



COCHISE COLLEGE

**COMPREHENSIVE
ANNUAL**

Financial Report



**Fiscal Year Ended
June 30, 2010**

Cochise County
Community College District
Douglas, Arizona



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Cochise County Community College District
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2010

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COCHISE COLLEGE

Creating opportunities...changing lives.



COCHISE COLLEGE

INTRODUCTORY
Section





COCHISE COLLEGE

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December 1, 2010

To the Citizens of Cochise County:



I am pleased to present to you the FY 2010 Comprehensive Annual Financial Report (CAFR) for the Cochise County Community College District (the District). This report describes the financial operation of the District and provides you, the taxpayer, evidence that the District takes its fiduciary charge to be a responsible steward of the monies entrusted to it very seriously. We are living in an interesting time - never have the services of Cochise College been more essential to the well being of our communities, our state and our great nation. We seek to fulfill the District's lofty mission of enhancing the quality of life by providing accessible educational opportunities that lead to constructive citizenship, meaningful careers, and lifelong learning. We are committed to making a difference in the lives of our students and in the communities we serve. We strive to offer a wide array of educational and support programs that meet the needs of Cochise County citizens. Since its founding in 1962, the District has provided accessible and affordable opportunities to thousands of students. The District has grown from a single campus organization to a comprehensive community college district with two full service campuses, Douglas and Sierra

Vista, and three additional educational centers located in Benson, Willcox, and on Ft. Huachuca. Through an intergovernmental agreement with the Santa Cruz County Board of Supervisors, the District has also provided educational services to the citizens of Santa Cruz County. The District has developed an online campus to provide students with learning opportunities beyond the boundaries of time and place. Increasing access to affordable educational opportunities has been at the core of the District's mission from its inception.

FY 2010 was another record year for enrollment, as the District's full-time student equivalents reached 8,586, surpassing the prior year by nearly 12 percent while several thousand more students were served through non-credit programs. We anticipate continued enrollment growth in the years to come as students and communities reposition themselves for the challenges of the coming decade. The District places a strong emphasis on balancing the cost of an affordable education with providing a solid asset base to best position the District for a bright future.

With this philosophy in mind, the District has completed over \$50 million of new construction and refurbishment of its facilities across the county. These improvements will provide quality learning environments appropriate for today's teaching and learning. The District's sound financial management practices have earned an A3 rating from Moody's Investors Services, a rating which provides financial flexibility as plans for the future continue to be developed.

As you read this Comprehensive Annual Financial Report, I hope you will agree that FY 2010 represented another year when the Cochise County Community College District served its taxpayers well and used its resources wisely.

Sincerely,

J.D. Rottweiler, Ph.D.
President



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December 1, 2010

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

We are pleased to provide you with the Comprehensive Annual Financial Report (CAFR) of the Cochise County Community College District (the District), Douglas, Arizona, for the fiscal year ended June 30, 2010 (FY 2010).

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

District management is responsible for establishing and maintaining internal controls designed to ensure that assets are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting as established by the Government Accounting Standards Board (GASB).

This CAFR is presented in three sections: Introductory, Financial and Statistical. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officers. The financial section includes the independent auditors' report, the Management's Discussion and Analysis (MD&A), the basic financial statements and supplemental financial information. The auditing firm of William Dobridge, CPA, P.C., has issued an unqualified opinion on the District's financial statements for the year ended June 30, 2010. The MD&A, which provides a narrative overview and analysis of the basic financial statements, complements this transmittal letter and should be read in conjunction with it. Finally, the statistical section includes selected unaudited financial and demographic information, generally presented on a multi-year basis.

THE REPORTING ENTITY

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

History

The Cochise County Community College District was organized in 1961. Ground was broken for the Douglas Campus in 1962 and the District opened its doors to the first students in September of 1964. Having also served students in Sierra Vista and at Fort Huachuca since the mid-1960s, the District opened the Sierra Vista Campus in 1978.

With a constituency base that encompasses more than 6,200 square miles, the District has extended its reach into some of the more rural parts of Cochise County. The Willcox Center opened in 1988 for residents in that part of the county and the expansion continued in 2000 with the opening of the Benson Center to better serve the educational needs of residents in Benson, St. David and surrounding communities. As necessary, the District provides education at various sites in southeastern Arizona as part of its Extended Learning program.

The District is accredited by the Higher Learning Commission of the North Central Association. The District also holds Federal Aviation Administration certification for its professional pilot program and Arizona Department of Health Services/Emergency Medical Services certification for its paramedicine and emergency medical technology programs. The nursing program is accredited by the National League for Nursing Accrediting Commission and approved by the Arizona State Board of Nursing.

Organization and Administration

As a political subdivision of the State of Arizona, the Cochise County Community College District is subject to the oversight of the District's Governing Board which is comprised of five elected members representing each of the five precincts of the county. These members are elected for six-year terms on a staggered basis. The District's Governing Board is granted full authority by the Arizona Revised Statutes to manage the business and educational needs of the District. The administrative staff of the District, led by the president, is responsible for the operation and administration of all District functions. The District currently operates from two primary campuses and three centers, with additional programs delivered at various locations throughout Cochise County and through its online campus. The District also provides a growing instructional program to the citizens of neighboring Santa Cruz County through an arm's length intergovernmental agreement.

Service Area

Cochise County, named for the famed chief of the Chiricahua Apaches and established on February 1, 1881, is located in the southeast corner of Arizona, sharing a border with Mexico to the south and New Mexico to the east. The county was formed out of eastern Pima County with Tombstone being designated as the county seat. In 1929, the seat was moved to Bisbee, a former hub of copper mining. The county's location makes it a unique crossroads of cultural, natural and historical attractions.

The historic Old West towns of Tombstone, Bisbee, Douglas, Willcox and Benson are located within the county, and Sierra Vista – the county's primary population center – is home to Fort Huachuca, the U.S. Army's intelligence training center. Cochise County's mountain ranges and desert grasslands make it an important destination for migratory birds. The county's temperate climate, open spaces, and proximity to the international border with Mexico make it one of the most culturally, historically and geographically diverse areas in the American Southwest.

LOCAL ECONOMIC OUTLOOK

The population of Cochise County as of mid-2009 was 140,263 according to estimates by the Arizona Department of Commerce (ADOC), which projects the county's population will exceed 156,000 in 2014, an average annual growth rate of 2.2%.

As the District receives a significant amount of its annual funding from local property taxes, new construction rates in the county and valuations of existing properties are important economic indicators. There were 380 new home permits issued throughout Cochise County in 2009, down 5.9% from 2008. This followed annual declines of 18.8%, 47.6%, and 14.4% in 2006, 2007, and 2008, respectively. While new building permits were down overall in 2009, they were up by 60% in the second half versus 2008, signaling the beginning of a new construction recovery. The first 5 months of 2010 saw new home permits in Cochise County rise by 28.5% compared to the same period of 2009. Meanwhile, the 2009 countywide median existing home price fell by only 0.8% from \$184,000 to \$182,500. In the first quarter of 2010, the median home price countywide was down 1% compared to the same period a year earlier. Despite declines in median home prices in Cochise County in 2008, 2009, and the first quarter of 2010, median home prices in the first quarter of 2010 remained 23.8% higher than those in 2004.

According to ADOC estimates, the county's civilian labor force, which includes those persons 16 years old and older who are employed or actively seeking work (excluding active duty military), consisted of 63,225 actual or potential workers in 2009. Cochise County's unemployment rate for all of 2009 was 7.4%; by July of 2010, however, the county's unemployment rate stood at 8.3%. In the 12 months ending in July 2010, the county lost 600 jobs, most of which occurred in the leisure and hospitality; state/local government; educational and health services; and manufacturing sectors. The only industries in the county to see positive job growth over this period were trade, transportation, and utilities; professional and business services; and federal government.

According to ADOC estimates for 2009, the primary non-farm industry in Cochise County was government, which accounted for 33.7% of all non-farm employment. This was followed by trade, transportation, and utilities (17.0%); professional and business services (15.2%); educational and health services (11.9%); and leisure and hospitality (10.1%). The Fort Huachuca Army post was home to approximately 7,200 active duty military personnel as of 2010, approximately 55% of whom were students temporarily there for training.

Like many places across the U.S., Cochise County's economy was impacted by the general economic slowdown beginning in late 2007 and continuing into 2010. The county's retail sales were down 6.5% in 2008, 4.2% in 2009, and 6.3% in the first half of 2010, after adjusting for inflation. Accommodation sales were up 1.0% in 2008 but were down 9% in 2009; they rebounded in early 2010, with sales up 5.5% through June. The District's Center for Economic Research projects a continued slow recovery through 2010 and into 2011.

LONG-TERM FINANCIAL PLANNING

The District engages in a five-year strategic planning cycle that involves all levels of the organization. This plan is updated as external environments or internal opportunities and needs dictate. The process provides a framework for structuring and adjusting the District's mission, vision, core values and goals to best meet the needs of students, faculty/staff and the community. A high-level 15-year financial projection model is also maintained which is based on actual results and reasonable estimates, and which is updated periodically to reflect most recent performance.

MAJOR PROGRAM INITIATIVES

District Infrastructure

The District began implementation of its revised Master Facilities Plan (MFP) in FY 2008. The plan, which was substantially completed in FY 2010, focused on upgrading classroom technology and learning environments as well as modernizing substandard facilities. It included new construction, renovation of some existing buildings and limited site improvements at both the Douglas and Sierra Vista campuses as well as at the Willcox Center. By the end of FY 2010, the District had expended approximately \$52 million on MFP component projects the financing for which came from reserves accumulated for this purpose and non-tax-supported financing of \$10.6 million in Revenue Bonds and \$15.0 million in Pledged Revenue Obligations.

During FY 2010, the District completed several MFP component projects on the Sierra Vista campus. The new Learning Commons Complex - two buildings composed of 13 general purpose classrooms, several faculty offices and an open computer/tutoring lab - opened its doors in September of 2009 for fall classes. The new Student Union building and the completely renovated Nursing building were commissioned in December 2009. FY 2010 also saw the final two MFP renovation projects on the Sierra Vista campus - a complete transformation of the old Student Services building into a new Student Fitness Center and a total renovation of the former Student Union/Administration building to meet current and future administration space needs.

On the Douglas campus, work was completed in October 2009 on a new Career/Technical Education building to support the agriculture, construction trades, and welding programs. Major renovations to two other buildings were also completed in October 2009 to provide updated student services, counseling and tutoring space. The new Science building was completed in November 2009 followed by a new 104-bed, townhouse-style residence complex and its supporting Central Housing building in January 2010. The final Douglas project began in September 2009 when renovation began of the District's largest general purpose classroom building.

In June 2010, the District completed construction of its new Willcox Center, built on land leased to the District by the Willcox Unified School District. The building houses four general purpose classrooms, a science lab, a computer lab, and an Interactive Television (ITV) classroom.

During FY 2010, the District also entered into a Solar Services Agreement with Eternax Solar to construct a 300Kw photovoltaic solar field on undeveloped acreage on the Douglas campus. Completed in June 2010, the field will provide approximately one-third of the electrical power required on the campus and was financed and constructed by Eternax, who will own and maintain the array. The District will purchase all of the electricity produced by Eternax at a constant price, 8% below the prevailing utility rate. This facility is the largest of its kind in Cochise County and currently one of the largest photovoltaic fields in Southern Arizona.

Enrollment

During FY 2010, the District served a record total of 8,586 Full Time Student Equivalents (FTSE) at all locations, up nearly 12% from FY 2009, with near-record annual unduplicated headcount of 14,982. The District's strong partnership with the county's largest employer, Fort Huachuca, remained a significant factor in both the number of students served and in the number of degrees conferred. For the 2009-10 academic year, the District awarded a total of 1,065 associate degrees and 691 college-level certificates.

Student Achievement

District students again received national and state recognition in FY 2010 for leadership and academic achievements. Four students were named to the All-Arizona Academic Team: one to the First Team, two to

the Second Team, and one to the Third Team. Phi Theta Kappa awarded an Alpha Mu Zeta student with the Hall of Fame Distinguished Member medallion at its Regional Convention. A District elementary education student was named a 2010 Coca-Cola Gold Scholar, a prestigious designation recognizing top community college students. Three District athletic teams were recognized for their academic achievements by being named to the 2009-10 National Junior College Athletic Association's spring academic Teams-of-the-Year: women's basketball (3.25 GPA – tie), men's baseball (3.05 GPA) and men's basketball (3.05 GPA). For the second consecutive year, the District earned a place on the President's Higher Education Community Service Honor Roll, the highest federal recognition a college or university can receive for its commitment to volunteering, service-learning and civic engagement.

PROGRAM DEVELOPMENT AND FUTURE INITIATIVES

During FY 2010, the District saw advances in a number of instructional areas. The Nursing and Allied Health programs were greatly enhanced by the addition of simulation equipment that allows students to gain practical experience prior to working with live patients and with situations that may not be commonly encountered during clinical rounds. The Culinary Arts program underwent a major revision and a number of new programs were developed. An AAS degree in Logistics Supply Chain Management along with two certificates, Basic and Advanced Logistics Supply Chain Management, were created as components of a WIRED (Workforce Innovation in Regional Economic Development) grant. Certificate programs were developed in Flash, 2D and 3D Game Development. Additionally, Utility Industry, Green Building, Mechatronic Systems Operating Technician, and Wildland Firefighting certificates were established.

The District was involved in a number of initiatives to enhance student transfers to universities. One such effort involved a collaborative National Science Foundation grant project called Motivated Engineering Transfer Students (METS), a joint effort between Arizona State University (ASU) and several of the rural Arizona community college districts, which seeks to increase the number of students successfully entering engineering fields. The District also worked with ASU on Transfer Agreement Guarantees (TAGs) which specify the courses needed to transfer into three bachelor programs at ASU. Cochise Cats, a partnership between the University of Arizona South (UAS) and the District, seeks to formalize/improve transition to UAS programs offered in the District and Santa Cruz County. New transfer agreements also were signed with several other area universities.

Looking forward to FY 2011, the District will continue to improve student transfer to universities by expanding the number of ASU TAGs and by participating in a joint strategic planning process with UAS. The District has developed course proposals for Middle Eastern Studies and a Medication Aide certificate program and has plans to enhance coursework in forensics to support the Administration of Justice program. The District has received a grant from the National Center for Academic Transformation to implement a modular developmental mathematics program which will improve the effectiveness of current efforts in that area. The District is continuing its focus on college-bound students who come from disadvantaged backgrounds and students interested in science, technology, engineering and mathematics (STEM).

FINANCIAL INFORMATION

Effective management of the District's funds through internal control, budgetary controls, cash management, and financial reporting comprises the District's responsibilities for stewardship, safeguarding of assets, and accountability to resource providers. Additional information relating to the District's financial management can be found in the statistical section at the back of this report.

Internal Control

In developing and evaluating the District's accounting system, consideration is given to the adequacy of internal controls. Internal controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from that control element, and that the evaluation of costs and benefits requires estimates and judgments from management. All internal control evaluations occur within the above framework. We believe that the District's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Controls

The District maintains budgetary controls in the form of line item budgets and budget transfer restrictions by function and object. The objective of these budgetary controls is to ensure compliance with the annual budget adopted by the District Governing Board. The District complies with state statutes requiring that a report of the District's adopted budget be published annually within the prescribed format as required by the State of Arizona, Office of the Auditor General. The District also complies with Arizona statutes governing community colleges by issuing an annual budget expenditure limitation report that is examined by the Office of the Auditor General. The expenditure limitation calculation determines the maximum allowable expenditure level to be supported by state appropriations and property tax levies.

Cash Management

The District is governed by the Arizona Revised Statutes relating to the overall investment of idle public funds. The fiduciary responsibility for such investments is entrusted to the District Governing Board and is orchestrated through the Vice President for Administration. The District invests idle funds in a prudent, conservative, and secure manner for the highest available yield as prescribed by Arizona Revised Statutes. The principal investment vehicles used during the fiscal year were a pooled investment with the County Treasurer as well as direct investments in a Local Government Investment Pool (LGIP) with the State Treasurer's office. These pools have provided the District with safe, high yielding liquid investments.

Financial Reporting

This CAFR for the District was formulated with data from various sources including District and Foundation records, the Cochise County Treasurer's Office and the Cochise County Assessor's Office. The statements present information on the financial condition of the District and whether resources were adequate to cover the costs of providing services during the reporting period. The District's CAFR will be distributed to the District Governing Board and executive administration; federal, state and county agencies, and financial institutions as well as others throughout the general public. Internal management reports are customized and provided to meet the information and decision-making needs at all levels of the organization and to aid management in the allocation of resources.

The Notes to the Financial Statements are an integral part of this CAFR and should be read in conjunction with the Financial Statements for a full understanding of the information presented therein.

RISK MANAGEMENT

The District maintains a full complement of insurance coverages in accordance with Arizona Revised Statutes. Liability coverage is carried on a broad basis, including errors and omissions and “wrongful acts” coverage and is maintained with policy limits in excess of \$50,000,000. Property coverage is maintained on a replacement value basis in accordance with an agreed-upon schedule of values. Additional coverage includes vehicle fleet liability, crime and fidelity coverage, boiler and machinery insurance, professional liability, workers’ compensation, aircraft and airport liability and student athlete accident coverage. District staffing includes positions dedicated to the risk management function with responsibilities that include minimization of risks through the implementation of insurance and safety and loss prevention procedures across the District.

INDEPENDENT AUDIT

The District utilizes the audit services of William Dobridge, CPA, P.C., to ensure compliance with Arizona Revised Statutes requiring an annual audit of the District’s financial statements. The Independent Auditor’s Report is included in the financial section of this CAFR. The District received an unqualified opinion for the fiscal year ended June 30, 2010.

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 Cochise County Community College District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2009. In order to be awarded a Certificate of Achievement, a governmental entity 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 only. The District believes that the current CAFR continues to meet the Certificate of Achievement program’s requirements and will be submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The College would like to express its appreciation to the District’s Governing Board members, who volunteer their time and expertise on a regular basis to provide vision and guidance to the District. The District’s mission could not be achieved without the president’s continuing leadership through the strategic plan. The District would also like to express its appreciation to the Office of the Auditor General and the independent auditors for timely completion of the audit. Finally, this report could not have been developed without the efficient and dedicated efforts of the District Financial Operations staff, others within the District community, and the Cochise County Assessor’s and Treasurer’s offices, all of whom contributed to its preparation.

Respectfully submitted,

Kevin S. Butler
Vice President for Administration

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cochise County
Community College District
Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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.



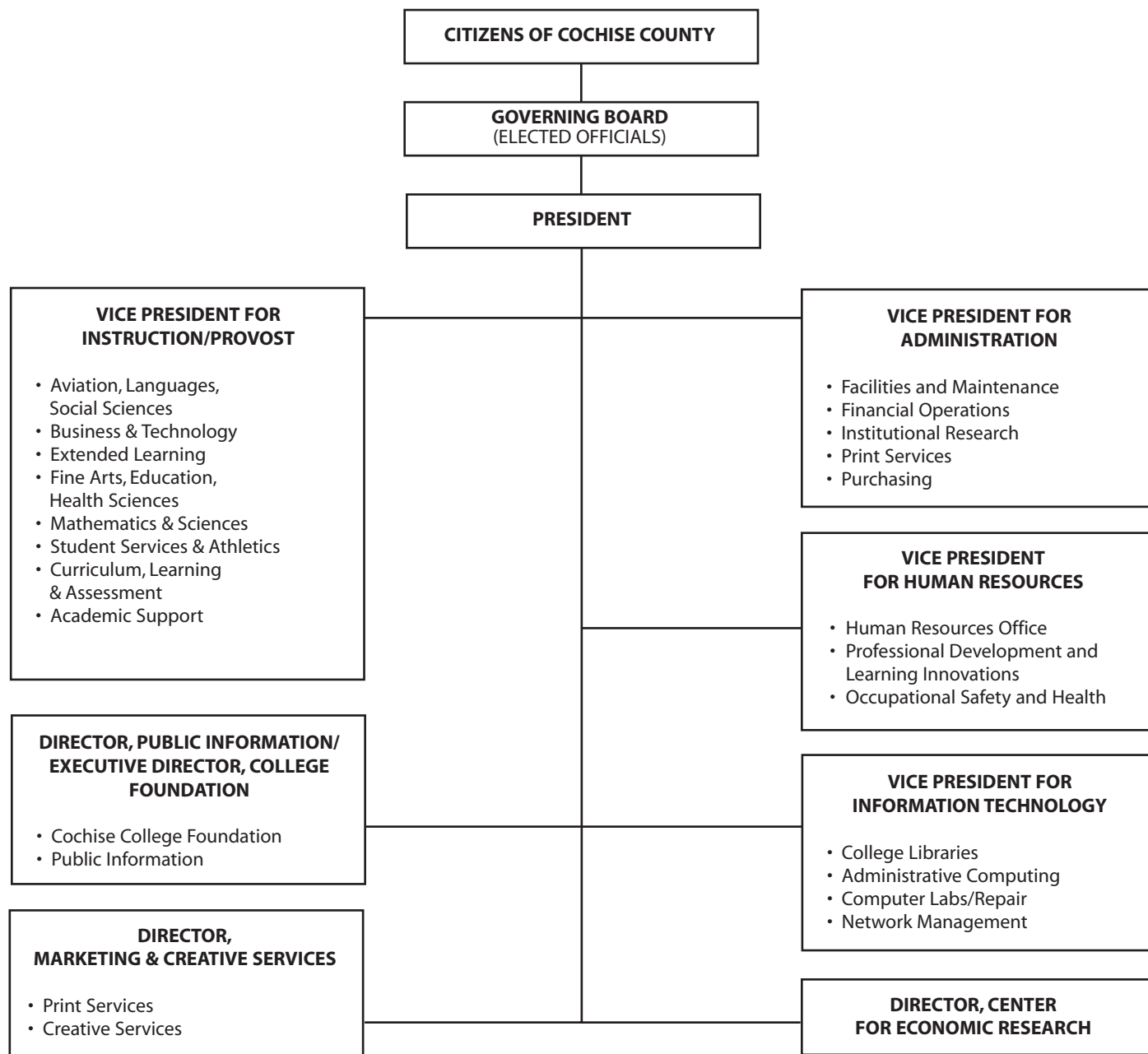
A stylized, handwritten signature in black ink, likely belonging to the President of the Government Finance Officers Association of the United States and Canada.

President

A handwritten signature in black ink, reading "Jeffrey R. Emer".

Executive Director

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT ORGANIZATIONAL CHART



COCHISE COUNTY COMMUNITY COLLEGE DISTRICT

PRINCIPAL OFFICERS

June 30, 2010

DISTRICT GOVERNING BOARD

Mrs. Jan Guy, *Chair, Precinct 5*

Mrs. Jane C. Strain, *Secretary, Precinct 3*

Mr. David DiPeso, *Precinct 1*

Mr. Donald Hudgins, *Precinct 2*

Dr. John Eaton, *Precinct 4*

PRESIDENT

Dr. James Rottweiler

ADMINISTRATION

Dr. Verlyn Fick, *Vice President for Instruction/Provost*

Mr. Kevin Butler, *Vice President for Administration*

Mr. Carlos Cartagena, *Vice President for Information Technology*

Mr. Robert Howell, *Vice President for Human Resources*



COCHISE COLLEGE

FINANCIAL
Section





Independent Auditor's Report

The Auditor General of the State of Arizona

The Governing Board of
Cochise County Community College District

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of Cochise County Community College District (the District) as of and for the year ended June 30, 2010, 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 auditing standards generally accepted in the United States of America 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 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 Cochise County Community College District, as of June 30, 2010 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 15 through 22 and the Post Employment Health Care Benefits - Schedule of Funding Progress on page 48 are not required parts of the basic financial statements , but are supplementary information required by accounting principles generally accepted in the United States of America. 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 Cochise County Community College District's basic financial statements. The accompanying supplementary information, such as the introductory section and statistical section, are presented for purposes of additional analysis and are not required parts of the basic financial statements. The introductory section and statistical section have 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 a report on our consideration of Cochise County Community College District's internal control over financial reporting and 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.

William Dobridge, CPA PC

William Dobridge, CPA PC
Certified Public Accountant

December 1, 2010

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010**

This discussion and analysis introduces the basic financial statements and provides an overview of the District's financial activities for the year ended June 30, 2010. It should be read in conjunction with the letter of transmittal, which precedes this section, and with the financial statements, which immediately follow.

Introduction

During FY 2010, the District once again enjoyed a strong financial position as it maintained reserves in anticipation of further investment in facilities over the coming years. Both student headcount and Full Time Student Equivalency (FTSE) were up significantly versus the prior year and several new programs and initiatives were launched across the District. The District's Master Facilities Plan, which focused on upgrading classroom technology and learning environments as well as modernizing substandard facilities, was substantially completed in FY 2010.

Basic Financial Statements

The basic financial statements consist of the Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Net Assets, and the Statement of Cash Flows. The Statement of Net Assets reflects the financial position of the District at June 30, 2010. It shows the various assets owned or controlled by the District, related liabilities and other obligations, and the various categories of net assets. Net assets is defined as total assets less total liabilities, and as such, represents the institutional equity or ownership in the total assets of the District.

The Statement of Revenues, Expenses, and Changes in Net Assets reflects the results of operations and other changes for the year ended June 30, 2010. It shows the various revenues and expenses, both operating and non-operating, and reconciles the beginning net assets balance to the ending net assets balance shown on the Statement of Net Assets described above.

The Statement of Cash Flows reflects the inflows and outflows of cash and cash equivalents for the year ended June 30, 2010. It indicates the various cash activities by type and reconciles the beginning cash and cash equivalents balance to the ending cash and cash equivalents balance shown on the Statement of Net Assets described above. In addition, this statement reconciles cash flows used for operating activities to the operating loss on the Statement of Revenues, Expenses, and Changes in Net Assets described above.

Although the primary focus of this document is on the results of activities for fiscal year 2009-10 (FY 2010), comparative data is also presented for the previous fiscal year 2008-09 (FY 2009). This Management's Discussion and Analysis (MD&A) uses the prior fiscal year as a reference point in illustrating issues and trends when assessing the institution's financial health.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010**

**Condensed Financial Information
Statement of Net Assets**

	As of June 30, 2010	As of June 30, 2009
<u>Assets</u>		
Current assets	\$20,486,278	\$25,763,341
Noncurrent assets, other than capital assets	1,988,386	9,027,936
Capital assets, net	57,181,234	41,103,518
Total assets, net	<u>79,655,898</u>	<u>75,894,795</u>
<u>Liabilities</u>		
Other liabilities	3,955,740	4,573,109
Long-term liabilities	26,886,434	27,567,126
Total liabilities	<u>30,842,174</u>	<u>32,140,235</u>
<u>Net Assets</u>		
Invested in capital assets, net of related debt	31,548,105	15,508,518
Restricted for:		
Grants and contracts	1,112,562	1,165,082
Capital projects	-	7,608,370
Debt service	1,407,733	1,419,566
Unrestricted	14,745,324	18,053,023
Total net assets	<u>\$48,813,724</u>	<u>\$43,754,560</u>

Total assets increased by \$3.8 million in FY 2010 due largely to the ongoing construction of new buildings and the renovation of existing buildings. Current assets decreased \$5.3 million due to the use of cash resources for ongoing construction/renovation. Noncurrent assets decreased \$7.0 million as a result of using most of the bond proceeds still on hand at the end of FY 2009 for the ongoing construction/renovation. Total liabilities decreased by \$1.3 million primarily due to payments against long term debt and a decrease in accounts payable. Total net assets increased by \$5.1 million (11.5%) in FY 2010 compared with an increase of \$2.6 million (6.3%) in FY 2009 over the previous year. The FY 2010 increase resulted from conservative spending in a difficult economic climate.

For FY 2010, the current ratio decreased to 4.1, down from 4.6 last fiscal year due to a decrease in current assets as some reserves were used for construction and due to an increase in the current portion of long-term debt and current interest for the revenue bonds/pledged revenue obligations.

Unrestricted net assets decreased by \$3.3 million in FY 2010, a decrease of 18.3%, as District funds were used for construction. Unrestricted net assets were 30.2% of total net assets, down from 41.2% in the prior fiscal year. The investment in capital assets, net of related debt increased by \$16.0 million (103.4%) in FY 2010 as a result of the ongoing construction/renovation. The investment in capital assets, net of related debt is now 64.6% of total net assets, up from 35.4% last year. Net assets for capital projects funds are now included in the Net investment in capital assets. There was only \$433,807 of unspent bond proceeds left at the end of FY 2010.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010**

Statement of Revenues, Expenses, and Changes in Net Assets

	Fiscal Year Ended June 30, 2010	Fiscal Year Ended June 30, 2009
<u>Operating Revenues</u>		
Tuition and fees (net of scholarship allowances)	\$5,062,696	\$4,641,758
Contracts	380,659	702,115
Other operating revenues	1,060,143	1,029,101
Total operating revenues	<u>6,503,498</u>	<u>6,372,974</u>
 Total operating expenses	 <u>42,394,765</u>	 <u>40,709,523</u>
 Operating loss	 <u>(35,891,267)</u>	 <u>(34,336,549)</u>
 <u>Nonoperating revenues (expenses)</u>		
Property taxes	15,833,368	14,960,185
State appropriations	15,330,500	13,494,004
Government grants	10,122,113	8,305,737
Other nonoperating revenues	832,908	924,881
Investment earnings	152,839	449,061
Interest on capital asset-related debt	(1,161,306)	(1,199,131)
Gain/ (Loss) on disposal of capital assets	<u>(159,991)</u>	<u>-</u>
 Net nonoperating revenues	 <u>40,950,431</u>	 <u>36,934,737</u>
 Increase in net assets	 5,059,164	 2,598,188
Total net assets, beginning of year	<u>43,754,560</u>	<u>41,156,372</u>
Total net assets, end of year	<u><u>\$48,813,724</u></u>	<u><u>\$43,754,560</u></u>

There were no significant changes in total operating revenues in FY 2010 versus the prior year. Although FTSE rose just over 11.9%, the related increase in tuition and fee revenues was offset by an increase in the scholarship allowances and a decrease in contract revenues.

Nonoperating revenues increased \$4.0 million over the prior year with property tax levy revenue increasing \$0.9 million (5.8%) due to increased valuations of existing properties in 2009 and new construction, offset somewhat by a decline in the tax rate. State appropriations increased by \$1.8 million (13.6%) over FY 2009, due to increased equalization aid as a result of Cochise County's assessed property valuations being significantly below the average valuation of the State's rural counties. Government grant revenues were up \$1.8 million, an increase of 21.9%, as a result of increased federal student aid awards funding combined with broader student eligibility. FY 2010 net investment earnings were down from the prior year by \$0.3 million as a result of lower interest rates and reduced District investment balances.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010**

Operating expenses increased by \$1.7 million (4.1%) for the year ended June 30, 2010. The most significant elements of the overall increase were as follows:

Operating Expenses Comparison
(Dollars in thousands)

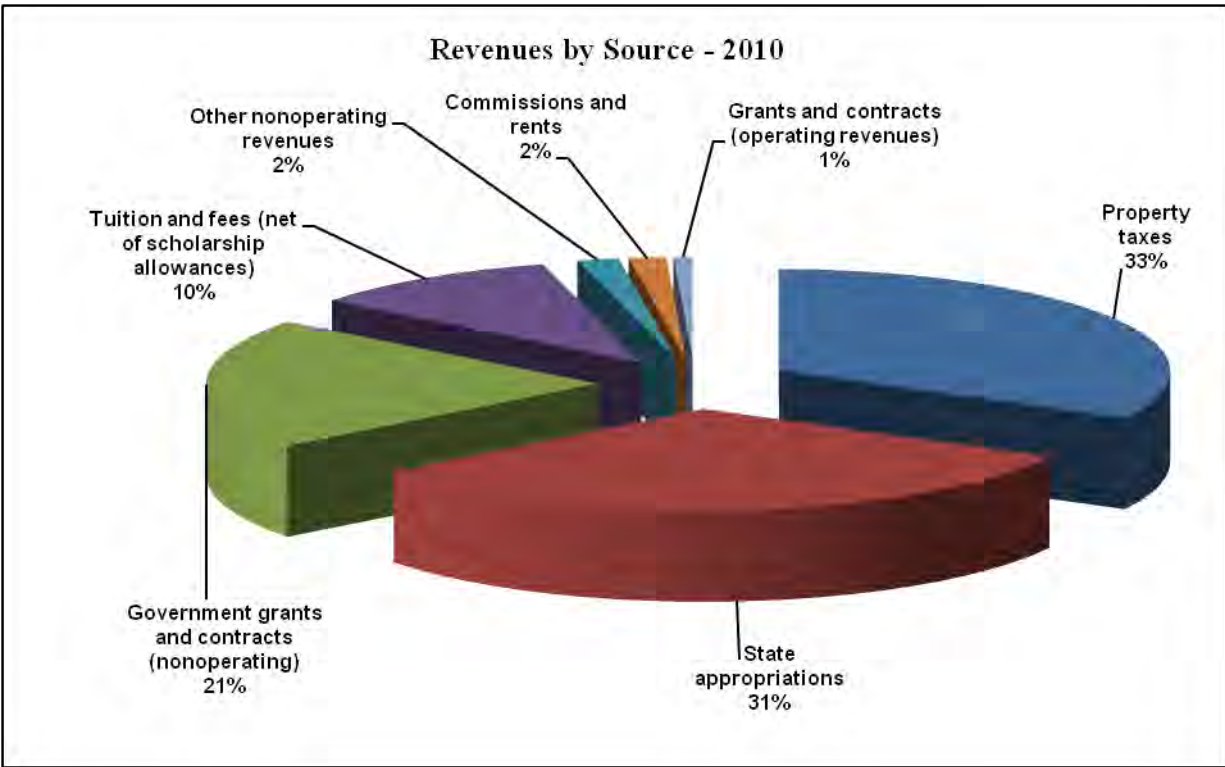
	Fiscal Year Ended <u>June 30, 2010</u>	Fiscal Year Ended <u>June 30, 2009</u>	Increase (Decrease) <u>(Decrease)</u>	Increase (Decrease) <u>(%)</u>
Salaries and wages	\$22,000	\$21,318	\$ 682	3.1
Employee benefits	5,660	5,480	180	3.3
Service fees	1,470	2,482	(1,012)	(40.8)
Supplies and materials	2,662	2,393	269	11.2
Scholarships	4,983	3,206	1,777	55.4
Other Expenses	<u>5,620</u>	<u>5,831</u>	<u>(211)</u>	(3.6)
Total	\$42,395	\$40,710	\$1,685	4.1

Comparing FY 2010 to the prior year, overall salaries and wages rose by 3.1% primarily as a result of an average \$1,000 per person salary increase across all employee groups. The issuance costs associated with the new revenue bonds and pledged revenue obligations in FY 2009 accounted largely for the \$1.0 million decrease in FY 2010 service fees. Supplies and materials increased 11.2% with the largest increase being in maintenance and repairs. Scholarship expense increased \$1.8 million, or 55.4%, as a result of increased federal student aid awards funding coupled with broader student eligibility.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010**

The following is a summary of revenues for fiscal years ended June 30, 2010 and June 30, 2009:

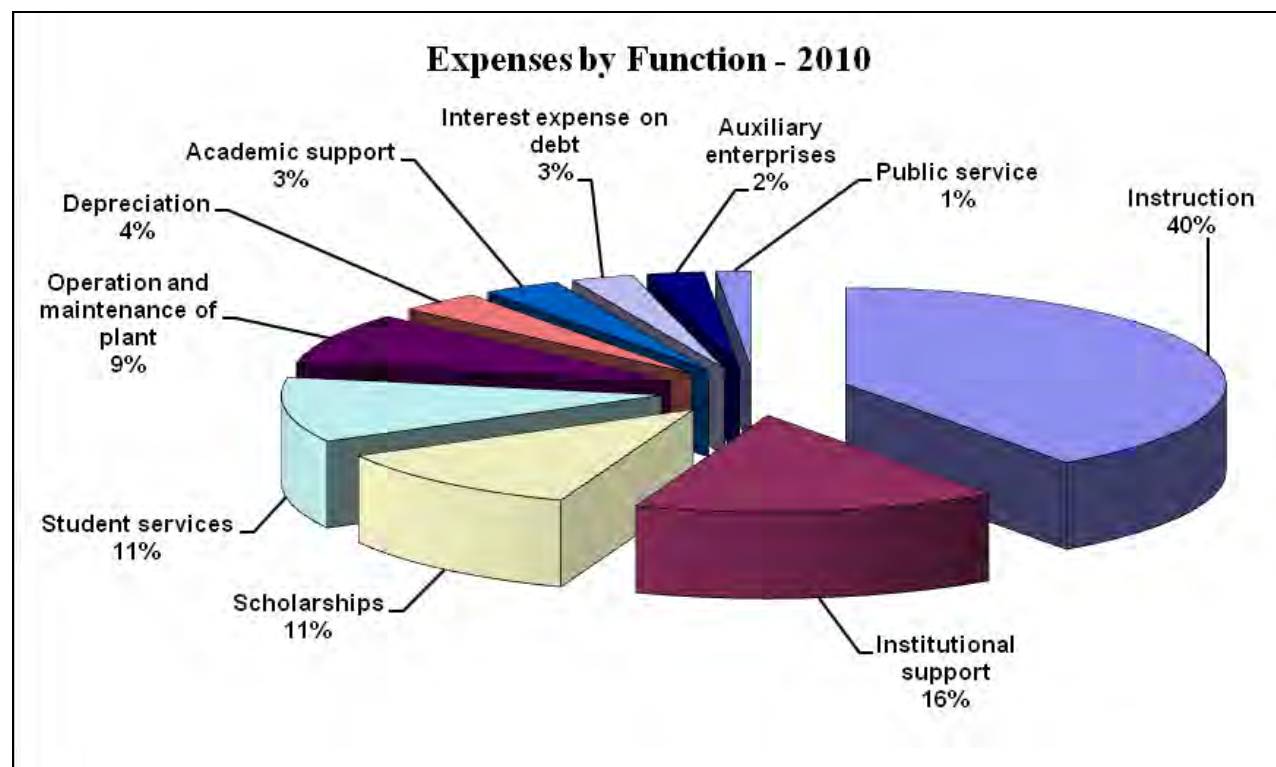
	Fiscal Year Ended June 30, 2010		Fiscal Year Ended June 30, 2009	
<u>Operating revenues</u>				
Tuition and fees (net of scholarship allowances)	\$ 5,062,696	10%	\$ 4,641,758	10%
Grants and contracts	380,659	1	702,115	2
Commissions and rents	745,923	2	650,608	1
Other operating revenues	314,220	-	378,493	1
Total operating revenues	<u>6,503,498</u>	<u>13</u>	<u>6,372,974</u>	<u>14</u>
<u>Nonoperating revenues</u>				
Property taxes	15,833,368	32	14,960,185	34
State appropriations	15,330,500	31	13,494,004	30
Government grants and contracts	10,122,113	21	8,305,737	19
Investment earnings	152,839	-	449,061	1
Other nonoperating revenues	832,908	2	924,881	2
Total nonoperating revenues	<u>42,271,728</u>	<u>87</u>	<u>38,133,868</u>	<u>86</u>
Total revenues	<u>\$48,775,226</u>	<u>100%</u>	<u>\$44,506,842</u>	<u>100%</u>



**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010**

The following is a summary of expenses for fiscal years ended June 30, 2010 and June 30, 2009:

	Fiscal Year Ended June 30, 2010		Fiscal Year Ended June 30, 2009	
<u>Operating expenses</u>				
Education and general:				
Instruction	\$17,313,386	40%	\$17,223,291	41%
Public service	645,728	1	545,869	1
Academic support	1,381,213	3	1,373,347	3
Student services	4,761,273	11	4,373,637	10
Institutional support	6,933,163	16	8,208,375	20
Operation and maintenance of plant	3,771,919	9	3,407,441	8
Scholarships	4,983,370	11	3,173,812	8
Auxiliary enterprises	1,042,744	2	1,186,629	3
Depreciation	1,561,969	4	1,217,122	3
Total operating expenses	42,394,765	97	40,709,523	97
<u>Nonoperating expenses</u>				
Interest expense on debt	1,161,306	3	1,199,131	3
Loss on disposal of capital assets	159,991	-	-	-
Total expenses	\$43,716,062	100%	\$41,908,654	100%



For FY 2010, institutional support decreased \$1.3 million (15.5%) primarily due to \$1.1 million of one-time costs associated with the bond issuances in FY 2009.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010**

Capital Assets

Below is a summary of Capital assets, net of depreciation, as of June 30, 2010 and June 30, 2009. See Note 3 for further details.

	As of June 30, 2010	As of June 30, 2009
Land	\$ 495,580	\$ 495,580
Museum and art collections	66,000	66,000
Construction in progress	8,639,560	26,093,494
Buildings	40,186,156	12,734,704
Equipment	3,290,609	530,307
Improvements other than buildings	4,188,492	877,198
Library books	314,837	306,235
Total	<u>\$57,181,234</u>	<u>\$41,103,518</u>

The significant increase in Capital assets, net of depreciation, is due to the ongoing and completed construction associated with the Master Facilities Plan. Ten new buildings were put into service during FY 2010, which accounts for the net increase of \$27.5 million in the buildings account. The District also placed \$3.5 million of improvements other than buildings and \$3.3 million for equipment into service in FY 2010. Most of these investments were part of the Master Facilities Plan. At June 30, 2010, four remaining Master Facilities Plan projects were being advanced toward completion, spending for which was reflected in construction in progress at the end of FY 2010.

Current Economic Conditions

The population of Cochise County in mid-2009 was approximately 140,263, about 60% of whom resided in the county's seven incorporated areas (nearly half resided in Sierra Vista and Douglas, the county's two largest cities). About one-third of the county's civilian non-farm workforce is employed by government, with the top public sector employers being Fort Huachuca, the U.S. Department of Homeland Security, the Arizona Department of Corrections and Cochise County. The private sector industry grouping that employs the largest number of workers is trade, transportation, and utilities, which employs 17% of the county's civilian non-farm workers, followed by professional and business services (15.2%), education and health services (11.9%) and leisure and hospitality (10.1%).

The median household income countywide was \$43,821 in 2008, the latest year for which such data are available, with 13% of families in the county below the poverty level, down slightly from 13.5% in 1999. The median value of a home in Cochise County in 2009 was \$182,500, down 0.8% from 2008. The county's 2009 unemployment rate was 7.4%; this rate was 8.3% in July 2010.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010**

Current Factors Having Probable Future Financial Significance

The financial condition of the District as of June 30, 2010 remained strong largely due to continued increases in assessed property valuations and prudent expense management. As a result of the budget crisis at the State level, capital appropriations aid to all community colleges has been completely eliminated since FY 2009 and operational appropriations aid (M&O and equalization) has likewise been significantly reduced relative to statutory levels. Despite the continuing economic challenges facing the State, the District's administration believes any significant further downward pressure on State support levels will continue to be counterbalanced by the ongoing need for near-term job creation which is directly supported by community college career technical education and retraining programs.

In FY 2010, the District implemented an average tuition increase of 5.8 percent for in-state students with a smaller increase planned for the upcoming fiscal year. The District has recently concluded its revised Master Facilities Plan to address the substandard and inadequate state of facilities in the District and to meet the future educational needs of the county.

Requests for Information

This discussion and analysis is designed to provide a general overview of the Cochise County Community College District's finances for all those with an interest in such matters. Questions concerning any of the information provided in this comprehensive annual financial report or requests for additional financial information should be addressed to the Office of the Director of Financial Operations, Cochise County Community College District, 4190 West Highway 80, Douglas, Arizona 85607.

Cochise County Community College District
Statement of Net Assets - Primary Government
June 30, 2010

	<u>Business-Type Activities</u>
<u>Assets</u>	
Current assets:	
Cash and cash equivalents	\$ 17,196,462
Receivables:	
Accounts (less allowances of \$422,955)	200,370
Property taxes (less allowances of \$248,560)	926,365
Government grants and contracts	1,091,174
Interest	69
Other	275,835
Inventories	462,954
Prepaid items	333,049
Total current assets	<u>20,486,278</u>
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents held by trustee	1,988,386
Capital assets, not being depreciated	9,201,140
Capital assets, being depreciated, net	47,980,094
Total noncurrent assets	<u>59,169,620</u>
Total assets	<u>79,655,898</u>
<u>Liabilities</u>	
Current liabilities:	
Accounts payable	1,535,586
Accrued payroll and employee benefits	1,042,588
Interest payable	580,653
Deposits held in custody for others	257,438
Deferred revenues	539,475
Current portion of compensated absences payable	131,673
Current portion of long-term debt	896,772
Total current liabilities	<u>4,984,185</u>
Noncurrent liabilities:	
Compensated absences payable	1,145,237
Long-term debt	24,712,752
Total noncurrent liabilities	<u>25,857,989</u>
Total liabilities	<u>30,842,174</u>
<u>Net Assets</u>	
Invested in capital assets, net of related debt	31,548,105
Restricted for:	
Grants and contracts	1,112,562
Debt service	1,407,733
Unrestricted	<u>14,745,324</u>
Total net assets	<u>\$ 48,813,724</u>

See accompanying notes to financial statements.

**Cochise County Community College District
Statement of Financial Position - Component Unit
June 30, 2010**

	Cochise College Foundation
	<hr/>
<u>Assets</u>	
Current assets:	
Cash and cash equivalents	\$ 97,122
Current portion of long-term investments	312,493
Total current assets	<hr/> 409,615 <hr/>
Noncurrent assets:	
Long-term investments	4,464,301
Land held as an investment	46,194
Total noncurrent assets	<hr/> 4,510,495 <hr/>
Total assets	\$ <hr/> 4,920,110 <hr/>
<u>Liabilities</u>	
Current liabilities:	
Deposits held on behalf of others	\$ 21,739
Total current liabilities	<hr/> 21,739 <hr/>
<u>Net Assets</u>	
Unrestricted	
Undesignated, available for operations	(35,983)
Designated funds	655,548
Total unrestricted net assets	<hr/> 619,565 <hr/>
Temporarily restricted	2,599,429
Permanently restricted	1,679,377
Total net assets	<hr/> 4,898,371 <hr/>
Total liabilities and net assets	\$ <hr/> 4,920,110 <hr/>

See accompanying notes to financial statements.

Cochise County Community College District
Statement of Revenues, Expenses, and Change in Net Assets - Primary Government
For the Year Ended June 30, 2010

	Business-Type Activities
Operating revenues:	
Tuition and fees (net of scholarship allowances of \$2,891,524)	\$ 5,062,696
Government contracts	267,171
Private contracts	113,488
Bookstore income	166,036
Food service income	410,869
Dormitory rentals and fees	169,018
Other	314,220
Total operating revenues	<u>6,503,498</u>
Operating expenses:	
Educational and general:	
Instruction	17,313,386
Public service	645,728
Academic support	1,381,213
Student services	4,761,273
Institutional support	6,933,163
Operation and maintenance of plant	3,771,919
Scholarships	4,983,370
Auxiliary enterprises	1,042,744
Depreciation	1,561,969
Total operating expenses	<u>42,394,765</u>
Operating loss	<u>(35,891,267)</u>
Nonoperating revenues (expenses):	
Property taxes	15,833,368
State appropriations	15,330,500
Government grants	10,122,113
Share of state sales taxes	832,908
Investment earnings	152,839
Interest on capital asset-related debt	(1,161,306)
Loss on disposal of capital assets	(159,991)
Net nonoperating revenues	<u>40,950,431</u>
Increase in net assets	<u>5,059,164</u>
Total net assets, July 1, 2009	<u>43,754,560</u>
Total net assets, June 30, 2010	<u>\$ 48,813,724</u>

See accompanying notes to financial statements.

Cochise County Community College District
Statement of Activities - Component Unit
For the Year Ended June 30, 2010

	Cochise College Foundation			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue:				
Contributions	\$ 83,489	\$ 424,289	\$ 60,939	\$ 568,717
Investment Income	277,810	500,898		778,708
Total support and revenue before net assets released from restriction	361,299	925,187	60,939	1,347,425
Net assets released from restriction	490,617	(490,617)		
Total support and revenue	851,916	434,570	60,939	1,347,425
Expenses:				
Program expenses:				
Scholarships	351,661			351,661
Special programs	158,584			158,584
Other	1,851			1,851
Total program expenses	512,096			512,096
Supporting services:				
Salaries and wages	69,563			69,563
Other	25,812			25,812
Total supporting services	95,375			95,375
Total expenses	607,471			607,471
Change in net assets	244,445	434,570	60,939	739,954
Net assets, beginning of year	375,120	2,164,859	1,618,438	4,158,417
Net assets, end of year	\$ 619,565	\$ 2,599,429	\$ 1,679,377	\$ 4,898,371

See accompanying notes to financial statements.

**Cochise County Community College District
Statement of Cash Flows - Primary Government
For the Year Ended June 30, 2009**

	Business-Type Activities
Cash flows from operating activities:	
Tuition and fees	\$ 4,934,413
Grants and contracts	617,297
Bookstore receipts	123,750
Food services receipts	410,869
Dormitory rentals and fees	169,018
Other receipts	395,489
Payments to suppliers and providers of goods and services	(7,729,265)
Payments to employees	(27,407,831)
Payments for scholarships	(4,983,370)
Other payments	(255,470)
Net cash used for operating activities	<u>(33,725,100)</u>
Cash flows from noncapital financing activities:	
Property taxes	15,639,875
State appropriations	15,330,500
Government grants	10,578,469
Share of state sales taxes	837,768
Federal family education loan receipts	3,131,483
Federal family education loan disbursements	(3,132,109)
Short-term loans received	1,635
Short-term loans disbursed	(1,635)
Deposits held in custody for others received	1,992,664
Deposits held in custody for others disbursed	(1,990,115)
Net cash provided by noncapital financing activities	<u>42,388,535</u>
Cash flows from capital and related financing activities:	
Principal paid on capital debt	(820,000)
Interest paid on capital debt	(1,180,219)
Purchases of capital assets	(18,332,815)
Net cash used for capital and related financing activities	<u>(20,333,034)</u>
Cash flows from investing activities:	
Interest received on investments	<u>155,519</u>
Net cash provided by investing activities	<u>155,519</u>
Net decrease in cash and cash equivalents	(11,514,080)
Cash and cash equivalents, July 1, 2009	<u>30,698,928</u>
Cash and cash equivalents, June 30, 2010	<u><u>\$ 19,184,848</u></u>

(Continued)

See accompanying notes to financial statements.

Cochise County Community College District
Statement of Cash Flows - Primary Government
For the Year Ended June 30, 2009
(Concluded)

	<u>Business-Type Activities</u>
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	\$ (35,891,267)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	1,561,969
Prior Year Depreciation Adjustment	(70,441)
Provision for uncollectable accounts	5,938
Net OPEB obligation	183,569
Changes in assets and liabilities:	
Increase in:	
Accounts receivable	(95,313)
Accounts payable	216,181
Accrued payroll and employee benefits	80,885
Decrease in:	
Government grants and contracts receivable	236,638
Other receivables	38,983
Inventories	11,316
Prepaid items	47,839
Deferred revenues	(38,908)
Compensated absences payable	(12,489)
Net cash used for operating activities	<u>\$ (33,725,100)</u>

Noncash investing, noncapital financing, and capital and related financing transactions:

As of June 30, 2010 the District acquired \$971,518 of capital assets for which cash had not been paid. These acquisitions were included in accounts payable at year end.

The District amortized \$11,206 for premiums received on revenue bonds issued. The District also amortized \$20,566 for premiums received on pledged revenue obligations issued.

The District is amortizing over 30 years the OPEB obligation for employee/retiree health benefits. The Current year net obligation is \$365,449, which is recorded as a long-term liability.

See accompanying notes to financial statements.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

For the year ended June 30, 2010, the District implemented the provisions of GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, and GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. Both of these standards had no material effect on the District's financial statements.

A. Reporting Entity

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

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

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

During the year ended June 30, 2010, the Foundation distributed \$507,565 to and on behalf of the District for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from the Cochise College Foundation, 4190 West Highway 80, Douglas, Arizona 85607-6190.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation and Accounting

The financial statements include a statement of net assets; a statement of revenues, expenses, and changes in net assets; and a statement of cash flows. A statement of net assets provides information about the assets, liabilities, and net assets of the District at the end of the year. Assets and liabilities are classified as either current or noncurrent. Net assets are classified according to external donor restrictions or availability of assets to satisfy District obligations. Invested in capital assets, net of related debt represents the value of capital assets, net of accumulated depreciation, less any outstanding debt incurred to acquire or construct the assets. Expendable restricted net assets represent grants, contracts, gifts, and other resources that have been externally restricted for specific purposes. Unrestricted net assets include all other net assets, including those that have been designated by management to be used for other than general operating purposes.

A statement of revenues, expenses, and changes in net assets provides information about the District's financial activities during the year. Revenues and expenses are classified as either operating or nonoperating, and all changes in net assets are reported. Operating revenues and expenses generally result from exchange transactions. Accordingly, revenues, such as tuition, bookstore, food service, and dormitory charges, are considered to be operating revenues. Other revenues, such as property taxes, state appropriations and government grants, are not generated from exchange transactions and are considered to be nonoperating revenues. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Other expenses, such as interest expense on debt, are considered to be nonoperating.

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

The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized in the year for which they are levied. State appropriations are recognized as revenue in the year in which the appropriation is first made available for use. Grants and donations are recognized as revenue when all eligibility requirements imposed by the provider have been met. The District eliminates all internal activity.

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

The District follows 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 District has chosen the option not to follow FASB Statements and Interpretations issued after November 30, 1989.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Cash and Investments

The District's cash and cash equivalents are considered to be cash on hand, cash in the bank, cash and investments held by the County Treasurer, investments in the State Treasurer's Local Government Investment Pool, and highly liquid investments. Cash equivalents are defined as investments with maturities of three months or less. Investments are stated at fair value.

D. Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or market.

E. Capital Assets

Capital assets are reported at actual cost, or estimated historical cost if historical records are not available. Donated assets are reported at estimated fair value at the time received.

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	\$5,000	N/A	N/A
Museum art collection	5,000	N/A	N/A
Improvements other than buildings	5,000	Straight line	15 years
Buildings	5,000	Straight line	40 years
Equipment	5,000	Straight line	5-30 years
Library books	All	Straight line	10 years

F. Investment Earnings

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

G. Compensated Absences

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

Employees may accumulate up to 176 hours of vacation depending on years of service. Any unused vacation hours in excess of the maximum amount at fiscal year-end are forfeited. Upon termination of employment, all unused and unforfeited vacation benefits are paid to employees. Accordingly, vacation benefits are accrued as a liability in the financial statements.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concl'd)

Generally, sick leave benefits provide for ordinary sick pay and are cumulative but do not vest with employees. Therefore, a liability for sick leave benefits is not accrued in the financial statements. However, for employees who are at least 55 years of age or have met the necessary points for full retirement with the Arizona State Retirement System and have been employed by the District for at least 10 years, a portion of their sick leave benefits does vest. Those amounts are accrued as a liability in the financial statements.

H. Scholarship Allowances

A scholarship allowance is the difference between the stated charge for goods and services provided by the District and the amount that is paid by the student or third parties making payments on behalf of the student. Accordingly, some types of student financial aid, such as Pell grants and scholarships awarded by the District, 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.

NOTE 2 – CASH AND CASH EQUIVALENTS

At June 30, 2010, the District's deposits and investments consisted of the following:

	Reported on the Statement of Net Assets as:	
	Cash and Cash Equivalents	Cash and Cash Equivalents Held by Trustee
Deposits:		
Cash on hand	\$ 10,674	\$
Cash in bank	16,363,697	
Investments at fair value:		
Cash and investments held by the County Treasurer	89,095	
Investment in State Treasurer's investment pool	732,996	
Money market mutual fund and State Treasurer's investment pool		1,988,386
Total	<u>\$ 17,196,462</u>	<u>\$ 1,988,386</u>

A. Bank Deposits

For deposits, custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to the District. The District currently does not have a deposit policy for custodial credit risk. At June 30, 2010, the carrying amount of the District's cash in bank was \$16,363,697, and the bank balance was \$16,689,460.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 2 - CASH AND CASH EQUIVALENTS (Cont'd)

B. Cash on deposit with the Cochise County Treasurer

Arizona Revised Statutes (A.R.S.) requires the District to deposit special tax levies for the District's maintenance or capital outlay with the County Treasurer. The statutes do not require the District to deposit other public monies in its custody with the County Treasurer; however, the District must act as 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 District's investments.

As of June 30, 2010, the District reported \$89,095 on deposit with the Cochise County Treasurer's investment pool (CCTIP). The Cochise County Treasurer invests the cash in a pool under policy guidelines established by the County. The Cochise County Treasurer's investment pool is an external investment pool with no regulatory oversight. The CCTIP is not required to register (and is not registered) with the Securities and Exchange Commission. As of June 30, 2010 the CCTIP had not received a quality rating from a national rating agency.

C. Investments

At June 30, 2010, the District's investments consisted of the following:

	Weighted Average Maturity	Fair Value
US Bank (Trustee)		
Money market mutual fund	38 days	\$1,446,223
State Treasurer's investment pool 7	25.55 days	542,163
State Treasurer's investment pool 7	25.55 days	732,996
County Treasurer's investment pool	343.10 days	89,095
Total		<u>\$2,810,477</u>

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.

D. Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

E. Credit Risk

The District does not have a formal investment policy with respect to credit risk that would further limit its investment choices. The State and County Treasurers' investment pool and the investment in the money market mutual fund are not rated.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 2 - CASH AND CASH EQUIVALENTS (Concl'd)

F. Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of a counterparty's failure, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District currently does not have a formal investment policy for custodial credit risk. The District's cash and investments held by the trustee have a custodial credit risk exposure of \$1,988,386 because the related securities are uninsured, unregistered and held by the District's brokerage firm (counterparty) not in the District's name.

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 495,580	\$	\$	\$ 495,580
Museum art collection	66,000			66,000
Construction in progress	26,093,494	17,263,111	(34,717,045)	8,639,560
Total capital assets not being depreciated	26,655,074	17,263,111	(34,717,045)	9,201,140
Capital assets being depreciated:				
Buildings	24,770,350	28,361,149	(428,878)	52,702,621
Equipment	6,964,022	3,288,922		10,252,944
Improvements other than buildings	2,213,656	3,472,881		5,686,537
Library books	1,271,993	60,218	(49,357)	1,282,854
Total capital assets being depreciated	35,220,021	35,183,170	(478,235)	69,924,956
Less accumulated depreciation for:				
Buildings	(12,035,646)	(820,146)	339,327	(12,516,465)
Equipment	(6,433,715)	(528,620)		(6,962,335)
Improvements other than buildings	(1,336,458)	(161,587)		(1,498,045)
Library books	(965,758)	(51,616)	49,357	(968,017)
Total accumulated depreciation	(20,771,577)	(1,561,969)	388,684	(21,944,862)
Total capital assets being depreciated, net	14,448,444	33,621,201	(89,551)	47,980,094
Capital assets, net	<u>\$ 41,103,518</u>	<u>\$ 50,884,312</u>	<u>\$(34,806,596)</u>	<u>\$ 57,181,234</u>

The District had major contractual commitments at June 30, 2010, related to various capital projects for the construction of new buildings on the Sierra Vista and Douglas Campuses; these contractual commitments totaled \$1,534,150 as of that date. The projects are being financed with college reserves set aside over the last several years for this purpose and with the proceeds from the sale of revenue bonds and pledged revenue obligations, also issued for this purpose.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 4 – LONG-TERM LIABILITIES

The following schedule details the District's long-term liability and obligation activity for the year ended June 30, 2010:

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2010</u>	<u>Due within one year</u>
Compensated absences	\$ 1,289,399	\$ 1,406,383	\$ 1,418,872	\$ 1,276,910	\$ 131,673
OPEB obligation	181,880	236,321	52,752	365,449	
Bonds payable:					
Revenue bonds	10,595,000	-	90,000	10,505,000	100,000
Pledged revenue obligations	15,000,000	-	730,000	14,270,000	765,000
Premiums	500,847	-	31,772	469,075	31,772
Total long-term liabilities	<u>\$27,567,126</u>	<u>\$ 1,642,704</u>	<u>\$2,323,396</u>	<u>\$26,886,434</u>	<u>\$1,028,445</u>

Bonds Payable

The District's bonded debt consists of one issue of revenue bonds and one issue of pledged revenue obligations. Bond proceeds primarily pay for improving, acquiring or constructing capital assets. Bonds are repaid from tuition, fees, rentals, and other charges to students, faculty, and others. Federal arbitrage regulations are applicable to all of the District's bond issues. Interest payments are due on a semi-annual basis. Bonds outstanding at June 30, 2010, were as follows:

<u>Issue</u>	<u>Original Amount</u>	<u>Maturity Ranges</u>	<u>Interest Rates</u>	<u>Outstanding Principal</u>
Revenue Bonds				
Series 2008	\$10,595,000	7/1/2010-28	3.5-5.125%	\$10,505,000
Pledged Revenue Obligations				
Series 2008	\$15,000,000	7/1/2010-23	4.00-5.50%	\$14,270,000

The following schedule details debt service requirements to maturity for the District's bonds and PROs at June 30, 2010:

<u>Year Ending June 30:</u>	<u>Revenue Bonds</u>		<u>Pledged Revenue Obligations</u>		<u>Total Debt Service Requirements</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2011	\$ 100,000	\$ 517,550	\$ 765,000	\$ 603,919	\$ 1,986,469
2012	105,000	513,613	800,000	571,919	1,990,532
2013	105,000	509,675	835,000	538,519	1,988,194
2014	105,000	505,475	870,000	503,719	1,984,194
2015	115,000	500,875	900,000	467,719	1,983,594
2016-2020	630,000	2,429,845	5,085,000	1,725,256	9,870,101
2021-2025	2,190,000	2,199,814	5,015,000	363,250	9,768,064
2026-2029	7,155,000	572,719	-	-	7,727,719
Totals	\$10,505,000	\$7,749,566	\$14,270,000	\$4,774,301	\$37,298,867

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 4 – LONG-TERM LIABILITIES (Concl'd)

A. Revenue Bonds

In July 2008, the District issued \$10,595,000 of revenue bonds to construct, furnish, and equip an academic science building and residence housing and to make related site improvements. Bonds maturing on or before July 1, 2018, are not subject to redemption. Bonds maturing on or after July 1, 2019, are subject to early redemption.

B. Pledged Revenue Obligations

In July 2008, the District issued \$15,000,000 of pledged revenue obligations (PROs) to construct, furnish, and equip a student services building and two academic buildings and to make related site improvements. Obligations maturing on or before July 1, 2018, are not subject to redemption. Obligations maturing on or after July 1, 2019, are subject to early redemption.

Revenues Pledged

The District has pledged future revenue streams from tuition, fees, rentals, and other payments from students, faculty, and others to make debt service payments on the \$10,595,000 of revenue bonds and \$15,000,000 of pledged revenue obligations. Annual principal and interest payments on the debt issuances, payable solely from these revenues through 2029, are expected to require less than 33% of the annual pledged gross revenues. FY 2010 interest and principal paid and total pledged gross revenues were \$1,981,306 and \$6,275,678, respectively. Total principal and interest remaining to be paid is \$37,298,867.

NOTE 5 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all such risks of loss, including workers' compensation and accident insurance. In addition, the District carries specialized commercial insurance for the risks of loss associated with its aircraft program and nursing and emergency medical technician student program. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 6 – PENSION AND OTHER POSTEMPLOYMENT BENEFITS

A. Pension Benefits

Plan description – The District 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 (System). The System (through its Retirement Fund) provides retirement (i.e., pension), death and survivor benefits; the Health Benefit Supplement Fund provides health insurance premium benefits (i.e., a monthly subsidy); and the Long-Term Disability Fund provides long-term disability benefits. Benefits are established by state statute. The System is governed by the Arizona State Retirement System Board according to provisions of A.R.S. Title 38, Chapter 5, Article 2.

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

Funding policy - The Arizona State Legislature establishes and may amend active plan members' and the District's contribution rates. For the year ended June 30, 2010, active plan members and the District were each required by statute to contribute at the actuarially determined rate of 9.40 percent of the members' annual covered payroll. The employee's contributions of 9.40 percent were broken down as follows: 9.00 percent for retirement and 0.4 percent for long-term disability. The District's contributions of 9.40 percent were broken down as follows: 8.34 percent for retirement, 0.66 percent for health insurance premium, and 0.4 percent for long-term disability. The District's contributions for the current and two preceding years, all of which were equal to the required contributions, were as follows:

	<u>Health Benefit Retirement Fund</u>	<u>Long-Term Supplement Fund</u>	<u>Disability Fund</u>
Years ended June 30,			
2010	\$ 1,438,490	\$ 113,837	\$ 68,363
2009	1,381,114	181,232	86,945
2008	1,322,249	180,071	82,756

B. Postemployment Health Care Benefits

Effective for the 2008-09 fiscal year, the District implemented Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (GASB Statement No. 45), for certain postemployment health care benefits provided by the Cochise Combined Trust (the Trust). The requirements of GASB Statement No. 45 are being implemented prospectively, with the actuarially determined liability of \$1,786,136 as of July 1, 2008 (the date of transition), amortized over 30 years.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 6 – PENSION AND OTHER POSTEMPLOYMENT BENEFITS (Cont'd)

Plan description – The District has a single-employer plan for postemployment health care benefits. The District subsidizes the premium rates paid by retirees by allowing them to participate in the District's health care plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provided an implicit rate subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The District does not offer any explicit subsidies.

Retiring employees may be retained on the Trust's health insurance plan provided they make the required contributions and comply with all other provisions of the Plan. To be eligible the employee must:

1. Retire from the District under the Arizona State Retirement System;
2. Must have a minimum of ten (10) consecutive years of service with the District and be at least fifty-five years of age;
3. Must have accumulated at least eighty (80) points with the Arizona State Retirement System.

Covered retirees are eligible to participate until the earlier of:

1. Attaining the age of sixty-five (65);
2. Obtaining health care coverage through another employer's health medical plan;
3. The date they are eligible for the Federal Medicare program.

If a covered retiree terminates coverage for any reason, coverage cannot be reinstated. The District does not issue a stand-alone annual report for the plan.

Funding policy – Benefit provisions are pursuant to the District's policy and can be amended by the District Governing Board. The District has not advance-funded or established a funding methodology for the annual Other Post Employment Benefit (OPEB) costs or the net OPEB obligation. For the 2009-10 fiscal year, 21 retirees received postemployment healthcare benefits. The District provided required contributions of \$52,752, or 22.3%, toward the annual OPEB cost of \$236,321, comprised of partial premium payments made on behalf of retirees for post-retirement medical benefits. Retiree contributions totaled \$168,599.

Annual OPEB Cost and Net OPEB Obligation – The District's annual OPEB cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the District's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the District's OPEB obligation.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 6 – PENSION AND OTHER POSTEMPLOYMENT BENEFITS (Cont'd)

<u>Description</u>	<u>Amount</u>
Normal cost (service cost for one year)	\$ 131,609
Amortization of unfunded actuarial:	
Accrued liability	107,551
Interest on normal cost and amortization	<u>-</u>
 Annual required contribution (ARC)	 239,160
Interest on net OPEB obligation	7,275
Adjustment to annual required contribution	<u>(10,114)</u>
 Annual OPEB Cost	 236,321
Contribution toward the OPEB cost	<u>(52,752)</u>
 Increase in net OPEB obligation	 183,569
Net OPEB obligation, beginning of year	<u>181,880</u>
 Net OPEB obligation, end of year	 <u><u>\$ 365,449</u></u>

Funded Status and Funding Progress – As of June 30, 2010 the actuarial accrued liability for benefits was \$1,934,165 and is unfunded. The plan has no assets. The covered payroll (annual payroll of active participating employees) was \$15,541,344 for the FY 2010 while the ratio of the unfunded actuarial accrued liability to the covered payroll was 12.4%.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about future employment and termination, mortality, and the health care trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations.

The District's initial OPEB actuarial valuation as of July 1, 2008, used the entry age actuarial method to estimate the unfunded actuarial accrued liability (UAAL) as of June 30, 2009. This information formed the basis for the October 22, 2010, actuarially-derived roll-forward of the UAAL for June 30, 2010, which in turn was used to estimate the FY 2010 annual required contribution.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 6 – PENSION AND OTHER POSTEMPLOYMENT BENEFITS (Concl'd)

Method/Assumption

Valuation date	July 1, 2008
Actuarial cost method	Entry age actuarial cost
Initial amortization period, level dollar amortization method, open period	30 years
Remaining amortization period	28 years
Investment rate of return	4 %
Medicare coverage age	65
Retirement and disability age	ASRS assumptions
Health Care Cost Trend Range	5% - 9%
Participation Assumption	100%
Active members	255
Retirees currently receiving benefits	21

NOTE 7 - OPERATING EXPENSES

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

Personnel services	\$27,659,796
Contract services	2,582,219
Supplies and other services	2,661,581
Rent and insurance	1,211,054
Communications and utilities	1,221,728
Travel	379,702
Scholarships	4,983,370
Depreciation	1,561,969
Other	133,346
Total	<u>\$42,394,765</u>

NOTE 8 – CONTINGENCIES AND LITIGATION

The District is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of business. Possible claims cannot be reasonably estimated at this time. Management and legal counsel will seek denial of the claims and believe that the loss, if any, resulting from these claims will not have a material impact on the District's financial position, results of operations, or cash flows in future years.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 9 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURE

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cochise College Foundation, Inc. (the Foundation) is an Arizona not-for-profit organization established to support the educational goals of the Cochise County Community College District primarily through the funding of scholarships to students. Foundation policy is provided and directed by a thirteen member Board of Directors composed of appointed individuals.

1. Basis of Accounting

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

2. Basis of Presentation

The Foundation is required to report 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.

Unrestricted net assets – net assets that are not subject to donor-imposed restrictions.

Temporarily restricted net assets – net assets subject to donor-imposed restrictions that may or will be met either by actions of the Foundation and/or the passage of time. When a donor restriction expires, either when the stipulated time restriction ends or the purpose restriction is accomplished, temporarily restricted net assets are classified as unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Permanently restricted net assets – net assets subject to donor-imposed restrictions that must be maintained permanently by the Foundation.

3. Restricted and Unrestricted Revenue

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restriction. Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Unconditional promises and other gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Revenue received for future scholarships is deferred until the applicable year.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 9 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURE (Cont'd)

4. Expense Allocation

Directly identifiable expenses of the Foundation's programs are charged to scholarships and other programs. Supporting services expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

5. Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

6. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Foundation maintains its cash in bank deposit accounts, which, for short periods of time, may exceed federally insured limits. There was no uninsured cash at year end.

7. Investments

The Foundation carries investments in marketable equity securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

8. Investment Income and Gains

Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

9. Donated Assets

Donated assets are reflected as contributions in the accompanying financial statements at their estimated values at the date of receipt.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 9 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURE (Cont'd)

10. Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. Volunteers also provided services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

11. Income Tax Status

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

12. Subsequent Events

Subsequent events have been evaluated through November 4, 2010, which is the date the financial statements were available to be issued.

B. FAIR VALUE MEASUREMENTS

Fair values of investments are determined by reference to quoted market prices and other relevant information generated by market transactions, which represent level 1 inputs. Investments at year end were comprised of the following.

	<u>Fair Value</u>
Investments	
Money market funds	\$ 156,733
Fixed income investments	3,548,132
Equities	117,368
Mutual funds	954,561
Land	<u>46,194</u>
Total Assets	<u>\$ 4,822,988</u>

Investment income consisted of the following for the current fiscal year.

Interest and dividends	\$ 237,396
Unrealized losses	(143,643)
Unrealized gains	701,909
Realized losses	(19,080)
Realized gains	<u>2,125</u>
Total investment income	<u>\$ 778,708</u>

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 9 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURE (Cont'd)

C. ENDOWMENTS

As of year end, the Board of Directors has designated \$655,548 of unrestricted net assets as a general endowment fund to support the mission of the Foundation. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as unrestricted net assets.

The Foundation's endowments consist of both donor-restricted contributions that were made to its foundation and funds designated by the Board to function as endowments. As required by Generally Accepted Accounting Principles (GAAP), net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on existence or absence of donor-imposed restrictions.

1. Interpretation of Relevant Law

The foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the historic dollar value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. 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 UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- a. The duration and preservation of the fund
- b. The purposes of the organization and the donor-restricted endowment fund
- c. General economic conditions
- d. The possible effect of inflation and deflation
- e. The expected total return from income and the appreciation of investments
- f. Other resources of the organization
- g. The investment policies of the organization

2. Funds with Deficiencies

From time to time, the fair values of assets associated with donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. There were no such deficiencies as of year end.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 9 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURE (Cont'd)

3. Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity. Under this policy, as approved by the Board of Directors, up to two-thirds of the endowment assets are invested in fixed income, and up to one-third of the endowment net assets are invested in equities.

4. Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on fixed income investments to achieve its long-term return objectives within prudent risk constraints.

5. Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year the realized income from the endowment. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Endowment Net Asset Composition by type of endowment fund as of year end:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$	\$ 2,599,429	\$ 1,679,377	\$ 4,278,806
Board-designated endowment funds	655,548			655,548
Total Funds	<u>\$ 655,548</u>	<u>\$ 2,599,429</u>	<u>\$ 1,679,377</u>	<u>\$ 4,934,354</u>

Changes in Endowment Net Assets for the current fiscal year:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 475,496	\$ 2,164,859	\$ 1,618,438	\$ 4,258,793
Contributions		424,289	60,939	485,228
Investment income	55,068	182,328		237,396
Net appreciation, realized and unrealized	124,984	318,570		443,554
Appropriation of endowment assets for expenditure		(490,617)		(490,617)
Endowment net assets, end of year	<u>\$ 655,548</u>	<u>\$ 2,599,429</u>	<u>\$ 1,679,377</u>	<u>\$ 4,934,354</u>

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 9 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURE (Concl'd)

D. RELATED PARTY TRANSACTIONS

Linda R. Staneart, maintains an active Board member position with the Foundation. As a Board member, she is able to influence the financial and operational activities of the Foundation through voting authority.

At the beginning of the year, Linda R. Staneart was gainfully employed by Edward Jones, and managed the investing activities of the Foundation. However during the year she retired from her position with Edward Jones, and now does not participate in the management of the investments held by the Foundation.

Required Supplementary Information

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
POSTEMPLOYMENT HEALTH CARE BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
June 30, 2010**

Fiscal Year ended <u>June 30</u>	Actuarial Value of Plan <u>Assets</u>	Actuarial Accrued Liability <u>Entry Age (1)</u>	Unfunded Actuarial Accrued Liability (3)	Funded Ratio (2)	Covered Payroll	Actuarial Liability as a Percentage of Covered Payroll
2009	\$ -	\$ 1,786,136 (4)	\$1,786,136	0.00%	\$ 15,297,505 (4)	11.68%
2010	-	1,934,165 (5)	1,934,165	0.00%	15,541,344	12.45%

Notes:

- (1) The Entry Age Actuarial Cost Method is used to determine the Plan's funding requirements.
- (2) The percentage funded is derived by dividing the actuarial value of plan assets by the actuarial accrued liability.
- (3) The unfunded actuarial accrued liability is the actuarial accrued liability minus the actuarial value of plan assets.
- (4) Based on data from an actuarial valuation report as of July 1, 2008, dated September 28, 2009.
- (5) The District's initial OPEB actuarial valuation as of July 1, 2008, used the entry age actuarial method to estimate the unfunded actuarial accrued liability (UAAL) as of June 30, 2009. This information formed the basis for the October 22, 2010, actuarially-derived roll-forward of the UAAL for June 30, 2010, which in turn was used to estimate the FY 2010 annual required contribution.

Isolated analysis of the dollar amounts of the actuarial value of assets, actuarial liability, and unfunded actuarial accrued liability can be misleading.

Expressing the actuarial value of assets as a percentage of the actuarial liability provides one indication of the Plan's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the Plan is becoming financially stronger or weaker. Generally, the greater the percentage, the stronger the plan.

The District adopted GASB Statement No. 45, effective July 1, 2008, therefore only two years of funding progress information is available.



COCHISE COLLEGE

STATISTICAL
Section



Statistical Section

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

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

Financial Trends (Pp. 50-53)

These schedules contain trend information to help the reader understand how the District's financial performance has changed over time.

Revenue Capacity (Pp. 54-61)

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

Debt Capacity (Pp. 62-65)

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

Demographic and Economic Information (Pp. 66-68)

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

Operating Information (Pp. 69-70)

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

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NET ASSETS by COMPONENT
Last Nine Fiscal Years (1)
Unaudited

	2009/10	2008/09	2007/08	2006/07	2005/06	2004/05	2003/04	2002/03	2001/02
Primary government									
Invested in capital assets, net of related debt	\$ 31,548,105	\$ 15,508,518	\$ 16,861,247	\$ 10,896,801	\$ 10,385,795	\$ 10,628,755	\$ 10,749,501	\$ 10,650,275	\$ 11,442,979
Restricted (2)	2,520,295	10,193,018	1,904,829	1,599,298	1,457,979	947,780	449,062	359,452	262,010
Unrestricted (2)	14,745,324	18,053,024	22,390,296	24,286,971	20,037,090	15,319,552	10,641,976	7,347,628	5,924,985
Total primary government net assets	\$ 48,813,724	\$ 43,754,560	\$ 41,156,372	\$ 36,783,070	\$ 31,880,864	\$ 26,896,087	\$ 21,840,539	\$ 18,357,355	\$ 17,629,974

Source: Annual reports on audited financial statements.

Note (1): Beginning in fiscal year 2001/02, the District implemented the reporting requirements of GASB Statement No. 35. Since prior years financial information has not been restated, only the past nine fiscal years net assets are presented here.

Note (2): In FY 2006, Expendable Capital Projects Net Assets and Debt Service Net Assets were reclassified from Restricted Net Assets to Unrestricted Net Assets. Prior years' data have been restated for comparability.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
CHANGES in NET ASSETS
Last Nine Fiscal Years (1)
Unaudited

	2009/10	2008/09	2007/08	2006/07	2005/06	2004/05	2003/04	2002/03	2001/02 (2)
Operating Revenues									
Tuition and fees	\$ 5,062,696	\$ 4,641,758	\$ 4,698,520	\$ 4,471,602	\$ 4,115,507	\$ 4,104,156	\$ 3,874,044	\$ 3,395,065	\$ 2,830,410
Bookstore sales	166,036	165,000	165,000	165,000	165,000	165,000	113,160	113,723	106,697
Food service sales	410,869	355,009	303,007	296,025	302,222	303,693	302,177	304,974	339,556
Dormitory rentals	169,018	130,599	188,407	206,825	199,604	210,085	193,778	229,280	250,054
Other sales and services	314,220	378,493	393,656	529,893	834,528	1,531,498	869,457	352,220	322,833
Contracts	380,659	702,115	620,393	579,140	554,668	921,593	612,435	633,393	653,366
Total operating revenues	6,503,498	6,372,974	6,368,983	6,248,485	6,171,529	7,236,025	5,965,051	5,028,655	4,502,916
Operating Expenses									
Instruction	17,313,386	17,223,291	17,701,763	15,380,470	14,136,315	12,460,037	11,664,764	12,166,791	11,282,892
Public service	645,728	545,869	459,213	417,791	498,178	561,156	456,122	340,121	412,659
Academic support	1,381,213	1,373,347	1,450,899	1,608,960	1,136,549	1,051,477	903,969	861,049	829,502
Student services	4,761,273	4,373,637	4,045,079	3,713,085	3,431,102	2,887,048	2,726,816	2,849,238	2,463,364
Institutional support	6,933,163	8,208,375	6,407,377	6,032,729	5,824,808	5,005,656	4,317,051	4,555,534	4,270,073
Operation & maintenance of Plant	3,771,919	3,407,441	2,896,466	3,403,605	3,180,681	2,716,508	2,588,501	2,448,144	2,529,219
Scholarships	4,983,370	3,173,812	2,763,227	2,674,499	2,681,465	3,009,865	3,027,789	3,325,570	2,774,394
Depreciation	1,561,969	1,217,122	1,388,759	1,096,577	1,225,454	1,189,506	1,112,495	1,010,505	1,063,415
Auxiliary enterprises	1,042,744	1,186,629	1,285,996	1,954,700	2,074,570	2,604,560	1,601,063	1,336,144	1,693,613
Total operating expenses	42,394,765	40,709,523	38,398,779	36,282,416	34,189,122	31,485,813	28,398,570	28,893,096	27,319,131
Operating income (loss)	(35,891,267)	(34,336,549)	(32,029,796)	(30,033,931)	(28,017,593)	(24,249,788)	(22,433,519)	(23,864,441)	(22,816,215)
Nonoperating Revenues/(Expenses)									
Property taxes	15,833,368	14,960,185	14,036,854	13,012,950	11,786,056	10,910,652	10,144,554	9,642,802	8,744,747
State appropriations	15,330,500	13,494,004	13,071,100	12,206,400	11,270,300	9,384,000	7,748,800	7,547,001	8,133,700
Government grants (3)	10,122,113	8,305,737	6,549,237	6,369,297	7,361,587	7,147,082	6,744,782	7,084,184	5,954,757
Share of state sales taxes	832,908	924,881	1,034,869	1,044,129	962,089	771,765	588,067	424,850	540,737
Investment earnings/(loss)	152,839	449,061	962,089	1,240,620	715,239	250,213	92,798	(204,595)	197,523
Miscellaneous	-	-	-	-	-	-	-	-	38,000
Interest on debt	(1,161,306)	(1,199,131)	(27,035)	(42,994)	(58,501)	(70,576)	(84,098)	(96,408)	(107,570)
Gain/(Loss) on sale/disposal of capital assets	(159,991)	-	(284,616)	33,435	-	-	-	-	-
Total nonoperating revenues/expenses	40,950,431	36,934,737	35,342,498	33,863,837	32,036,770	28,393,136	25,234,903	24,397,834	23,501,894
Income (loss) before other revenues, expenses, gains or losses	5,059,164	2,598,188	3,312,702	3,829,906	4,019,177	4,143,348	2,801,384	533,393	685,679
Capital appropriations	-	-	1,060,600	1,052,300	965,600	912,200	681,800	681,800	699,900
Capital grants and gifts	-	-	-	20,000	-	-	-	-	-
Change in Net Assets	\$ 5,059,164	\$ 2,598,188	\$ 4,373,302	\$ 4,902,206	\$ 4,984,777	\$ 5,055,548	\$ 3,483,184	\$ 1,215,193	\$ 1,385,579

Source: Annual reports on audited financial statements.

Note (1): Beginning in fiscal year 2001/02, the District implemented the reporting requirements of GASB Statement No. 35. Since prior years financial information has not been restated, only the past nine fiscal years are presented here.

Note (2): Total Net Assets for the year ended June 30, 2002 was adjusted due to the understating of capital assets and capital depreciation in the amount of \$487,812.

Note (3): Government grants have been reclassified for the fiscal years prior to fiscal year 2007/2008 to conform with current year presentation.

COSHISE COUNTY COMMUNITY COLLEGE DISTRICT
EXPENSES by FUNCTION
Last Nine Fiscal Years (1)
Unaudited

Function	2009/10	2008/09	2007/08	2006/07	2005/06	2004/05	2003/04	2002/03	2001/02
Instruction	\$ 17,313,386	\$ 17,223,291	\$ 17,701,763	\$ 15,380,470	\$ 14,136,315	\$ 12,460,037	\$ 11,664,764	\$ 12,166,791	\$ 11,282,892
Public service	645,728	545,869	459,213	417,791	498,178	561,156	456,122	340,121	412,659
Academic support	1,381,213	1,373,347	1,450,899	1,608,960	1,136,549	1,051,477	903,969	861,049	829,502
Student services	4,761,273	4,373,637	4,045,079	3,713,085	3,431,102	2,887,048	2,726,816	2,849,238	2,463,364
Institutional support	6,933,163	8,208,375	6,407,377	6,032,729	5,824,808	5,005,656	4,317,051	4,555,534	4,270,073
Operation & maintenance of plant	3,771,919	3,407,441	2,896,466	3,403,605	3,180,681	2,716,508	2,588,501	2,448,144	2,529,219
Scholarships	4,983,370	3,173,812	2,763,227	2,674,499	2,681,465	3,009,865	3,027,789	3,325,570	2,774,394
Depreciation	1,561,969	1,217,122	1,388,759	1,096,577	1,225,454	1,189,506	1,112,495	1,010,505	1,063,415
Interest on debt	1,161,306	1,199,131	27,035	42,994	58,501	70,576	84,098	96,408	107,570
Other nonoperating expenses	159,991	-	284,616	-	-	-	-	-	-
Auxiliary enterprises	1,042,744	1,186,629	1,285,996	1,954,700	2,074,570	2,604,560	1,601,063	1,336,144	1,693,613
Total Expenses	\$43,716,062	\$41,908,654	\$38,710,430	\$36,325,410	\$34,247,623	\$31,556,389	\$28,482,668	\$28,989,504	\$27,426,701

Source: Annual reports on audited financial statements.

Note (1): Beginning in fiscal year 2001/02, the District implemented the reporting requirements of GASB Statement No. 35. Since prior years financial information has not been restated, only the past nine fiscal years expenses are presented here.

COSHISE COUNTY COMMUNITY COLLEGE DISTRICT
EXPENSES by USE
Last Nine Fiscal Years (1)
Unaudited

USE	2009/10	2008/09	2007/08	2006/07	2005/06	2004/05	2003/04	2002/03	2001/02
Salaries and benefits	\$ 27,659,796	\$ 26,798,469	\$ 25,693,154	\$ 23,925,848	\$ 22,388,383	\$ 19,714,317	\$ 18,523,979	\$ 18,217,369	\$ 18,089,293
Contract services	2,582,219	3,890,058	2,855,842	2,693,339	2,792,749	2,749,871	1,970,927	2,121,736	1,906,728
Supplies and materials	2,603,551	2,392,886	2,562,210	2,243,703	1,910,767	2,212,951	1,550,110	1,869,146	1,564,686
Subscriptions, dues, insurance and rentals	1,211,054	1,296,725	1,024,344	875,562	875,245	711,074	444,806	635,841	545,764
Utilities and communication	1,221,728	1,127,915	1,077,962	1,064,695	913,088	889,455	885,605	863,847	887,341
Travel	379,702	381,690	519,002	462,069	468,778	419,345	395,312	362,474	280,232
Noncapitalized equipment	58,030	229,881	207,295	867,186	531,149	280,767	200,456	276,674	-
Scholarships	4,983,370	3,173,812	2,763,227	2,674,499	2,681,465	3,009,865	3,027,789	3,325,570	2,774,394
Depreciation	1,561,969	1,217,122	1,388,759	1,096,577	1,225,454	1,189,506	1,112,495	1,010,505	1,063,415
Other	133,346	200,965	306,984	378,938	402,044	308,662	287,091	209,934	207,278
Total operating expenses	42,394,765	40,709,523	38,398,779	36,282,416	34,189,122	31,485,813	28,398,570	28,893,096	27,319,131
Interest on debt	1,161,306	1,199,131	27,035	42,994	58,501	70,576	84,098	96,408	107,570
Other nonoperating expenses	159,991	-	284,616	-	-	-	-	-	-
Total nonoperating expenses	1,321,297	1,199,131	311,651	42,994	58,501	70,576	84,098	96,408	107,570
Total expenses	\$ 43,716,062	\$ 41,908,654	\$ 38,710,430	\$ 36,325,410	\$ 34,247,623	\$ 31,556,389	\$ 28,482,668	\$ 28,989,504	\$ 27,426,701

Source: Annual reports on audited financial statements.

Note (1): Beginning in fiscal year 2001/02, the District implemented the reporting requirements of GASB Statement No. 35. Since prior years financial information has not been restated, only the past nine fiscal years expenses are presented here.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
REVENUES by SOURCE
Last Nine Fiscal Years (1)
Unaudited

Source of Revenue	2009/10	2008/09	2007/08	2006/07	2005/06	2004/05	2003/04	2002/03	2001/02
Property taxes	\$ 15,833,368	\$ 14,960,185	\$ 14,036,854	\$ 13,012,950	\$ 11,786,056	\$ 10,910,652	\$ 10,144,554	\$ 9,642,802	\$ 8,744,747
State appropriations	15,330,500	13,494,004	14,131,700	13,258,700	12,235,900	10,296,200	8,430,600	8,228,801	8,819,379
Grants and contracts	10,502,772	9,007,852	7,169,630	6,946,544	7,909,560	7,996,983	7,353,192	7,715,886	6,607,112
Tuition and fees	5,062,696	4,641,758	4,698,520	4,471,602	4,115,507	4,104,156	3,874,044	3,395,065	2,830,410
Investment income	152,839	449,061	962,089	1,240,620	715,239	250,213	92,798	(204,595)	197,523
Bookstore sales	166,036	165,000	165,000	165,000	165,000	165,000	113,160	113,723	106,697
Food services sales	410,869	355,009	303,007	296,025	302,222	303,693	302,177	304,974	339,556
Dormitory rentals	169,018	130,599	188,407	206,825	199,604	210,085	193,778	229,280	250,054
Other	1,147,128	1,303,374	1,428,525	1,629,350	1,803,312	2,374,955	1,461,549	778,761	902,581
Total Revenues	\$ 48,775,226	\$ 44,506,842	\$ 43,083,732	\$ 41,227,616	\$ 39,232,400	\$ 36,611,937	\$ 31,965,852	\$ 30,204,697	\$ 28,798,059

Source: Annual reports on audited financial statements.

Note (1): Beginning in fiscal year 2001/02, the District implemented the reporting requirements of GASB Statement No. 35. Since prior years financial information has not been restated, only the past nine fiscal years revenues are presented here.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
EXPENDITURE LIMITATION
STATUTORY LIMIT TO BUDGETED EXPENDITURES
Last Ten Fiscal Years
Unaudited

FISCAL YEAR	STATUTORY EXPENDITURE LIMITATION (1)	BUDGETED EXPENDITURES SUBJECT TO LIMITATION (2)	UNUSED LEGAL LIMIT
2000/01	\$ 19,189,074	\$ 19,094,305	\$ 94,769
2001/02	21,370,511	17,160,964	4,209,547
2002/03	22,544,097	16,833,821	5,710,276
2003/04	23,778,152	16,483,870	7,294,282
2004/05	30,719,685	19,043,923	11,675,762
2005/06	40,285,804	21,671,982	18,613,822
2006/07	45,302,970	24,274,057	21,028,913
2007/08	47,165,963	31,616,400	15,549,563
2008/09	50,550,255	33,612,389	16,937,866
2009/10	56,193,413	36,546,032	19,647,381

Source: Audited Annual Budgeted Expenditure Limitation Reports.

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

Note (2): Budgeted expenditures are net of allowable exclusions.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
 ASSESSED VALUE and FULL CASH VALUE of ALL TAXABLE PROPERTY
 Last Ten Fiscal Years
 Unaudited

Fiscal Year/ Levy Type	Net Assessed Value (1)	Full Cash Value	Percentage of Net Assessed to Full Cash Value
2000/01 primary	\$ 492,396,096	\$ 3,564,695,900	13.81%
2000/01 secondary	503,163,777	3,666,404,012	13.72%
2001/02 primary	504,130,498	3,709,879,002	13.59%
2001/02 secondary	517,193,490	3,824,151,522	13.52%
2002/03 primary	537,737,089	3,976,034,494	13.52%
2002/03 secondary	554,220,855	4,109,659,631	13.49%
2003/04 primary	570,409,342	4,316,623,673	13.21%
2003/04 secondary	586,985,389	4,457,391,244	13.17%
2004/05 primary	611,079,588	4,677,083,356	13.07%
2004/05 secondary	628,655,003	4,824,239,743	13.03%
2005/06 primary	664,734,679	5,135,195,057	12.94%
2005/06 secondary	682,367,252	5,301,085,759	12.87%
2006/07 primary	734,609,559	5,734,972,269	12.81%
2006/07 secondary	767,433,022	5,996,827,619	12.80%
2007/08 primary	812,722,290	6,477,280,505	12.55%
2007/08 secondary	872,912,337	6,991,051,279	12.49%
2008/09 primary	903,521,761	7,310,606,108	12.36%
2008/09 secondary	1,018,740,280	8,314,559,327	12.25%
2009/10 primary	986,677,834	8,079,032,213	12.21%
2009/10 secondary	1,060,241,909	8,674,971,385	12.22%

Source: Cochise County Assessor's Office, Arizona Department of Revenue.

Note (1): The assessed value of taxable property by class of real and personal property is not currently available.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
 ASSESSED VALUATION, TAX RATE and LEVY HISTORY
 Last Ten Fiscal Years
 Unaudited

Fiscal Year	Primary			Secondary (1)		
	Assessed Valuation	Tax Rate	Tax Levy	Assessed Valuation	Tax Rate	Tax Levy
2000/01	\$ 492,396,096	1.7368	\$ 8,551,935	\$ 503,163,777	-	\$ -
2001/02	504,130,498	1.7368	8,755,738	517,193,490	-	-
2002/03	537,737,089	1.7868	9,608,286	554,220,855	-	-
2003/04	570,409,342	1.7868	10,192,074	586,985,389	-	-
2004/05	611,079,588	1.7868	10,918,770	628,655,003	-	-
2005/06	664,734,679	1.7868	11,877,479	682,367,252	-	-
2006/07	734,609,559	1.7868	13,126,004	767,433,022	-	-
2007/08	812,722,290	1.7430	14,165,750	872,912,337	-	-
2008/09	903,521,761	1.6604	15,002,075	1,018,740,280	-	-
2009/10	986,677,834	1.6075	15,860,846	1,060,241,909	-	-

Source: Cochise County Assessor's/Treasurer's Offices and District records.

Note (1): Cochise County Community College District does not currently have any secondary taxes levied.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
PROPERTY TAX RATES, DIRECT and OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years (Per \$100 of Assessed Value)
Unaudited

Fiscal Year		Cochise College	Cochise County	Cities/Towns and Special Districts From To		School Districts From To	
2000/01	Primary	1.7368	2.9373	0.0086	2.4774	0.0000	11.3559
	Secondary	-	0.4148	0.0100	2.9976	0.0000	2.9562
2001/02	Primary	1.7368	2.9373	0.0083	2.4774	1.1679	11.4960
	Secondary	-	0.4148	0.1000	3.0000	0.3416	2.5575
2002/03	Primary	1.7868	2.9373	0.0076	2.4556	1.2605	11.9069
	Secondary	-	0.4148	0.1000	2.9986	0.3111	2.3008
2003/04	Primary	1.7868	2.9373	0.1500	2.3675	1.5519	16.5502
	Secondary	-	0.4148	0.1000	3.0000	0.0000	2.5127
2004/05	Primary	1.7868	2.9373	0.1500	2.3817	0.0666	9.9236
	Secondary	-	0.4148	0.1000	2.9999	0.0000	2.5555
2005/06	Primary	1.7868	2.9373	0.1435	2.3609	1.0167	10.5605
	Secondary	-	0.4148	0.0896	2.9686	0.0000	2.5485
2006/07	Primary	1.7868	2.9160	0.1435	2.3798	0.3732	10.6949
	Secondary	-	0.4148	0.0919	3.1540	0.0000	2.3675
2007/08	Primary	1.7430	2.8653	0.1319	2.3026	0.0000	11.7345
	Secondary	-	0.4048	0.0000	3.1749	0.0000	2.4684
2008/09	Primary	1.6604	2.6759	0.1258	2.2212	1.2381	12.1619
	Secondary	-	0.4048	0.0000	5.2156	0.0000	2.2953
2009/10	Primary	1.6075	2.6425	0.1139	2.1446	0.9613	12.1334
	Secondary	-	0.4048	0.0000	3.1570	0.0000	1.7989

Source: Cochise County Treasurer's Office website:

http://cochise.az.gov/cochise_treasurer.aspx?id=98&ekmense=c580fa7b_148_0_98_9

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
PRINCIPAL TAXPAYERS
Fiscal Year 2009 and Nine Years Ago
Unaudited

Taxpayer	2009 (1)			2001		
	Primary Assessed Valuation	Rank	Percent of Cochise County's Primary Assessed Valuation	Primary Assessed Valuation	Rank	Percent of Cochise County's Primary Assessed Valuation
Arizona Electric Power Coop Inc	\$ 29,297,570	1	2.97%	\$ 42,146,026	1	8.38%
Sulphur Springs Valley Electric Co-Op Inc	26,119,638	2	2.65%	14,930,341	2	2.97%
El Paso Natural Gas Company	17,907,299	3	1.81%	8,575,391	4	1.70%
Qwest Corporation/US West	10,054,259	4	1.02%	10,368,078	3	2.06%
Southwest Gas Corporation	9,173,912	5	0.93%	7,659,736	5	1.52%
Arizona Public Service Company	8,980,668	6	0.91%	6,297,186	6	1.25%
S F P P L.P.	7,303,290	7	0.74%	4,104,459	9	0.82%
Wal-Mart Stores Inc	6,629,761	8	0.67%	-	-	-
Valley Telephone Co-Op	5,753,556	9	0.58%	-	-	-
Sierra Vista Mall LLC	5,141,475	10	0.52%	-	-	-
Union Pacific Railroad	-	-	-	5,568,600	7	1.11%
Price Development Co.	-	-	-	4,187,539	8	0.83%
Tucson Electric Power Co.	-	-	-	3,164,423	10	0.63%

Source: Cochise County Assessor's Office and Arizona Department of Revenue

Note (1): FY 2010 information was not available at the time of the release of this CAFR.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
PROPERTY TAX LEVIES and COLLECTIONS
Last Ten Fiscal Years
Unaudited

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (2)	Percent of Current Tax Collections to Total Tax Levy	Collections in Subsequent Years (2)	Total Tax Collections (2)	Percent of Total Tax Collections to Total Tax Levy
2000/01	\$ 8,551,935	\$ 8,048,015	94.11%	\$ 492,796	\$ 8,540,811	99.87%
2001/02	8,755,738	8,312,788	94.94%	431,329	8,744,117	99.87%
2002/03	9,608,286	9,179,967	95.54%	416,288	9,596,255	99.87%
2003/04	10,192,074	9,657,550	94.76%	515,662	10,173,212	99.81%
2004/05	10,918,770	10,477,681	95.96%	429,079	10,906,760	99.89%
2005/06	11,877,479	11,464,243	96.52%	399,231	11,863,474	99.88%
2006/07	13,126,004	12,641,430	96.31%	464,598	13,106,028	99.85%
2007/08	14,165,750	13,625,618	96.19%	496,258	14,121,876	99.69%
2008/09	15,002,075	14,286,998	95.23%	590,826	14,877,824	99.17%
2009/10	15,860,846	15,020,601	94.70%	-	15,020,601	94.70%

Source: Cochise County Assessors/Treasurer's Office and District records.

Note (1): All amounts shown are for the General Fund for fiscal year 2000-01. Thereafter, amounts are presented in accordance with GASB Statement No. 35. Amounts presented are the original levies prior to any adjustments.

Note (2): All tax collections are recorded on a cash basis.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
HISTORIC ENROLLMENT AND TUITION AND FEES
Last Ten Fiscal Years
Unaudited

Fiscal Year	Annual Unduplicated Headcount	Annual Audited FTSE (1)	Annual Tuition and Fees		
			Cost	Increase	
			Dollars	Dollars	Percent
2000/01	9,865	3,528	960	150	18.52
2001/02	9,206	3,597	970	10	1.04
2002/03	10,367	4,344	1,050	80	8.25
2003/04	12,876	6,035	1,200	150	14.29
2004/05	13,608	6,577	1,350	150	12.50
2005/06	13,365	6,629	1,350	0	0.00
2006/07	13,632	6,844	1,410	60	4.44
2007/08	14,938	7,369	1,470	60	4.26
2008/09	15,137	7,671	1,540	70	4.76
2009/10	14,982	8,586	1,630	90	5.84

Source: State Board of Directors for Community Colleges of Arizona and District records.

Note (1): Full Time Student Equivalent (30 Credit Hours).

Note (2): Tuition based on in-state rate for one year of full-time equivalent credit plus the Registration and Technology fees for 2 semesters.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF RATIOS OF OUTSTANDING DEBT
Last Ten Fiscal Years
Unaudited

	For the Fiscal Year Ended June 30				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Other Debt:					
Revenue Bonds	\$ 10,505,000	\$ 10,595,000			
Certificates of participation	-	-	\$ 290,000	\$ 560,000	\$ 815,000
Pledged Revenue Obligations	14,270,000	15,000,000			
Total outstanding debt	\$ 24,775,000	\$ 25,595,000	\$ 290,000	\$ 560,000	\$ 815,000
Per capita	\$ 191.29	\$ 197.62	\$ 2.26	\$ 4.38	\$ 6.43
Per student	1,653.65	1,690.89	19.41	41.08	60.98
Per FTSE	2,885.51	3,336.59	39.35	81.82	122.94

	For the Fiscal Year Ended June 30				
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Other Debt:					
Certificates of participation	\$ 1,055,000	\$ 1,280,000	\$ 1,495,000	\$ 1,700,000	\$ 1,890,000
Total outstanding debt	\$ 1,055,000	\$ 1,280,000	\$ 1,495,000	\$ 1,700,000	\$ 1,890,000
Per capita	\$ 8.40	\$ 10.39	\$ 12.34	\$ 14.20	\$ 15.94
Per student	77.53	99.41	144.21	184.66	191.59
Per FTSE	160.41	212.10	344.15	472.62	535.71

Source: Arizona Department of Economic Security, Cochise College Center for Economic Research and District Records.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
COMPUTATION of LEGAL DEBT MARGIN
Last Ten Fiscal Years
Unaudited

	For the Fiscal Year Ended June 30				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Debt Limit	\$ 159,036,286	\$ 152,811,042	\$ 130,936,851	\$ 115,114,953	\$ 102,355,088
Total net debt applicable to the limit	-	-	-	-	-
Legal debt margin	<u>\$ 159,036,286</u>	<u>\$ 152,811,042</u>	<u>\$ 130,936,851</u>	<u>\$ 115,114,953</u>	<u>\$ 102,355,088</u>

Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%
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	For the Fiscal Year Ended June 30				
Fiscal Year	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Debt Limit	\$ 94,298,250	\$ 88,002,808	\$ 83,133,128	\$ 77,579,024	\$ 75,474,567
Total net debt applicable to the limit	-	-	-	-	-
Legal debt margin	<u>\$ 94,298,250</u>	<u>\$ 88,002,808</u>	<u>\$ 83,133,128</u>	<u>\$ 77,579,024</u>	<u>\$ 75,474,567</u>

Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%
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Legal Debt Margin Calculation for Fiscal Year 2010

Secondary assessed value of real and personal property (1) \$ 1,060,241,909

Debt limit = 15% of secondary assessed value 159,036,286

Amount of debt applicable to debt limit:

General obligation bonded debt -

Legal debt margin, June 30, 2010 \$ 159,036,286

Source: Cochise County Assessor's Office and District records.

Note (1): Tax year 2009.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
DEBT SERVICE COVERAGE
Last Ten Fiscal Years
Unaudited

Fiscal Year	Pledged Revenues (1)	Certificates of Participation Debt Service Requirements (2)			Percentage of Debt Service Requirements To Pledged Revenues
		Principal	Interest	Total	
2000/01	\$ 6,552,437	\$ 185,000	\$ 112,890	\$ 297,890	4.55%
2001/02	4,047,073	190,000	107,570	297,570	7.35%
2002/03	4,190,667	205,000	96,408	301,408	7.19%
2003/04	5,445,414	215,000	84,098	299,098	5.49%
2004/05	6,564,645	225,000	70,578	295,578	4.50%
2005/06	6,332,100	240,000	58,501	298,501	4.71%
2006/07	6,909,965	255,000	42,994	297,994	4.31%
2007/08	6,710,679	270,000	27,035	297,035	4.43%
2008/09	6,119,920	290,000	-	290,000	4.74%

Fiscal Year	Pledged Revenues (1)	Revenue Bonds and Pledged Revenue Obligations Debt Service Requirements (3)			Percentage of Debt Service Requirements To Pledged Revenues
		Principal	Interest	Total	
2008/09	\$ 6,119,920	\$ -	\$ 1,199,131	\$ 1,199,131	19.59%
2009/10	6,275,678	820,000	1,161,306	1,981,306	31.57%

Source: Annual reports on audited financial statements and District records.

Note (1): Pledged revenues include tuition and fees, bookstore revenues, food service sales, dormitory rentals, investment and other income. Beginning in fiscal year 2001-02, tuition and fees, food service sales, and dormitory rentals are presented net of scholarships and allowances in accordance with GASB Statement No. 35.

Note (2): Certificates of Participation were first issued December 16, 1993, with the first interest payment due on July 1, 1994.

Note (3): Revenue Bonds and Pledged Revenue Obligations were first issued July 2, 2008, with the first interest payment due on July 1, 2009.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
RATIO of ANNUAL DEBT SERVICE EXPENSES to OPERATING EXPENSES
Last Ten Fiscal Years
Unaudited

Fiscal Year	Principal	Interest	Total Debt Service	Total Operating Expenses (1)	Percentage of Debt Service to Operating Expenses
2000/01	\$ 185,000	\$ 112,890	\$ 297,890	\$ 27,939,256	1.07%
2001/02	190,000	107,570	297,570	27,426,701	1.08%
2002/03	205,000	96,408	301,408	28,989,504	1.04%
2003/04	215,000	84,098	299,098	28,482,668	1.05%
2004/05	225,000	70,578	295,578	31,556,389	0.94%
2005/06	240,000	58,501	298,501	34,189,122	0.87%
2006/07	255,000	42,994	297,994	36,282,416	0.82%
2007/08	270,000	27,035	297,035	38,398,779	0.77%
2008/09	290,000	1,199,131	1,489,131	40,709,523	3.66%
2009/10	820,000	1,161,306	1,981,306	42,394,765	4.67%

Source: Annual reports on audited financial statements and District records .

Note (1): Amounts shown for operating expenses represent current funds operating expenses prior to fiscal year 2001-02. Beginning with fiscal year 2001-02, operating expenses are presented in accordance with GASB Statement No. 35.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years
Unaudited

Year	County Population	County Personal Income (In Thousands)	County Income Per Capita	County Unemployment Rate June
2010	N/A	N/A	N/A	8.0%
2009	129,518	N/A	N/A	7.5%
2008	128,425	\$4,271,255	\$33,259	5.4%
2007	127,736	4,043,794	31,657	3.9%
2006	126,751	3,743,139	29,531	4.6%
2005	125,637	3,519,573	28,014	4.7%
2004	123,235	3,196,968	25,942	4.9%
2003	121,175	2,887,033	23,825	6.0%
2002	119,750	2,719,290	22,708	5.9%
2001	118,573	2,580,568	21,764	4.6%

Sources: U. S. Census Bureau, U.S. Bureau of Economic Analysis, Arizona Department of Commerce, Cochise College Center for Economic Research

Notes: N/A= Data not available. Population estimates are from U.S. Census Bureau midyear estimates as of April 2010. Unemployment rate estimates are seasonally adjusted and prepared by the Arizona Department of Economic Security.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
TOP 15 EMPLOYERS for COCHISE COUNTY
Current Year and Nine Years Ago
Unaudited

Major Employers	2009-2010			2000-2001		
	Employees	%	Rank	Employees	%	Rank
Fort Huachuca	9,438	16%	1	11,375	24%	1
Cochise County	1,026	2%	2	1,033	2%	3
General Dynamics Information Technology (GDIT)	1,022	2%	3	-	-	-
Eurofresh, Inc.	863	1%	4	-	-	-
Wal-Mart Stores, Inc.	850	1%	5	535	1%	10
Sierra Vista Unified School District No. 68	770	1%	6	1,045	2%	2
Sierra Vista Regional Health Center	669	1%	7	608	1%	9
Arizona State Prison Complex	661	1%	8	700	1%	7
Douglas Unified School District No. 27	538	1%	9	617	1%	8
Cochise College	496	1%	10	825	2%	5
Mantech Telecommunications and Information Systems Corp.	482	1%	11	-	-	-
Northrop Grumman Corporation	475	1%	12	-	-	-
Newtec, LLC	453	1%	13	-	-	-
City of Sierra Vista	437	1%	14	363	1%	13
Aegis Communications Group	407	1%	15	822	2%	6
U. S. Border Patrol	-	-	-	850	2%	4
Safeway Stores, Inc.	-	-	-	518	1%	11
ILEX	-	-	-	402	1%	12
TRW	-	-	-	306	1%	14
KE&G	-	-	-	304	1%	15

Source: Cochise College Center for Economic Research.

Notes: Total 2010 employment for Cochise County is estimated to be 58,500; total 2001 employment was 47,675.
Under survey methodology, a fulltime equivalent (FTE) employee equals one fulltime or two part-time employees.
List includes only employers who responded to the survey.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
STUDENT ENROLLMENT/DEMOGRAPHIC STATISTICS
Last Ten Fiscal Years
Unaudited

Fall Semester Fiscal Year	Attendance		Gender		Completions	
	Full-Time	Part-Time	Male	Female	Degrees Awarded	Certificates Awarded (1)
2000/01	27.6%	72.4%	42.2%	57.8%	447	815
2001/02	28.6%	71.4%	41.6%	58.4%	406	917
2002/03	28.3%	71.7%	40.8%	59.2%	416	775
2003/04	28.8%	71.2%	39.0%	61.0%	667	535
2004/05	28.1%	71.9%	40.3%	59.7%	702	561
2005/06	28.2%	71.8%	39.5%	60.5%	914	536
2006/07	34.6%	65.4%	39.0%	61.0%	1030	737
2007/08	35.8%	64.2%	41.5%	58.5%	990	657
2008/09	25.4%	74.6%	41.7%	58.3%	995	952
2009/10	26.5%	73.5%	41.2%	58.8%	1065	691

Fall Semester Fiscal Year	Age		Residency			
	Median	Mean	Resident	Resident Unorganized County	Out of State	Foreign
2000/01	26	30	94.5%	0.3%	4.5%	0.6%
2001/02	25	30	92.7%	0.2%	6.5%	0.6%
2002/03	25	30	92.8%	0.5%	6.2%	0.6%
2003/04	25	30	92.6%	0.6%	6.0%	0.8%
2004/05	25	29	89.2%	4.7%	5.2%	0.9%
2005/06	24	29	87.3%	6.0%	5.0%	1.7%
2006/07	23	29	88.0%	5.9%	3.9%	2.2%
2007/08	23	28	84.8%	8.2%	4.3%	2.8%
2008/09	23	28	84.7%	8.7%	4.1%	1.8%
2009/10	23	28	85.0%	10.4%	3.6%	1.1%

Fall Semester Fiscal Year	Ethnic Background					
	American Indian	Asian American	Hispanic	African American	White	Other/ Unknown
2000/01	1.0%	4.0%	27.9%	6.4%	56.4%	4.4%
2001/02	0.8%	3.8%	27.9%	6.5%	55.8%	5.2%
2002/03	1.1%	4.2%	27.0%	6.5%	55.2%	6.0%
2003/04	1.0%	3.9%	26.3%	6.8%	55.5%	6.3%
2004/05	0.9%	3.3%	29.5%	6.6%	54.4%	5.3%
2005/06	1.0%	3.4%	33.8%	6.0%	51.0%	4.8%
2006/07	1.0%	2.9%	35.8%	5.0%	51.2%	4.2%
2007/08	0.9%	2.5%	37.1%	5.2%	49.4%	5.0%
2008/09	0.6%	3.1%	35.2%	4.6%	49.8%	6.8%
2009/10	0.9%	2.6%	40.2%	4.4%	45.5%	6.4%

Source: District records.

Note (1): Starting with FY 2003 the Certificates Awarded do not include what IPEDS considers pre-college level certificates.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
EMPLOYEE STATISTICS
(Headcount)
Last Ten Fiscal Years
Unaudited

	For the Fiscal Year Ended June 30				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Faculty					
Part-time	396	357	359	381	397
Full-time	103	112	132	121	112
Administrative & support staff	537	649	618	621	642
Total employees	1,036	1,118	1,109	1,123	1,151
Students per faculty member	30	32	31	27	26
Students per staff member	28	23	25	22	21

	For the Fiscal Year Ended June 30				
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Faculty					
Part-time	418	409	385	391	405
Full-time	106	100	105	108	117
Administrative & support staff	581	583	598	634	611
Total employees	1,105	1,092	1088	1133	1133
Students per faculty member	26	25	21	18	19
Students per staff member	23	22	17	15	16

Source: District Records.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF CAPITAL ASSET INFORMATION (1)
Last Five Fiscal Years
Unaudited

Location	2005-06	2006-07	2007-08	2008-09	2009-10
Douglas Campus					
Total Building Square Footage	225,374	225,374	225,374	235,177	295,069
Total Campus Acreage	568.7	568.7	568.7	568.7	568.7
Sierra Vista Campus					
Total Building Square Footage	122,139	122,139	122,139	159,613	188,867
Total Campus Acreage	71.1	71.1	71.1	71.1	71.1
Benson Center					
Total Building Square Footage	12,733	12,733	12,733	12,733	12,733
Total Campus Acreage	13.3	13.3	13.3	13.3	13.3
Wilcox Center (2)					
Total Building Square Footage	7,200	7,200	7,200	7,200	9,340
<hr/>					
Total District					
Total Building Square Footage	367,446	367,446	367,446	414,723	506,009
Total Campus Acreage	653.1	653.1	653.1	653.1	653.1

Source: District records.

Note (1): Information is presented in accordance with GASB Statement No. 44 first implemented in FY 2006. Additional information will be added as it becomes available in future years

Note (2): The Willcox Center is located on land leased from Willcox Unified School District.