

**REPORT
HIGHLIGHTS**
FINANCIAL STATEMENT

Subject

Coconino County Community College District is responsible for preparing financial statements, maintaining strong internal controls over financial reporting, and demonstrating accountability for its use of public monies. As auditors, our job is to determine whether the District has met its responsibilities.

Our Conclusion

The information in the District's financial statements is fairly stated in all material respects, and the financial statements can be relied on. In addition, the District maintained adequate internal controls over financial reporting and complied with federal program requirements for the programs tested.



2008

Year Ended June 30, 2008

**Condensed Financial
Information**

The District's financial information is presented in three basic financial statements: Statement of Net Assets; Statement of Revenues, Expenses, and Changes in Net Assets; and Statement of Cash Flows. The District's component unit is not included in the condensed financial information that follows.

Statement of Net Assets

The Statement of Net Assets reports all assets and liabilities using the accrual basis of accounting, which is similar to the accounting that most private-sector institutions use. Net assets, the difference between assets and liabilities, are one way to measure the District's financial health. The summary to the right presents a condensed Statement of Net Assets as of June 30, 2008.

**Statement of Revenues, Expenses,
and Changes in Net Assets**

The Statement of Revenues, Expenses, and Changes in Net Assets presents the District's operating and nonoperating revenues and expenses, and the resulting change in net assets. Operating revenues and expenses are those that generally result from exchange transactions generated from providing instruction and public service. All other revenues and expenses, such as state appropriations, nonexchange grants, property tax revenues, and interest paid on capital debt, are considered nonoperating. The change in net assets indicates whether the District's financial health has improved or deteriorated as a result of current-year operations. The District's net assets increased by \$726,206 during the fiscal year. The summary to the right presents the District's revenues and expenses for the year ended June 30, 2008.

**Statement of Net Assets
As of June 30, 2008
(In Thousands)**

Assets	
Current	\$10,357
Noncurrent	<u>29,244</u>
Total assets	<u>39,601</u>
Liabilities	
Current	3,387
Noncurrent	<u>17,935</u>
Total liabilities	<u>21,322</u>
Net Assets	
Invested in capital assets, net of related debt	10,597
Restricted	3,056
Unrestricted	<u>4,626</u>
Total net assets	<u>\$18,279</u>

**Revenues and Expenses
For the Year Ended June 30, 2008
(In Thousands)**

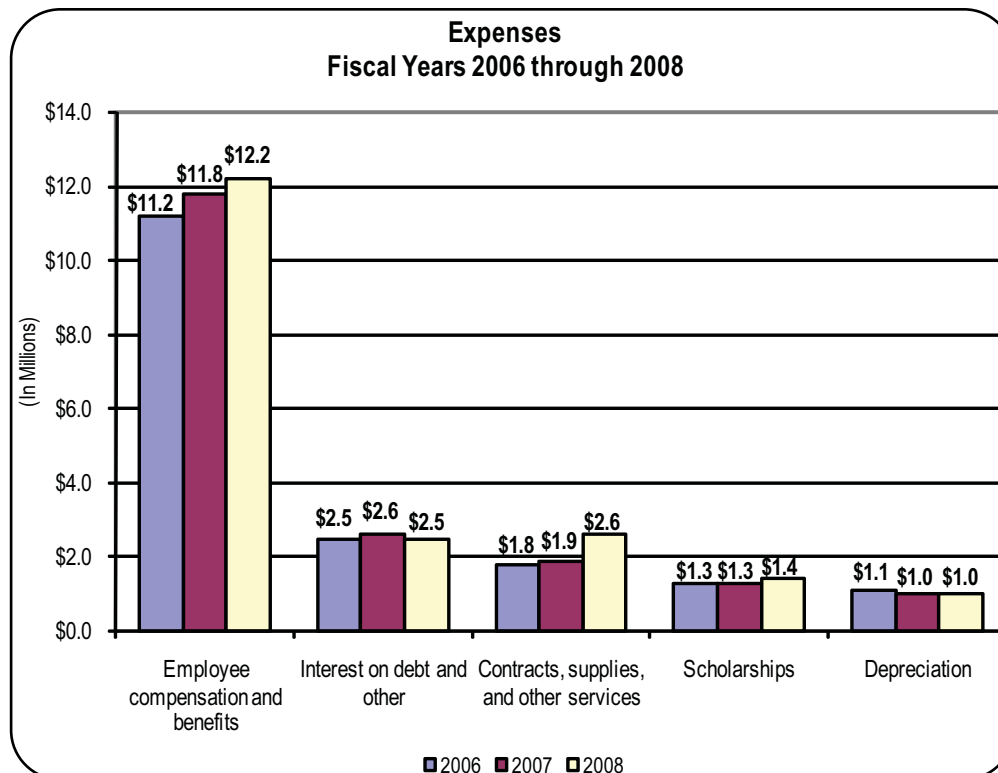
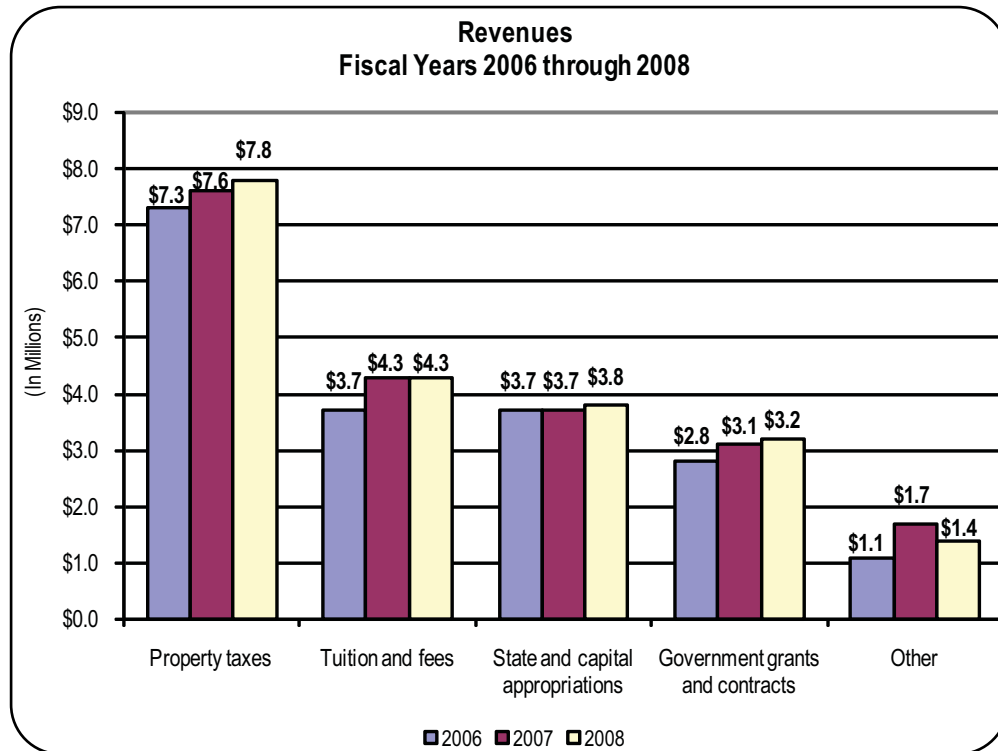
Operating Revenues	
Tuition and fees	\$ 4,340
Other operating revenues	<u>450</u>
Total operating revenues	<u>4,790</u>
Nonoperating Revenues	
Property taxes	7,787
State and capital appropriations	3,758
Government grants and contracts	3,153
Other	<u>962</u>
Total nonoperating revenues	<u>15,660</u>
Total revenues	<u>\$20,450</u>
Operating Expenses	
Educational and general	\$17,746
Auxiliary enterprises	33
Depreciation	<u>1,040</u>
Total operating expenses	<u>18,819</u>
Nonoperating Expenses	
Interest expense on debt	<u>905</u>
Total expenses	<u>\$19,724</u>

Revenues and Expenses

Between fiscal years 2006 and 2008, the District's revenues increased by \$1.9 million. As shown in the first chart below, this increase was primarily due to increases in tuition and fees and property tax revenues. Tuition and fees increased by \$0.6 million because of increases in full-time student enrollment and tuition rates, and property tax revenues

increased by \$0.5 million primarily from increases in property valuations and new construction.

Between fiscal years 2006 and 2008, the District's expenses increased by \$1.8 million. This increase was primarily due to the increased cost of employee compensation and benefits, largely from higher salaries and the increased cost of support and services.



Statement of Cash Flows

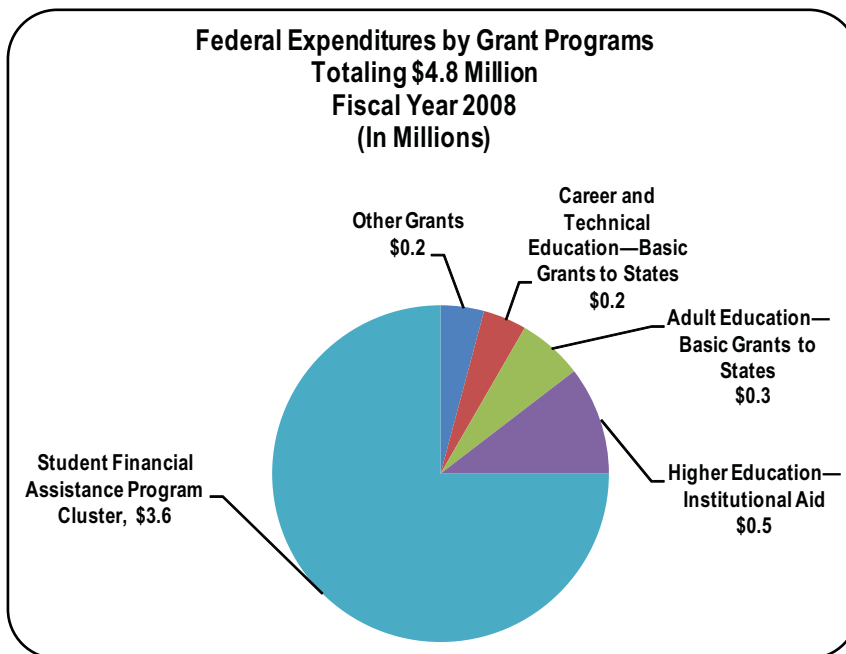
The Statement of Cash Flows provides information about cash receipts and cash payments during the year. This statement helps users assess the District's ability to generate net cash flows to meet its obligations as they come due and the need for external financing. The summary to the right shows the net cash flows from each of the District's major activities.

Cash Flows For the Year Ended June 30, 2008 (In Thousands)	
Cash flows from	
Operating activities	\$(12,497)
Noncapital financing activities	12,629
Capital and related financing activities	(3)
Investing activities	509
Net increase in cash	<u>\$ 638</u>

The District Spent \$4.8 Million of Federal Monies

The District spent nearly \$4.8 million of federal monies and additional required district matching monies this past year for 11 federal grant programs. The largest federal grants were for student financial assistance and educational programs. Under the guidelines established by the Single Audit Act, auditors tested the Student Financial Assistance Cluster, which included the following federal programs:

- Federal Supplemental Educational Opportunity Grants
- Federal Family Education Loans
- Federal Work-Study Program
- Federal Pell Grant Program
- Academic Competitiveness Grants



TO OBTAIN
MORE INFORMATION

A copy of the full report
can be obtained by calling
(602) 553-0333



or by visiting
our Web site at:
www.azauditor.gov

Contact person for
this report:
Kathleen Wood



**Coconino County
Community College
District**

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FINANCIAL STATEMENT
Year Ended June 30, 2008