 b - Pledges Receivable

Pledges receivable consist of the following at June 30, 2025:

Pledges receivable:	
Receivable in less than one year	\$ 257,599
Receivable in one to five years	<u>354,111</u>
Total pledges receivable	611,710
Less discount to net present value	(26,246)
Less allowance for uncollectable pledges	<u>(20,970)</u>
Net pledges receivable	<u>\$ 564,494</u>

Pledges receivable that are expected to be collected in more than one year have been discounted to their present value using a discount rate of 2%.

NOTE 11 c - Investments

Investments consist of the following at June 30, 2025:

Core bond fund	\$ 18,538,373
Global equity plus fund	26,532,054
High yield bond fund	3,243,568
Private funds	4,678,728
Global listed infrastructure	933,828
Global real estate securities fund	929,842
Commodities fund	1,176,721
Low duration bond fund	1,406,326
Partnerships	5,180,877
Hedge fund	2,469,270
Money market funds	<u>12,230,641</u>
Total investments	<u>\$ 77,320,228</u>

The following summarizes investment return for the year ended June 30, 2025:

	Without donor restrictions	With donor restrictions	Total
Interest and dividends	\$ 274,140	\$ 553,348	\$ 827,488
Net realized and unrealized gains	1,064,604	4,476,480	5,541,084
Brokerages fees	<u>(59,732)</u>	<u>(191,098)</u>	<u>(250,830)</u>
Total investment return	<u>\$ 1,279,012</u>	<u>\$ 4,838,730</u>	<u>\$ 6,117,742</u>

Investment returns from endowments are classified as net assets with donor restrictions.

NOTE 11 d - Contributed Services

The District provides administration services consisting of office space and administrative salaries to the Foundation without charge as follows:

<u>Contribution</u>	<u>Used For</u>	<u>Amount</u>
Salaries, wages and benefits	Administration and fundraising	\$1,867,027
Office space	Administration	<u>103,811</u>
Total contributions of nonfinancial assets		<u>\$1,970,838</u>

NOTE 11 d – Contributed Services (continued)

Salaries, wages and benefits are valued based upon the actual salary and benefits cost incurred by the District that are then allocated to the Foundation based upon estimated level of effort provided to the Foundation (Level 2 inputs). Office space is valued using average local market rate of office rents of similar class and quality (Level 2 inputs). The Foundation reports the fair value of contributed services as contributions without donor restrictions, and immediately thereafter, as expense as utilized throughout the Foundation's operations. For the year ended June 30, 2025, the Foundation did not monetize any contributed services.

NOTE 11 e - Fair Value Measurements

The following table sets forth the level, within the fair value hierarchy of the Foundation's assets and liabilities subject to recurring fair value measurement, including investments measured at net asset value ("NAV") as a practical expedient, as of June 30, 2025:

	Level 1	Investments Measured at NAV	Total
Core bond fund	\$ -	\$ 18,538,373	\$ 18,538,373
Global equity plus fund	-	26,532,054	26,532,054
High yield bond fund	-	3,243,568	3,243,568
Private funds	-	4,678,728	4,678,728
Global listed infrastructure	-	933,828	933,828
Global real estate securities fund	-	929,842	929,842
Commodities fund	-	1,176,721	1,176,721
Low duration bond fund	-	1,406,326	1,406,326
Partnerships	-	5,180,877	5,180,877
Hedge fund	-	2,469,270	2,469,270
Money market funds	12,230,641	-	12,230,641
	<u>\$ 12,230,641</u>	<u>\$ 65,089,587</u>	<u>\$ 77,320,228</u>

The Foundation did not have any Level 2 or Level 3 investments as of June 30, 2025. The Foundation has no other assets or liabilities subject to fair value measurement other than at initial recognition.

NOTE 11 f - Net Assets without Donor Restrictions

The Foundation's Board of Directors has designated portions of the net assets without donor restrictions for various purposes, including use as operating reserves and programs. Board designated net assets consist of the following at June 30, 2025:

Board designated scholarship funds	\$ 100,000
Board designated for operating reserve	500,000
	<u>\$ 600,000</u>

NOTE 11 g - Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following at June 30, 2025:

Restricted for purposes or periods:	
Scholarship awards and program support	\$ 17,022,422
Term endowments	4,013,085
Accumulated endowment earnings subject to spending policy	<u>13,982,190</u>
	35,017,697
Restricted in perpetuity:	
Pledges receivable	236,030
Cash surrender value of life insurance	190,561
Endowment fund subject to the Foundation's spending policy	<u>35,514,329</u>
Total net assets restricted in perpetuity	<u>35,940,920</u>
Total net assets with restrictions	<u>\$ 70,958,617</u>

Net assets released from restriction for the year ended June 30, 2025 consisted of the following:

Program support	\$ 5,882,999
Scholarships	4,137,854
Administrative fees	1,221,475
Other	<u>12,865</u>
Total net assets released from restriction	<u>\$ 11,255,193</u>

NOTE 11 h - Endowments

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

In September 2008, the State of Arizona enacted ARS§10-11801 et seq Management of Charitable Funds Act ("MCFA"). The Board of Directors of the Foundation has interpreted MCFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions to be held in perpetuity (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 as net assets with donor restrictions to be held in perpetuity are classified as net assets with donor restriction for purpose or periods 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:

NOTE 11 h - Endowments (continued)

- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation

The changes in endowment net assets for the year ended June 30, 2025 are as follows:

	With donor restrictions
Endowment net assets, July 1, 2024	\$ 48,872,129
Contributions and pledge collections	1,618,195
Interest and dividends, net of fees	362,250
Realized and unrealized gains	4,476,480
Appropriation of endowment assets for expenditure	<u>(1,819,450)</u>
Endowment net assets, June 30, 2025	<u>\$ 53,509,604</u>

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

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

The Foundation's policy is to distribute, for the stated purpose of each fund, 3.75% for the year ended June 30, 2025 of a three-year average of the market value of each endowed fund that is above the original contributed amount as calculated at the end of each year. For funds that were below the original contributed amount, 3.75% of the three-year average at the end of the year were not eligible for disbursement for the year ended June 30, 2025. Actual investment earnings, in excess of (or less than) distribution, are added to (subtracted from) the endowment principal and available for future disbursements. If these amounts are not fully disbursed within a one-year period, the remaining amounts are transferred back to the endowment funds. For the year ended June 30, 2025 earnings of approximately \$1,762,000 were eligible to be distributed for scholarships and program support. The unused funds of approximately \$531,000 were maintained in the endowment funds to be used for future disbursements as of June 30, 2025.

NOTE 11 h - Endowments (continued)

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. The Foundation does not charge administrative fees to underwater funds; however, will continue to spend for programs or scholarships as requested. These deficiencies resulted primarily from unfavorable market fluctuations. At June 30, 2025, there were 26 funds in which the fair value of the funds fell below its original corpus. The balance of these funds as of June 30, 2025 is as follows:

Total corpus of underwater funds	\$1,147,998
Less: asset value of underwater funds	<u>(590,041)</u>
Underwater fund balance	<u>\$ 557,957</u>

Required
Supplementary
Information

Maricopa County Community College District
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
June 30, 2025

Arizona State Retirement System	Reporting Fiscal Year									
	(Measurement Date)									
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
District's proportion of the net pension liability	3.15%	3.13%	3.27%	3.44%	3.45%	3.34%	3.54%	3.67%	3.66%	3.56%
District's proportionate share of the net pension liability	\$504,327,442	\$506,668,550	\$533,943,916	\$452,179,424	\$596,910,744	\$485,934,650	\$493,690,078	\$571,750,292	\$591,099,729	\$554,292,685
District's covered payroll	\$430,089,801	\$402,035,087	\$379,454,597	\$378,240,504	\$370,215,836	\$343,058,053	\$342,659,110	\$339,768,356	\$338,143,867	\$336,503,471
District's proportionate share of the net pension liability as a percentage of its covered payroll	117.26%	126.03%	140.71%	119.55%	161.23%	141.65%	144.08%	168.28%	174.81%	164.72%
Plan fiduciary net position as a percentage of the total pension liability	76.93%	75.47%	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%

**Maricopa County Community College District
Required Supplementary Information
Schedule of District Pension Contributions
June 30, 2025**

Arizona State Retirement System		Reporting Fiscal Year									
		<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contribution		\$ 53,999,093	\$ 51,767,947	\$ 47,900,700	\$ 45,621,359	\$ 44,159,652	\$ 42,946,457	\$ 37,771,104	\$ 37,349,843	\$ 36,624,158	\$ 36,678,831
District's contributions in relation to the statutorily required contribution		\$ 53,999,093	\$ 51,767,947	\$ 47,900,700	\$ 45,621,359	\$ 44,159,652	\$ 42,946,457	\$ 37,771,104	\$ 37,349,843	\$ 36,624,158	\$ 36,678,831
District's contribution deficiency (excess)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll		\$ 448,125,253	\$ 430,089,801	\$ 402,035,087	\$ 379,454,597	\$ 378,240,504	\$ 370,215,836	\$ 343,058,053	\$ 342,659,110	\$ 339,768,356	\$ 338,143,867
District's contributions as a percentage of covered payroll		12.05%	12.04%	11.91%	12.02%	11.68%	11.60%	11.01%	10.90%	10.78%	10.85%

Maricopa County Community College District
Required Supplementary Information
Schedule of the District's Proportionate Share of the Health Insurance Premium Benefit
Liability / (Asset)
June 30, 2025

Arizona State

Retirement

Reporting Fiscal Year

System

(Measurement Date)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
	<u>(2024)</u>	<u>(2023)</u>	<u>(2022)</u>	<u>(2021)</u>	<u>(2020)</u>	<u>(2019)</u>	<u>(2018)</u>	<u>(2017)</u>	<u>(2016)</u>	<u>(2015)</u>
District's proportion of the net health insurance premium benefit liability	3.15%	3.13%	3.27%	3.44%	3.44%	3.35%	3.55%	3.68%	Information not available	Information not available
District's proportionate share of the net health insurance premium benefit liability / (asset)	(\$19,045,518)	(\$16,906,419)	(\$18,249,639)	(\$16,743,834)	(\$2,436,428)	(\$926,434)	(\$1,279,369)	(\$2,004,404)		
District's covered payroll	\$430,089,801	\$402,035,087	\$379,454,597	\$378,240,504	\$370,215,836	\$343,058,053	\$342,659,110	\$339,768,356		
District's proportionate share of the net health insurance premium benefit liability as a percentage of its covered payroll	-4.43%	-4.21%	-4.81%	-4.43%	-0.66%	-0.27%	-0.37%	-0.59%		
Plan fiduciary net position as a percentage of the total health insurance premium benefit liability	137.51%	134.37%	137.79%	130.24%	104.33%	101.62%	102.00%	103.57%		

**Maricopa County Community College District
Required Supplementary Information
Schedule of District Health Insurance Premium Benefit Contributions
June 30, 2025**

Arizona State										
Retirement										
System	Reporting Fiscal Year									
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contribution	\$ 313,688	\$ 469,822	\$ 427,097	\$ 797,709	\$ 1,478,306	\$ 1,837,896	\$1,554,159	\$ 1,507,700	Information not available	Information not available
District's contributions in relation to the statutorily required contribution	\$ 313,688	\$ 469,822	\$ 427,097	\$ 797,709	\$ 1,478,306	\$ 1,837,896	\$1,554,159	\$ 1,507,700		
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
District's covered payroll	\$448,125,253	\$430,089,801	\$402,035,087	\$379,454,597	\$378,240,504	\$370,215,836	\$343,058,053	\$342,659,110		
District's contributions as a percentage of covered payroll	0.07%	0.11%	0.11%	0.21%	0.39%	0.50%	0.45%	0.44%		

Maricopa County Community College District
Required Supplementary Information
Schedule of the District's Proportionate Share of the Long-term Disability Benefit Liability
June 30, 2025

Arizona State										
Retirement System	Reporting Fiscal Year									
	(Measurement Date)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
	(2024)	(2023)	(2022)	(2021)	(2020)	(2019)	(2018)	(2017)	(2016)	(2015)
District's proportion of the net long-term disability benefit liability	3.15%	3.13%	3.27%	3.44%	3.43%	3.34%	3.54%	3.67%	Information not available	Information not available
District's proportionate share of the net long-term disability benefit liability	\$82,118	\$410,110	\$301,707	\$709,208	\$2,598,783	\$2,174,850	\$1,851,463	\$1,329,714		
District's covered payroll	\$430,535,237	\$402,219,237	\$379,538,673	\$378,240,564	\$370,030,112	\$343,064,411	\$342,771,942	\$339,768,356		
District's proportionate share of the net long-term disability benefit liability as a percentage of its covered payroll	0.02%	0.10%	0.08%	0.19%	0.70%	0.63%	0.54%	0.39%		
Plan fiduciary net position as a percentage of the total long-term disability benefit liability	98.77%	93.70%	95.40%	90.38%	68.01%	72.85%	78.00%	84.44%		

Maricopa County Community College District
Required Supplementary Information
Schedule of District Long-term Disability Benefit Contributions
June 30, 2025

Arizona State											
Retirement											
System	Reporting Fiscal Year										
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	
Statutorily required contribution	\$ 672,490	\$ 646,622	\$ 562,856	\$ 719,422	\$ 680,915	\$ 635,946	\$540,519	\$ 548,181	Information not available	Information not available	
District's contributions in relation to the statutorily required contribution	\$ 672,490	\$ 646,622	\$ 562,856	\$ 719,422	\$ 680,915	\$ 635,946	\$540,519	\$ 548,181			
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
District's covered payroll	\$448,326,487	\$430,535,237	\$402,219,237	\$379,538,673	\$378,240,564	\$370,030,112	\$343,064,411	\$342,771,942			
District's contributions as a percentage of covered payroll	0.15%	0.15%	0.14%	0.19%	0.18%	0.17%	0.16%	0.16%			

Supplementary Information

Maricopa County Community College District
Schedule of Revenues, Expenses, and Changes in Net Position
By College/Center
For the Year Ended June 30, 2025

	<u>Phoenix College</u>	<u>Glendale Community College</u>	<u>GateWay Community College</u>	<u>Mesa Community College</u>	<u>Scottsdale Community College</u>
Operating revenues:					
Tuition and fees, net of scholarship allowance	\$ 11,567,526	\$ 16,519,751	\$ 8,561,801	\$ 21,545,444	\$ 10,309,670
Other	537,345	527,940	954,175	970,381	696,675
Total operating revenues	<u>12,104,871</u>	<u>17,047,691</u>	<u>9,515,976</u>	<u>22,515,825</u>	<u>11,006,345</u>
Operating expenses:					
Educational and general:					
Instruction	30,367,544	44,943,458	21,036,613	48,926,868	28,854,317
Public service	130,774	23,093	126,184	222,856	19,009
Academic support	12,425,582	15,647,332	3,997,813	16,882,538	6,143,618
Student services	8,622,942	10,126,648	6,922,512	11,183,026	8,045,474
Institutional support	11,493,199	11,980,317	6,830,775	19,906,152	5,880,829
Operation and maintenance of plant	9,599,704	15,980,812	3,823,548	12,514,903	7,894,092
Student financial assistance	13,004,514	15,691,885	7,542,564	15,466,358	4,243,790
Auxiliary enterprises	1,718,461	3,697,391	17,380,188	3,563,822	1,579,646
Depreciation and amortization	5,536,743	5,126,740	6,196,925	6,828,616	4,648,217
Total operating expenses	<u>92,899,463</u>	<u>123,217,676</u>	<u>73,857,122</u>	<u>135,495,139</u>	<u>67,308,992</u>
Operating loss	<u>(80,794,592)</u>	<u>(106,169,985)</u>	<u>(64,341,146)</u>	<u>(112,979,314)</u>	<u>(56,302,647)</u>
Nonoperating revenues (expenses):					
Property taxes	50,154,364	86,988,984	41,595,717	80,972,081	45,508,039
State appropriations	792,475	1,076,346	482,059	1,224,746	522,632
Smart and Safe AZ fund appropriations	2,899,258	3,937,799	1,763,606	4,480,718	1,912,041
State-shared sales tax	260,842	-	340,890	-	-
Government grants and contracts	30,386,810	12,756,079	19,287,560	26,004,505	7,631,800
Private grants and contracts	11,437	194,357	115,643	611,673	(166,405)
Private gifts	1,145,007	1,035,925	484,634	1,792,186	886,166
Investment earnings, net of investment expense	34,962	7,573	1,788	1,040	27,099
Net bond premium revenue and interest expense on debt	-	-	(68,825)	-	(5,099)
Gain on sale/disposal of capital assets of capital assets	(14,946)	57,822	335,074	(394,341)	(14,681)
Total nonoperating revenues and expenses	<u>85,670,209</u>	<u>106,054,885</u>	<u>64,338,146</u>	<u>114,692,608</u>	<u>56,301,592</u>
Income (loss) before other revenues, expenses, gains or losses	4,875,617	(115,100)	(3,000)	1,713,294	(1,055)
Capital grants and gifts	21,500	115,100	3,000	4,430	1,055
Increase in net position	<u>4,897,117</u>	<u>-</u>	<u>-</u>	<u>1,717,724</u>	<u>-</u>

See accompanying notes to supplementary information.

<u>Rio Salado College</u>	<u>South Mountain Community College</u>	<u>Chandler- Gilbert Community College</u>	<u>Paradise Valley Community College</u>	<u>Estrella Mountain Community College</u>	<u>District Support Services Center</u>	<u>Total Colleges/ Centers</u>
\$ 37,702,965	\$ 3,884,581	\$ 18,373,256	\$ 8,314,858	\$ 9,426,320	\$ 1,032,357	\$ 147,238,529
1,662,338	240,844	519,748	275,325	306,935	29,314,152	36,005,858
<u>39,365,303</u>	<u>4,125,425</u>	<u>18,893,004</u>	<u>8,590,183</u>	<u>9,733,255</u>	<u>30,346,509</u>	<u>183,244,387</u>
20,200,043	10,398,423	28,419,082	24,862,222	19,493,429	9,855,621	287,357,620
11,396,121	2,855	6,691	30,252	6,273	5,215,803	17,179,911
22,029,752	4,690,247	12,344,062	3,893,199	9,693,835	8,979,413	116,727,391
7,984,635	5,913,338	8,197,112	5,948,390	5,195,023	19,572,487	97,711,587
19,308,944	6,797,377	11,130,987	7,990,260	9,065,657	107,427,069	217,811,566
6,012,958	4,914,406	7,341,495	6,550,080	5,488,315	28,101,084	108,221,397
6,416,280	6,710,915	7,502,907	5,080,338	10,923,643	668,757	93,251,951
12,732,703	1,007,654	3,153,405	1,766,567	701,752	1,725,566	49,027,155
2,642,762	3,300,574	4,924,278	4,335,038	4,444,996	20,679,455	68,664,344
<u>108,724,198</u>	<u>43,735,789</u>	<u>83,020,019</u>	<u>60,456,346</u>	<u>65,012,923</u>	<u>202,225,255</u>	<u>1,055,952,922</u>
<u>(69,358,895)</u>	<u>(39,610,364)</u>	<u>(64,127,015)</u>	<u>(51,866,163)</u>	<u>(55,279,668)</u>	<u>(171,878,746)</u>	<u>(872,708,535)</u>
69,040,594	25,051,371	57,542,499	40,728,036	42,894,142	99,823,431	640,299,258
1,389,513	339,161	1,047,877	477,521	721,370	-	8,073,700
5,083,514	1,240,814	3,833,643	1,747,002	2,639,120	-	29,537,515
-	-	-	-	-	20,128,615	20,730,347
23,079,872	12,415,208	22,023,368	8,497,313	17,258,804	19,572,468	198,913,787
1,836,664	132,937	17,930	34,848	172,500	1,392,109	4,353,693
9,444,670	384,068	968,480	389,985	612,149	41,562	17,184,832
34,838	48,507	17,102	-	-	30,463,560	30,636,469
-	-	(14,204)	-	-	506,529	418,401
<u>(6,846)</u>	<u>(1,702)</u>	<u>4,996</u>	<u>(9,741)</u>	<u>106,416</u>	<u>(49,528)</u>	<u>12,523</u>
<u>109,902,819</u>	<u>39,610,364</u>	<u>85,441,691</u>	<u>51,864,964</u>	<u>64,404,501</u>	<u>171,878,746</u>	<u>950,160,525</u>
40,543,924	-	21,314,676	(1,199)	9,124,833	-	77,451,990
-	-	-	1,199	-	-	146,284
<u>40,543,924</u>	<u>-</u>	<u>21,314,676</u>	<u>-</u>	<u>9,124,833</u>	<u>-</u>	<u>77,598,274</u>
Net position - July 1, 2024						714,898,599
Net position - June 30, 2025						\$ <u>792,496,873</u>

Maricopa County Community College District
Notes to Supplementary Information
For the Year Ended June 30, 2025

NOTE 1 - Statement of Purpose

The Maricopa County Community College District Statement of Revenues, Expenses, and Changes in Net Position by College/Center for the Year Ended June 30, 2025, is required by the terms of a Memorandum of Understanding (MOU) between the Maricopa County Community College District (the District) and the Higher Learning Commission (HLC), a commission of the North Central Association of Colleges and Schools (NCA). The MOU outlines an appropriate pattern of evidence to be made available by the District for purposes of meeting certain NCA Criteria for Accreditation related to financial resources/uses and other assurances. This schedule presents revenues and expenses for each college/center within the District.

NOTE 2 - Bases of Allocations

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

Maricopa Skill Center, Southwest Skill Center, and Northwest Skill Center are included with GateWay Community College.



Statistical Section

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

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

	Fiscal Year				
	2024-25	2023-24	2022-23	2021-22	2020-21
Net investment in capital assets, as previously reported	\$ 551,920	\$ 548,340	\$ 517,893	\$ 493,844	\$ 442,940
Restatement for correction of an error	-	-	5,900	(1,091)	-
Net investment in capital assets, as restated	<u>551,920</u>	<u>548,340</u>	<u>523,793</u>	<u>492,753</u>	<u>442,940</u>
Restricted – nonexpendable	361	352	340	334	342
Restricted – expendable, as previously reported	215,611	159,601	122,386	89,168	124,154
Restatement for correction of error	-	-	-	1,068	-
Restricted – expendable, as restated	<u>215,611</u>	<u>159,601</u>	<u>122,386</u>	<u>90,236</u>	<u>124,154</u>
Unrestricted, as previously reported	24,605	6,606	51,388	39,477	(18,546)
Restatement for correction of an error	-	-	(5,900)	23	-
Unrestricted, as restated	<u>24,605</u>	<u>6,606</u>	<u>45,488</u>	<u>39,500</u>	<u>(18,546)</u>
Total net position	<u>\$ 792,497</u>	<u>\$ 714,899</u>	<u>\$ 692,007</u>	<u>\$ 622,823</u>	<u>\$ 548,890</u>

	Fiscal Year				
	2019-20	2018-19	2017-18	2016-17	2015-16
Net investment in capital assets, as previously reported	\$ 397,965	\$ 356,740	\$ 371,049	\$ 313,960	\$ 279,671
Restatement for correction of an error	-	-	-	-	-
Net investment in capital assets, as restated	<u>397,965</u>	<u>356,740</u>	<u>371,049</u>	<u>313,960</u>	<u>279,671</u>
Restricted – nonexpendable	428	402	363	315	332
Restricted – expendable, as previously reported	116,526	127,319	107,654	115,328	109,527
Restatement for correction of error	-	-	-	-	-
Restricted – expendable, as restated	<u>116,526</u>	<u>127,319</u>	<u>107,654</u>	<u>115,328</u>	<u>109,527</u>
Unrestricted, as previously reported	(12,605)	(10,668)	(55,386)	(67,887)	(98,602)
Restatement for correction of an error	-	-	-	-	-
Unrestricted, as restated	<u>(12,605)</u>	<u>(10,668)</u>	<u>(55,386)</u>	<u>(67,887)</u>	<u>(98,602)</u>
Total net position	<u>\$ 502,314</u>	<u>\$ 473,793</u>	<u>\$ 423,680</u>	<u>\$ 361,716</u>	<u>\$ 290,928</u>

Source: Annual Comprehensive Financial Reports for years presented.

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

	Fiscal Year				
	2024-25	2023-24	2022-23	2021-22	2020-21
Instruction	\$ 287,358	\$ 298,877	\$ 271,967	\$ 278,488	\$ 274,679
Public service	17,180	17,338	17,724	17,892	18,689
Academic support	116,727	117,517	101,628	101,620	92,046
Student services	97,712	99,421	76,858	79,050	74,169
Institutional support	217,812	248,055	257,154	202,990	200,220
Operation and maintenance of plant	108,221	93,544	91,211	81,734	88,122
Student financial assistance	93,252	74,779	77,046	151,852	95,842
Auxiliary enterprises	49,027	52,739	38,655	34,345	33,624
Depreciation	68,664	64,957	54,989	50,799	49,909
Other	-	-	-	-	-
Total operating expenses	<u>1,055,953</u>	<u>1,067,227</u>	<u>987,232</u>	<u>998,770</u>	<u>927,300</u>
Interest expense on debt	-	616	2,240	3,685	6,423
Loss on sale/disposal of capital assets	-	92	1,097	179	418
Total nonoperating expenses	<u>0</u>	<u>708</u>	<u>3,337</u>	<u>3,864</u>	<u>6,841</u>
Total expenses	<u><u>\$ 1,055,953</u></u>	<u><u>\$ 1,067,935</u></u>	<u><u>\$ 990,569</u></u>	<u><u>\$ 1,002,634</u></u>	<u><u>\$ 934,141</u></u>

	Fiscal Year				
	2019-20	2018-19	2017-18	2016-17	2015-16
Instruction	\$ 273,761	\$ 263,917	\$ 259,568	\$ 265,767	\$ 277,994
Public service	17,999	16,747	17,842	19,256	16,167
Academic support	88,685	79,667	81,846	79,601	82,490
Student services	76,149	78,808	78,458	77,676	76,318
Institutional support	183,448	159,504	131,860	120,552	111,309
Operation and maintenance of plant	88,547	81,543	58,338	52,089	76,013
Student financial assistance	97,523	77,996	81,901	79,793	86,584
Auxiliary enterprises	45,266	46,017	57,407	53,451	52,908
Depreciation	52,130	56,235	50,523	51,830	56,114
Other	-	-	3	68	217
Total operating expenses	<u>923,508</u>	<u>860,434</u>	<u>817,746</u>	<u>800,083</u>	<u>836,114</u>
Interest expense on debt	9,146	11,502	14,236	15,269	20,862
Loss on sale/disposal of capital assets	183	1,456	4,759	2,904	3,103
Total nonoperating expenses	<u>9,329</u>	<u>12,958</u>	<u>18,995</u>	<u>18,173</u>	<u>23,965</u>
Total expenses	<u><u>\$ 932,837</u></u>	<u><u>\$ 873,392</u></u>	<u><u>\$ 836,741</u></u>	<u><u>\$ 818,256</u></u>	<u><u>\$ 860,079</u></u>

Source: Annual Comprehensive Financial Reports for years presented

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

	Fiscal Year				
	2024-25	2023-24	2022-23	2021-22	2020-21
Salaries and benefits	\$ 676,695	\$ 669,003	\$ 642,681	\$ 601,876	\$ 592,755
Contract services	102,387	157,659	97,832	98,122	90,870
Financial aid	96,868	75,043	78,721	155,184	99,651
Depreciation	68,664	64,957	54,989	50,799	49,909
Communications, utilities, and travel	27,241	26,544	23,107	20,043	17,200
Noncapitalized equipment	48,384	38,732	54,593	40,579	46,878
Supplies and materials	15,888	17,065	17,250	16,346	15,682
Subscriptions, dues, insurance, and rentals	19,826	18,224	18,059	15,821	14,355
Other expenses	-	-	-	-	-
Total operating expenses	<u>1,055,953</u>	<u>1,067,227</u>	<u>987,232</u>	<u>998,770</u>	<u>927,300</u>
Interest expense on debt	-	616	2,240	3,685	6,423
Loss on sale/disposal of capital assets	-	92	1,097	179	418
Total nonoperating expenses	<u>-</u>	<u>708</u>	<u>3,337</u>	<u>3,864</u>	<u>6,841</u>
Total expenses	<u><u>\$ 1,055,953</u></u>	<u><u>\$ 1,067,935</u></u>	<u><u>\$ 990,569</u></u>	<u><u>\$ 1,002,634</u></u>	<u><u>\$ 934,141</u></u>

	Fiscal Year				
	2019-20	2018-19	2017-18	2016-17	2015-16
Salaries and benefits	\$ 581,187	\$ 526,941	\$ 518,498	\$ 522,950	\$ 519,206
Contract services	96,419	99,322	87,210	79,842	74,420
Financial aid	103,772	83,799	87,171	84,382	93,232
Depreciation	52,130	56,235	50,523	51,830	56,114
Communications, utilities, and travel	20,232	24,069	23,057	23,834	24,849
Noncapitalized equipment	38,875	39,611	21,339	9,166	39,659
Supplies and materials	18,118	17,873	17,343	16,438	16,788
Subscriptions, dues, insurance, and rentals	12,775	12,584	12,605	11,641	11,846
Other expenses	-	-	-	-	-
Total operating expenses	<u>923,508</u>	<u>860,434</u>	<u>817,746</u>	<u>800,083</u>	<u>836,114</u>
Interest expense on debt	9,146	11,502	14,236	15,269	20,862
Loss on sale/disposal of capital assets	183	1,456	4,759	2,904	3,103
Total nonoperating expenses	<u>9,329</u>	<u>12,958</u>	<u>18,995</u>	<u>18,173</u>	<u>23,965</u>
Total expenses	<u><u>\$ 932,837</u></u>	<u><u>\$ 873,392</u></u>	<u><u>\$ 836,741</u></u>	<u><u>\$ 818,256</u></u>	<u><u>\$ 860,079</u></u>

Source: Annual Comprehensive Financial Reports for years presented.

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

	Fiscal Year				
	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021
Tuition and fees, net of scholarship allowance	\$ 147,238	\$ 150,483	\$ 127,095	\$ 126,321	\$ 108,818
Other	36,006	17,389	16,407	40,631	6,845
Total operating revenues	183,244	167,872	143,502	166,952	115,663
Property taxes	640,299	627,453	623,187	606,253	595,673
State appropriations	8,074	7,928	8,585	12,000	1,600
Smart and Safe Arizona fund appropriations	29,538	28,417	27,809	25,714	4,614
State-shared sales tax	20,730	20,055	19,337	18,987	16,663
Government grants and contracts	198,914	189,861	203,078	239,136	230,449
Private grants and contracts	4,354	2,777	4,260	-	2,072
Private gifts	17,185	17,032	15,902	11,423	13,368
Investment income, net of investment expense	30,636	29,397	13,891	(3,979)	512
Net bond premium revenue and interest expense on debt	418	-	-	-	-
Gain on sale/disposal of capital assets	13	-	-	-	-
Total nonoperating revenues	950,161	922,920	916,049	909,534	864,951
Total revenues	<u>\$ 1,133,405</u>	<u>\$ 1,090,792</u>	<u>\$ 1,059,551</u>	<u>\$ 1,076,486</u>	<u>\$ 980,614</u>

	Fiscal Year				
	2019-20	2018-19	2017-18	2016-17	2015-16
Tuition and fees, net of scholarship allowance	\$ 148,243	\$ 150,269	\$ 150,564	\$ 154,548	\$ 154,866
Other	9,100	10,072	10,641	8,321	18,698
Total operating revenues	157,343	160,341	161,205	162,869	173,564
Property taxes	579,336	564,758	545,570	536,564	527,357
State appropriations	7,400	-	-	-	-
Smart and Safe Arizona fund appropriations	-	-	-	-	-
State-shared sales tax	13,452	12,228	11,328	10,463	9,982
Government grants and contracts	171,092	151,942	156,014	156,249	167,627
Private grants and contracts	3,747	2,976	2,484	1,589	4,608
Private gifts	16,592	15,820	15,841	16,493	13,218
Investment income, net of investment expense	12,208	15,398	5,906	3,118	3,753
Net bond premium revenue and interest expense on debt	-	-	-	-	-
Gain on sale/disposal of capital assets	-	-	-	-	-
Total nonoperating revenues	803,827	763,122	737,143	724,476	726,545
Total revenues	<u>\$ 961,170</u>	<u>\$ 923,463</u>	<u>\$ 898,348</u>	<u>\$ 887,345</u>	<u>\$ 900,109</u>

Source: Annual Comprehensive Financial Reports for years presented.

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

	Fiscal Year				
	2024-25	2023-24	2022-23	2021-22	2020-21
Income (loss) before other changes in net position	\$ 77,452	\$ 22,858	\$ 68,982	\$ 73,853	\$ 46,473
Capital appropriations	-	-	-	-	-
Capital grants and gifts	146	34	201	81	102
Total change in net position	<u>\$ 77,598</u>	<u>\$ 22,892</u>	<u>\$ 69,183</u>	<u>\$ 73,934</u>	<u>\$ 46,575</u>

	Fiscal Year				
	2019-20	2018-19	2017-18	2016-17	2015-16
Income (loss) before other changes in net position	\$ 28,333	\$ 50,071	\$ 61,607	\$ 69,088	\$ 40,029
Capital appropriations	-	-	-	-	-
Capital grants and gifts	188	42	357	1,700	396
Total change in net position	<u>\$ 28,521</u>	<u>\$ 50,113</u>	<u>\$ 61,964</u>	<u>\$ 70,788</u>	<u>\$ 40,425</u>

Source: Annual Comprehensive Financial Reports for years presented.

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

Fiscal Year	Property Values Assessed			Total Direct Tax Rate	Total Secured and Unsecured Estimated Market Value	Total Secondary Assessed Value as a Percent of Total Market Value
	Secured	Unsecured	Total			
2024-25	\$ 56,372,376	\$ 1,956,310	\$ 58,328,686	1.1047	\$ 1,127,791,116	5.2 %
2023-24	52,763,790	1,958,520	54,722,310	1.1388	912,877,654	6.0
2022-23	49,855,345	1,719,673	51,575,018	1.1894	717,773,815	7.2
2021-22	47,172,988	1,551,139	48,724,127	1.2257	663,161,039	7.3
2020-21	44,233,928	1,471,041	45,704,970	1.2881	607,928,073	7.5
2019-20	41,687,136	1,507,190	43,194,326	1.3285	552,974,238	7.8
2018-19	39,174,219	1,249,013	40,423,232	1.3754	508,477,424	7.9
2017-18	36,915,364	1,336,527	38,251,891	1.4096	475,077,340	8.1
2016-17	34,806,837	1,328,657	36,135,494	1.4651	443,207,235	8.2
2015-16	33,326,722	1,296,948	34,623,670	1.4940	403,013,955	8.6

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

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

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

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

Fiscal Year	Maricopa County Community College District Direct Rate			Overlapping Rates					
	Primary Levy	Secondary Levy	Total	Maricopa County	Education Equalization	Central Arizona Water Conservation District	Other Special Districts	School Districts	Cities
2024-25	\$ 1.0486	\$ 0.0561	\$ 1.1047	\$ 1.353	\$ 0.00	\$ 0.14	\$ 0.01 - 5.03	\$ 1.21 - 11.85	\$ 0 - 2.79
2023-24	1.0791	0.0597	1.1388	1.41	0.00	0.14	0 - 4.42	1.22 - 9.44	0 - 2.98
2022-23	1.0865	0.1029	1.1894	1.46	0.00	0.14	0 - 4.34	1.28 - 9.08	0 - 3.21
2021-22	1.1112	0.1145	1.2257	1.58	0.43	0.14	0 - 4.84	1.09 - 9.52	0 - 3.39
2020-21	1.1250	0.1631	1.2881	1.64	0.44	0.14	0 - 5.30	1.30 - 9.15	0 - 3.68
2019-20	1.1565	0.1720	1.3285	1.64	0.46	0.14	0 - 5.80	1.20 - 9.01	0 - 3.74
2018-19	1.1708	0.2046	1.3754	1.64	0.47	0.14	0 - 5.69	.99 - 10.62	0 - 3.96
2017-18	1.1956	0.2140	1.4096	1.64	0.49	0.14	0 - 6.69	.90 - 11.05	0 - 3.99
2016-17	1.2376	0.2275	1.4651	1.64	0.50	0.14	0 - 8.70	.75 - 11.10	0 - 3.97
2015-16	1.2628	0.2312	1.4940	1.58	0.51	0.14	0 - 7.12	.85 - 11.14	0 - 3.97

Source: District records and Maricopa County Department of Finance.

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

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

Taxpayer	Fiscal Year 2024-25			Fiscal Year 2015-16		
	2024-2025 Secondary Assessed Value	Rank	Percentage of 2024-2025 Secondary Assessed Value	2015-2016 Secondary Assessed Value	Rank	Percentage of 2015-2016 Secondary Assessed Value
Arizona Public Service	\$ 1,614,045,609	1	2.77 %	\$ 1,081,236,150	1	3.12 %
Grand Canyon University	410,841,294	2	0.70	*		-
Southwest Gas Corporation	254,050,235	3	0.44	151,458,063	2	0.44
Mayo Clinic Arizona	185,021,112	4	0.32	*		-
Smiths Food & Drug Centers Inc	178,601,014	5	0.31	*		-
						-
Southern California Edison Co	137,691,044	6	0.24	133,176,587	4	0.38
Microsoft Corporation	137,058,890	7	0.23	*		-
Redale LLC	125,556,949	8	0.22	*		-
Wal-Mart Stores Inc	118,682,097	9	0.20	*		-
El Paso Electric Co	117,020,470	10	0.20	119,735,509	5	0.35
Qwest Corporation	*		-	141,676,486	3	0.41
Arizona Solar One LLC	*		-	77,907,385	6	0.23
Public Service Company of New Mexico	*		-	69,688,803	7	0.20
Sundevil Power Holdings, LLC	*		-	65,266,335	8	0.19
Verizon Wireless	*		-	64,751,991	9	0.19
New Harquahala Generating Co, LLC	*		-	52,725,000	10	0.15
Total Principal Taxpayers	<u>\$ 3,278,568,714</u>		<u>5.63 %</u>	<u>\$ 1,957,622,309</u>		<u>5.66 %</u>
Countywide Secondary Valuation	\$ 58,328,686,358			\$ 34,623,670,323		

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

Source: Maricopa County Assessor's Office.

Note: Salt River Project, a local utility, pays an in-lieu tax based on an estimated assessed valuation. The net assessed valuation for tax year 2025 is \$825,800,000

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

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Collected within the Fiscal Year of the Levy				Total Collections to Date		
		Adjustments	Total Adjusted Levy	Amount	Percentage of Original Levy	Collections in Subsequent Years	Amount	Percentage of Adjusted Levy
2024-25	603,457,678	(2,441,394)	\$ 601,016,284	593,081,499	98.28 %	-	\$593,081,499	98.68 %
2023-24	593,791,836	(12,952,766)	580,839,070	578,004,027	97.34	2,473,138	580,477,164	99.94
2022-23	564,251,179	(12,604,602)	551,646,577	552,380,362	97.90	(883,206)	551,497,156	99.97
2021-22	542,683,443	(9,085,821)	533,597,622	533,215,350	98.26	257,605	533,472,955	99.98
2020-21	515,497,641	(7,581,308)	507,916,333	506,678,387	98.29	1,165,513	507,843,900	99.99
2019-20	497,266,795	(6,372,945)	490,893,849	486,796,521	97.89	4,144,235	490,940,756	100.01
2018-19	474,047,249	(6,913,937)	467,133,312	466,256,591	98.36	813,342	467,069,932	99.99
2017-18	457,154,415	(5,094,313)	452,060,103	449,084,596	98.23	2,938,850	452,023,446	99.99
2016-17	447,988,858	(5,267,025)	442,721,832	439,720,330	98.15	2,974,927	442,695,257	99.99
2015-16	438,915,649	(4,097,166)	434,818,484	431,453,800	98.30	3,347,864	434,801,664	100.00

Sources: Maricopa County Treasurer and District records.

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

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

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

District Historic Tuition and Fees

Fiscal Year	Per Credit Hour			Annual Cost Per Full-time Student	Increase	
	General Tuition	Fees	Combined Total		Dollars	Percent
2024-25	\$ 97.00	\$ -	\$ 97.00	\$ 2,910.00	\$ -	- %
2023-24	97.00	-	97.00	2,910.00	360.00	14.12
2022-23	85.00	-	85.00	2,550.00	-	-
2021-22	85.00	-	85.00	2,550.00	-	-
2020-21	85.00	-	85.00	2,550.00	-	-
2019-20	85.00	-	85.00	2,550.00	-	-
2018-19	85.00	-	85.00	2,550.00	(30.00)	(1.16)
2017-18	86.00	-	86.00	2,580.00	-	-
2016-17	86.00	-	86.00	2,580.00	60.00	2.38
2015-16	84.00	-	84.00	2,520.00	-	-

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

Fiscal Year	Maricopa District		National Community College Average (1)		Arizona Universities Average (3)	
	Annual Cost	Percent Change	Annual Cost	Percent Change	Annual Cost	Percent Change
2024-25	\$ 2,910.00	- %	\$ 4,102.00	(2) 3.30 %	\$ 13,049.00	2.16 %
2023-24	2,910.00	14.12	3,971.00	(2) 10.37	12,773.00	3.13
2022-23	2,550.00	-	3,598.00	0.98	12,385.00	3.40
2021-22	2,550.00	-	3,563.00	1.71	11,978.00	0.08
2020-21	2,550.00	-	3,503.00	3.73	11,968.00	-
2019-20	2,550.00	-	3,377.00	1.96	11,968.00	3.07
2018-19	2,550.00	(1.16)	3,312.00	2.16	11,611.00	2.21
2017-18	2,580.00	-	3,242.00	2.72	11,360.00	2.73
2016-17	2,580.00	2.38	3,156.00	3.88	11,058.00	2.90
2015-16	2,520.00	-	3,038.00	2.81	10,746.00	3.65

Source: District records.

Note 1: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS).

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

Note 3: Arizona Board of Regents, Tuition History.

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

	For the Fiscal Year Ended June 30				
	2025	2024	2023	2022	2021
General Bonded Debt					
General obligation bonds, net	\$ 58,507	\$ 92,888	\$ 145,829	\$ 199,635	\$ 270,128
Per capita	\$ 12.38	\$ 19.91	\$ 31.80	\$ 44.29	\$ 60.85
Per student	\$ 328.87	\$ 559.76	\$ 880.03	\$ 1,249.26	\$ 1,667.23
Per FTSE	\$ 996.66	\$ 1,650.05	\$ 2,702.34	\$ 3,796.21	\$ 4,788.06
Other Debt					
Leases payable	\$ 6,830	\$ 8,369	\$ 9,571	\$ 10,760	\$ -
Subscriptions liability	\$ 16,125	\$ 18,359	\$ 25,233	\$ 9,597	\$ -
Total outstanding debt	\$ 81,462	\$ 119,616	\$ 180,633	\$ 219,992	\$ 270,128
Per capita	\$ 17.24	\$ 25.64	\$ 39.38	\$ 48.81	\$ 60.85
Per student	\$ 457.91	\$ 720.82	\$ 1,090.06	\$ 1,376.65	\$ 1,667.23
Per FTSE	\$ 1,387.70	\$ 2,124.84	\$ 3,347.29	\$ 4,183.31	\$ 4,788.06

	For the Fiscal Year Ended June 30				
	2020	2019	2018	2017	2016
General Bonded Debt					
General obligation bonds, net	\$ 337,656	\$ 411,089	\$ 482,323	\$ 552,588	\$ 607,995
Per capita	\$ 77.31	\$ 95.73	\$ 114.25	\$ 133.57	\$ 149.15
Per student	\$ 1,728.97	\$ 2,104.08	\$ 2,401.29	\$ 2,736.70	\$ 2,950.94
Per FTSE	\$ 5,004.39	\$ 6,090.39	\$ 6,856.54	\$ 7,666.85	\$ 8,457.53
Other Debt					
Leases payable	\$ -	\$ -	\$ -	\$ -	\$ -
Subscriptions liability	\$ -	\$ -	\$ -	\$ -	\$ -
Total outstanding debt	\$ 337,656	\$ 411,089	\$ 482,323	\$ 552,588	\$ 607,995
Per capita	\$ 77.31	\$ 95.73	\$ 114.25	\$ 133.57	\$ 149.15
Per student	\$ 1,728.97	\$ 2,104.08	\$ 2,401.29	\$ 2,736.70	\$ 2,950.94
Per FTSE	\$ 5,004.39	\$ 6,090.39	\$ 6,856.54	\$ 7,666.85	\$ 8,457.53

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

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

	Fiscal Year				
	2024-25	2023-24	2022-23	2021-22	2020-21
Debt Limit	\$ 8,749,302,954	\$ 8,208,346,522	\$ 7,736,252,728	\$ 7,308,619,001	\$ 6,855,745,472
Total net debt applicable to limit	49,629,768	84,343,023	122,124,629	146,345,369	184,715,000
Legal debt margin	<u>\$ 8,699,673,186</u>	<u>\$ 8,124,003,499</u>	<u>\$ 7,614,128,099</u>	<u>\$ 7,162,273,632</u>	<u>\$ 6,671,030,472</u>
Total net debt applicable to the limit as a percentage of debt limit	0.57%	1.03%	1.58%	2.00%	2.69%

	Fiscal Year				
	2019-20	2018-19	2017-18	2016-17	2015-16
Debt Limit	\$ 6,479,148,959	\$ 6,063,484,863	\$ 5,737,783,687	\$ 5,420,324,171	\$ 5,193,550,548
Total net debt applicable to limit	250,065,000	312,450,000	380,740,000	445,570,000	534,225,000
Legal debt margin	<u>\$ 6,229,083,959</u>	<u>\$ 5,751,034,863</u>	<u>\$ 5,357,043,687</u>	<u>\$ 4,974,754,171</u>	<u>\$ 4,659,325,548</u>
Total net debt applicable to the limit as a percentage of debt limit	3.86%	5.15%	6.64%	8.22%	10.29%

Legal Debt Margin Calculation for Fiscal Year 2024-25

Secondary Assessed Value of Real and Personal Property	\$ 58,328,686,358
Debt Limit, 15% of Secondary Assessed Value	<u>8,749,302,954</u>
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonded Debt	57,615,000
Leases Payable	22,954,768
Amount Available for Debt Repayment	<u>(30,940,000)</u>
Total Debt Applicable to Debt Limit	<u>49,629,768</u>
Legal Debt Margin	<u>\$ 8,699,673,186</u>

Note: The Arizona Constitution, Article 9, Section 8, states that a county or school district may become indebted for an amount not to exceed fifteen percent of taxable property. For fiscal year 2024-25, the District was at 0.09%.

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

Year	County Population	County Personal Income (In Thousands)	County Income per Capita	Phoenix Metro Area Unemployment Rate – June
2025	4,726,247	Not Available (1)	Not Available (1)	4.0 %
2024	4,665,020	Not Available (1)	Not Available (1)	3.5
2023	4,586,431	312,350,417	68,111	3.9
2022	4,507,419	288,842,282	63,461	3.4
2021	4,439,220	268,713,717	59,759	6.6
2020	4,367,835	245,077,753	53,521	9.8
2019	4,294,460	223,097,349	49,663	4.6
2018	4,221,684	210,370,180	47,694	4.2
2017	4,137,076	196,286,191	45,573	4.5
2016	4,076,438	185,111,698	43,628	5.3

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

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

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

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

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

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

Employer	Fiscal Year 2024-25			Fiscal Year 2015-16		
	Number of Full-Time Equivalent Employees in Arizona	Rank	Percentage of Total MSA Employment	Number of Full-Time Equivalent Employees in Arizona	Rank	Percentage of Total MSA Employment
Banner Health	48,869	1	1.84 %	40,226	2	1.92 %
Amazon.com Inc.	40,000	2	1.51	*	*	-
State of Arizona	39,733	3	1.50	42,687	1	2.04
Walmart Inc.	37,979	4	1.43	34,350	3	1.64
Arizona State University	35,754	5	1.35	12,488	9	0.60
University of Arizona	22,391	6	0.84	14,521	6	0.69
Fry's Food Stores	20,000	7	0.75	18,870	4	0.90
HonorHealth	16,969	8	0.64	*	*	-
Dignity Health Arizona	14,676	9	0.55	*	*	-
City of Phoenix	14,452	10	0.54	14,421	7	0.69
Wells Fargo & Company	*	*	-	14,860	5	0.71
US Postal Service	*	*	-	13,509	8	0.64
Intel Corp.	*	*	-	11,000	10	0.53
Total Principal Employers	290,823		10.95 %	216,932		10.36 %
Total Employment in Phoenix-Mesa-Glendale, AZ, Metropolitan Statistical Area as of June 30	2,656,345		0	2,094,824		

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

Source: The Business Journal, Book of Lists.

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

**Maricopa County Community College District
Employee Statistics
Last Ten Fiscal Years**

	For the Fiscal Year Ended June 30				
	2025	2024	2023	2022	2021
Faculty					
Part-time	4,109	4,482	4,726	4,739	5,088
Full-time	1,315	1,306	1,413	1,435	1,425
Administrative & support staff					
Part-time	1,601	1,759	1,806	1,729	1,760
Full-time	3,474	3,405	3,200	3,222	3,274
Total employees	10,499	10,952	11,145	11,125	11,547
Students per faculty member	33	30	27	26	25
Students per staff member	35	33	33	32	32
Average class size	19	14	16	21	20

	For the Fiscal Year Ended June 30				
	2020	2019	2018	2017	2016
Faculty					
Part-time	4,230	3,550	4,258	4,458	4,822
Full-time	1,458	1,501	1,489	1,476	1,419
Administrative & support staff					
Part-time	1,960	2,035	1,838	1,959	1,965
Full-time	3,222	3,091	2,994	2,933	3,024
Total employees	10,870	10,177	10,579	10,826	11,230
Students per faculty member	34	39	35	34	33
Students per staff member	38	38	42	41	41
Average class size	20	20	20	20	20

Source: District records for Integrated Postsecondary Education Data System (IPEDS).

Notes: Data is as of November 1st of the fiscal year.

The method for calculating adjunct faculty changed effective FY2021 to include Active employees per HCM Job Data.

The source for the data changed effective with FY2016 and all prior years have been restated.

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

Historic Headcount

<u>College/Center</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
Phoenix	16,493	16,165	15,475	14,232	14,469	16,807	16,719	17,335	17,100	17,382
Glendale	21,464	20,691	20,240	20,921	20,920	25,913	26,054	27,350	27,263	27,947
GateWay	8,764	7,866	7,474	7,364	7,371	7,776	7,685	7,660	7,876	8,495
Mesa	24,046	25,599	24,243	24,462	25,089	30,236	29,837	30,010	30,154	30,770
Scottsdale	11,869	11,319	11,435	11,583	11,706	13,271	13,022	13,652	14,023	14,760
Rio Salado	36,355	34,287	33,974	30,625	33,734	42,086	41,496	42,716	43,882	45,317
South Mountain	6,323	6,113	5,294	5,243	5,205	6,022	5,877	5,909	5,707	5,772
Chandler-Gilbert	20,584	19,870	18,773	18,291	17,704	20,133	19,552	19,559	19,402	19,040
Paradise Valley	10,328	9,614	9,156	9,286	9,656	11,793	12,170	12,427	12,586	12,516
Estrella Mountain	14,053	13,826	12,951	12,086	11,828	14,262	13,772	13,715	13,080	12,571
Skill Centers	830	814	801	550	913	924	1,005	1,138	1,190	1,461
Adult Basic Education	6,792	6,789	5,893	5,159	3,427	6,070	8,188	9,389	9,655	10,003
Total	177,901	172,953	165,709	159,802	162,022	195,293	195,377	200,860	201,918	206,034

Historic FTSE

<u>College/Center</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
Phoenix	5,762	5,495	5,233	4,733	5,136	6,079	6,021	6,396	6,453	6,621
Glendale	7,803	7,493	7,234	7,358	7,756	9,904	10,152	10,799	10,965	11,229
GateWay	2,964	2,669	2,665	2,598	2,660	2,821	2,777	2,953	2,962	3,128
Mesa	8,879	8,935	8,363	8,485	9,315	11,508	11,499	11,438	12,022	12,136
Scottsdale	3,800	3,567	3,609	3,639	4,101	4,480	4,490	4,896	5,053	5,288
Rio Salado	9,235	8,969	8,835	8,208	9,375	11,108	10,543	11,149	11,736	11,518
South Mountain	2,466	2,207	1,804	1,787	1,880	2,246	2,243	2,305	2,278	2,318
Chandler-Gilbert	7,619	7,309	6,944	6,736	6,909	8,042	7,905	7,939	7,968	7,828
Paradise Valley	3,472	3,216	3,158	3,250	3,669	4,300	4,332	4,564	4,749	4,641
Estrella Mountain	5,245	5,208	4,973	4,625	4,842	5,915	5,832	5,799	5,694	5,362
Skill Center	541	367	372	550	463	463	589	759	902	498
Adult Basic Education	917	859	774	619	311	606	1,115	1,347	1,293	1,321
Total	58,703	56,294	53,964	52,588	56,417	67,472	67,498	70,344	72,075	71,888

Degrees and Certificates Awarded

	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
Bachelor of Science	41	1	-	-	-	-	-	-	-	-
Bachelor of Arts	36	-	-	-	-	-	-	-	-	-
Bachelor of Applied Science	50	-	-	-	-	-	-	-	-	-
Associate of Arts	3,903	4,222	3,847	4,682	4,765	5,553	5,947	5,920	5,409	5,537
Associate of Applied Science	3,365	3,377	3,158	3,389	3,229	3,342	3,167	3,098	3,249	3,273
Associate of Business	787	905	780	824	736	871	895	850	843	955
Associate of General Studies	275	342	390	379	420	594	776	810	617	631
Associate in Science	793	818	652	763	751	1,048	1,044	1,052	931	954
Academic Certificate	72	139	140	78	74	113	121	119	130	145
Certificates of Completion in Occupational Programs	13,642	12,629	10,047	7,426	6,326	8,164	7,264	7,437	7,863	8,728
Arizona General Education Certificate	5,950	5,680	5,164	6,394	6,135	7,446	7,831	7,795	7,235	7,685

Source: District records.

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

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

Fiscal Year	Attendance		Enrollment Status			Residency		
	FT	PT	Continuing	New	Former	Resident	Out of County	Out of State
2024-25	30 %	70 %	* %	* %	* %	89 %	4 %	7 %
2023-24	29	71	*	*	*	90	3	7
2022-23	28	72	*	*	*	90	3	7
2021-22	29	71	*	*	*	90	3	7
2020-21	32	68	*	*	*	90	3	7
2019-20	31	69	*	*	*	92	3	5
2018-19	31	69	*	*	*	92	3	5
2017-18	32	68	58	25	17	94	2	4
2016-17	32	68	58	25	17	94	2	4
2015-16	27	73	57	25	18	93	3	4

Fiscal Year	Gender		Ethnic Background						Median Age
	M	F	Native American	Asian	African American	Hispanic	Anglo	Other	
2024-25	41 %	59 %	2 %	5 %	7 %	41 %	37 %	8 %	20
2023-24	41	59	2	5	7	40	38	8	20
2022-23	42	58	2	5	6	39	41	7	24
2021-22	41	59	2	5	6	37	43	7	21
2020-21	40	60	2	4	6	36	44	8	21
2019-20	42	58	2	4	6	36	43	9	21
2018-19	43	57	2	5	6	35	44	8	21
2017-18	43	57	2	5	7	33	43	10	21
2016-17	44	56	3	5	8	29	45	10	21
2015-16	44	56	3	5	8	27	47	10	21

Source: District records.

Note: * Data for breakdown of enrollment status is not currently available, but will be updated when it is available.

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

Location	Fiscal Year									
	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Phoenix										
Total Square Footage	778,700	778,700	778,700	778,700	778,700	778,700	778,700	778,700	759,403	759,403
Total Acreage	66.0	66.0	66.0	66.0	66.0	66.0	66.0	66.0	66.0	66.0
Glendale										
Total Square Footage	805,841	810,831	810,831	810,831	810,831	810,831	810,831	810,831	834,028	832,028
Total Acreage	313.0	313.0	313.0	313.0	313.0	313.0	313.0	313.0	313.0	313.1
GateWay										
Total Square Footage	554,129	554,129	554,129	554,129	554,129	554,129	554,129	554,868	532,697	532,697
Total Acreage	43.1	43.1	43.1	43.1	43.1	43.1	43.1	43.1	43.1	43.1
Mesa										
Total Square Footage	1,046,271	1,046,271	1,046,271	1,046,271	1,046,271	1,046,271	1,046,271	1,046,271	1,036,593	1,036,593
Total Acreage	248.6	248.6	248.6	248.6	248.6	248.6	248.6	248.6	248.6	248.6
Scottsdale										
Total Square Footage	594,451	594,451	594,451	594,451	594,451	594,451	594,451	595,890	564,437	564,437
Total Acreage	162.2	162.2	162.2	162.2	162.2	162.2	162.2	162.2	162.2	162.2
Rio Salado										
Total Square Footage	435,544	435,544	435,544	435,544	435,544	435,544	435,544	435,544	435,544	462,521
Total Acreage	31.4	31.4	31.4	31.4	31.4	31.4	31.4	31.4	31.4	31.4
South Mountain										
Total Square Footage	370,671	370,671	370,671	352,484	352,484	352,484	352,484	352,484	302,010	302,010
Total Acreage	148.3	148.3	148.3	148.3	148.3	148.3	148.3	148.3	148.3	148.3
Chandler-Gilbert										
Total Square Footage	672,845	672,845	672,845	672,845	672,845	672,845	672,845	670,325	670,325	666,825
Total Acreage	189.8	189.8	189.8	189.8	189.8	189.8	189.8	189.8	189.8	189.8
Paradise Valley										
Total Square Footage	470,230	470,230	470,230	470,230	470,230	463,320	463,320	463,320	463,320	463,320
Total Acreage	175.9	175.9	175.9	175.9	175.9	175.9	175.9	175.9	175.9	175.9
Estrella Mountain										
Total Square Footage	406,447	406,447	406,447	406,447	406,447	360,039	360,039	360,039	360,039	360,039
Total Acreage	221.1	221.1	221.1	221.1	221.1	221.1	221.1	221.1	221.1	221.1
District Services Support Center										
Total Square Footage	296,483	296,483	296,483	296,483	296,483	296,483	296,483	296,483	296,483	296,483
Total Acreage	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7
Totals for District:										
Total Square Footage	6,431,612	6,436,602	6,436,602	6,418,415	6,418,415	6,365,097	6,365,097	6,364,755	6,254,879	6,276,356
Total Acreage	1,611.1	1,611.1	1,611.1	1,611.1	1,611.1	1,611.1	1,611.1	1,611.1	1,611.1	1,611.2

Source: District records.



Annual Comprehensive Financial Report

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