

Coconino County Community College District

CONCLUSION: Coconino County Community College District is responsible for preparing its annual financial report and a federal expenditure schedule, maintaining effective internal controls, and being accountable for its use of public monies. Our Office is responsible for auditing the District's financial statements, schedule, and major federal programs annually. A summary of the District's financial statements and federal expenditure schedule is presented below.

Based on our audits, we issued opinions on the District's financial statements and federal expenditure schedule and issued reports on internal control and on compliance over its financial reporting and major federal programs. The information in the District's fiscal year 2016 financial statements and schedule is reliable. Our Office did not report any weaknesses in the District's internal control or instances of noncompliance over financial reporting and major federal programs.

Condensed financial statement information

Statement of net position—This statement reports all of the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Net position is reported in three major categories:

- **Net investment in capital assets**—shows the equity in property, buildings, and equipment.
- **Restricted**—shows the resources that must be used for restricted purposes as specified by donors and other external entities, such as the federal government.
- **Unrestricted**—shows the remaining net position balance after allocating the net investment in capital assets and restricted balances.

Statement of revenues, expenses, and changes in net position—This statement reports all revenues, expenses, and other changes in net position. The increase or decrease in net position indicates whether financial health has improved or deteriorated as a result of current-year activities. Net position increased by \$5.0 million, or 23 percent, in fiscal year 2016.

Federal expenditure schedule—During fiscal year 2016, the District expended nearly \$8.0 million in federal awards, which consisted primarily of student financial assistance. The District's federal award expenditures decreased by \$1.0 million, or 11 percent, compared to fiscal year 2015.

Statement of net position

As of June 30, 2016 (In thousands)

Assets and deferred outflows	
Current and other assets	\$24,566
Capital assets, net of depreciation	23,263
Deferred outflows of resources	1,056
Total assets and deferred outflows	48,885
Liabilities and deferred inflows	
Current liabilities	3,802
Noncurrent liabilities:	
Net pension liability	11,659
Other	5,041
Deferred inflows of resources	1,649
Total liabilities and deferred inflows	22,151
Net position	
Net investment in capital assets	17,183
Unrestricted	9,551
Total net position	\$26,734

Statement of revenues, expenses, and changes in net position

Year ended June 30, 2016 (In thousands)

Revenues	
Tuition and fees, net of scholarship allowances	\$ 6,434
Property taxes	9,347
State appropriations	2,194
Government grants and contracts	5,280
Other revenues	1,303
Total revenues	24,558
Expenses	
Educational and general	18,003
Depreciation	1,196
Other expenses	319
Total expenses	19,518
Increase in net position	5,040
Net position—beginning	21,694
Net position—ending	\$26,734

Federal expenditure schedule

Year ended June 30, 2016 (In thousands)

Federal grantor agency	
Department of Education	\$ 7,340
Department of Labor	616
Other	28
Total federal expenditures	\$ 7,984

Understanding the District's financial report

Understanding how to extract information from the District's financial report is important when reviewing financial performance and evaluating future financial decisions. As described below, our Office's financial report user guide and internal control and compliance reports user guide, available at [azauditor.gov under reports and publications](http://azauditor.gov/under-reports-and-publications), help users identify and understand important and useful information in the District's financial report and in our reports on internal control and on compliance over financial reporting and federal programs. Specifically:

- **Financial report user guide**—describes key financial information contained in district financial reports and indicates where to find this information. Key components in a financial report include the independent auditors' report, management's discussion and analysis, financial statements, notes to financial statements, and other required supplementary information.
- **Internal control and compliance reports user guide**—describes our internal control and compliance reports over financial reporting and federal programs. Those reports, which are included in our Single Audit Report, provide information about whether the District has effective internal control procedures and whether it has complied with certain financial- and federal-related laws and regulations.