

**REPORT  
 HIGHLIGHTS**  
**FINANCIAL STATEMENT AUDIT**

**Subject**

Coconino County Community College District issues financial statements annually. The District is responsible for preparing financial statements, maintaining strong internal controls, and demonstrating accountability for its use of public monies. As the 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.



2007

Year Ended June 30, 2007

**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 table to the right presents a condensed Statement of Net Assets as of June 30, 2007.

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

The Statement of Revenues, Expenses, and Changes in Net Assets presents the District's operating results, as well as nonoperating revenues and expenses. Revenues and expenses are classified as operating if they relate to the District's primary activities, such as instruction and public service. All other revenues and expenses, such as state appropriations, 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 \$1,431,392 during the fiscal year. The table to the right summarizes the District's revenues and expenses for the year ended June 30, 2007.

**Statement of Net Assets**  
**As of June 30, 2007**  
**(In Thousands)**

<b>Assets</b>	
Current	\$ 9,613
Noncurrent	<u>29,797</u>
Total assets	<u>39,410</u>
<b>Liabilities</b>	
Current	3,039
Noncurrent	<u>18,818</u>
Total liabilities	<u>21,857</u>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	10,372
Restricted	2,739
Unrestricted	<u>4,442</u>
Total net assets	<u>\$17,553</u>

**Revenues and Expenses**  
**For the Year Ended June 30, 2007**  
**(In Thousands)**

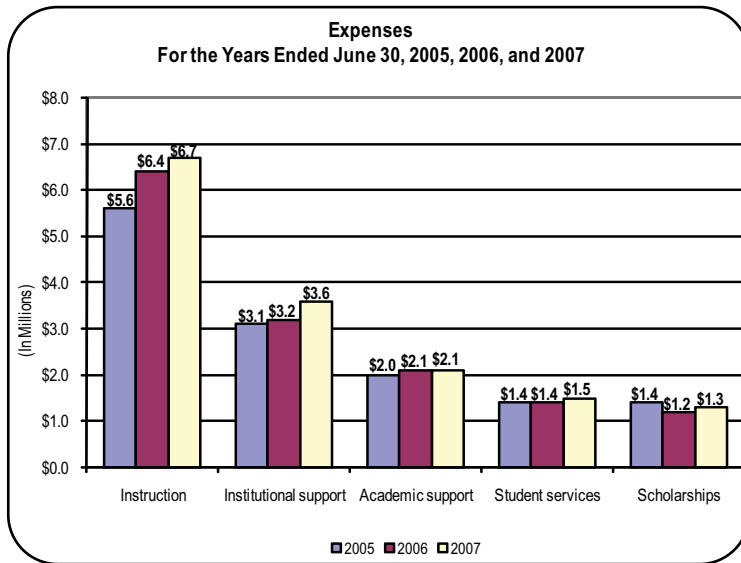
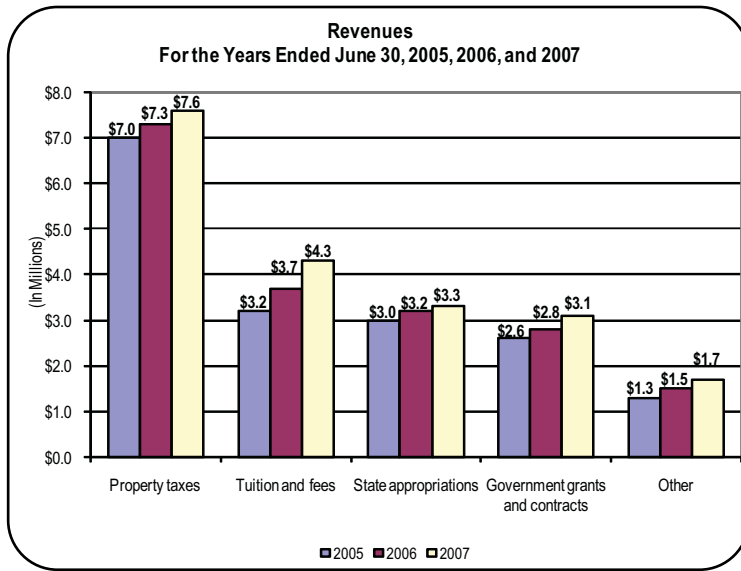
<b>Operating Revenues</b>	
Tuition and fees	\$ 4,286
Government grants and contracts	3,080
Other operating revenues	<u>429</u>
Total operating revenues	<u>7,795</u>
<b>Nonoperating Revenues</b>	
Property taxes	7,620
State appropriations	3,322
Other	<u>1,291</u>
Total nonoperating revenues	<u>12,233</u>
Total revenues	<u>\$20,028</u>
<b>Operating Expenses</b>	
Educational and general	\$16,550
Auxiliary enterprises	28
Depreciation	<u>1,061</u>
Total operating expenses	<u>17,639</u>
<b>Nonoperating Expenses</b>	
Interest expense on debt	<u>958</u>
Total expenses	<u>\$18,597</u>

## Revenues and Expenses

Between fiscal years 2005 and 2007, the District's revenues have increased by \$2.9 million. As shown in the first chart below, this increase was primarily due to increases in tuition and fees and property tax revenue. Tuition and fees increased by \$1.6 million due to increases in full-time student enrollment and tuition rate, and property tax revenue increased by \$.6

million primarily from increases in property valuations and new construction.

Between fiscal years 2005 and 2007, the District's expenses have increased by \$1.5 million. As shown in the second chart below, 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 table to the right shows the net cash flows from each of the District's major activities.

**Cash Flows**  
For the Year Ended June 30, 2007  
(In Thousands)

Cash flows from	
Operating activities	\$(8,628)
Noncapital financing activities	9,348
Capital and related financing activities	(70)
Investing activities	415
Net increase in cash	<u>\$ 1,065</u>

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](http://www.azauditor.gov)

Contact person for  
this report:  
Kathleen Wood

**REPORT  
HIGHLIGHTS**  
FINANCIAL STATEMENT AUDIT

Year Ended June 30, 2007