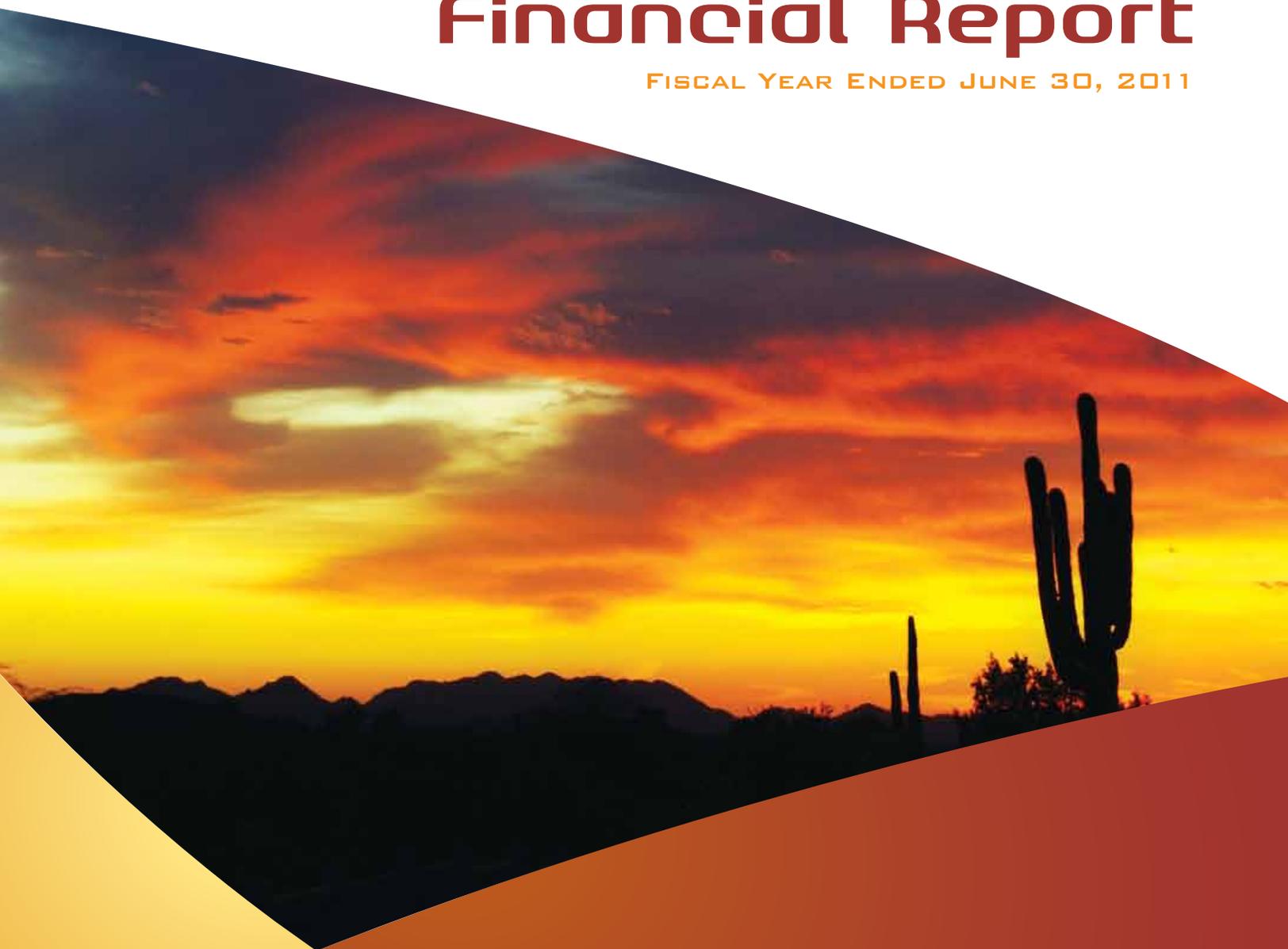




Comprehensive Annual Financial Report

FISCAL YEAR ENDED JUNE 30, 2011



PimaCountyCommunityCollegeDistrict



PimaCountyCommunityCollegeDistrict

4905D East Broadway Boulevard

Tucson, Arizona 85709-1220

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2011

Prepared by

District Finance Office
Budget and Reporting Department

Introductory Section	
Letter of Transmittal.....	1
Certificate of Achievement	7
Organization Chart	8
List of Principal Officers.....	9
College Mission	10
Financial Section	
Independent Auditors' Report	11
Management's Discussion and Analysis	13
Basic Financial Statements	21
Statement of Net Assets	22
Statement of Revenues, Expenses and Changes in Net Assets	23
Statement of Cash Flows	24
Notes to Financial Statements	26
Statistical Section	
Financial Trends.....	40
Schedule of Net Assets by Component	40
Schedule of Other Changes in Net Assets	41
Schedule of Expenses by Identifiable Activity	42
Graph of Expenses by Identifiable Activity	43
Schedule of Revenues by Source	44
Graph of Revenues by Source	45
Revenue Capacity	46
Assessed Value and Full Cash Value of All Taxable Property	46
Property Tax Levies and Collections	47
Schedule of Principal Property Taxpayers	48
Property Tax Rates, Direct and Overlapping Governments	50
Schedule of Tuition	51
Debt Capacity.....	52
Schedule of Ratios of Outstanding Debt	52
Revenue Bond Coverage	53
Ratio of General Bonded Debt to Assessed Value and Net Bonded Debt per Capita	54
Computation of Direct and Overlapping Governmental Debt Outstanding	55
Ratio of Direct and Overlapping Debt to Property Values and per Capita	56
Legal Debt Margin	57
Demographic and Economic Information	58
Schedule of Principal Employers	58
Schedule of Demographic and Economic Statistics	60
Operating Information.....	61
Administrators, Faculty and Staff Statistics	61
Admissions, Enrollment and Degree Statistics	62
Historic Enrollment – Headcount and Full Time Student Equivalent	63
Schedule of Capital Asset Information	64



PimaCountyCommunityCollegeDistrict



District Office

Office of the Executive Vice Chancellor
for Administration
4905C East Broadway Boulevard
Tucson, Arizona 85709-1005
Telephone (520) 206-4519
Fax (520) 206-4990
www.pima.edu

PimaCountyCommunityCollegeDistrict

December 14, 2011

The Governing Board of Pima County Community College District

We are pleased to provide you with the Comprehensive Annual Financial Report (CAFR) of the Pima County Community College District (the College), Tucson, Arizona for the fiscal year ended June 30, 2011.

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

Please refer to the Management's Discussion and Analysis section beginning on page 13 for summary information and comparative financial information to the prior fiscal year.

Reporting Entity

The College is an independent reporting entity within the criteria established by generally accepted accounting principles (GAAP) and the Governmental Accounting Standards Board (GASB). Although the College shares the same geographic boundaries with Pima County, the College solely exercises financial accountability over all activities related to public community college education in Pima County. In accordance with GASB Statement Nos. 14 and 39, the financial reporting entity consists of a primary reporting entity and one component unit. The College is a primary government because it is a special purpose political subdivision that has a separately elected governing body, is legally separate, is fiscally independent of other state and local governments and is not included in any other governmental financial reporting entity. The Pima Community College Foundation, Incorporated (the Foundation) is considered a component unit of the College and is discretely presented in the College's financial statements in accordance with GASB Statement 39.

History

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

Classes were first offered in the fall of 1970 utilizing temporary facilities until the original West Campus facility on Anklam Road west of I-10 was available in January 1971. The West Campus is the largest comprehensive campus of the College and offers a variety of degree and certificate programs.

The Downtown Campus was opened in 1974 at Stone and Speedway to serve the central city area. The Downtown Campus offers a balance of developmental, university transfer and occupational courses and has developed innovative instruction methods including supervised, individualized instruction with video/CD lessons.

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

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

The Community Campus was opened near St. Mary's Road and Interstate 10 in January of 1997. Community Campus classes also meet at more than 100 facilities throughout southern Arizona, including Davis-Monthan Air Force Base, Green Valley and locations throughout the Tucson area. The Community Campus provides a wide range of courses developed to meet the diverse needs of the greater Tucson community, as defined by its residents and local businesses. Community Campus is at the center of the College's distance education programs, offered via cable TV, interactive video and the internet.

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

The Foundation was incorporated in the State of Arizona in 1977 as a nonprofit organization to raise funds for the purpose of providing scholarships, grants and awards to deserving students and outstanding faculty, staff and administrators at the College.

Organization and Administration

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

Service Area

Pima County (the County) is located in the southern portion of Arizona and encompasses an area of approximately 9,240 square miles, with a section of its boundary bordering Mexico. Over 50 percent of the County's population resides in Tucson, the County seat of government and southern Arizona's largest city. Organized in 1864 by the Arizona Territorial Legislature as one of the

State's four original counties, the County is today the second most populous in Arizona with a total population in excess of 975,000.

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

Pima County's economy is based on a variety of service industries, as well as government employment (including public education), wholesale and retail trade, manufacturing, construction and tourism. Figures from the Economic & Business Research Center, Eller College of Management, The University of Arizona, indicate that as of June 2011, 441,600 persons were employed in the County, down from 444,300 in June of 2010.

Economic Condition and Outlook

Pima County's economic condition improved slightly based on some measures during 2011 but unemployment remains a concern. The County's population decreased from 1,030,700 to 976,900 during 2011, a decrease of 5.2 percent. Employment trends showed that the unemployment rate increased from 8.6 percent at June 30, 2010 to 9.1 percent at June 30, 2011. Retail sales increased by 8 percent, signifying some improvement. According to June 2011 data published by the Tucson Association of Realtors, housing unit sales increased by 12.1 percent and the average price of units sold decreased by 11.6 percent producing an overall decrease in the total dollar volume of housing sales of slightly less than 1%.

During the fiscal year 2012, the County's economy is projected to improve slightly in the areas of personal income, retail sales and employment. Historically, in times of declining economy, enrollment in higher education increases. The College experienced increased enrollment of 4.0 percent for fiscal year 2011 but enrollment for the fall 2011 term is currently down from the prior year by slightly less than 2 percent. According to forecasts published by the University of Arizona in the September 2011 issue of "Arizona's Economy", slight population gains are projected with the population increasing by 0.2 percent in 2011 and by 0.5 percent in 2012. Personal income is expected to increase by 4.3 percent and retail sales are expected to increase 4.8 percent in 2011.

Major Program Initiatives

The 2011-2013 College Plan was accepted by the Board of Governors on June 8, 2011. The initiatives in the plan are: 1) strengthen developmental education; 2) improve the overall success of student learning; 3) enhance course delivery; 4) expand educational and workforce opportunities; and 5) enhance operations.

In May 2010, as part of the reaccreditation process, the College completed and submitted the Institutional Self-Study Report to the Higher Learning Commission of the North Central Association of Colleges and Schools. Subsequently, the accreditation evaluation visit occurred September 13-15, 2010 and resulted in the recommendation from the evaluators that the College's accreditation be renewed by the Higher Learning Commission for a 10-year period.

On December 20, 2010, the Institutional Actions Council of The Higher Learning Commission approved the District for Continued Accreditation.

Fiscal Integrity and Oversight

Internal Controls

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

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

Budgetary Controls

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

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

College Functions

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

Cash Management and Investments

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

College funds are deposited with local financial institutions and are in federal and federally-sponsored agency securities.

Risk Management

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

Independent Audit

The Office of the Auditor General for the State of Arizona conducts the annual financial audit for the College. Testing procedures determine whether the financial statements are free of material misstatement and ensure compliance with Arizona Revised Statutes that require an annual audit of the College's financial statements. The Auditor General's Independent Auditors' Report is included in this document. For the fiscal year ending June 30, 2011, the College received an unqualified opinion.

A local independent accounting firm conducts the annual financial audit for the Foundation. The Foundation also received an unqualified opinion for the fiscal year ending June 30, 2011.

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Pima County Community College District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2010. This was the nineteenth consecutive year that the College has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

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

Respectfully submitted,

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

Susan Diane Groover
Assistant Vice Chancellor
for Finance and Controller

Ina Lancaster
Director of Budget &
Reporting

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Pima County Community
College District, Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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



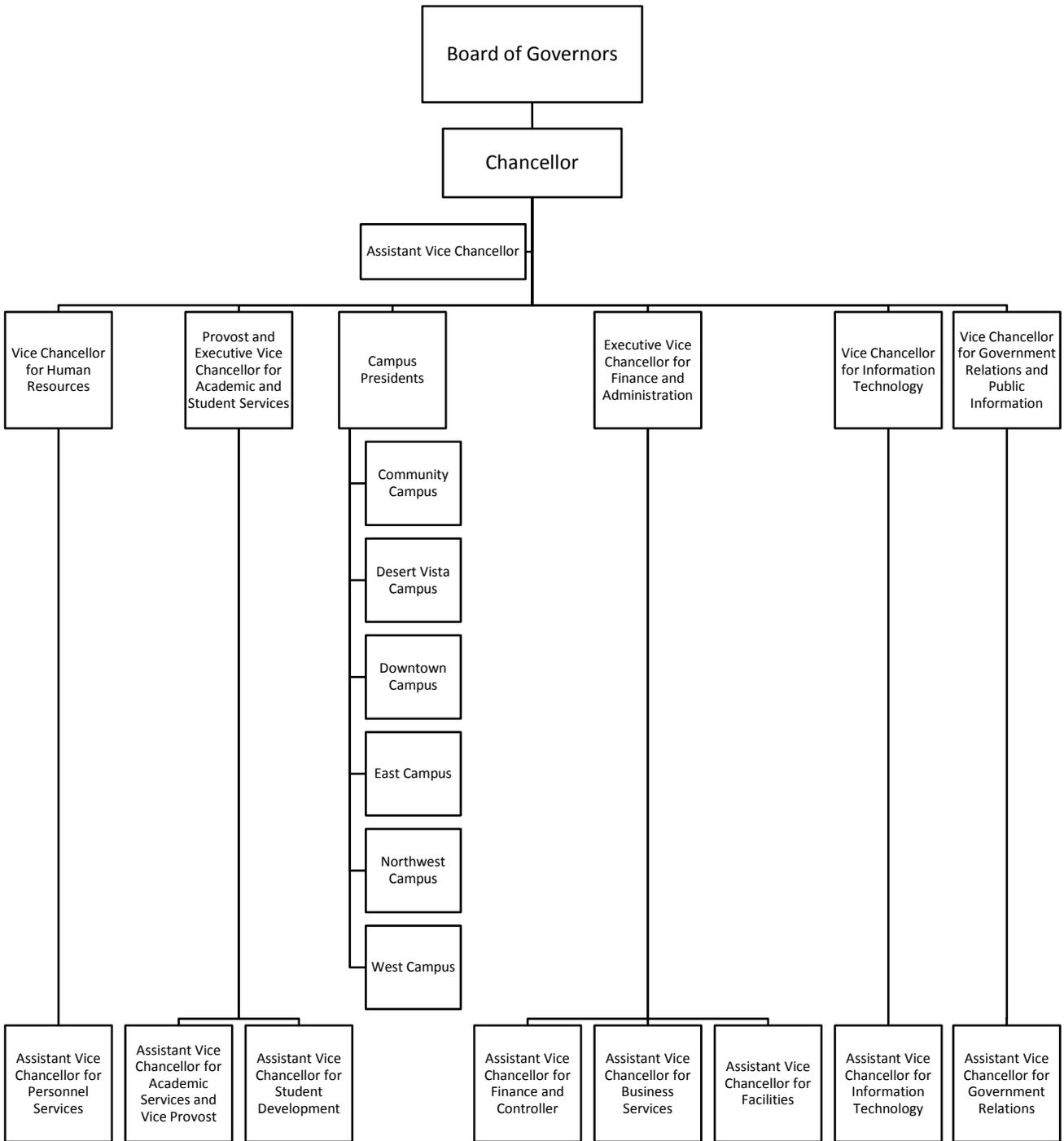
Linda C. Dandson

President

Jeffrey R. Emer

Executive Director

Organization Chart



List of Principal Officers



Governing Board Members - 2011

E. Marty Cortez, Chair, District 5
Scott A. Stewart, Secretary, District 4
Dr. Brenda B. Even, Member, District 1
David A. Longoria, Member, District 2
Sherryn S. Marshall, Member, District 3

District Administration

Dr. Roy Flores, Chancellor
Dr. Suzanne L. Miles, Provost and Executive Vice Chancellor for Academic and Student Services
Dr. David W. Bea, Executive Vice Chancellor for Finance and Administration
C. J. Karamargin, Vice Chancellor for Government Relations and Public Information
Cynthia Dooling, Vice Chancellor for Information Technology, Acting
Janet May, Vice Chancellor for Human Resources

Dr. Mary Ann Martinez Sanchez, Assistant Vice Chancellor for Academic Services and Vice Provost
Leticia Menchaca, Assistant Vice Chancellor for Student Development
S. Diane Groover, Assistant Vice Chancellor for Finance and Controller
William Howard, Assistant Vice Chancellor for Business Services
William R. Ward II, Assistant Vice Chancellor for Facilities
Imelda Cuyugan, Assistant Vice Chancellor for Government Relations
Keith McIntosh, Assistant Vice Chancellor for Information Technology, Acting
Doreen Armstrong, Assistant Vice Chancellor for Personnel Services
Deborah Yoklic, Assistant Vice Chancellor

Campus Administration

Dr. Suzanne L. Miles, President, Community Campus
Dr. Johnson Bia, President, Desert Vista Campus
Dr. Luba Chliwniak, President, Downtown Campus
Charlotte A. Fugett, President, East Campus
Dr. Alex Kajstura, President, Northwest Campus
Dr. Louis S. Albert, President, West Campus

College Mission

College Vision

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

College Values

We value:

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

Mission Statement

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

College Goals

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



Financial Section



PimaCountyCommunityCollegeDistrict



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent Auditors' Report

Members of the Arizona State Legislature

The Governing Board of
Pima County Community College District

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of Pima County Community College District as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors.

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

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of Pima County Community College District as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

The Management's Discussion and Analysis on pages 13 through 20 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements. That information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Debbie Davenport
Auditor General

December 14, 2011

Management's Discussion and Analysis

Introduction

The Management's Discussion and Analysis section of the College's Comprehensive Annual Financial Report presents management's discussion and analysis of the College's financial activity for the fiscal year ended June 30, 2011. Please read it in conjunction with the transmittal letter on page 1 and the financial statements and accompanying notes, which begin on page 22.

Basic Financial Statements

The College's annual financial statements are presented in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments," and Statement No. 35, "Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities." These statements allow for the presentation of financial activity and balances in a consolidated, single-column, entity-wide format. The Foundation's activity is presented in a separate column for each statement, except for the *Statement of Cash Flows*, in which the Foundation's activity was not presented as per the GASB rules stated above.

The Statement of Net Assets presents the financial position of the College as of June 30, 2011. It reflects the various assets owned or controlled by the College and the Foundation, the related liabilities and other obligations, and the various categories of net assets. Net assets is an accounting concept defined as total assets less total liabilities, and represents the organization's equity or ownership in the total assets of the College.

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

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

The focus of this report is on the primary government's overall financial position, financial condition, and results of operations and cash flows for the fiscal year ended June 30, 2011. Comparative information from the previous fiscal year is shown in the condensed financial information so that readers may see where the College's financial performance may have changed.

Financial Highlights and Analysis

Statement of Net Assets

The College's overall financial position improved in fiscal year 2011 with total net assets

Management's Discussion and Analysis

increasing by \$17.9 million. This reflects increases of \$4.3 million in amounts invested in capital assets, \$13.0 million in unrestricted net assets and \$0.6 million in restricted net assets. The increase in total net assets is greater than in the fiscal year 2010, in which total net assets increased by \$11.9 million. The College continues to have sufficient reserves to meet all current obligations.

Current assets increased by \$15.0 million as a result of increased cash and cash equivalents from the positive results of operations. Capital assets decreased by \$5.4 million mainly in the buildings and improvements and equipment categories due to depreciation, as discussed below. Other liabilities increased by \$0.4 million, primarily in accounts payable and accrued liabilities. Long-term liabilities decreased by \$9.9 million due to scheduled long-term debt payments.

Statement of Revenues, Expenses and Changes in Net Assets

Compared to the prior year, total revenues increased by \$10.9 million, while total expenses increased by \$4.9 million. Tuition and fee gross revenues increased \$3.2 million from \$46.8 million to \$50.0 million. However, tuition and fees paid by scholarships or financial aid are already reported as revenue by the college and are excluded from tuition and fees revenue by subtracting the scholarship allowance. Since the amount of tuition and fees paid by scholarships and financial aid increased, the scholarship allowance increased \$4 million from \$14.5 million to \$18.5 million. This caused net tuition and fees to show a decrease of \$0.8 million. Contracts revenue decreased by \$1.7 million primarily due to the completion of a local training program contract with Pima County Community Services in early FY11. Commissions and rents increased slightly. Other operating revenues decreased due to a one-time \$500,000 bookstore contribution included in FY10. Property tax revenue decreased by \$0.15 million, due to lower required debt service payments. State appropriations remained the same as in FY10 and Share of State Sales Tax decreased slightly. Federal grants increased by \$13.9 million, primarily due to increased Pell grants awarded to students, as well as new grants in the Health Care field such as the Health Professionals Opportunity Grant and the IT in Health Care Consortium Grant. State and local grants increased by \$0.4 million including the Adelante Performance Based Award. Gifts revenue increased by \$0.2 million due to gifts received for scholarships. Capital gifts and grants reflect a decrease in donations from 2010.

Expenses in student services, institutional support, and student financial aid increased. Expenses in instruction increased only slightly. Expenses for academic support decreased \$0.8 million due primarily to decreases in salary paid. Operation and maintenance of plant decreased by \$3.2 million primarily due to less renovation of existing facilities than in FY10 when the Desert Vista Central Plant was renovated for \$2.0 million and the multi-campus student services redesign was completed for \$1.5 million. Student financial aid increased \$7.2 million due to an increase in Pell Grants awarded to students. Depreciation decreased as more assets have become fully depreciated. Interest on capital asset-related debt decreased due to the decrease in long-term debt outstanding.

Management's Discussion and Analysis

Capital Assets and Debt Administration

Total net capital assets decreased by \$5.4 million, to \$119 million, a 4.4% decrease from the prior year. This decrease is primarily due to depreciation on existing buildings and equipment. Note 3 to the basic financial statements, on page 31, includes additional information on capital asset activity and descriptions of the asset categories.

During fiscal year 2011, the College reduced its outstanding long-term debt by \$9.9 million. At June 30, 2011, the College had one outstanding debt issue and one lease purchase agreement totaling \$8.7 million. Note 4 to the basic financial statements beginning on page 31 shows additional detail on bond issues and long-term obligations.

Management's Discussion and Analysis

Condensed Financial Information

Summarized Schedule of Assets, Liabilities and Net Assets

	As of <u>June 30, 2011</u>	As of <u>June 30, 2010</u>	<u>% Change</u>
<u>Assets</u>			
Current Assets	\$ 123,488,763	\$ 108,514,436	13.8%
Noncurrent Assets – Restricted	1,060,743	1,658,376	-36.0%
Capital Assets, net	119,074,292	124,513,643	-4.4%
Other Noncurrent Assets	1,975,986	2,556,788	-22.7%
Total Assets	245,599,784	237,243,243	3.5%
<u>Liabilities</u>			
Other Liabilities	12,672,748	12,299,311	3.0%
Long-term Liabilities	15,967,664	25,881,295	-38.3%
Total Liabilities	28,640,412	38,180,606	-25.0%
<u>Net Assets</u>			
Invested in Capital Assets (net of related debt)	110,359,292	106,023,641	4.1%
Restricted Net Assets	7,820,705	7,260,244	7.7%
Unrestricted Net Assets	98,779,375	85,778,752	15.2%
Total Net Assets	\$216,959,372	\$199,062,637	9.0%

Summarized Schedule of Revenues, Expenses and Changes in Net Assets

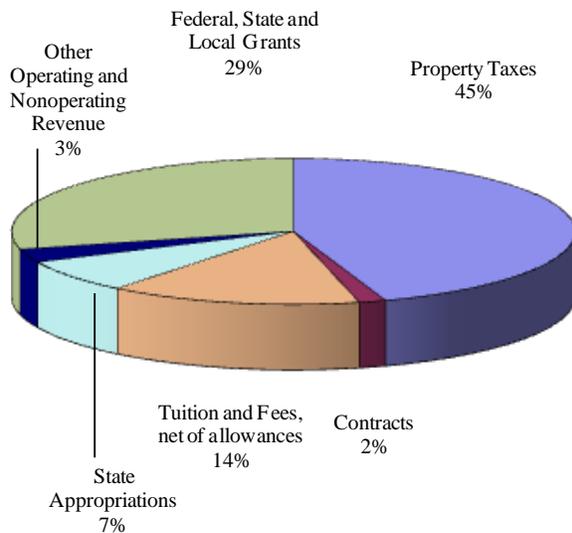
	For the year ended <u>June 30, 2011</u>	For the year ended <u>June 30, 2010</u>	<u>% Change</u>
Operating Revenues			
Tuition and Fees (net of allowances)	\$ 31,543,208	\$ 32,359,864	-2.5%
Contracts	3,350,861	5,073,714	-34.0%
Other Operating Revenues	3,203,250	3,706,445	-13.6%
Total Operating Revenues	38,097,319	41,140,023	-7.4%
Total Operating Expenses	199,119,852	193,644,579	2.8%
Operating Loss	(161,022,533)	(152,504,556)	5.6%
Nonoperating Revenues (Expenses)			
Property Taxes	97,431,336	97,583,761	-0.2%
State Appropriations	15,942,100	15,942,100	0.0%
Federal Grants	61,762,889	47,861,962	29.0%
State and Local Grants	1,366,883	996,369	37.2%
Investment Income	220,521	477,231	-53.8%
Other Nonoperating Revenues	3,057,188	2,925,973	4.5%
Interest on Capital Asset-Related Debt	(882,425)	(1,461,113)	-39.6%
Loss on Capital Asset Disposal	(11,914)	(23,640)	-49.6%
Other Nonoperating Expenses	(8,773)	(30,939)	-71.6%
Net Nonoperating Revenues	178,877,805	164,271,704	8.9%
Excess before Gifts and Grants	17,855,272	11,767,148	51.7%
Capital Gifts and Grants	41,463	136,726	-69.7%
Increase in Net Assets	17,896,735	11,903,874	50.3%
Net Assets, beginning of year	199,062,637	187,158,763	6.4%
Net Assets, end of year	\$216,959,372	\$199,062,637	9.0%

Management's Discussion and Analysis

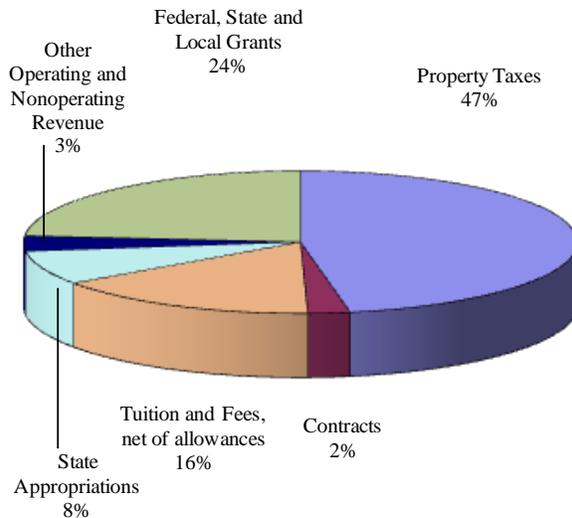
Revenues by Source

	<u>FY 2011</u>	<u>FY 2010</u>	<u>\$ Change</u>	<u>% Change</u>
<u>Operating Revenues</u>				
Tuition and Fees (net of allowances)	\$ 31,543,208	\$ 32,359,864	(\$816,656)	-2.5%
Contracts	3,350,861	5,073,714	(1,722,853)	-34.0%
Commissions and Rents	1,891,920	1,881,242	10,678	0.6%
Other Operating Revenues	1,311,330	1,825,203	(513,873)	-28.2%
Total Operating Revenues	38,097,319	41,140,023	(3,042,704)	-7.4%
<u>Nonoperating Revenues</u>				
Property Taxes	97,431,336	97,583,761	(152,425)	-0.2%
State Appropriations	15,942,100	15,942,100	0	0.0%
Federal Grants	61,762,889	47,861,962	13,900,927	29.0%
State and Local Grants	1,366,883	996,369	370,514	37.2%
Share of State Sales Tax	1,909,767	1,964,641	(54,874)	-2.8%
Gifts	1,147,421	961,332	186,089	19.4%
Investment Income	220,521	477,231	(256,710)	-53.8%
Total Nonoperating Revenues	179,780,917	165,787,396	13,993,521	8.4%
Capital Gifts and Grants	41,463	136,726	(95,263)	-69.7%
Total Revenues	\$ 217,919,699	\$ 207,064,145	\$ 10,855,554	5.2%

**Revenues by Source
FY 2011
\$217,919,699**



**Revenues by Source
FY 2010
\$207,064,145**

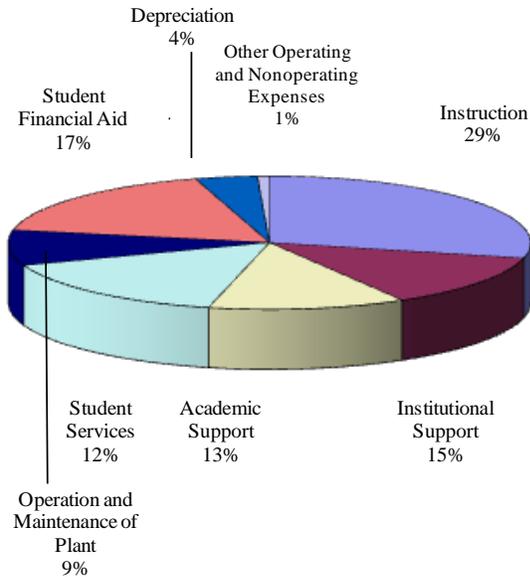


Management's Discussion and Analysis

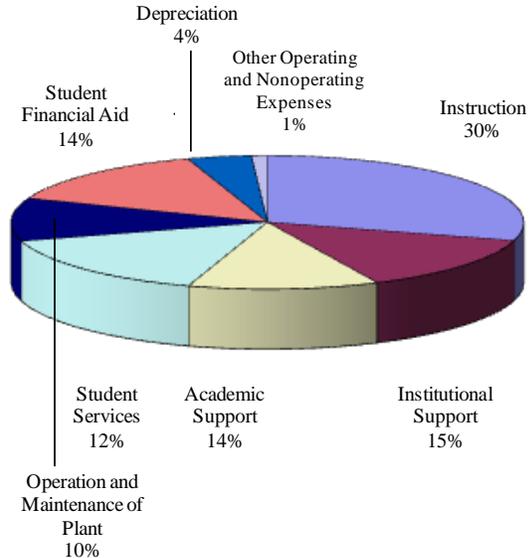
Expenses by Category

	<u>FY 2011</u>	<u>FY 2010</u>	<u>\$ Change</u>	<u>% Change</u>
<u>Operating Expenses</u>				
Educational and General				
Instruction	\$ 57,500,697	\$ 57,464,058	\$ 36,639	0.1%
Academic Support	25,592,122	26,414,846	(822,724)	-3.1%
Student Services	24,400,835	23,398,419	1,002,416	4.3%
Institutional Support	31,362,563	30,106,066	1,256,497	4.2%
Operation and Maintenance of Plant	17,188,038	20,361,539	(3,173,501)	-15.6%
Student Financial Aid	34,799,330	27,564,234	7,235,096	26.2%
Auxiliary Enterprises	594,145	441,050	153,095	34.7%
Depreciation	7,682,122	7,894,367	(212,245)	-2.7%
Total Operating Expenses	199,119,852	193,644,579	5,475,273	2.8%
<u>Nonoperating Expenses</u>				
Interest on Capital Asset-Related Debt	882,425	1,461,113	(578,688)	-39.6%
Loss on Capital Asset Disposal	11,914	23,640	(11,726)	-49.6%
Other Nonoperating Expenses	8,773	30,939	(22,166)	-71.6%
Total Nonoperating Expenses	903,112	1,515,692	(612,580)	-40.4%
Total Expenses	\$ 200,022,964	\$ 195,160,271	\$ 4,862,693	2.5%

**Expenses by Category
FY 2011
\$200,022,964**



**Expenses by Category
FY 2010
\$195,160,271**



Management's Discussion and Analysis

Economic Outlook

For the year ended June 30, 2011, the economic conditions in Pima County and the state of Arizona continued to decline while demand for College services from the community increased. In fiscal year 2011, full-time student equivalent enrollment (FTSE) increased by 890 or 4.0 percent. Enrollment is expected to remain relatively flat in fiscal year 2012.

Appropriations from the state of Arizona will decrease by 55 percent for fiscal year 2012 and for the fourth consecutive year there will be no state appropriation for capital expenditures. In addition, decreased property values and the slowdown in new construction in Pima County will result in the College increasing the primary tax rate from 0.9755 to 1.0846 for fiscal year 2012 to increase the tax levy from \$87.2 million to \$90.1 million. However, the overall impact to taxpayers will decrease since the required debt payment is approximately \$8.1 million less than in fiscal year 2011.

In order to offset the large decrease in state aid, the FY12 budget will include a modest increase in tuition and numerous reductions in operations. These reductions include: a partial hiring freeze of vacant faculty positions; reduced utilities expenditures due to facility improvements; reductions in lease costs; elimination of administrative and staff positions; and, reductions to the capital budget. The College is funding increases in mandatory state retirement contributions, and is absorbing the additional costs of medical premiums. However, the College is not providing traditional salary increases in fiscal year 2012.

Beginning in summer 2012, the College will require incoming students to have a high school diploma or GED, and minimum scores on PCC placement tests in Mathematics, Reading, and Writing. Students seeking admission to PCC will have to demonstrate the potential for success. The College is developing a new program for those students who do not meet the new admissions requirements in order to provide them with alternatives for success. The goal of this program is to quickly get severely underprepared students ready to retake the assessment tests, meet the modest seventh-grade standard, and be admitted to PCC.

Also, beginning in 2012, the College will charge additional tuition, known as differential tuition, for courses that are more costly for the College to offer. Examples of some factors that may make classes cost more include class size requirements of accrediting agencies, or expensive equipment that must be regularly updated to meet industry standards. Differential tuition is being applied where the cost of a discipline's courses is at least double the College median for two or more consecutive years. Disciplines affected by differential tuition will be re-assessed each year based on the cost to offer the courses in the discipline.

The College continues to monitor external economic changes and their impacts on the College and make prudent fiscal decisions to support the College's mission, vision, values, and goals.

Requests for Information

This discussion and analysis is designed to present a general overview of the Pima County Community College District's finances for all those who have an interest in such matters.

Management's Discussion and Analysis

Questions concerning any of the information provided in this Comprehensive Annual Financial Report or requests for additional financial information should be addressed to the District Finance Office, Pima County Community College District, 4905 East Broadway Boulevard, Building D, Tucson, AZ, 85709-1200.

Basic Financial Statements

Statement of Net Assets
As of June 30, 2011

	Primary Government College	Component Unit Foundation
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 108,531,375	\$ 633,754
Short-term Investments	147,781	1,832,550
Receivables		
Property Taxes (less allowance of \$413,370)	4,747,153	
Accounts (less allowance of \$1,117,454)	2,277,635	
Government Grants and Contracts	4,195,748	
Student Loans, current portion	350,082	
Other (less allowance of \$11,003)	2,634,928	63,122
Inventories	241,856	
Prepaid Expenses	362,205	878
Total Current Assets	123,488,763	2,530,304
Noncurrent Assets		
Restricted Cash and Cash Equivalents	1,060,743	4,341,004
Student Loans Receivable (less allowance of \$579,281)	1,007,842	
Other Long-term Investments	968,144	454,300
Capital Assets		
Land and Improvements	15,291,311	
Construction in Progress	171,778	
Buildings and Improvements (net of depreciation)	95,867,723	
Equipment (net of depreciation)	3,679,606	
Leasehold Improvements (net of depreciation)	2,133,362	
Library Books (net of depreciation)	1,930,512	
Total Noncurrent Assets	122,111,021	4,795,304
Total Assets	245,599,784	7,325,608
Liabilities		
Current Liabilities		
Accrued Payroll and Employee Benefits	5,195,496	
Accounts Payable and Accrued Liabilities	3,597,552	256,039
Deposits Held in Custody for Others	435,411	404,551
Unearned Revenue	3,444,289	
Current Portion of Long-term Liabilities	5,109,263	
Total Current Liabilities	17,782,011	660,590
Noncurrent Liabilities		
Long-term Liabilities	10,858,401	
Total Noncurrent Liabilities	10,858,401	0
Total Liabilities	28,640,412	660,590
Net Assets		
Invested in Capital Assets (net of related debt)	110,359,292	
Restricted for:		
Expendable:		
Debt Service	1,399,768	
Grants and Contracts	6,319,051	
Scholarships and Other Programs		2,178,061
Nonexpendable:		
Perkins Loans	101,886	
Permanently Restricted Endowment		4,341,004
Unrestricted	98,779,375	145,953
Total Net Assets	\$216,959,372	\$6,665,018

See accompanying notes to financial statements

**Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2011**

	Primary Government College	Component Unit Foundation
Operating Revenues		
Tuition and Fees (net of scholarship allowances of \$18,498,272)	\$ 31,543,208	
Contracts	3,350,861	
Commissions and Rents	1,891,920	
Other Operating Revenues	1,311,330	\$ 996,435
Total Operating Revenues	38,097,319	996,435
Operating Expenses		
Educational and General		
Instruction	57,500,697	
Academic Support	25,592,122	
Student Services	24,400,835	
Institutional Support	31,362,563	728,879
Operation and Maintenance of Plant	17,188,038	
Student Financial Aid	34,799,330	451,687
Auxiliary Enterprises	594,145	
Depreciation	7,682,122	
Total Operating Expenses	199,119,852	1,180,566
Operating (Loss)	(161,022,533)	(184,131)
Nonoperating Revenues (Expenses)		
Property Taxes	97,431,336	
State Appropriations	15,942,100	
Federal Grants	61,762,889	
State and Local Grants	1,366,883	
Share of State Sales Tax	1,909,767	
Gifts	1,147,421	235,715
Investment Income	220,521	715,034
Interest on Capital Asset-Related Debt	(882,425)	
Loss on Capital Asset Disposal	(11,914)	
Other Nonoperating Expenses	(8,773)	
Net Nonoperating Revenues	178,877,805	950,749
Income Before Other Revenues, Expenses, Gains, or Losses	17,855,272	766,618
Capital Gifts and Grants	41,463	
Increase in Net Assets	17,896,735	766,618
Net Assets		
Net Assets - Beginning of Year	199,062,637	5,898,400
Net Assets - End of Year	\$216,959,372	\$6,665,018

See accompanying notes to financial statements

Statement of Cash Flows
For the Year Ended June 30, 2011

	Primary Government College
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and Fees	\$ 31,367,764
Contracts	3,275,459
Commissions and Rents	1,986,756
Collection of Loans to Students	670,669
Other Receipts	1,535,249
Payments to Suppliers	(37,410,885)
Payments to Employees	(118,944,488)
Loans Issued to Students	(617,729)
Payments for Scholarships	(35,163,469)
Net Cash Used for Operating Activities	(153,300,674)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Property Taxes	96,796,358
State Appropriations	15,942,100
Grants	64,418,522
Share of State Sales Tax	1,909,767
Federal Family Education Loans and Direct Loans Received	34,441,894
Federal Family Education Loans and Direct Loans Disbursed	(35,143,691)
Deposits Held in Custody for Others Received	999,672
Deposits Held in Custody for Others Disbursed	(1,008,809)
Gifts	1,146,668
Net Cash Provided by Noncapital Financing Activities	179,502,481
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of Capital Assets	(2,238,010)
Principal Paid on Capital Debt	(9,775,000)
Interest Paid on Capital Debt	(882,425)
Capital Gifts and Grants Received	51,154
Net Cash Used for Capital and Related Financing Activities	(12,844,281)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	536,925
Interest Received on Investments	221,843
Net Cash Provided by Investing Activities	758,768
Net Increase in Cash and Cash Equivalents	14,116,294
Cash and Cash Equivalents - Beginning of Year	95,475,824
Cash and Cash Equivalents - End of Year	\$ 109,592,118

See accompanying notes to financial statements

(Continued)

Statement of Cash Flows (continued)
For the Year Ended June 30, 2011

RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES

Operating Loss	\$ (161,022,533)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation Expense	7,682,122
Changes in Assets and Liabilities:	
Decrease in Receivables, Net	78,222
Increase in Inventories	(19,011)
Increase in Prepaid Expenses	(5,216)
Decrease in Accrued Payroll and Employee Benefits	(132,304)
Increase in Accounts Payable and Accrued Liabilities	446,393
Decrease in Unearned Revenue	(189,715)
Decrease in Long-term Liabilities (Compensated Absences Portion)	(138,632)
Net Cash Used for Operating Activities	<u>\$ (153,300,674)</u>

Nonoperating Non-cash Transactions Not Included in Above Statement:

<i>Unrealized Change in Fair Value of Investments</i>	\$ (25,393)
<i>Net loss on disposal of capital assets with an original cost of \$2,668,636, accumulated depreciation of \$2,656,722.</i>	(11,914)
<i>Donated Capital Assets</i>	16,675

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Pima County Community College District (the College) conform to generally accepted accounting principles (GAAP) applicable to public institutions engaged only in business-type activities adopted by the Governmental Accounting Standards Board (GASB). The College follows Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989; Accounting Principles Board Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. The College has chosen not to follow FASB Statements and Interpretations issued after November 30, 1989.

For the year ended June 30, 2011, the District implemented the provisions of GASB Statement No. 59, *Financial Instruments Omnibus*. GASB Statement No. 59 updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools. However, the District does not have any relevant financial instruments or external investment pools to report at June 30, 2011.

Reporting Entity:

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

The Foundation is reported in a separate column in the financial statements to emphasize that it is legally separate from the College. The Foundation's cash flows are not presented because that information is not required by generally accepted accounting principles for public colleges. The Foundation was formed in 1977 as a nonprofit corporation controlled by a separate Board of Directors and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The goals of the Foundation are to provide scholarships and to advance and assist in the development, growth, and operation of the College. Because the resources held by the Foundation can only be used by, or for the benefit of the College, the Foundation is considered a component unit of the College. During the year ended June 30, 2011, the Foundation distributed \$121,579 of in-kind gifts for those purposes. Notes to the financial statements for the Foundation are included in Note 8. Complete financial statements can be obtained from the Foundation Office at 4905C East Broadway Boulevard, Tucson, AZ 85709-1320.

Basis of Presentation and Accounting:

The financial statements include the following:

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

Notes to Financial Statements

operating or nonoperating and all changes in net assets are reported, including capital contributions.

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

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

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

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

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

Cash and Investments:

The College's cash and cash equivalents consist of cash on hand, demand deposits, cash and investments held by the County Treasurer, investments in the State Treasurer's Local Government Investment Pool (LGIP), and highly liquid investments. All investments are stated at fair value at fiscal year-end.

Inventories:

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

Capital Assets:

Capital assets are recorded at cost at the date of acquisition. Donated capital assets are reported at estimated fair value at the date of donation. All capital assets with a cost of \$5,000 or more are capitalized. Interest expense incurred during the construction phase of the College's facilities is capitalized as a cost of plant assets in accordance with generally accepted accounting principles. Assets (except land and improvements and construction in progress) are depreciated using the straight-line method, using one full year's depreciation in the first year and no depreciation in the year of disposal. For purposes of calculating depreciation, buildings and improvements are assigned useful lives of 5 to 40 years, equipment is assigned useful lives of 5 to 7 years, and library books are assigned useful lives of 10 years. Leasehold improvements are depreciated over the lease period.

Notes to Financial Statements

Compensated Absences:

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

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

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

The College also provides a death benefit to employees hired on or after July 1, 1999 who separate from the College due to death. This benefit is paid at seventy-five percent of the employee's then current daily rate of pay for all accumulated sick leave limited to a maximum of \$100 per day, for a maximum of 100 days. This death benefit is included in the sick leave liability discussed above.

Scholarship Allowances:

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

Investment Income:

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

2. DEPOSITS AND INVESTMENTS

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

Deposits:

At June 30, 2011 the College's total cash on hand was \$28,350. The carrying amount of the College's deposits was \$1,396,183 and the bank balance was \$1,840,399. The College does not have a formal policy regarding custodial credit risk for deposits. As of June 30, 2011 the cash in the bank balance was fully insured by FDIC.

Notes to Financial Statements

Investments:

The State Board of Investment provides oversight for the State Treasurer's pools. The fair value of a participant's position in the pool approximates the value of that participant's pool shares and the participant's shares are not identified with specific investments. No comparable oversight is provided for the County Treasurer's investment pool, and that pool's structure does not provide for shares. The College's investments at June 30, 2011, consist of the following:

Investment Type	Fair Value
State Treasurer's investment pool #5	\$ 45
County Treasurer's investment pool	1,104,979
Repurchase agreements collateralized by mortgage-backed government securities (implicitly guaranteed by the U.S. government)	107,062,561
Mortgage-backed government securities (implicitly guaranteed by the U.S. government)	1,115,925
Total Investments	\$ 109,283,510

Credit Risk:

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The College does not have a formal policy regarding credit risk. Following is a summary of the College's investments subject to credit risk and credit ratings as determined by Standard and Poor's (S&P) rating agency as of June 30, 2011.

Investment Type	Rating	Rating Agency	Fair Value
State Treasurer's investment pool #5	AAAf/S1+	S&P	\$ 45
County Treasurer's investment pool	Unrated	N/A	1,104,979
Repurchase agreements collateralized by mortgage-backed government securities (implicitly guaranteed by the U.S. government)	Unrated	N/A	107,062,561
Mortgage-backed government securities (implicitly guaranteed by the U.S. government)	Unrated	N/A	1,115,925
Total Investments Subject to Credit Risk			\$ 109,283,510

Concentration of Credit Risk:

The College does not have a formal policy regarding concentration of credit risk. The College had investments at June 30, 2011 of 5% or more in Federal Home Loan Mortgage Corporation (FHLMC) and Government National Mortgage Association (GNMA). These investments were 27.81% and 70.52%, respectively, of the College's total investments, which included investments collateralizing repurchase agreements.

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect an investment's value. The College does not have a formal policy regarding interest rate risk. At June 30, 2011, the College had the following investments in debt securities:

Notes to Financial Statements

Investment Type	Maturities		Fair Value
	Less than	1-5	
	1 Year	Years	
State Treasurer's investment pool #5	\$ 45		\$ 45
County Treasurer's investment pool	1,104,979		1,104,979
Repurchase agreements collateralized by mortgage-backed government securities	107,062,561		107,062,561
Mortgage-backed government securities (implicitly guaranteed by the U.S. government)	147,781	968,144	1,115,925
Total Investments Subject to Interest Rate Risk	\$ 108,315,366	\$ 968,144	\$ 109,283,510

3. CAPITAL ASSETS

The College's capital asset activity for the year ended June 30, 2011, is detailed below.

Description	Balance 7/1/2010	Increases	Decreases	Balance 6/30/2011
Land and improvements	\$ 15,291,311			\$ 15,291,311
Construction in progress		\$ 171,778		171,778
Depreciable assets				
Buildings and improvements	178,365,580	115,104		178,480,684
Equipment	24,345,373	1,547,778	2,668,636	23,224,515
Leasehold improvements	3,385,100			3,385,100
Library books	6,839,290	420,025	169,875	7,089,440
Total capital assets	228,226,654	2,254,685	2,838,511	227,642,828
Less accumulated depreciation:				
Buildings and improvements	77,463,203	5,149,758		82,612,961
Equipment	20,240,056	1,961,575	2,656,722	19,544,909
Leasehold improvements	1,108,900	142,838		1,251,738
Library books	4,900,852	427,951	169,875	5,158,928
Total accumulated depreciation	103,713,011	7,682,122	2,826,597	108,568,536
Capital assets, net	\$ 124,513,643	\$ (5,427,437)	\$ 11,914	\$ 119,074,292

4. LONG -TERM LIABILITIES

The following schedule details the College's long-term liability and obligation activity for the year ended June 30, 2011:

Description	Balance 7/1/2010	Additions	Reductions	Balance 6/30/2011	Due Within One Year
General obligation bonds	\$ 14,635,000		\$ 9,535,000	\$ 5,100,000	
Lease purchase	3,855,000		240,000	3,615,000	\$ 250,000
Compensated absences payable	7,391,295	\$ 4,725,701	4,864,332	7,252,664	4,859,263
Total long-term liabilities	\$ 25,881,295	\$ 4,725,701	\$ 14,639,332	\$ 15,967,664	\$ 5,109,263

Bonds and Lease Purchase Payable:

The College's bonded debt consists of one issue of general obligation bonds. Certain bonds may be redeemed by the owner (the College) prior to maturity, usually by paying a premium to the

Notes to Financial Statements

holder of the bond. This is referred to as being “callable,” since the holder of the bond has no control over the redemption of the bond. The Series A (1996) bonds are callable. On all bonds and obligations, interest is payable semiannually on January 1 and July 1 of each year. Lease interest is payable semiannually on May 1 and November 1 of each year.

Description	Outstanding Principal	Interest Rates
General obligation bonds:		
Buildings and improvements: Project of 1995 - Series A (1996)	\$ 5,100,000	5.0 to 5.5%
Lease purchase	3,615,000	5.1 to 5.3%
Total	\$ 8,715,000	

Bond proceeds and the lease purchase agreement were used primarily to acquire land or construct capital facilities. Certain general obligation bonds were issued to advance refund previously issued bonds. The College repays general obligation bonds from ad-valorem property taxes.

At June 30, 2011, \$5.1 million of general obligation bonds were considered defeased because the College placed refunding bond proceeds in a depository trust in a prior year to provide for all future debt service payments on the bonds. Accordingly, the trust account assets and the liability for these defeased bonds are not included in the College’s financial statements.

The following schedule details debt service requirements to maturity for the College’s bonds and lease purchase payable at June 30, 2011:

Year ending June 30:	General Obligation Bonds		Lease Purchase	
	Principal	Interest	Principal	Interest
2012		\$ 136,863	\$ 250,000	\$ 191,100
2013	\$ 1,820,000	223,675	260,000	178,300
2014	1,925,000	120,687	275,000	164,000
2015	1,355,000	33,875	290,000	148,875
2016			310,000	132,925
2017-2021			1,810,000	395,950
2022			420,000	21,525
Total	\$ 5,100,000	\$ 515,100	\$ 3,615,000	\$ 1,232,675

Lease Purchase:

On July 1, 2004, the College entered into a lease purchase agreement with the Arizona Board of Regents, on behalf of the University of Arizona, to acquire a building at the College’s Northwest Campus. Greater than expected enrollment necessitated expansion at the Northwest facility. At inception, total payments, including principal and interest, over the 18-year term of the agreement were \$7.9 million. At June 30, 2011, total minimum lease payments were \$4.8 million. Of that amount, \$1.2 million represented interest and \$3.6 million was the present value of the net minimum lease payments. Lease payments are based on University of Arizona debt service payments related to the leased building. Future College lease payments may change if the University’s debt service payments change. The title to the building transfers to the College

Notes to Financial Statements

at the end of the lease. The carrying value of the lease purchase relative to the building as of June 30, 2011 is \$4.2 million.

5. PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Plan Descriptions:

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

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

Funding Policy:

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

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

	Retirement Fund	Health Benefit Supplement Fund	Long - Term Disability Fund	Totals
Years ended June 30:				
2011	\$ 6,427,831	\$ 420,912	\$ 178,353	7,027,096
2010	5,770,530	456,661	276,764	6,503,955
2009	5,616,615	674,837	350,620	6,642,072

6. RISK MANAGEMENT

Notes to Financial Statements

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; natural disasters; errors and omissions; and injuries to employees. The College participates in a risk retention trust for liabilities arising from general liability and automobile risks. The trust operating agreement includes a provision for member assessment in the event that total claims paid by the trust exceed the contributions and reserves in any one year. The assessment is limited to the contribution amount paid by the College during the year in which the assessment is applied. The trust has never had such an assessment. The College carries commercial insurance for other risks of loss, including property, workers' compensation, and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

In addition, the College finances uninsured risks of loss for prescription benefits to eligible employees and their dependents. The prescription plan provides coverage for eligible prescription drugs with an employee-paid co-payment determined by the drug's availability within the plan's formulary. The College utilizes a consultant to determine the required funding annually based upon anticipated utilization, cost trends, and benefit levels. The College does not purchase insurance for claims in excess of the projected funding level. An independent administrator provides claim and record-keeping services for the plan.

Prescription Plan	Year Ending June 30	
	2010	2011
Claims liability at beginning of year	\$ 0	\$ 199,010
Claims incurred during the year	2,609,210	2,253,398
Payments on claims	(2,410,200)	(2,138,372)
Claims liability at end of year	\$ 199,010*	\$ 314,036

*Corrected from 2010 Comprehensive Annual Financial Report

7. OPERATING EXPENSES

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

Description	Amount
Compensation and Benefits	\$ 118,674,125
Communications and Utilities	5,533,198
Travel	1,654,423
Contractual Services	16,051,116
Supplies and Materials	9,930,252
Scholarships	34,799,514
Other Expenses	4,795,102
Depreciation	7,682,122
Total operating expenses	\$ 199,119,852

Notes to Financial Statements

8. DISCRETELY PRESENTED COMPONENT UNIT – PIMA COMMUNITY COLLEGE FOUNDATION

8a. Summary of Significant Accounting Policies

Reporting Entity:

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

Basis of Presentation and Accounting:

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

Financial Statement Presentation:

The Foundation reports information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions.

- Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
- Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation.

Contributions are recognized as revenue when received or unconditionally promised. The Foundation reports gifts of cash and other assets as temporarily or permanently restricted support if such gifts are received with donor stipulations that limit the use of the donated assets as to either purpose or time period. When a donor restriction expires, either through the passage of time or use of the monies for the purpose intended by the donor, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions. Temporarily restricted contributions are reported as unrestricted net assets when the restriction is met in the same period the contribution is received. In the College's financial report, the Foundation's net assets are presented as restricted and unrestricted.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Notes to Financial Statements

Significant Estimates:

The bequests receivable is an estimate based on information available at the date of these financial statements. Although the Foundation believes the receivable is recorded based on reasonable estimates, it is at least reasonably possible that, in the near term, amounts actually realized could be materially different than currently recorded. In the College's financial report, the bequest receivable is included in other receivables.

Tax-Exempt Status:

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

Cash and Cash Equivalents:

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

Concentration of Risk:

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents. The Foundation maintains its cash in bank deposit accounts which may exceed federally insured limits. The Federal Deposit Insurance Corporation (FDIC) insures interest-bearing cash accounts at banks up to \$250,000 per institution. Non interest-bearing cash accounts are fully insured. Investments held by other institutions are insured up to \$500,000 under insurance provided by the Securities Investor Protection Corporation (SIPC). However, SIPC does not protect against losses in market value. The Foundation's investments are also insured under the additional brokerage insurance provided by Lloyds's of London up to \$150,000,000. The additional protection becomes available in the event that SIPC limits are exhausted. At June 30, 2011, there was \$3,337 in cash and cash equivalents on deposit in excess of the FDIC insurance limit. It is the opinion of management that the solvency of the referenced financial institutions is not of concern at this time.

Investments - Other:

Investments – other is comprised of a certificate of deposit held for investment that is not a debt security. The certificate of deposit matures September 22, 2011, has an annual fixed interest rate of 2.54% and is recorded at cost which approximates fair market value.

Certificates of deposit with original maturities greater than three months and remaining maturities less than one year are classified as short-term, and certificates of deposit with remaining maturities greater than one year are classified as long-term.

Investments:

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

Notes to Financial Statements

Funds held for others:

Various nonprofit and other entities give funds to the Foundation for students to receive scholarships. These other entities select the scholarship recipient. As the Foundation has no control over who receives the scholarships, these are reported as funds held for others. Funds held for others totaled \$404,551 at June 30, 2011.

Donated Services, Materials and Facilities:

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

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

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

Advertising:

The Foundation expenses advertising costs as incurred. The Foundation does not participate in direct-response advertising which requires the capitalization and amortization of related costs. Advertising costs totaled \$13,255 at June 30, 2011.

8b. Cash and Investments

At June 30, 2011, the Foundation's unrestricted cash and cash equivalents were in the amount of \$633,754.

The Foundation's investments at June 30, 2011, consisted of the following:

<i>Foundation</i> 2011	
Bond Funds	\$ 1,926,690
Equity Funds	3,882,348
Other	96,824
Community Foundation of Southern Arizona	11,435
Investment In Partnership	439,099
Total available for operations	\$ 6,356,396

8c. Endowment Funds

The Foundation's endowment includes donor restricted funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted Arizona's version (Titled the "Management of Charitable Funds Act" (the Act)) of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original

Notes to Financial Statements

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

Endowment net asset composition as of June 30, 2011 consists of:

	Temporarily Restricted	Permanently Restricted
Donor-restricted endowment assets	\$ 574,238	\$ 4,341,004

Changes in endowment net assets for the year ended June 30, 2011 are as follows:

	Temporarily Restricted	Permanently Restricted
Endowment net assets, beginning of year	\$ 180,320	\$ 4,084,564
Contributions		235,715
Donor-directed transfers		20,725
Investment Income	541,320	
Appropriation of endowment assets for expenditure	(147,402)	
Endowment net assets, end of year	\$ 574,238	\$ 4,341,004

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PimaCountyCommunityCollegeDistrict

**Pima County Community College District
Statistical Section**

Table of Contents: Statistical Section

Financial Trends.....40
These schedules contain trend information to help the reader understand how the College's financial performance and well-being have changed over time.

Revenue Capacity.....46
These schedules contain trend information to help the reader assess the factors affecting the College's ability to generate property taxes, tuition, grants and other revenues.

Debt Capacity.....52
The debt capacity information will assist the reader in understanding and assessing the College's debt burden and ability to issue debt.

Demographic and Economic Information.....58
The demographic and economic information is presented to assist users in understanding certain aspects of the environment in which the College operates.

Operating Information.....61
These schedules contain contextual information to help the reader assess the delivery and effectiveness of College operations.

**Pima County Community College District
Financial Trends**

Schedule of Net Assets by Component
Fiscal Years 2011 to 2002

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Invested in Capital Assets, Net of Related Debt	\$ 110,359,292	\$ 106,023,641	\$ 98,438,758	\$ 91,317,290	\$ 84,835,720	\$ 79,326,718	\$ 73,154,179	\$ 66,710,465	\$ 53,913,435	\$ 47,685,475
Restricted - expendable	7,718,819	5,584,879	6,192,750	5,881,028	8,318,933	5,990,638	5,322,202	5,205,969	4,303,234	22,476,640
Restricted - nonexpendable	101,886	1,675,365	1,553,416	1,534,847	1,575,816	1,414,922	1,557,428	1,438,781	1,445,787	2,368,884
Unrestricted	98,779,375	85,778,752	80,973,839	70,181,923	61,086,198	58,228,151	55,570,013	53,334,542	50,248,390	23,993,015
Total Net Assets	\$216,959,372	\$ 199,062,637	\$187,158,763	\$168,915,088	\$155,816,667	\$144,960,429	\$135,603,822	\$126,689,757	\$ 109,910,846	\$ 96,524,014

Source: District Records

**Pima County Community College District
Financial Trends**

Schedule of Other Changes in Net Assets
Fiscal Years 2011 to 2002

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Income Before Other Changes in Net Assets	\$ 17,855,272	\$ 11,767,148	\$ 18,042,849	\$ 9,765,895	\$ 6,542,112	\$ 6,037,381	\$ 6,481,940	\$ 12,794,885	\$ 10,470,074	\$ 13,161,215
Capital Appropriations				3,198,900	3,262,900	3,268,000	3,297,800	2,654,800	2,654,800	2,710,200
Capital Gifts and Grants	41,463	136,726	200,826	133,626	1,051,226	51,226	51,226	1,329,226	261,958	166,726
Total Change in Net Assets	\$ 17,896,735	\$ 11,903,874	\$ 18,243,675	\$ 13,098,421	\$ 10,856,238	\$ 9,356,607	\$ 9,830,966	\$ 16,778,911	\$ 13,386,832	\$ 16,038,141

Source: District Records

**Pima County Community College District
Financial Trends**

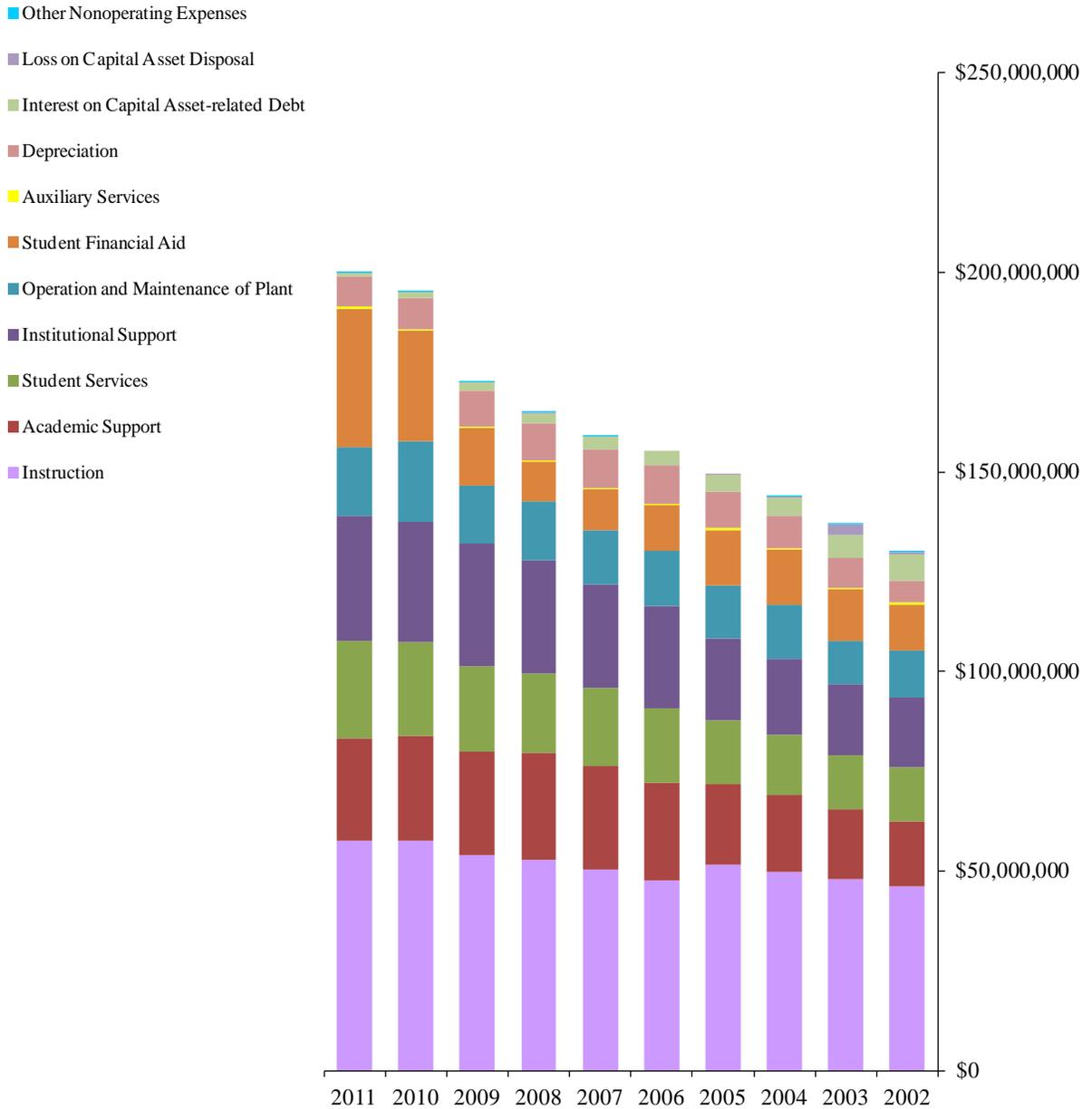
**Schedule of Expenses by Identifiable Activity
Fiscal Years 2011 to 2002**

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Operating Expenses										
Instruction	\$ 57,500,697	\$ 57,464,058	\$ 53,829,194	\$ 52,780,535	\$ 50,358,712	\$ 47,590,586	\$ 51,458,514	\$ 49,763,342	\$ 47,902,100	\$ 46,110,240
Academic Support	25,592,122	26,414,846	26,059,669	26,847,901	25,845,798	24,404,446	20,353,720	19,288,581	17,429,871	16,194,068
Student Services	24,400,835	23,398,419	21,425,318	19,899,674	19,646,698	18,773,819	15,850,844	14,993,217	13,714,265	13,491,171
Institutional Support	31,362,563	30,106,066	30,689,156	28,316,662	25,841,538	25,518,916	20,612,824	19,126,135	17,603,225	17,451,004
Operation and Maintenance of Plant	17,188,038	20,361,539	14,402,725	14,591,818	13,663,309	14,005,767	13,299,786	13,391,180	10,950,863	11,776,256
Student Financial Aid	34,799,330	27,564,234	14,444,634	9,982,314	10,217,749	11,390,995	13,827,818	13,874,635	12,903,217	11,538,248
Auxiliary Enterprises	594,145	441,050	511,708	445,760	442,005	376,163	405,840	400,314	404,040	749,955
Depreciation	7,682,122	7,894,367	8,886,260	9,270,375	9,630,691	9,426,904	9,183,078	7,989,477	7,346,308	5,497,027
Total Operating Expenses	199,119,852	193,644,579	170,248,664	162,135,039	155,646,500	151,487,596	144,992,424	138,826,881	128,253,889	122,807,969
Nonoperating Expenses										
Interest on Capital Asset-Related Debt	882,425	1,461,113	2,081,623	2,589,150	3,171,063	3,747,663	4,346,303	4,732,158	5,780,427	6,443,178
Loss on Capital Asset Disposal	11,914	23,640	21,355	100,080	122,362		101,565	138,012	2,923,462	773,247
Other Nonoperating Expenses	8,773	30,940	138,716	171,472	24,161			49,539	84,520	43,035
Total Nonoperating Expenses	903,112	1,515,693	2,241,694	2,860,702	3,317,586	3,747,663	4,447,868	4,919,709	8,788,409	7,259,460
Total Expenses	\$ 200,022,964	\$ 195,160,272	\$ 172,490,358	\$ 164,995,741	\$ 158,964,086	\$ 155,235,259	\$ 149,440,292	\$ 143,746,590	\$ 137,042,298	\$ 130,067,429

Source: District Records

Pima County Community College District Financial Trends

Graph of Expenses by Identifiable Activity
Fiscal Years 2011 to 2002



Pima County Community College District Financial Trends

Schedule of Revenues by Source Fiscal Years 2011 to 2002

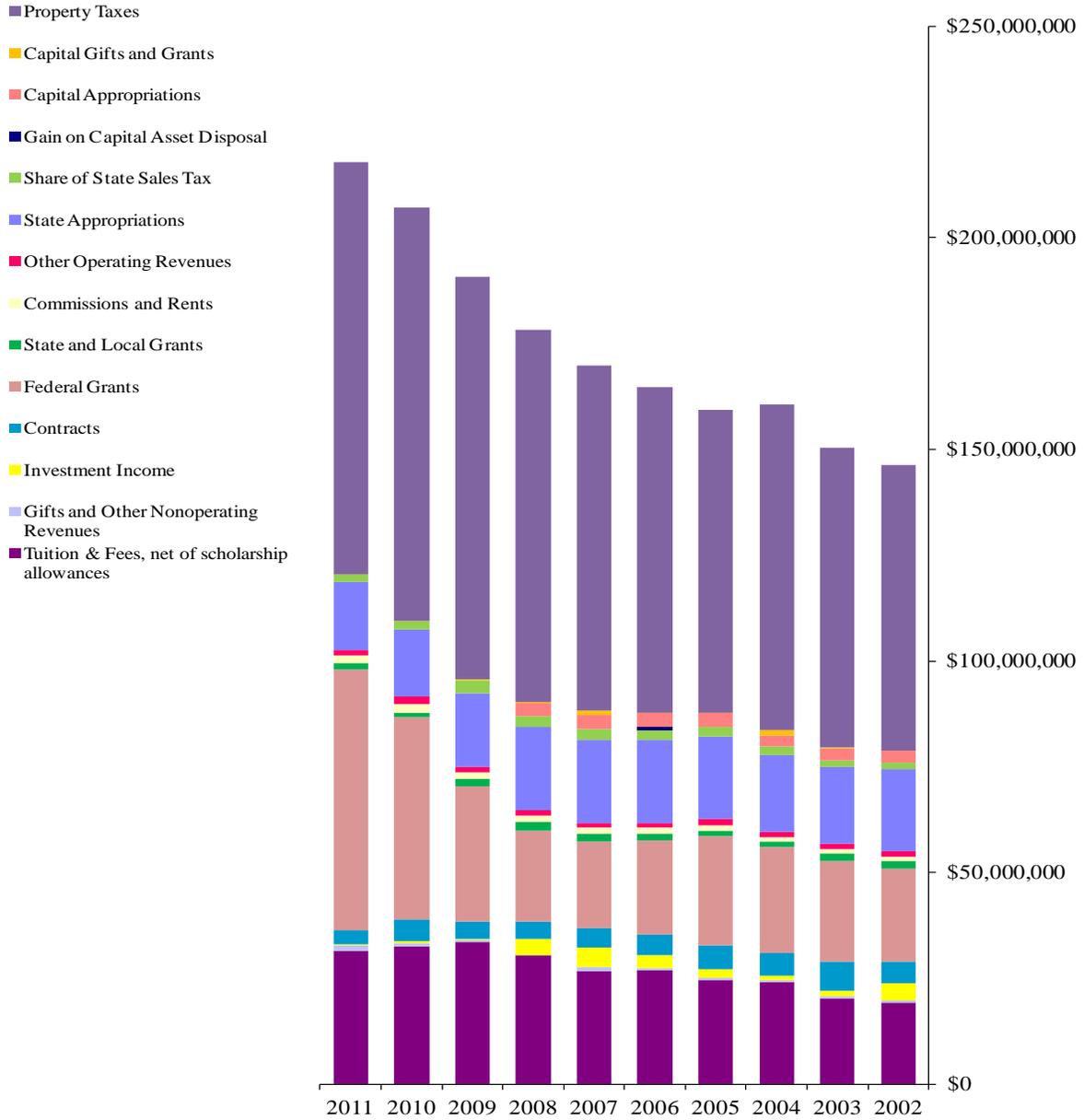
	2011	2010	2009	2008	2007	Fiscal Year 2006	2005	2004	2003	2002
Operating Revenues										
Tuition and Fees, net of scholarship allowances	\$ 31,543,208	\$ 32,359,864	\$ 33,365,932	\$ 30,540,815	\$ 26,598,153	\$ 26,916,148	\$ 24,569,880	\$ 23,923,443	\$ 20,091,395	\$ 19,160,870
Contracts	3,350,861	5,073,714	3,908,570	4,056,206	4,653,215	4,774,704	5,638,159	5,546,986	6,884,060	5,282,596
Commissions and Rents	1,891,920	1,881,242	1,492,245	1,484,209	1,415,147	1,386,225	1,272,341	1,210,544	1,141,535	1,253,423
Other Operating Revenues	1,311,330	1,825,203	1,151,767	1,225,909	1,116,516	1,059,377	1,415,404	1,267,483	1,065,217	1,196,049
Total Operating Revenues	38,097,319	41,140,023	39,918,514	37,307,139	33,783,031	34,136,454	32,895,784	31,948,456	29,182,207	26,892,938
Nonoperating Revenues										
Property Taxes	97,431,336	97,583,761	95,074,188	87,864,083	81,545,867	76,820,090	71,646,214	76,808,328	70,962,776	67,273,353
State Appropriations	15,942,100	15,942,100	17,413,618	19,593,500	19,593,500	19,593,500	19,593,500	18,125,700	18,125,700	19,465,800
Federal Grants	61,762,889	47,861,962	32,131,073	21,535,563	20,516,659	22,279,565	25,711,090	24,845,423	23,764,169	22,008,213
State and Local Grants	1,366,883	996,369	1,730,592	2,111,608	1,796,011	1,673,520	1,473,173	1,267,471	1,741,892	1,581,297
Share of State Sales Tax	1,909,767	1,964,641	3,264,463	2,659,271	2,740,430	2,500,110	2,107,302	1,989,552	1,769,777	1,486,719
Gifts and Other Nonoperating Revenues	1,147,421	961,332	659,580	4,080	1,045,882	444,736	521,017	602,015	506,992	613,289
Investment Income	220,521	477,231	341,179	3,686,392	4,484,818	3,084,756	1,974,152	954,530	1,458,859	3,907,035
Gain on Capital Asset Disposal						739,909				
Capital Appropriations				3,198,900	3,262,900	3,268,000	3,297,800	2,654,800	2,654,800	2,710,200
Capital Gifts and Grants	41,463	136,726	200,826	133,626	1,051,226	51,226	51,226	1,329,226	261,958	166,726
Total Nonoperating Revenues	179,822,380	165,924,122	150,815,519	140,787,023	136,037,293	130,455,412	126,375,474	128,577,045	121,246,923	119,212,632
Total Revenues	\$ 217,919,699	\$ 207,064,145	\$ 190,734,033	\$ 178,094,162	\$ 169,820,324	\$ 164,591,866	\$ 159,271,258	\$ 160,525,501	\$ 150,429,130	\$ 146,105,570

Source: District Records

Note: Data for Contracts, Federal Grants and State and Local Grants was restated beginning fiscal year 2008 to coincide with revised revenue classifications.

Pima County Community College District Financial Trends

Graph of Revenues by Source
Fiscal Years 2011 to 2002



**Pima County Community College District
Revenue Capacity**

Assessed Value and Full Cash Value of All Taxable Property

Last Ten Fiscal Years

Dollars in Thousands

Fiscal Year/Levy Type (1)	Net Assessed Value	Full Cash Values (2)	Ratio of Net Assessed to Full Cash Value
2009/2010 Primary	\$ 8,985,712	\$ 80,593,121	11.15%
2009/2010 Secondary	9,860,981	88,098,754	11.19%
2008/09 Primary	\$8,230,967	\$73,122,499	11.26%
2008/09 Secondary	9,594,862	85,993,246	11.16%
2007/08 Primary	\$7,353,331	\$64,347,659	11.43%
2007/08 Secondary	8,220,396	72,101,321	11.40%
2006/07 Primary	\$6,467,202	\$56,437,790	11.46%
2006/07 Secondary	6,869,955	59,890,229	11.47%
2005/06 Primary	\$5,849,549	\$50,631,267	11.55%
2005/06 Secondary	6,050,950	52,335,111	11.56%
2004/05 Primary	\$5,412,550	\$46,754,009	11.58%
2004/05 Secondary	5,620,156	48,474,537	11.59%
2003/04 Primary	\$5,022,474	\$42,927,737	11.70%
2003/04 Secondary	5,221,271	44,423,165	11.75%
2002/03 Primary	\$4,669,336	\$39,908,791	11.70%
2002/03 Secondary	4,835,561	41,109,997	11.76%
2001/02 Primary	\$4,361,493	\$37,257,921	11.71%
2001/02 Secondary	4,491,395	38,196,337	11.76%
2000/01 Primary	\$4,111,664	\$34,898,941	11.78%
2000/01 Secondary	4,236,070	35,819,691	11.83%

Source: Pima County Department of Finance (June 30, 2010 CAFR)
Pima County Assessor's Office

Notes: (1) Primary - Taxes levied to pay for current operation and maintenance expenses.

Secondary - Taxes levied to pay principal and interest on bonded indebtedness and special district assessments.

(2) Full Cash Value or Secondary Value approximates market value.

**Pima County Community College District
Revenue Capacity**

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

Fiscal Year	Original Real Property Tax Levy	Board Ordered Changes thru 6/30/11	Adjusted Levy	(2) Collections/Payments Initial Tax Year	Percent of Original Levy	(2) Collections/Payments thru 6/30/11	Percent of Adjusted Levy	(3) Taxes Receivable as of 6/30/11
2011	\$83,858,009	(\$65,609)	\$83,792,400	\$79,888,743	95.27%	\$79,888,743	95.34%	\$3,903,657
2010	\$80,612,932	(\$92,903)	\$80,520,029	\$77,256,390	95.84%	\$80,277,130	99.70%	\$242,899
2009	77,538,112	(70,226)	77,467,886	74,356,209	95.90%	77,347,530	99.84%	120,356
2008	71,233,238	(120,032)	71,113,206	68,590,439	96.29%	71,074,665	99.95%	38,541
2007	65,036,724	(61,380)	64,975,344	62,767,895	96.51%	64,962,864	99.98%	12,480
2006	60,651,389	(14,351)	60,637,038	58,642,022	96.69%	60,625,599	99.98%	11,439
2005	57,155,078	(97,219)	57,057,859	55,279,797	96.72%	57,047,690	99.98%	10,169
2004	53,959,971	(190,576)	53,769,395	51,984,279	96.34%	53,754,159	99.97%	15,236
2003	50,866,027	(231,969)	50,634,058	48,822,905	95.98%	50,614,849	99.96%	19,209
2002	47,198,401	(300,000)	46,898,401	45,098,759	95.55%	46,885,936	99.97%	12,465
Totals	\$648,109,881	(\$1,244,265)	\$646,865,616	\$622,687,438		\$642,479,165		\$4,386,451

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

Notes: (1) All amounts shown are for primary property taxes only. Unsecured personal property taxes are not included in this schedule because the dates of the monthly tax rolls vary each year.

Total unsecured personal property tax board ordered changes and collections for fiscal year 2010-11 were \$0.00 and \$3,313,368 respectively, for tax years 2002 through 2010, including rolls and cycles through June 30, 2011. The total outstanding levy at June 30, 2011 for the period cited stands at \$396,913.

(2) Amounts collected are on a cash basis.

(3) Represents the difference between the adjusted levy and collected to June 30, 2011.

**Pima County Community College District
Revenue Capacity**

Schedule of Principal Property Taxpayers

Last Ten Years as of 2010 (1)

Dollars in Thousands

<u>Employer</u>	<u>2010</u>			<u>2009</u>			<u>2008</u>			<u>2007</u>			<u>2006</u>		
	<u>Estimated Assessed Value (2)</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>	<u>Estimated Assessed Value (2)</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>	<u>Estimated Assessed Value (2)</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>	<u>Estimated Assessed Value (2)</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>	<u>Estimated Assessed Value (2)</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>
Tucson Electric Power	\$164,363	1	1.8%	\$158,764	2	1.6%	\$153,431	2	1.6%	\$150,771	1	1.6%	\$143,362	1	1.7%
Phelps Dodge	89,289	2	1.0%	198,694	1	2.0%	156,780	1	1.6%	93,656	3	1.0%	55,176	4	0.7%
Southwest Gas Corporation	65,879	3	0.7%	64,775	4	0.7%	63,698	4	0.6%	62,919	4	0.7%	62,846	3	0.8%
QWEST	55,076	4	0.6%	74,646	3	0.8%	87,000	3	0.9%	94,300	2	1.0%	87,093	2	1.1%
ASARCO LLC	28,878	5	0.3%	20,042	8	0.2%									
TRICO	21,208	6	0.2%	21,029	7	0.2%	18,816	9	0.2%	18,044	8	0.2%	14,806	10	0.2%
DND Neffson (Tucson Mall)	17,715	7	0.2%	18,888	10	0.2%	21,013	8	0.2%	19,897	7	0.2%	19,087	7	0.2%
Northwest Hospital	17,097	8	0.2%												
Arizona Portland Cement	16,635	9	0.2%	27,561	6	0.3%	23,593	7	0.2%	23,468	6	0.2%	22,858	5	0.3%
Star Pass Resorts	16,582	10	0.2%	19,384	9	0.2%	15,889	10	0.2%	15,280	10	0.2%	17,068	8	0.2%
ASARCO Mining				63,572	5	0.6%	44,047	5	0.4%						
Raytheon Missile Systems							33,833	6	0.3%	58,987	5	0.6%	21,665	6	0.3%
Westin La Paloma										15,959	9	0.2%	15,504	9	0.2%
Total Top Ten	\$492,722		5.4%	\$667,355		6.8%	\$618,100		6.5%	\$553,281		6.6%	\$459,465		6.6%

Source: Pima County Department of Finance (June 30, 2010 CAFR)

Notes: (1) June 30, 2011 statistics were unavailable at time of publication.

(2) Secondary Assessed Valuation for Tax Year

\$9,342,561

\$9,860,981

\$9,594,862

\$8,220,396

\$6,869,955

**Pima County Community College District
Revenue Capacity**

Schedule of Principal Property Taxpayers (continued)

Last Ten Years as of 2010 (1)

Dollars in Thousands

<u>Employer</u>	<u>2005</u>			<u>2004</u>			<u>2003</u>			<u>2002</u>			<u>2001</u>		
	<u>Estimated Assessed Value (2)</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>	<u>Estimated Assessed Value (2)</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>	<u>Estimated Assessed Value (2)</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>	<u>Estimated Assessed Value (2)</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>	<u>Estimated Assessed Value (2)</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>
Tucson Electric Power	\$145,937	1	2.1%	\$125,597	1	3.0%	\$122,499	1	2.2%	\$137,315	1	2.6%	\$136,337	1	2.8%
Phelps Dodge	21,209	6	0.3%	15,250	7	0.4%	14,375	8	0.3%	18,250	6	0.3%			
Southwest Gas Corporation	62,970	3	0.9%	59,528	3	1.4%	55,710	3	1.0%	53,668	3	1.0%	51,214	3	1.1%
QWEST	104,468	2	1.5%	104,944	2	2.5%	108,829	2	1.9%	87,757	2	1.7%	84,382	2	1.7%
ASARCO LLC															
TRICO				12,925	10	0.3%	11,467	10	0.2%						
DND Neffson (Tucson Mall)	22,377	5	0.3%	19,364	5	0.5%	18,703	5	0.3%	18,733	5	0.4%	19,362	4	0.4%
Northwest Hospital															
Arizona Portland Cement	22,459	4	0.3%	21,296	4	0.5%	19,990	4	0.4%	18,213	7	0.3%	16,614	6	0.3%
Star Pass Resorts															
ASARCO Mining										27,736	4	0.5%	18,911	5	0.4%
Raytheon Missile Systems	16,069	8	0.2%	13,895	9	0.3%	13,290	9	0.2%	13,349	10	0.3%	13,642	9	0.3%
Westin La Paloma	16,358	7	0.2%	15,943	6	0.4%	16,057	6	0.3%	16,703	8	0.3%	16,183	7	0.3%
El Conquistador	13,653	10	0.2%	14,655	8	0.3%	14,461	7	0.3%	13,898	9	0.3%	13,632	10	0.3%
AT&T													14,292	8	0.3%
HDP Northwest	14,708	9	0.2%												
Total Top Ten	\$ 440,208		7.3%	\$ 403,397		7.2%	\$ 395,381		7.7%	\$ 405,622		8.4%	\$ 384,569		8.5%

Source: Pima County Department of Finance (June 30, 2010 CAFR)

Notes: (1) June 30, 2011 statistics were unavailable at time of publication.

(2) Secondary Assessed Valuation for Tax Year

\$6,050,950

\$5,620,156

\$ 5,221,271

\$ 4,835,561

\$4,491,395

Pima County Community College District Revenue Capacity

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

Fiscal Year	Pima County Community College District	State of Arizona	Central Arizona Water Conservation District	(1)			(2)	
				Pima County	Flood Control District	County Library District	Education Assistance	Cortaro-Marana Irrigation District
2010	1.0848 (4)	0.0000	0.1000	4.1063	0.2635	0.3100	0.3564	66.0000
2009	1.0770 (4)	0.0000	0.1000	4.0639	0.2635	0.2643	0.3306	66.0000
2008	1.1355 (4)	0.0000	0.1000	4.0374	0.2935	0.3393	0.0000	66.0000
2007	1.1845 (4)	0.0000	0.1000	4.3253	0.3446	0.3975	0.0000	65.0000
2006	1.2515 (4)	0.0000	0.1200	4.5985	0.3746	0.3675	0.0000	60.0000
2005	1.3114 (4)	0.0000	0.1200	4.8290	0.3746	0.2575	0.4358	60.0000
2004	1.3428 (4)	0.0000	0.1200	4.9297	0.3546	0.2124	0.4560	60.0000
2003	1.4884 (4)	0.0000	0.1200	4.9311	0.3546	0.2124	0.4717	50.0000
2002	1.5333 (4)	0.0000	0.1300	4.9328	0.3546	0.2124	0.4889	24.7500
2001	1.5470 (4)	0.0000	0.1300	5.0158	0.3546	0.2124	0.4974	24.7500

Fiscal Year	(2) Flowing Wells Irrigation District	(2) Silverbell Irrigation District	City of Tucson	City of South Tucson	(3) Mobile Home Relocation District	(5) Towns Other	School Districts	
							From	To
2010	19.3500	3.0000	0.9550	0.1999		7.0000	1.4797	7.0689
2009	19.3500	3.0000	0.9344	0.2035		6.4000	1.3726	7.6340
2008	19.3500	3.0000	0.9601	0.2143		6.4000	1.4622	7.8009
2007	12.9000	3.0000	1.1321	0.2258		6.4000	1.6020	8.1490
2006	12.9000	3.0000	1.2257	0.2383		3.1000	1.7394	9.1529
2005	12.9000	3.0000	1.2364	0.2383		2.8000	1.8090	8.6482
2004	12.9000	3.0000	1.1847	0.2383		2.8000	1.8931	8.4846
2003	10.4000	3.0000	1.1569	0.2513		0.3751	1.9583	9.1041
2002	10.4000	3.0000	1.1202	0.2706			2.0296	9.6945
2001	10.4000	3.0000	1.1202	0.2828	0.5000		2.0647	10.3706

Source: Pima County Department of Finance (June 30, 2010 CAFR)

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

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

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

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

(5) The 2003/04 figure represents the aggregate rate for the Towns of Casa Adobes and Tortolita incorporation.

2004/05 & 2005/06 figures represent the rate for the Community Facilities District of Gladden Farms.

The 2006/07 figure represents the aggregate rate for the Community Facilities Districts of Gladden Farms and Vanderbilt Farms.

2007/08, 2008/09 and 2009/2010 figures represent the Community Facilities Districts of Gladden Farms, Vanderbilt Farms and Quail Creek.

The 2010 figure represents the aggregate rate for the Community Facilities Districts of: Gladden Farms, Vanderbilt Farms, Quail Creek,

Gladden Farms Phase II and Saguaro Springs.

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

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

(6) June 30, 2011 statistics were unavailable at time of publication.

**Pima County Community College District
Revenue Capacity**

**Schedule of Tuition
Last Ten Fiscal Years**

Academic Year Beginning (1)	Full-Time Tuition & Fees (2) (3)		Tuition per Credit Hour	
	<u>In State (4)</u>	<u>Out of State (5)</u>	<u>In State</u>	<u>Out of State (6)</u>
Fall 2010	\$ 1,760	\$ 8,225	\$ 53.50	\$ 269.00
Fall 2009	1,685	7,910	51.50	259.00
Fall 2008	1,625	7,610	49.50	249.00
Fall 2007	1,565	7,235	47.00	236.00
Fall 2006	1,475	7,025	46.00	231.00
Fall 2005	1,415	6,725	44.00	213.00
Fall 2004	1,345	6,415	42.00	211.00
Fall 2003	1,102	6,172	42.00	211.00
Fall 2002	1,024	5,794	39.00	198.00
Fall 2001	959	5,504	36.50	188.00

Source: District Records

- Notes:** (1) Tuition rate changes are effective beginning the fall term each year.
(2) These amounts are for full-time students with an academic year of 30 credit-hours.
(3) Amounts include processing fees of \$20 per year beginning in 2005 and \$10 per year for all prior years; student activity fees of \$2.50 per credit hour in 2004 - 2007, \$2.00 per credit hour in 2008 - 2010, and \$2.50 per credit hour beginning in fall 2010; and technology fees of \$2.00 per credit hour beginning in 2007.
Course fees vary by course and are not included.
(4) For years prior to 2004, tuition cost for 13 to 18 credits was a flat amount and not on a per credit hour basis.
(5) For years prior to 2004, tuition cost for 13 to 18 credits was a flat amount, plus an additional amount per credit hour.
(6) Rates shown are for 7 or more credit hours.

**Pima County Community College District
Debt Capacity**

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Bonded Debt										
Total General Bonded Debt	\$ 5,100	\$ 14,635	\$ 27,335	\$ 39,905	\$ 51,155	\$ 61,730	\$ 71,675	\$ 80,785	\$ 94,215	\$ 107,550
Per Headcount	\$ 0.08	\$ 0.24	\$ 0.44	\$ 0.64	\$ 0.82	\$ 0.99	\$ 1.16	\$ 1.33	\$ 1.38	\$ 1.61
Per FTSE	\$ 0.22	\$ 0.66	\$ 1.31	\$ 1.97	\$ 2.58	\$ 3.09	\$ 3.51	\$ 3.96	\$ 4.57	\$ 5.65
Per Capita (Pima County)	\$ 0.00	\$ 0.01	\$ 0.03	\$ 0.04	\$ 0.05	\$ 0.06	\$ 0.08	\$ 0.09	\$ 0.10	\$ 0.12
Other Debt										
Revenue Bonds	\$ -	\$ -	\$ 100	\$ 200	\$ 480	\$ 1,345	\$ 2,440	\$ 3,470	\$ 4,470	\$ 5,415
Capital Lease Obligations	3,615	3,855	4,080	4,295	4,505	4,705	4,900	0	109	319
Certificates of Ownership of Supplemental Interest									725	
Revenue Refunding Obligations	0	0	0	0	1,510	2,950	4,320	5,620	6,870	8,070
Certificates of Participation										
Total Outstanding Debt	<u>\$ 8,715</u>	<u>\$ 18,490</u>	<u>\$ 31,515</u>	<u>\$ 44,400</u>	<u>\$ 57,650</u>	<u>\$ 70,730</u>	<u>\$ 83,335</u>	<u>\$ 89,875</u>	<u>\$ 106,389</u>	<u>\$ 121,354</u>
Per Headcount	\$ 0.14	\$ 0.30	\$ 0.51	\$ 0.72	\$ 0.92	\$ 1.14	\$ 1.35	\$ 1.48	\$ 1.55	\$ 1.82
Per FTSE	\$ 0.38	\$ 0.84	\$ 1.51	\$ 2.20	\$ 2.91	\$ 3.54	\$ 4.09	\$ 4.40	\$ 5.16	\$ 6.38
Per Capita (Pima County)	\$ 0.01	\$ 0.02	\$ 0.03	\$ 0.04	\$ 0.06	\$ 0.07	\$ 0.09	\$ 0.10	\$ 0.12	\$ 0.14

Source: District Records

**Pima County Community College District
Debt Capacity**

Revenue Bond Coverage
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Revenue:</u>		<u>Debt Service Requirements</u>		<u>Coverage</u>
	<u>Registration & Other Student Fees (2)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2011	\$13,746,061	\$0	\$0	\$0	N/A
2010	12,420,570	\$0	\$0	\$0	N/A
2009	12,726,254	100,000	14,000	114,000	111.63
2008	12,173,479	100,000	21,000	121,000	100.61
2007	11,142,229	1,690,000	107,900	1,797,900	6.20
2006	11,376,931	2,305,000	224,425	2,529,425	4.50
2005	11,103,905	2,465,000	353,840	2,818,840	3.94
2004	9,376,459	2,330,000	474,970	2,804,970	3.34
2003	8,703,780	2,250,000	579,155	2,829,155	3.08
2002	8,206,759	2,145,000	627,398	2,772,398	2.96
Totals	<u>110,976,427</u>	<u>13,385,000</u>	<u>2,402,688</u>	<u>15,787,688</u>	

Source: District Records

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

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

**Pima County Community College District
Debt Capacity**

Ratio of General Bonded Debt to Assessed Value and Net Bonded Debt per Capita

Last Ten Fiscal Years, as of June 30, 2010 (1)

Dollars in Thousands

Fiscal Year	General Obligation Bond Debt	Secondary Net Assessed Value	Percent Net General Bond Debt to Assessed Value	Population at July 1	Net General Bonded Debt per Capita
2010	\$ 14,635	\$ 9,860,981	0.15%	1,030,700	\$ 0.01
2009	27,335	9,594,862	0.28%	1,017,200	0.03
2008	39,905	8,220,396	0.49%	1,016,600	0.04
2007	51,155	6,896,955	0.74%	1,002,800	0.05
2006	61,730	6,050,950	1.02%	983,600	0.06
2005	71,675	5,620,156	1.28%	954,300	0.08
2004	80,785	5,221,271	1.55%	928,500	0.09
2003	94,215	4,835,561	1.95%	908,400	0.10
2002	107,550	4,491,395	2.39%	888,100	0.12
2001	131,450	4,236,070	3.10%	868,100	0.15

Source: District Records, secondary net assessed values from Pima County Department of Finance (June 30, 2010 CAFR) and population from the Arizona Department of Economic Security, Research Administration

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

(1) June 30, 2011 statistics were unavailable at time of publication.

**Pima County Community College District
Debt Capacity**

**Computation of Direct and Overlapping Governmental Debt Outstanding
At June 30, 2010**

Dollars in thousands

<u>Governmental unit</u>	<u>Debt Outstanding</u>	<u>Amount Overlapping</u> (3)
Debt repaid with property tax (1)		
City of Tucson	\$ 254,076	\$ 254,076
School Districts	609,939	<u>609,939</u>
Total Overlapping		<u>\$ 864,015</u>
Debt repaid with property tax		
Pima County (2)	\$ 420,261	\$ 420,261
Pima County Community College District	14,635	<u>14,635</u>
Total Direct		<u>\$ 434,896</u>
Other Debt:		
Capital Lease Obligations	\$ 3,855	<u>\$ 3,855</u>
Total other debt		<u>\$ 3,855</u>
Total direct and overlapping debt		<u><u>\$ 1,302,766</u></u>

Source: District Records and Pima County Department of Finance (June 30, 2010 CAFR)

Notes: (1) June 30, 2011 amounts were unavailable at the time of publication

(2) Excludes improvement districts

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

**Pima County Community College District
Debt Capacity**

Ratio of Direct and Overlapping Debt to Property Values and per Capita

Last Ten Fiscal Years, as of June 30, 2010 (1)

Dollars in Thousands

Fiscal Year	Total Overlapping Debt (2)	Secondary Net Assessed Value	Percentage of Assessed Value	Population at July 1	Debt per Capita
2010	\$ 1,302,802	\$ 9,860,981	13.21%	1,070,723	\$ 1.22
2009	1,213,050	9,594,862	12.64%	1,048,796	1.16
2008	1,137,114	8,220,396	13.83%	1,026,506	1.11
2007	1,107,662	6,869,955	16.12%	1,003,918	1.10
2006	1,146,388	6,050,950	18.95%	961,519	1.19
2005	1,185,435	5,620,156	21.09%	943,795	1.26
2004	1,091,892	5,221,271	20.91%	926,052	1.18
2003	1,129,103	4,835,561	23.35%	908,227	1.24
2002	1,134,289	4,491,395	25.25%	890,356	1.27
2001	1,135,282	4,236,070	26.80%	872,394	1.30

Source: Pima County Department of Finance (June 30, 2010 CAFR)

Note: (1) June 30, 2011 statistics were unavailable at the time of publication

**Pima County Community College District
Debt Capacity**

Legal Debt Margin
Last Ten Fiscal Years
Dollars in Thousands

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Assessed Value	\$ 9,342,561	\$ 9,860,981	\$ 9,594,862	\$ 8,220,396	\$ 6,869,955	\$ 6,050,950	\$ 5,620,156	\$ 5,221,271	\$ 4,835,561	\$ 4,491,395
Legal Debt Margin										
Debt Limit (15% of assessed value)	1,401,384	1,479,147	1,439,229	1,233,059	1,030,493	907,643	843,023	783,191	725,334	673,709
Debt applicable to limit:										
General obligation bonds	5,100	14,635	27,335	39,905	51,155	61,730	71,675	80,785	94,215	107,550
Certs of Supplemental Interest									725	
Leases	3,615	4,451	4,701	5,390	5,988	5,821	6,310	1,699	1,944	2,560
Total net debt applicable to the limit	<u>8,715</u>	<u>19,086</u>	<u>32,036</u>	<u>45,295</u>	<u>57,143</u>	<u>67,551</u>	<u>77,985</u>	<u>82,484</u>	<u>96,884</u>	<u>110,110</u>
Legal debt margin	<u>\$ 1,392,669</u>	<u>\$ 1,460,061</u>	<u>\$ 1,407,193</u>	<u>\$ 1,187,764</u>	<u>\$ 973,350</u>	<u>\$ 840,092</u>	<u>\$ 765,038</u>	<u>\$ 700,707</u>	<u>\$ 628,450</u>	<u>\$ 563,599</u>
Total net debt applicable to the limit as a percentage of debt limit.	0.62%	1.29%	2.23%	3.67%	5.55%	7.44%	9.25%	10.53%	13.36%	16.34%

Source: District records

Pima County Community College District Demographic and Economic Information

Schedule of Principal Employers Last Ten Years

Employer	2011			2010			2009			2008			2007		
	FTE (1)	Rank	Percent of Total County Employment	FTE (1)	Rank	Percent of Total County Employment	FTE (1)	Rank	Percent of Total County Employment	FTE (1)	Rank	Percent of Total County Employment	FTE (1)	Rank	Percent of Total County Employment
Raytheon Missile Systems	10,500	1	2.2%	12,140	1	2.5%	11,539	1	2.4%	12,515	1	2.7%	11,184	1	2.5%
University of Arizona	10,481	2	2.2%	10,363	2	2.1%	10,575	2	2.2%	10,535	3	2.3%	10,354	2	2.3%
State of Arizona	8,866	3	1.8%	8,708	3	1.8%	9,329	3	1.9%	10,754	2	2.3%	9,927	3	2.2%
Davis-Monthan Air Force Base	8,462	4	1.7%	7,755	4	1.6%	7,509	4	1.5%	7,701	5	1.7%	8,233	5	1.8%
Wal-Mart Stores Inc.	7,308	5	1.5%	7,192	5	1.5%	6,715	6	1.4%	5,805	10	1.3%	5,625	9	1.2%
Tucson Unified School District No. 1	6,709	6	1.4%	7,012	6	1.4%	7,227	5	1.5%	8,018	4	1.7%	7,419	6	1.6%
Pima County	6,403	7	1.3%	6,511	7	1.3%	6,235	8	1.3%	6,954	6	1.5%	7,290	7	1.6%
U.S. Army Intelligence Center and Fort Huachuca	6,225	8	1.3%	6,236	8	1.3%	6,463	7	1.3%	6,701	7	1.5%	9,119	4	2.0%
UA Healthcare	5,982	9	1.2%												
City of Tucson	4,930	10	1.0%	5,399	9	1.1%	5,635	10	1.2%	5,848	8	1.3%	5,848	8	1.3%
Carondelet Health Network				4,566	10	0.9%									
Freeport-McMoRan Copper & Gold Inc. (2)							5,987	9	1.2%	5,840	9	1.3%	4,900	10	1.1%
Tohono O'odham Nation															
Total	75,866		15.6%	75,882		15.5%	77,214		15.8%	80,671		17.6%	79,899		17.6%
Total Work Force	485,800			488,500			486,400			459,200			453,500		

Source: Current year: "The Star 200" - The Arizona Daily Star, www.azstarnet.com Previous years: Pima County Department of Finance (June 30, 2010 CAFR)

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

(2) Formerly Phelps Dodge Mining Co.

**Pima County Community College District
Demographic and Economic Information**

Schedule of Principal Employers (continued)
Last Ten Years

<u>Employer</u>	<u>2006</u>			<u>2005</u>			<u>2004</u>			<u>2003</u>			<u>2002</u>		
	<u>FTE (1)</u>	<u>Rank</u>	<u>Percent of Total County Employment</u>	<u>FTE (1)</u>	<u>Rank</u>	<u>Percent of Total County Employment</u>	<u>FTE (1)</u>	<u>Rank</u>	<u>Percent of Total County Employment</u>	<u>FTE (1)</u>	<u>Rank</u>	<u>Percent of Total County Employment</u>	<u>FTE (1)</u>	<u>Rank</u>	<u>Percent of Total County Employment</u>
Raytheon Missile Systems	10,756	2	2.4%	10,300	3	2.3%	10,171	2	2.4%	10,100	3	2.4%	10,400	3	2.6%
University of Arizona	10,282	3	2.3%	10,348	2	2.3%	10,078	3	2.3%	11,335	2	2.7%	11,606	1	2.9%
State of Arizona	9,742	4	2.2%	9,750	4	2.2%	9,753	4	2.3%	9,732	5	2.3%	9,932	4	2.5%
Davis-Monthan Air Force Base	8,233	5	1.9%	8,727	5	2.0%	7,692	5	1.8%	9,947	4	2.3%	9,200	5	2.3%
Wal-Mart Stores Inc.	4,980	9	1.1%	4,595	9	1.0%	4,420	9	1.0%	4,000	9	0.9%	3,800	9	1.0%
Tucson Unified School District No. 1	7,623	6	1.7%	7,684	6	1.7%	7,690	6	1.8%	8,234	6	1.9%	8,278	6	2.1%
Pima County	6,765	7	1.5%	6,767	7	1.5%	6,987	7	1.6%	7,135	7	1.7%	7,175	7	1.8%
U.S. Army Intelligence Center and Fort Huachuca	13,098	1	3.0%	12,250	1	2.8%	11,939	1	2.8%	11,580	1	2.7%	10,969	2	2.8%
UA Healthcare															
City of Tucson	5,306	8	1.2%	6,757	8	1.5%	5,495	8	1.3%	6,168	8	1.5%	5,933	8	1.5%
Carondelet Health Network															
Freeport-McMoRan Copper & Gold Inc. (2)	4,123	10	0.9%	4,500	10	1.0%							3,783	10	1.0%
Tohono O'odham Nation							3,515	10	8.0%	3,375	10	8.0%			
Total	80,908		18.2%	81,678		18.3%	77,740		25.3%	81,606		26.4%	81,076		20.5%
Total Work Force	443,300			443,100			431,400			424,400			397,900		

Source: "The Star 200" - The Arizona Daily Star, www.azstarnet.com. Previous years: Pima County Department of Finance (June 30, 2010 CAFR)

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

(2) Formerly Phelps Dodge Mining Co.

**Pima County Community College District
Demographic and Economic Information**

Schedule of Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	County Population	Countywide Personal Income (in thousands)	Countywide Personal Income per Capita	Countywide Unemployment Rate
2011	976,900	\$36,696,700	\$35,885	9.1%
2010	1,030,700	\$34,974,000	\$33,931	8.6%
2009	1,017,200	\$32,898,000	\$32,343	7.9%
2008	1,016,600	\$33,009,000	\$32,470	4.7%
2007	1,002,800	\$30,899,000	\$30,813	3.3%
2006	983,600	\$28,421,000	\$28,894	4.4%
2005	954,300	\$26,161,000	\$27,412	4.1%
2004	928,500	\$24,327,000	\$26,201	3.7%
2003	908,400	\$22,645,000	\$24,928	4.5%
2002	888,100	\$22,236,000	\$25,036	4.8%

Source: Personal income data and unemployment rate obtained from "Arizona Economy" magazine, September 2011: Fall Issue, <http://www.ebr.eller.arizona.edu>

**Pima County Community College District
Operating Information**

Administrators, Faculty and Staff Statistics
Last Ten Fiscal Years

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Administrators										
Regular	53	53	53	62	56	56	51	48	48	48
Faculty										
Regular	392	388	389	387	362	380	380	361	378	378
Adjunct	772	742	703	629	551	564	639	533	464	464
Staff										
Regular	1,037	1,016	1,047	1,023	927	1,020	1,017	1,059	1,043	1,022
Temporary	197	206	203	177	190	189	241	198	192	192
Student	33	52	54	47	72	97	95	103	122	122

Source: District Records

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

Pima County Community College District Operating Information

Admissions, Enrollment and Degree Statistics Last Ten Fiscal Years

	Fiscal Year									
	2011 (1)	2010	2009	2008	2007	2006	2005	2004	2003	2002
Students Statistics										
Part-Time %	66%	66%	71%	72%	72%	70%	69%	70%	72%	73%
Full-Time %	34%	34%	29%	28%	28%	30%	31%	30%	28%	27%
Degrees Awarded %	2,282	2,162	2,232	2,359	2,080	1,918	1,833	1,742	1,527	1,407
Certificates Awarded %	2,775	2,471	2,314	2,094	2,553	2,836	2,135	2,409	2,286	2,052
Ethnicity										
Hispanic/Latino %	30%	27%	27%	28%	30%	30%	30%	30%	29%	29%
Black or African American %	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Asian %	4%	4%	3%	3%	4%	4%	4%	4%	4%	3%
American Indian or Alaska Native %	2%	3%	3%	2%	2%	2%	3%	3%	3%	4%
Two or More Races %	4%									
White %	47%	52%	53%	54%	54%	56%	56%	55%	56%	56%
Not Reported %	9%	10%	10%	9%	6%	4%	3%	4%	4%	4%
Gender										
Male %	44%	45%	45%	42%	41%	42%	42%	42%	42%	43%
Female %	54%	53%	54%	56%	57%	56%	56%	56%	55%	55%
Not Reported %	2%	2%	1%	2%	2%	2%	2%	2%	3%	2%

Source: District Records

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

**Pima County Community College District
Operating Information**

**Historic Enrollment – Headcount and Full Time Student Equivalent
Last Ten Fiscal Years**

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
HEADCOUNT										
Total District	62,973	61,961	62,306	61,925	62,360	62,252	61,769	60,820	68,425	66,636
	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
FTSE										
Campus										
Community	2,902	2,860	3,165	2,871	2,846	3,085	3,166	3,491	4,532	4,030
Desert Vista	2,373	2,045	1,732	1,602	1,527	1,574	1,707	1,650	1,699	1,557
Downtown	4,441	4,346	3,922	3,909	3,704	3,776	3,974	4,155	4,295	3,892
East	3,520	3,461	3,142	2,997	2,946	3,017	3,186	2,676	2,640	2,465
Northwest	2,987	2,756	2,317	2,072	1,862	1,792	1,793	1,406	39	
West	5,886	5,787	5,417	5,340	5,358	5,438	5,463	5,754	6,102	5,788
Center for Training & Dev.	342	245	234	145	231	324	314	443	565	532
Public Safety Institute	455	521	960	1,286	1,332	987	790	850	739	762
Total District	<u>22,906</u>	<u>22,021</u>	<u>20,889</u>	<u>20,222</u>	<u>19,806</u>	<u>19,993</u>	<u>20,393</u>	<u>20,425</u>	<u>20,611</u>	<u>19,026</u>

Source: District Records

**Pima County Community College District
Operating Information**

Schedule of Capital Asset Information
Fiscal Years 2011 to 2002

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Computer / Audio Visual	\$ 8,417,256	\$ 9,582,667	\$ 8,855,484	\$ 9,871,571	\$ 11,279,651	\$ 11,279,956	\$ 10,325,677	\$ 10,780,400	\$ 9,009,753	\$ 8,775,011
Education & Recreation	1,113,565	1,146,282	1,124,515	1,118,262	1,154,934	1,164,172	1,181,762	1,276,679	1,016,770	1,023,835
Library Books	7,089,440	6,839,290	7,008,859	6,820,816	6,500,768	6,216,833	5,942,433	5,739,631	5,436,804	5,053,251
Medical & Technical	5,421,527	5,203,044	4,775,005	3,749,130	3,172,234	2,632,126	2,467,733	2,164,740	951,552	733,811
Office Equipment & Furniture	563,088	917,161	1,205,699	1,470,064	1,634,443	1,809,859	1,821,137	1,858,525	1,722,607	1,420,425
Other	2,134,436	1,912,687	2,033,173	1,819,891	1,600,723	1,534,580	1,382,323	1,450,730	1,482,029	1,489,942
Physical Plant	2,242,137	2,208,687	2,225,582	1,369,761	1,411,883	1,388,668	1,636,206	1,612,443	1,442,282	1,141,014
Vehicles	3,332,506	3,374,845	3,168,611	3,091,815	3,044,515	2,749,032	2,533,637	2,211,796	1,976,372	1,800,399
Buildings	178,480,684	178,365,580	177,745,881	177,636,152	177,520,132	177,520,132	177,124,410	172,885,025	150,444,749	115,681,986
Construction in Progress	171,778	-	325,611	255,736	17,749	25,831	405,252	2,183,537	20,411,328	44,101,256
Land	10,971,088	10,971,088	10,971,088	10,971,088	10,971,088	10,971,088	11,065,383	11,065,383	11,065,383	11,065,383
Land Improvements	4,320,223	4,320,223	4,320,223	4,320,223	4,320,223	4,320,223	4,301,476	2,340,546	2,340,546	1,569,615
Leasehold Improvements	3,385,100	3,385,100	3,385,100	3,385,100	3,385,100	3,385,100	3,385,100	2,585,100	2,585,100	2,460,062
	<u>\$ 227,642,828</u>	<u>\$ 228,226,654</u>	<u>\$ 227,144,831</u>	<u>\$ 225,879,609</u>	<u>\$ 226,013,443</u>	<u>\$ 224,997,600</u>	<u>\$ 223,572,529</u>	<u>\$ 218,154,535</u>	<u>\$ 209,885,275</u>	<u>\$196,315,990</u>

Source: District Records

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

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

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

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

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