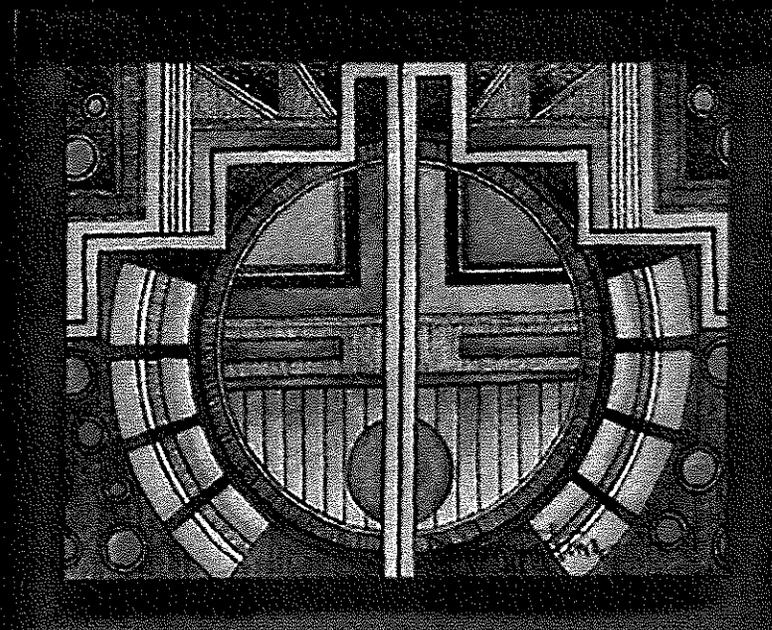
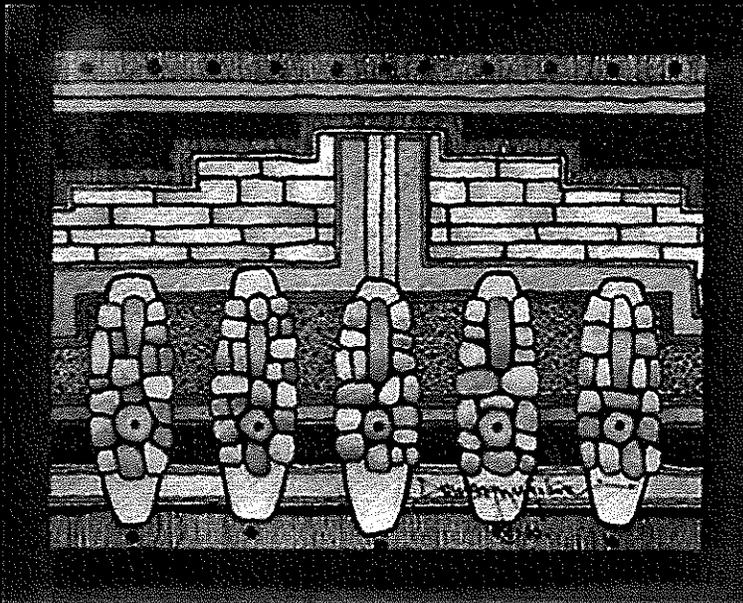


# Coconino County Community College District



## Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2011



Coconino  
Community  
College

[www.coconino.edu](http://www.coconino.edu)

# 2010-2011

Prepared by District Business Administrative  
Services Office, Flagstaff, Arizona

# **Coconino County Community College District**

**Comprehensive Annual Financial Report**

**Fiscal Year Ended June 30, 2011**

Prepared by

**District Business and Administrative Services Office**

**Cover artwork provided by CCC art student and Hopi/Navajo artist  
David Dawangyumtewa**



**Coconino  
Community  
College**

**Coconino County Community College District  
Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2011**

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# **Introductory Section**



**Coconino  
Community  
College**



February 22, 2012

To the Residents of Coconino County Community College District:

This Comprehensive Annual Financial Report is a detailed look at how Coconino Community College operates.

We at Coconino Community College (CCC) are proud of our record for sound fiscal management. For 16 consecutive years the CCC accounting team has been honored with the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada. In addition, during the past 3 years, our College has implemented a financial sustainability plan, which has been recognized nationwide by our peers. We are currently in tier 2 of a 3 tier plan designed to assist CCC in sustaining financial viability in the face of drastic cuts in state funding brought on in part by one of our nations' most severe and lasting recessions. We believe that Coconino Community College is the most efficient community college in the state.

With such a conscientious staff, I am pleased to present this report as another example of CCC's commitment to good stewardship of your tax dollars while meeting the educational needs of the communities and students we serve.

Since its inception in 1991, CCC has strived to strengthen communities, train students for jobs and change lives. Some 10,000 northern Arizona students enroll in credit and non-credit classes annually and enrollment continues to climb.

Working together, we have accomplished much. You have our promise that we will continue to evaluate our operations to ensure that we are conducting the business of higher education efficiently and effectively.

Sincerely,

Leah L. Bornstein Ph.D.  
President



February 22, 2012

To the Citizens of Coconino County Community College District:

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

Arizona Revised Statutes (A.R.S.) §41-1279.07 requires community college districts of Arizona to prepare an annual budgeted expenditure limitation report and annual financial statements prepared in accordance with generally accepted accounting principles. The auditor general or a certified public accountant or public accountant performing the annual audit shall attest to the expenditure limitation report and financial statements. This report is published to fulfill the requirements for the annual financial statements for the fiscal year ended June 30, 2011. The expenditure limitation report is published separately.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is 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.

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 is compiled to allow for the preparation of financial statements in conformity with general accounting principles.

Audit services are provided to the District by Miller, Allen & Co., P.C. As noted above, Arizona Revised Statutes require an annual audit of the District's financial statements. This requirement has been complied with and the independent auditor's report is included in this document. The auditor's opinion is unqualified.

This letter of transmittal is designed to complement the Management's Discussion & Analysis (located in the Financial Section of this document) and should be read in conjunction with it.

### **Reporting Entity**

The District is an independent reporting entity within the criteria established by generally accepted accounting principles (GAAP) and the Governmental Accounting Standards Board (GASB). Although the District shares the same geographic boundaries of Coconino County, financial accountability for all activities related to public community college education in Coconino County is exercised solely by the District. In accordance with GASB Statement No. 14, the financial reporting entity consists of a primary government and a component unit. Coconino County Community College District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and

local governments. In accordance with GASB Statement No. 39, the financial activity of the Coconino Community College Foundation is presented as a component unit of the District. The District is not included in any other governmental financial reporting entity.

### **Profile of Coconino County Community College District**

As a political subdivision of the State of Arizona, the Coconino County Community College District is subject to the oversight of the District's Governing Board (the 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 Board is granted full authority from the Arizona Revised Statutes to manage the business and educational needs of the District. The administrative staff is responsible for the daily operation of the District.

The District exercises primary property tax levy authority for generation of funds for operating expenses. State appropriations are also received based on Full Time Student Equivalent (FTSE) enrollment and formula funding. One FTSE equals 15 credit hours each from both fall and spring semesters.

Coconino County Community College District is committed to offering quality educational programs and services at a reasonable cost for the citizens of Coconino County. The District provides a wide range of programs, including general academic, technical-vocational, student development services, continuing education, and community service.

The District serves the educational needs of Coconino County through seven facilities: the Flagstaff Lone Tree Campus and District Offices, the Flagstaff Fourth Street Campus and Technology Center/FMC Institute for Nursing Education, the Page/Lake Powell Campus, the Williams Learning Center, the Grand Canyon Learning Center, the Tuba City Learning Center, and the Fredonia Learning Center. District-wide administrative and support services are centralized and administered by the President and the respective Vice-Presidents and Deans.

The District embraces the philosophy of shared governance, which is the process by which the College community, including students and public when appropriate, respectfully share responsibility for reaching collective decisions on issues related to the College District. This governance model includes the College Council, which provides strategic oversight and advisory functions, and oversees policies and procedures for the College. The College Council consists of the College President, the Vice President for Academic Affairs, the Vice President for Business and Administrative Services, the Director of Student Services, the Chief Technology Officer, the Director of Human Resources, the Director of Institutional Advancement, the Director of Financial Aid, the Director of Enrollment Services/Registrar, the Executive Dean of the Page/Lake Powell campus, the Dean of Arts and Sciences, the Dean of Career and Technical Education, the Administrative Assistant to the Vice President of Business & Administrative services, one faculty member, one associate faculty member, one staff representative, and one student representative.

#### *History*

The citizens of Coconino County in November of 1990 established the District under the provisions of legislation enacted by the Arizona State Legislature in 1971. In May 1991, the District's funding was approved through special election, and operations began on July 1, 1991. The District boundaries are conterminous with the boundaries of Coconino County.

When the District began in 1991, it initially expected to serve 600 students. Nearly 1,000 students registered the first semester. Since then, enrollment has increased dramatically. Today the District enrolls approximately 11,000 annually (duplicated headcount).

### *Geography/Population*

Coconino County is located in the northern portion of the State and encompasses an area of approximately 12 million acres. Its boundaries include the cities of Page, Fredonia, Tuba City, Grand Canyon, Williams, Sedona, and Flagstaff, as well as other smaller cities and towns, and all the unincorporated areas of the County. The County's 2010 population was 134,421 by the U.S. Census Bureau.

With 18,661 square miles, Coconino County is the second largest county in the United States and the largest in Arizona. It is characterized by rugged mountains, deep canyons and thick forests of pine, spruce, aspen and oak. Within its borders are many scenic sites – the most popular and impressive is Grand Canyon National Park. Other attractions are Oak Creek Canyon, Sunset Crater National Monument, prehistoric Indian ruins at Wupatki, Walnut Canyon, the Navajo National Monument, the San Francisco Peaks - Arizona's highest point at 12,633 feet, and Lake Powell with 1,960 miles of shoreline.

Indian reservations comprise 39.1 percent of the County and are home to the Navajo, Hopi, Paiute, Havasupai, and Hualapai tribes. The U.S. Forest Service and Bureau of Land Management control 32.3 percent of the land; the state of Arizona owns 9.4 percent; other public lands comprise 6.9 percent; and the remaining 12.3 percent is owned by individuals or corporations.

### **Local Economy**

The share of the County's labor force is heavily weighted towards government, trade, and service employment. These sectors employ over 83% of the entire county's nonagricultural work force. Relative to the rest of the state, the work force employed by government is high. Part of the reasons for the large number of government workers in the county include the presence of several major national parks, Indian reservations, and the high percentage of the total area in county public lands.

The state and national economy have declined over the year and are not expected to recover in the short-term. County unemployment rates as of November 2011 (7.7%) have remained slightly lower than both state (8.7%) and national levels (8.2%) and the District must contend with the continued limited funding from the State. The District is committed to improving and offering additional services to meet the County needs. These efforts are achieved through careful monitoring of costs, innovative partnerships, cost saving opportunities, and seeking new revenue sources.

### **Long Term Strategic Financial and Operational Planning**

The long-term financial goal of the District is to support its mission and vision as outlined in the Strategic Plan. The mission of the District is to enrich lives by embracing diversity and transforming the future through quality education. The District's vision is to lead our communities in lifelong learning.

The District has developed unique partnerships within the community, which continue to result in significant savings to our taxpayers. Specifically, partnerships with the City of Page, Northern

Arizona University, and the Williams Unified School District have resulted in donations of land for the construction of the three respective campuses. These donations and other partnering initiatives continue to provide leverage and maximum return on the community's investment in education.

### *Budget*

The District is required to prepare an all funds balanced budget each fiscal year on report forms prescribed by the Auditor General for public inspection. The District maintains budgetary controls by line item of the approved budget. Budget transfers are restricted to function and object. The objective of these budgetary controls is to ensure compliance with the annual budget adopted by the Board. The legal level of budgetary control is by summary line item of the current and plant funds.

Budgetary compliance is also demonstrated with the issuance of an annual budgeted expenditure limitation report, which is also audited. The purpose of the expenditure limitation is to control expenditures and limit future increases in spending adjustments for inflation; deflation; population growth of counties, cities, and towns; and student population growth of community college districts.

An encumbrance accounting system is maintained by the District as one technique of accomplishing budgetary control. Open encumbrances are not reported as reservations of fund balance at year end, but are liquidated (lapse at year end). Encumbrances are re-established at the beginning of the next fiscal year as an obligation against the current year's adopted budget.

### *Sustainable Financial Plan*

In Spring 2008, the District developed a Sustainable Financial Plan (the Plan), consisting of three levels. The District is currently working Level II of the Plan. The levels are:

- Level I – Efficiencies. Level I includes such measures as instituting a hiring “chill”, implementing an out of state travel freeze, increasing class size, reducing dues and subscription costs, reducing paper costs, and reducing utility costs.
- Level II – Critical. On top of the measures identified in Level I, Level II includes reorganizing divisions/departments, eliminating some positions, closing the Williams campus for the summer session, and instituting a four ten-hour day summer work schedule at all other locations.
- Level III – Crisis. Level III is most serious and would include a reduction in work force and potential closing of facilities.

The Plan was developed keeping in mind that long-term sustainability is the ability to maintain services and infrastructure while maintaining a healthy financial position. To that end the District used the following guiding principles:

- Having a culture that cares about sustainability and cost containment;
- Holding the student academic experience harmless unless absolutely necessary;
- Being a good steward of public funds;
- Funding and maintaining physical assets;
- Maintaining a conservative debt level;
- Maintaining or improving fund balances;

- Delivering services in a cost-effective manner;
- Strengthening procedures to maintain fiscal sustainability;
- Using the Strategic Plan to drive budget decisions;
- Controlling program costs;
- Providing a competitive compensation package;
- Acquiring a competitive property tax rate; and
- Maintaining sustainability plans to implement during economic downturns.

### *Financial Reporting*

The Comprehensive Annual Financial Report (CAFR) for the District was formulated with data from several sources, including District records and Coconino County Department of Finance reports. These 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 is distributed to the District Governing Board and executive management, the State legislature, Federal and State 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 to aid management in the allocation of resources.

### *Debt Administration*

The District issued \$25 million of general obligation bonds in 1999 for capital developments throughout Coconino County. The District levies a secondary property tax to fund the debt retirement. During fiscal year 2009, to take advantage of lower interest rates, the District refunded \$17.1 million of these bonds. The bond refunding will save the taxpayers of Coconino County approximately \$1.1 million of cumulative interest payments. The District does not foresee any additional bonded debt in the near future.

### **Major Initiatives**

#### *CCC2NAU*

In collaboration with Northern Arizona University (NAU), the District had developed a unique partnership known as the CCC2NAU program. This program is designed to help students earn their CCC associates degree and later their NAU bachelor's degrees in a most effective way. A designated advisor works with the student to develop an academic plan to suit their particular needs. Program features include:

- No participation fee
- No separate application or application fee for admission to NAU
- Automatic transfer of credits
- Advisement from a professional cross-trained in both career and academic advising
- An orientation program
- A free, one-credit, first-year experience course
- Free access to many services, such as the NAU library, computer lab, and athletic events
- Access to low-cost or discounted services, programs, and events, including
  - Theatre, symphony, and other performances
  - Meal plans and Dining Dollars (discounted dining on the NAU campus)
  - Health center and recreational facilities

The CCC2NAU program began with the Fall 2008 term with 16 students enrolled. Currently, there are close to 600 students enrolled in this program.

### *Workforce Development*

The District has initiated a concentrated effort over the past several years to provide communities with more occupational and technical training. As a result of voter approved Proposition 301 that was passed in 2000, the state of Arizona imposes a 0.6% sales tax to assist in this effort. The use of these funds is restricted to workforce development programs, such as the CISCO Academy, the nursing program, and construction technology management. To meet the unique interests of individuals and groups within the service area of the District, customized workforce training services were developed. In addition, the District has responded to community education needs by offering more noncredit personal enrichment and professional development learning opportunities.

### *Efficiency through Partnerships*

As student population and required services continue to increase it is essential that the District maximize its efficiency. To this end, the District has established relationships with partners in education. During fiscal year 2010, the District concluded a partnership with Northland Pioneer College, a project designed to enhance distance learning and online student resources with funding from the five-year Cooperative Title III grant. Beginning in FY11, CCC partnered with NAU to implement a groundbreaking model for improving library services to community college students while leveraging resources between the two institutions of higher learning. Through CAVIAT (Coconino Association for Vocations, Industry and Technology), CCC partners with five different high school districts in the County to provide career and technical education (CTE) programs to High School Students.

The District is finding efficiencies by developing new instructional programs that can be fully funded by the fee revenue they generate, and is continuing to seek external funding through the Coconino Community College Foundation.

### *Growth*

Throughout its history, the District's full time student equivalency (FTSE) has grown an average of 8% per year, from 491 in fiscal year 1992 to 2,400 for fiscal year 2011. This growth has corresponded to many changes over the years including increases in personnel as well as facilities. Coconino Community College conducts operations throughout the largest county in Arizona, including two campuses in Flagstaff, a campus in Page, an extension site in Williams, and distance learning facilities in Grand Canyon, Fredonia, and Tuba City. The growth the District has experienced has led to the development of enrollment management strategies. To that end, the College has implemented a marketing plan to help the College recruit and retain targeted student populations.

### **GFOA Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement in Excellence in Financial Reporting to Coconino Community College for its comprehensive annual financial report for the year ended June 30, 2010. This was the sixteenth consecutive year that the Coconino County Community College District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish

an easily readable and efficiently organized comprehensive annual financial report. 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. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgment**

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Business and Administrative Services division. We wish to express our appreciation to all members of the division who assisted and contributed to the preparation of this report. We also thank the members of the District Governing Board for their interest and support in planning and conducting the financial operations of the District in a highly responsible and progressive manner. Appreciation is also expressed to Miller, Allen & Co., P.C. for their timely completion of the audit.

Respectfully submitted,

Jami Van Ess, Vice President  
Business and Administrative Services

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## Coconino County Community College District Arizona

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

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



*Linda C. Davison*

President

*Jeffrey R. Egan*

Executive Director

## **Coconino County Community College District**

### **Principal Officers**

#### **District Governing Board**

Dr. Nathaniel White, Vice Chair/Secretary, District 1

Ms. Patricia Garcia, Member, District 2

Mr. Jack Hadley, Member, District 3

Mr. Patrick Hurley, Chair, District 4

Ms. Val Gleave, Member, District 5

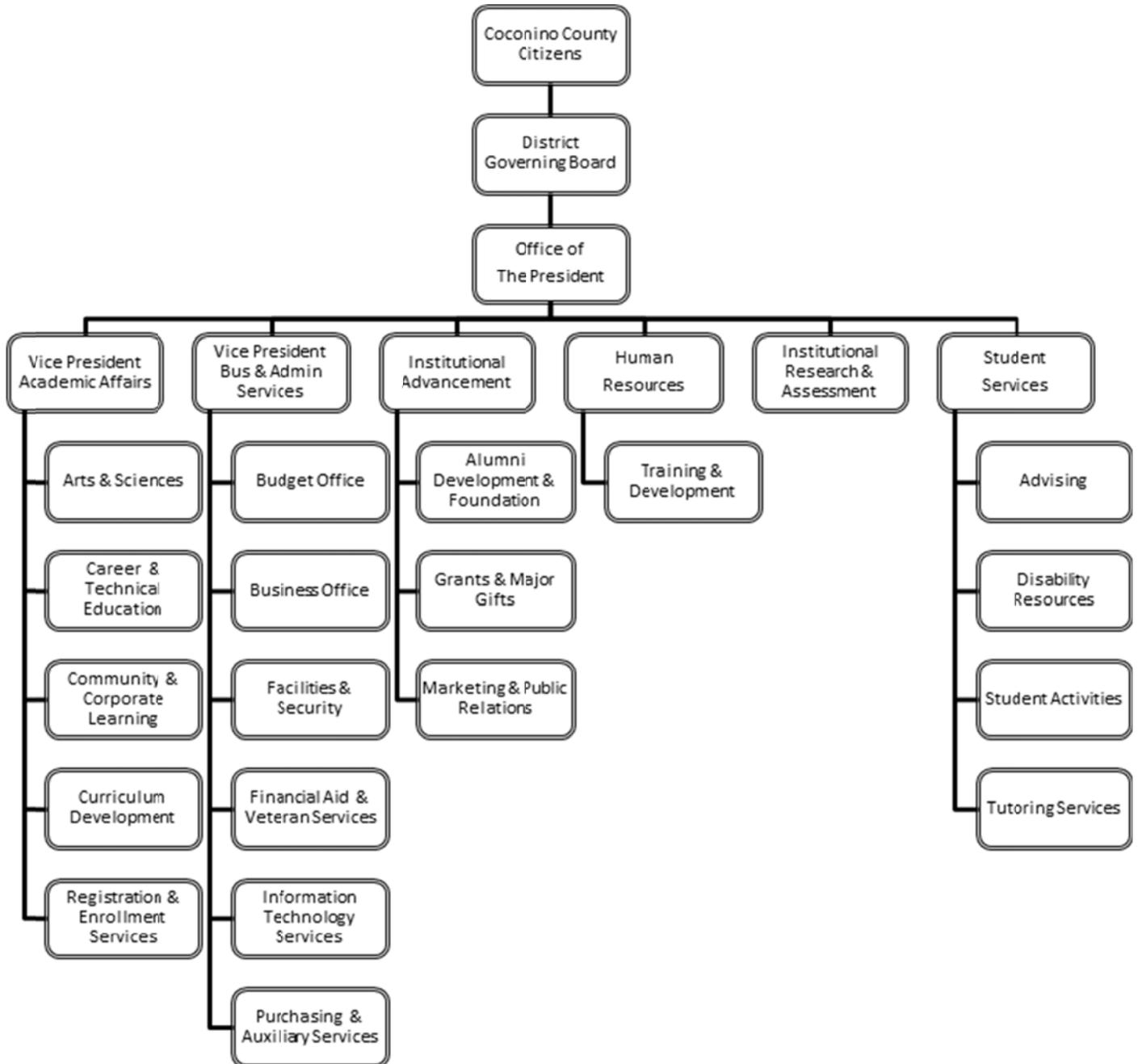
#### **Senior Administration**

Dr. Leah L. Bornstein, President

Ms. Jami Van Ess, Vice President for Business and Administrative Services

Dr. Kathleen Corak, Vice President for Academic Affairs

## Coconino County Community College District Organizational Chart





# Coconino Community College

## Vision, Mission, Purposes & Core Values

### Vision

Leading our communities in lifelong learning.

### Mission

As a learning-centered college, we enrich lives by embracing diversity and transforming the future through quality education.

### Purposes

Coconino Community College has identified the following purposes to achieve its mission:

- **General Education** to provide learners with the foundation of a liberal education, including lifelong learning.
- **Transfer Education** to provide learners with the curriculum necessary to transfer to baccalaureate institutions.
- **Occupational Education** to provide learners with the skills and knowledge necessary to pursue occupational careers.
- **Continuing Education** to provide all learners with continuing education learning opportunities.
- **Developmental Education** to provide the curriculum necessary to prepare learners for college and the workplace.
- **Economic Development** to respond quickly in the advancement of regional economic development goals.
- **Technology Integration** to provide state-of-the-art technological education and training opportunities.
- **Student Services** to facilitate access to the college and to support learners' attainment of educational goals.
- **Cultural and Community Service** to provide programs that celebrate cultural diversity and awareness, encourage volunteer service, support community awareness, protect public welfare, and support fine and performing arts.

## Core Values

We – the District Governing Board and employees of Coconino Community College – are dedicated to providing quality educational opportunities to our community. In doing so, we commit to the following core values to guide our decisions and behaviors as we seek to meet the changing needs, aspirations, and goals of our community:

- **People** – We strive to accept the uniqueness of each individual and the contribution each person makes. We strive to create a caring, accepting, and productive environment for our students, employees, and community.
- **Learning and Growth** – We are dedicated to providing lifelong learning opportunities for our students, employees, and community to empower them to achieve their dreams. In this endeavor, we create learning opportunities that are accessible and relevant to our students and place the learner first.
- **Quality** – We recognize the importance of continually improving our educational offerings and services and the need to hold our students and ourselves to high expectations and standards. We employ a dynamic, strategic planning process and constantly assess our activities to be responsive and accountable to our students, employees, and community.
- **Ethics** – We believe that to be effective we must demonstrate integrity. Therefore, we uphold the highest ethical standards in all of our activities resulting in a responsible and fair environment for our students, employees, and community and a responsive and open decision-making process.
- **Community** – We exist for our community; therefore, we must be responsive to its changing needs and its diversity. To do so, we strive to provide services that are timely, accessible, and affordable. We also pursue partnerships and collaborations throughout our community to be responsive to the needs of our diverse populations.
- **Respect** – We recognize that learning cannot occur without respect. We are committed to the acceptance of diverse cultures, differing ideas and beliefs, and the uniqueness of each individual since these are the foundations of respect.
- **Sustainability** – We commit to innovative thinking to guide our decisions toward sustainable practices in our living and working environments. In this earnest endeavor, we strive to demonstrate adaptive leadership, eco-friendly stewardship and quality education a mindful and economically feasible manner.

# Financial Section



**Coconino  
Community  
College**

## Independent Auditor's Report

The Auditor General of the State of Arizona

The Governing Board of  
Coconino County Community College District

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

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

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

The Management's Discussion and Analysis on pages 16 through 25 and the Postemployment Healthcare Benefits Schedule of Funding Progress on page 50 are not required parts of the basic financial statements, but are supplementary information required by the Governmental

Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2012, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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.

A handwritten signature in cursive script that reads "Miller, Allen & Co., P.C.".

February 22, 2012

**Coconino County Community College District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2011**

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the year ended June 30, 2011. Please read it in conjunction with the transmittal letter, which precedes this section, and the financial statements, which immediately follow.

**Basic Financial Statements**

The District's financial statements are presented in accordance with pronouncements issued by the Governmental Accounting Standards Board (GASB), the authoritative body for establishing generally accepted accounting principles (GAAP) for state and local governments, including public institutions of higher education. These pronouncements permit public colleges and universities to use the guidance for special-purpose governments, engaged only in business-type activities, in their separately issued financial statements. As such, the reader will observe that the presentation format is a consolidated, single-column format, similar to the type of financial statements one might encounter from a typical business enterprise or a not-for-profit organization. The basic financial statements consist of the following:

The *Statement of Net Assets* reflects the financial position of the District at June 30, 2011. It shows the assets owned or controlled, related liabilities and other obligations, and the categories of net assets. Net assets is an accounting concept defined as total assets less total liabilities, and as such, represents the institutional equity or ownership in the total assets of the District.

From the data presented, readers of the Statement of Net Assets are able to determine the assets available to continue operations of the District. They are also able to determine how much the District owes vendors and investors. Finally, the Statement of Net Assets provides a picture of the net assets and their availability for expenditure by the District.

Net assets are divided into three major categories. The first category, invested in capital assets, net of related debt, provides the District's equity in property, plant, and equipment owned by the District. The next category is restricted net assets, which are expendable. Expendable restricted net assets are available for expenditure by the District but must be spent solely for the purpose of their restriction. The final category is unrestricted net assets, which are available to the District for any lawful purpose 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, 2011. It shows the revenues and expenses, both operating and nonoperating, reconciling the beginning net assets amount to the ending net assets amount, which is shown on the Statement of Net Assets described above.

Generally speaking, operating revenues are received for providing goods and services to the customers and constituencies of the District. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues and to carry out the mission of the District. Nonoperating revenues are revenues received for which goods and services are not provided. For example, State

**Coconino County Community College District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2011**

appropriations are nonoperating because they are provided by the Legislature to the District without the Legislature directly receiving commensurate goods and services for those revenues.

The *Statement of Cash Flows* reflects the inflows and outflows of cash and cash equivalents for the year ended June 30, 2011. It shows the cash activities by type, reconciling the beginning cash and cash equivalents amount to the ending cash and cash equivalents amount, which is shown on the Statement of Net Assets, described above. In addition, this statement reconciles cash flows used for operating activities to the operating loss shown on the Statement of Revenues, Expenses, and Changes in Net Assets, described above.

Although the primary focus of this document is on the results and activity for fiscal year 2010-11 (FY2011), comparative data is presented for the previous fiscal year 2009-10 (FY2010). This Management's Discussion and Analysis (MD&A) uses the prior year as a reference point in illustrating issues and trends for determining whether the institution's health may have improved or deteriorated.

**Coconino County Community College District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2011**

**Condensed Financial Information**

<i>Net Assets</i>	<i>As of June 30, 2011</i>	<i>As of June 30, 2010</i>	<i>Percent Change</i>
Current assets	\$ 15,107,938	\$ 12,419,352	21.6 %
Capital assets, net	27,536,208	28,238,491	(2.5)
<b>Total assets</b>	<b>42,644,146</b>	<b>40,657,843</b>	<b>4.9</b>
Other liabilities	1,880,744	1,958,388	(4.0)
Long-term liabilities	15,225,234	16,517,180	(7.8)
<b>Total liabilities</b>	<b>17,105,978</b>	<b>18,475,568</b>	<b>(7.4)</b>
Invested in capital assets, net of related debt	13,113,220	12,309,983	6.5
Restricted net assets	509,025	1,960,003	(74.0)
Unrestricted net assets	11,915,923	7,912,289	50.6
	<b>\$ 25,538,168</b>	<b>\$ 22,182,275</b>	<b>15.1 %</b>

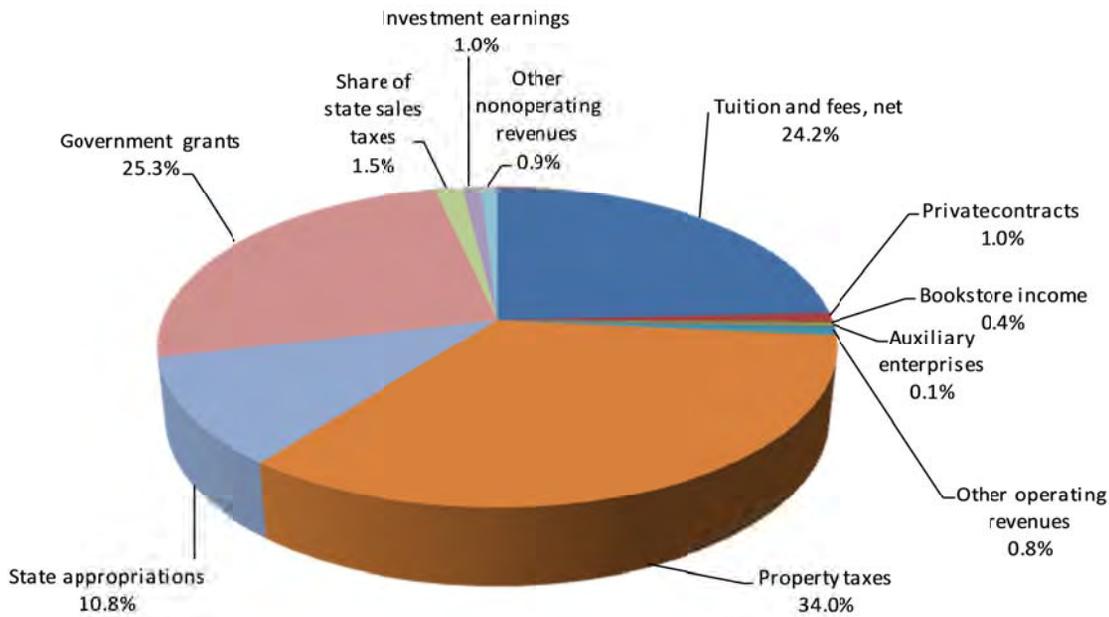
<i>Revenues, Expenses, and Changes in Net Assets</i>	<i>For the Year Ended June 30, 2011</i>	<i>For the Year Ended June 30, 2010</i>	<i>Percent Change</i>
Operating revenues	\$ 6,580,777	\$ 5,676,386	15.9 %
Operating expenses:			
Educational and general	19,776,521	19,441,635	1.7
Auxiliary enterprises	32,835	24,578	33.6
Depreciation	1,170,219	1,103,684	6.0
Total operating expenses	20,979,575	20,569,897	2.0
Operating loss	(14,398,798)	(14,893,511)	(3.3)
Nonoperating revenues and expenses	17,754,691	17,367,936	2.2
Increase in net assets	3,355,893	2,474,425	35.6
Net assets, beginning of year	22,182,275	19,707,850	12.6
<b>Net assets, end of year</b>	<b>\$ 25,538,168</b>	<b>\$ 22,182,275</b>	<b>15.1 %</b>

**Coconino County Community College District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2011**

The following schedule presents a summary of revenues for the fiscal year ended June 30, 2011, with comparative totals for June 30, 2010.

<b>Revenues by Source</b>	FY 2011		FY2010		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
<b>Operating revenues</b>						
Tuition and fees, net of scholarship allowances	\$ 6,010,877	24.2 %	\$ 5,180,646	22.0 %	\$ 830,231	16.0 %
Private contracts	248,070	1.0	187,847	0.8	60,223	32.1
Bookstore income	92,639	0.4	86,215	0.4	6,424	7.5
Auxiliary enterprises	31,711	0.1	26,482	0.1	5,229	19.7
Other operating revenues	197,480	0.8	195,196	0.8	2,284	1.2
<b>Total operating revenues</b>	<b>6,580,777</b>	<b>26.5</b>	<b>5,676,386</b>	<b>24.1</b>	<b>904,391</b>	<b>15.9</b>
<b>Nonoperating revenues</b>						
Property taxes	8,434,403	34.0	8,341,095	35.3	93,308	1.1
State appropriations	2,679,400	10.8	2,679,400	11.4	-	-
Government grants	6,271,584	25.3	6,211,775	26.4	59,809	1.0
Share of state sales taxes	382,936	1.5	376,663	1.6	6,273	1.7
Investment earnings	249,180	1.0	278,161	1.2	(28,981)	(10.4)
Other nonoperating revenues	229,946	0.9	-	-	229,946	
<b>Total nonoperating revenues</b>	<b>18,247,449</b>	<b>73.5</b>	<b>17,887,094</b>	<b>75.9</b>	<b>360,355</b>	<b>2.0</b>
<b>Total revenues</b>	<b>\$ 24,828,226</b>	<b>100.0 %</b>	<b>\$ 23,563,480</b>	<b>100.0 %</b>	<b>\$ 1,264,746</b>	<b>5.4 %</b>

**Revenues by Source FY2011**  
(\$24,828,226 Total)

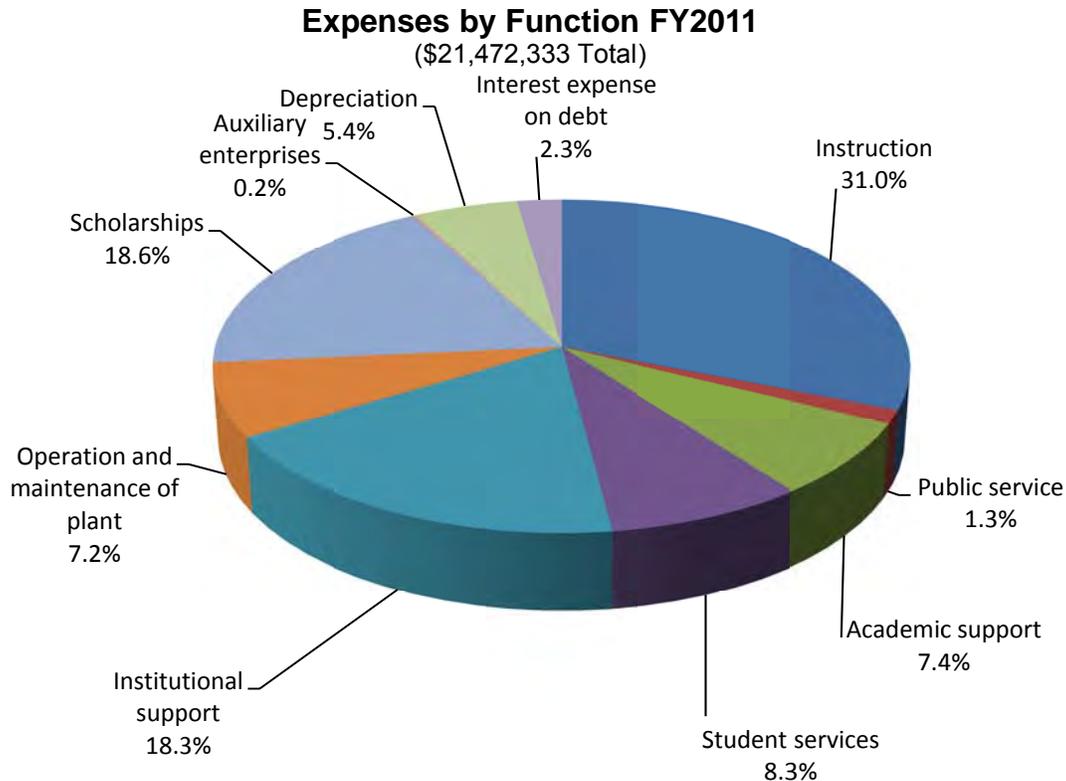


**Coconino County Community College District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2011**

The following schedule presents a summary of expenses for the fiscal year ended June 30, 2011, with comparative totals for June 30, 2010.

<i>Expenses by Function</i>	FY 2011		FY2010 <sup>(1)</sup>		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
<u>Operating expenses</u>						
Education and general:						
Instruction	\$ 6,658,070	31.0 %	\$ 6,764,696	32.0 %	\$ (106,626)	(1.6) %
Public service	283,533	1.3	181,827	0.9	101,706	55.9
Academic support	1,582,041	7.4	1,807,110	8.6	(225,069)	(12.5)
Student services	1,771,471	8.3	1,685,119	8.0	86,352	5.1
Institutional support	3,939,892	18.3	3,791,308	18.0	148,584	3.9
Operation and maintenance of plant	1,553,319	7.2	1,521,267	7.2	32,052	2.1
Scholarships	3,988,195	18.6	3,690,308	17.5	297,887	8.1
Auxiliary enterprises	32,835	0.2	24,578	0.1	8,257	33.6
Depreciation	1,170,219	5.4	1,103,684	5.2	66,535	6.0
Total operating expenses	<u>20,979,575</u>	<u>97.7</u>	<u>20,569,897</u>	<u>97.5</u>	<u>409,678</u>	<u>2.0</u>
<u>Nonoperating expenses</u>						
Interest expense on debt	492,758	2.3	519,158	2.5	(26,400)	(5.1)
Total nonoperating expenses	<u>492,758</u>	<u>2.3</u>	<u>519,158</u>	<u>2.5</u>	<u>(26,400)</u>	<u>(5.1)</u>
Total expenses	<u>\$ 21,472,333</u>	<u>100.0 %</u>	<u>\$ 21,089,055</u>	<u>100.0 %</u>	<u>\$ 383,278</u>	<u>1.8 %</u>

(1) Certain prior year amounts have been reclassified to conform with current year presentation

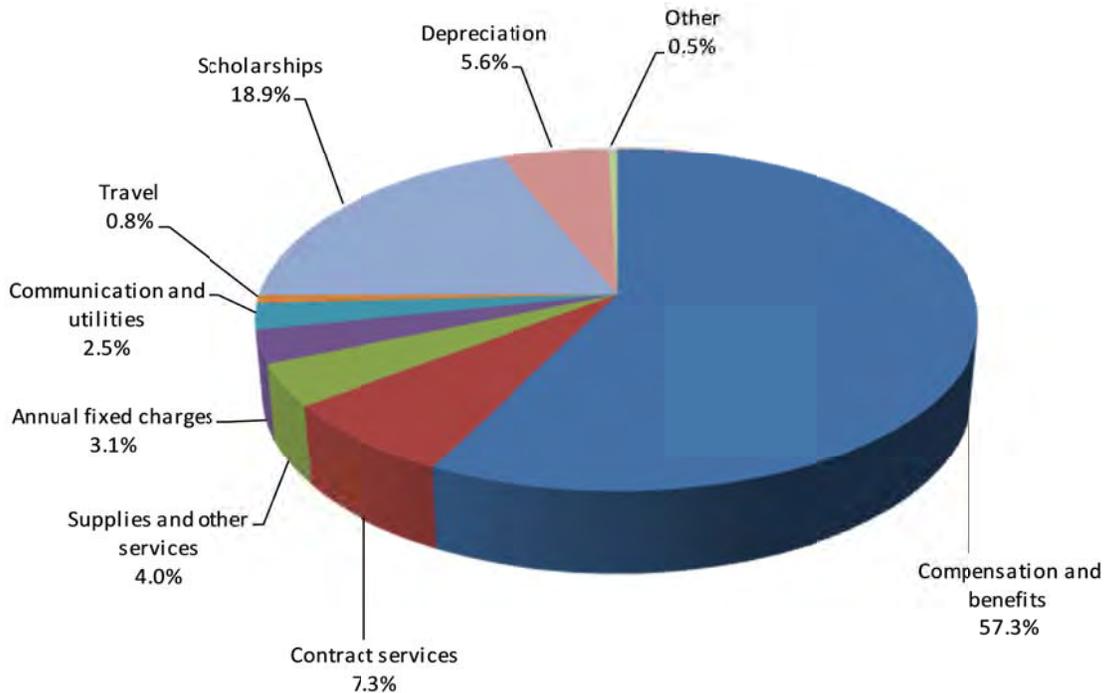


The following schedule presents a summary of operating expenses by natural classification for the fiscal year ended June 30, 2011, with comparative totals for June 30, 2010

## Coconino County Community College District Management's Discussion and Analysis Fiscal Year Ended June 30, 2011

<i>Operating Expenses by Natural Classification</i>	FY 2011		FY2010		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
	<u>Operating expenses</u>					
Compensation and benefits	\$ 12,040,077	57.3 %	\$ 11,930,665	58.1 %	\$ 109,412	0.9 %
Contract services	1,527,567	7.3	1,626,931	7.9	(99,364)	(6.1)
Supplies and other services	831,551	4.0	808,117	3.9	23,434	2.9
Annual fixed charges	650,342	3.1	654,238	3.2	(3,896)	(0.6)
Communication and utilities	516,883	2.5	564,913	2.7	(48,030)	(8.5)
Travel	159,804	0.8	130,441	0.6	29,363	22.5
Scholarships	3,988,195	18.9	3,690,308	17.9	297,887	8.1
Depreciation	1,170,219	5.6	1,103,684	5.4	66,535	6.0
Other	94,937	0.5	60,600	0.3	34,337	56.7
Total operating expenses	<u>\$ 20,979,575</u>	<u>100.0 %</u>	<u>\$ 20,569,897</u>	<u>100.0 %</u>	<u>\$ 409,678</u>	<u>2.0 %</u>

**Operating Expenses by Natural Classification FY2011**  
(\$20,979,575 Total)



**Coconino County Community College District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2011**

**Financial Highlights and Analysis**

**Statement of Net Assets**

The District's overall financial position continues to improve in fiscal year 2011. Total net assets for the District increased by \$3,355,893, or 15.1%, from fiscal year 2010 to fiscal year 2011. The main explanation from this increase is that the District was \$4.5 million under their expenditure budget, which was offset by a \$1.2 million shortfall in the budgeted revenues for the year. The District budgeted a \$2.5 million use of contingency, which was not expended. Many other factors are responsible for the net increase, which are identified in the discussion of the Statement of Revenues, Expenses, and Changes in Net Assets, below.

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

The District has four major revenue sources. These are tuition and fees, property taxes, state appropriations, and government grants and contracts. Total revenue for the District increased \$1,264,746, or 5.4%, from fiscal year 2010 to fiscal year 2011. The revenue sources primarily responsible for the net increase are as follows:

- Tuition and fees (net of scholarship allowances) increased \$830 thousand, or 16.0%, primarily due to a resident tuition increase of \$10 per credit hour, or 14.3%, from fiscal year 2010 to fiscal year 2011. In addition, there was an increase of full time student equivalents (FTSE) of 37.4, or 1.6%.
- Private contracts increased \$60 thousand, or 32.1%, primarily due to increased funding through the Coconino Community College Foundation.
- Bookstore income increased by \$6.4 thousand, or 7.5%, due to increased sales volume.
- Auxiliary enterprises revenue increased \$5.2 thousand, or 19.7%, primarily due to increased vending machine sales and a price increase on selected items.
- Property taxes increased \$93.3 thousand, or 1.1% net of a reclassification discussed below. Coconino Community College is allowed 2% primary levy growth each year, plus growth for new construction. The secondary levy remained essentially unchanged from the prior year.
- State appropriations remained level – no state budget cuts in FY2011.
- Investment earnings decreased \$29 thousand, or 10.4%, due to low interest rates.
- Other nonoperating revenues increased \$230 thousand due to a reclassification of in-lieu property taxes from Property tax revenue to Other nonoperating revenue.

**Coconino County Community College District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2011**

Total operating expenses increased by \$383 thousand, or 1.8%, from fiscal year 2010 to fiscal year 2011. The expense classifications primarily responsible for the increase are as follows:

- Instruction expenses decreased \$107 thousand, or 1.6%, even though enrollment increased. The decrease can be attributed to a decrease in Dual Enrollment.
- Public service expenses increased \$102 thousand, or 55.9%, primarily due to increased funding available for the Small Business Development Center.
- Academic support expenses decreased \$225 thousand, or 12.5%, due to decreased Library costs due to a collaboration with Northern Arizona University (NAU) and the conclusion of a Federal Title III grant.
- Student services expenses increased \$86 thousand, or 5.1%. A reorganization in Student Development contributed to the increase.
- Institutional support expenses increased \$149 thousand, or 3.9%, primarily due to an increase in IT Administration expenses.
- Scholarship expenses increased \$298 thousand, or 8.1%, due primarily to increased awards from the District, as well as PELL, Leveraging Educational Assistance Partnership (LEAP), and Academic Competitive (ACG) grants.
- Auxiliary enterprises expenses increased \$8 thousand, or 33.6%, primarily due to increased costs for special employee events. (These expenses are funded through vending revenue and allocated equally between student and employee activities).

**Capital Asset and Debt Administration**

Capital assets are defined as those items costing over \$5,000 and which have a normal useful life of more than one year. The District has created renewal and replacement (R&R) schedules for all of its facilities, as well as technology. The schedules are updated annually and funds are invested and designated for this purpose. As of June 30, 2011, these funds amounted to approximately \$4.2 million.

Below is a summary of the capital assets, net of depreciation, as of June 30:

**Coconino County Community College District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2011**

**Capital Assets**

	<u>FY 2011</u>	<u>FY 2010</u>	<u>Percent Change</u>
Land	\$ 1,089,000	\$ 1,089,000	- %
Buildings	25,049,921	25,317,002	(1.1)
Improvements other than buildings	786,729	331,827	137.1
Equipment	556,415	672,312	(17.2)
Vehicles	54,143	33,733	60.5
Construction in progress	-	794,617	(100.0)
Total capital assets	<u>\$ 27,536,208</u>	<u>\$ 28,238,491</u>	(2.5) %

Total long-term liabilities decreased by a net amount of \$1,291,946, or 7.8% from fiscal year 2010. At June 30, 2011, the District had one bond issue outstanding, consisting of a general obligation refunding bond issue with an original amount of \$17,135,000. Total long-term bonded debt outstanding at June 30, 2011, is \$14,115,000.

Additional information on the District's capital assets and long-term debt can be found in Notes 4 and 5, respectively, to the basic financial statements.

**Current Factors Having Probable Future Financial Significance**

The community college system-wide appropriation for state aid is provided by A.R.S. §15-1466. The formula is based on the current base and enrollment growth. During the past eleven fiscal years, due to declining state revenues, state aid to community colleges was cut drastically. Although state aid funding of \$3,130,800 represented 45.8% of total revenues in fiscal year 2001, fiscal year 2011 state aid funding of \$2,679,400 only represents 10.8% of total revenues. State aid funding for fiscal year 2012 is appropriated at \$1,836,000, a 31.5% reduction from FY2011, and future funding cuts are on the horizon, despite increases in enrollment. CCC has incorporated state aid funding loss projections into their long-term planning scenarios and has developed a plan to balance the budget with future funding reductions. To accommodate the decline in state aid, tuition has increased from \$33 per credit hour in fiscal year 2001 to \$85 per credit hour (including the technology fee) in fiscal year 2011, a 158% increase over an eleven-year period. For fiscal year 2012, a \$3 tuition increase was approved, bringing the current tuition rate to \$88 per credit hour (including the technology fee). A tuition increase for fiscal year 2013 is being considered. Community colleges across the nation experienced higher than average enrollment growth due to the poor economic conditions over the past several years. National trends indicate enrollment is beginning to fall as the job market has improved and the unemployment rate has dropped. While CCC has not yet seen this trend, they have projected that they will be impacted by a slight enrollment drop in the near term, and long-term financial planning scenarios address this decline.

**Coconino County Community College District  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2011**

**Requests for Information**

This discussion and analysis is designed to provide a general overview of the Coconino 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 Controller, Coconino County Community College District, 2800 S. Lone Tree Road, Flagstaff, AZ 86001.

**Coconino County Community College District  
Statement of Net Assets - Primary Government  
June 30, 2011**

	<u>Business-Type Activities</u>
<b>Assets</b>	
Current assets:	
Cash in bank and on hand	\$ 259,848
Cash and investments held by the County Treasurer	13,499,266
Investments	103,796
Receivables:	
Property taxes (net of allowances of \$69,147)	370,129
Government grants and contracts	181,707
Private grants	59,424
Other (net of allowances of \$42,691)	555,824
Inventories	25,839
Prepaid items	52,105
Total current assets	<u>15,107,938</u>
Noncurrent assets:	
Capital assets, not being depreciated	1,089,000
Capital assets, being depreciated, net	<u>26,447,208</u>
Total noncurrent assets	<u>27,536,208</u>
Total assets	<u>42,644,146</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	317,086
Accrued payroll and employee benefits	812,641
Deferred revenues	635,728
Deposits held in custody for others	115,289
Current portion of compensated absences payable	85,928
Current portion of long-term debt	<u>1,519,029</u>
Total current liabilities	<u>3,485,701</u>
Noncurrent liabilities:	
Compensated absences payable	514,311
Long-term debt	<u>13,105,966</u>
Total noncurrent liabilities	<u>13,620,277</u>
Total liabilities	<u>17,105,978</u>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	13,113,220
Restricted:	
Expendable:	
Debt service	509,025
Unrestricted	<u>11,915,923</u>
Total net assets	<u>\$ 25,538,168</u>

See accompanying notes to financial statements.

**Coconino County Community College District**  
**Statement of Financial Position - Component Unit**  
**June 30, 2011**

	<u>Coconino Community College Foundation</u>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 184,349
Unconditional promises to give	5,000
Investments, at market	609,738
Total current assets	<u>799,087</u>
Total assets	<u>\$ 799,087</u>
<b>Liabilities</b>	
Current liabilities:	
Accrued expenses	\$ <u>126</u>
Total current liabilities	<u>126</u>
<b>Net Assets</b>	
Unrestricted	180,735
Temporarily restricted	319,352
Permanently restricted	298,874
Total net assets	<u>798,961</u>
Total liabilities and net assets	<u>\$ 799,087</u>

See accompanying notes to financial statements.

**Coconino County Community College District**  
**Statement of Revenues, Expenses, and Changes in Net Assets-Primary Government**  
**Year Ended June 30, 2011**

	Business-Type Activities
Operating revenues:	
Tuition and fees (net of scholarship allowances of \$1,433,745)	\$ 6,010,877
Private contracts	248,070
Bookstore income	92,639
Auxiliary enterprises	31,711
Other	197,480
Total operating revenues	6,580,777
Operating expenses:	
Educational and general:	
Instruction	6,658,070
Public service	283,533
Academic support	1,582,041
Student services	1,771,471
Institutional support	3,939,892
Operation and maintenance of plant	1,553,319
Scholarships	3,988,195
Auxiliary enterprises	32,835
Depreciation	1,170,219
Total operating expenses	20,979,575
Operating loss	(14,398,798)
Nonoperating revenues (expenses):	
Property taxes	8,434,403
State appropriations	2,679,400
Government grants	6,271,584
Share of state sales taxes	382,936
Investment earnings	249,180
Other nonoperating revenue	229,946
Interest expense on debt	(492,758)
Total nonoperating revenues (expenses)	17,754,691
Income before other revenues, expenses, gains, or losses	3,355,893
Increase in net assets	3,355,893
Total net assets, July 1, 2010	22,182,275
Total net assets, June 30, 2011	\$ 25,538,168

See accompanying notes to financial statements.

**Coconino County Community College District**  
**Statement of Activities - Component Unit**  
**Year Ended June 30, 2011**

	Coconino Community College Foundation			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>TOTAL</u>
Revenues, gains, and other support				
Public contributions	\$ 216,375	\$ 181,442	\$ 5,300	\$ 403,117
Revenues	16,940	25,920	-	42,860
Investment earnings	6,342	14,913	-	21,255
Total support and revenue	239,657	222,275	5,300	467,232
Net assets released from restrictions	160,967	(160,967)	-	-
Total revenue, gains and other support	400,624	61,308	5,300	467,232
Expenses				
Program services	417,059	-	-	417,059
Supporting services	36,732	-	-	36,732
Total expenses	453,791	-	-	453,791
Change in net assets before other items	(53,167)	61,308	5,300	13,441
Unrealized gain on investments	22,254	52,334	-	74,588
Increase (decrease) in net assets	(30,913)	113,642	5,300	88,029
Net assets, beginning of year, as restated	211,648	205,710	293,574	710,932
Net assets, end of year	\$ 180,735	\$ 319,352	\$ 298,874	\$ 798,961

See accompanying notes to financial statements.

**Coconino County Community College District  
Statement of Cash Flows - Primary Government  
Year Ended June 30, 2011**

	<u>Business-Type Activities</u>
<b>Cash flows from operating activities:</b>	
Tuition and fees	\$ 7,105,316
Private contracts	190,777
Bookstore receipts	91,856
Auxiliary enterprises	32,181
Other receipts	197,919
Payments to employees for salaries and benefits	(11,789,135)
Payments to suppliers and providers of goods and services	(3,962,218)
Payments to students for scholarships	(5,421,940)
Net cash used for operating activities	<u>(13,555,244)</u>
<b>Cash flows from noncapital financing activities:</b>	
Property taxes - primary	6,356,843
State appropriations	2,679,400
Government grants	6,274,763
Share of state sales taxes	382,936
Other nonoperating - primary	190,833
Federal direct lending receipts	5,705,441
Federal direct lending disbursements	(5,705,441)
Deposits held in custody for others received	827,685
Deposits held in custody for others disbursed	(787,003)
Net cash provided by noncapital financing activities	<u>15,925,457</u>
<b>Cash flows from capital and related financing activities:</b>	
Property taxes - secondary	1,938,720
Other nonoperating - secondary	39,113
Purchases of capital assets	(467,935)
Principal paid on capital debt	(1,452,141)
Interest paid on capital debt	(546,138)
Net cash used for capital and related financing activities	<u>(488,381)</u>
<b>Cash flows from investing activities:</b>	
Interest received on investments	<u>249,180</u>
Net cash provided by investing activities	<u>249,180</u>
Net increase in cash and cash equivalents	2,131,012
Cash and cash equivalents, July 1, 2010	<u>11,731,898</u>
Cash and cash equivalents, June 30, 2011	<u>\$ 13,862,910</u>

See accompanying notes to financial statements.

(continued)

**Coconino County Community College District  
Statement of Cash Flows - Primary Government  
Year Ended June 30, 2011  
(continued)**

	Business-Type Activities
<b>Reconciliation of operating loss to net cash used for operating activities:</b>	
Operating loss	\$ (14,398,798)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	1,170,219
Increase in OPEB obligation	100,169
Changes in assets and liabilities:	
Increase in:	
Accrued payroll and employee benefits	37,368
Compensated absences payable	113,405
Deferred revenues	28,234
Private grants receivable	(59,424)
Inventories	(10,844)
Other receivables	(353,740)
Decrease in:	
Prepaid items	18,642
Accounts payable	(200,475)
Net cash used for operating activities	\$ (13,555,244)
 <b>Reconciliation of cash and cash equivalents to the Statement of Net Assets:</b>	
Cash in bank and on hand	\$ 259,848
Cash and investments held by the County Treasurer	13,499,266
Investments	103,796
Cash and cash equivalents	\$ 13,862,910

**Noncash transactions:**

**Amortization of premium on bonds.**

The District amortized \$85,855 of premium on general obligation refunding bonds.

**Amortization of bond issuance costs.**

The District amortized \$32,475 of prepaid bond issuance costs.

See accompanying notes to financial statements.

**Coconino County Community College District**  
**Notes to Financial Statements**  
**June 30, 2011**

**Note 1 - Summary of Significant Accounting Policies**

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

**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 Coconino Community College Foundation.

The Coconino Community College 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 support of District programs. Although the District does not control the timing or amount of 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 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 generally accepted accounting principles for public colleges and universities. The Foundation has a June 30 year-end.

During the year ended June 30, 2011, the Foundation distributed \$202,216 to the District for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from the Advancement Office, Coconino County Community College District, 2800 S. Lone Tree Road, Flagstaff, AZ 86001.

**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.

**Coconino County Community College District**  
**Notes to Financial Statements**  
**June 30, 2011**

**Note 1 - Summary of Significant Accounting Policies (continued)**

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, including capital contributions. Operating revenues and expenses generally result from exchange transactions. Accordingly, revenues such as tuition and bookstore 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 expenses.

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 either 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 as soon as all eligibility requirements imposed by the provider have been met. It is the District's policy to first apply restricted resources when an expense is incurred for purposes when both restricted and unrestricted net assets are available. Internal activity is eliminated using a charge-back method, charging user departments and reducing expenses in the department providing the service.

The District follows Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989; Accounting Principles Board Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. The District has chosen the option not to follow FASB Statements and Interpretations issued after November 30, 1989.

**Coconino County Community College District  
Notes to Financial Statements  
June 30, 2011**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**C. Cash and Investments**

For the statement of cash flows, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, cash and investments held by the County Treasurer, and investments in the State Treasurer's Local Government Investment Pool. All investments are stated at fair value.

**D. Inventories**

The supplies inventory is stated at cost by specific identification.

**E. Capital Assets**

Capital assets are reported at actual cost. 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 reported in the financial statements are as follows:

	<b>Capitalization Threshold</b>	<b>Depreciation Method</b>	<b>Estimated Useful Life</b>
Land	\$5,000		
Buildings	\$5,000	straight line	40 years
Improvements other than buildings	\$5,000	straight line	15 years
Equipment and vehicles	\$5,000	straight line	5 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 payable consist of paid time off (PTO) for benefit eligible administrative, professional, and classified employees; compensatory time earned for classified employees; and a calculated amount of sick leave earned by grandfathered employees based on services already rendered.

**Coconino County Community College District**  
**Notes to Financial Statements**  
**June 30, 2011**

**Note 1 - Summary of Significant Accounting Policies (concluded)**

The PTO plan is for the purpose of providing benefit eligible employees the opportunity to take time off work without loss of compensation. At June 30 of each year, an employee may carry forward two times his/her maximum accrual for the year. Any unused PTO in excess of two times the annual accrual rate is forfeited. Upon termination or if an employee becomes ineligible for benefits, the employee will be paid, at his/her rate of pay at the time of termination, a lump sum based upon consecutive years of service. At no time can the maximum PTO paid exceed one year's accrual. Accordingly, PTO benefits are accrued as a liability in the financial statements.

The balance of compensatory time earned for classified staff is paid, at the employee's current rate of pay, in full at the time of the employee's termination or if an employee becomes ineligible for benefits. Accordingly, compensatory time earned is accrued as a liability in the financial statements.

Employees hired prior to January 1996 are grandfathered under the sick leave procedure in effect at that time. The grandfather clause provides that after 10 years of service, 50% of unused accrued sick leave up to a maximum of 1,040 hours be payable at termination; and upon normal retirement as defined by the Arizona State Retirement System, 100% of unused accrued sick leave up to a maximum of 2,080 hours will be payable at termination. The rate to be paid is the hourly rate as of June 30, 2009 and the number of hours paid shall not exceed the hours on record as of June 30, 2009. Accordingly, grandfathered sick leave benefits 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 the student's behalf. 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 - Deposits and Investments**

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 another's property 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.

**Deposits**—At June 30, 2011, the carrying amount of the District's deposits was \$258,330 and the bank balance was \$362,672. The District does not have a formal policy with respect to custodial credit risk.

**Coconino County Community College District**  
**Notes to Financial Statements**  
**June 30, 2011**

**Note 2 – Deposits and Investments (concluded)**

**Investments**—The District’s investments at June 30, 2011, were as follows:

<b>Investment Type</b>	<b>Amount</b>
County Treasurer's investment pool	\$ 13,499,266
State Treasurer's investment pool 5	103,796
	\$ 13,603,062

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

*Credit risk*-The District does not have a formal policy with respect to credit risk. Credit risk for the District’s investments at June 30, 2011 was as follows:

<b>Investment Type</b>	<b>Rating</b>	<b>Rating Agency</b>	<b>Amount</b>
County Treasurer's investment pool	Unrated	Not applicable	\$ 13,499,266
State Treasurer's investment pool 5	AAAf/S1+	Standard & Poor's	103,796
			\$ 13,603,062

*Interest rate risk*-The District does not have a formal policy with respect to interest rate risk. At June 30, 2011, the District had the following investments in debt securities:

<b>Investment Type</b>	<b>Amount</b>	<b>Weighted Average Maturity in Years</b>
County Treasurer's investment pool	\$ 13,499,266	1.99
State Treasurer's investment pool 5	103,796	0.07
	\$ 13,603,062	

A reconciliation of cash, deposits, and investments to amounts shown on the Statement of Net Assets follows:

<b>Cash, deposits, and investments:</b>	<b>Statement of Net Assets:</b>
Cash on hand \$ 1,518	Cash in bank and on hand \$ 259,848
Amount of deposits 258,330	Cash and investments held by the County Treasurer 13,499,266
Amount of investments 13,603,062	Investments 103,796
\$ 13,862,910	\$ 13,862,910

**Coconino County Community College District**  
**Notes to Financial Statements**  
**June 30, 2011**

**Note 3 – Other Receivables**

Other receivables are shown net of related allowances for uncollectibles. A summary for other receivables at June 30, 2011, follows:

	Receivable	Allowance	Net Receivable
Vendor	\$ 30,904	\$ -	\$ 30,904
Student	566,712	42,691	524,021
Employee	899	-	899
	<u>\$ 598,515</u>	<u>\$ 42,691</u>	<u>\$ 555,824</u>

**Note 4 - Capital Assets**

Capital asset activity for the year ended June 30, 2011, was as follows:

	Balance July 1, 2010	Increases	Decreases	Reclassifications	Balance June 30, 2011
Capital assets not being depreciated:					
Land	\$ 1,089,000				\$ 1,089,000
Construction in progress	794,617			(794,617)	-
Total capital assets not being depreciated	<u>1,883,617</u>	<u>-</u>	<u>-</u>	<u>(794,617)</u>	<u>1,089,000</u>
Capital assets being depreciated:					
Buildings	32,351,653	36,904		518,697	32,907,254
Improvements other than buildings	562,750	233,478		275,920	1,072,148
Equipment	2,973,081	182,915	61,497		3,094,499
Vehicles	236,813	33,088	12,698		257,203
Total capital assets being depreciated	<u>36,124,297</u>	<u>486,385</u>	<u>74,195</u>	<u>794,617</u>	<u>37,331,104</u>
Less accumulated depreciation for:					
Buildings	7,034,651	822,682			7,857,333
Improvements other than buildings	230,923	54,496			285,419
Equipment	2,300,769	280,363	43,048		2,538,084
Vehicles	203,080	12,678	12,698		203,060
Total accumulated depreciation	<u>9,769,423</u>	<u>1,170,219</u>	<u>55,746</u>	<u>-</u>	<u>10,883,896</u>
Total capital assets being depreciated, net	<u>26,354,874</u>	<u>(683,834)</u>	<u>18,449</u>	<u>794,617</u>	<u>26,447,208</u>
Capital assets, net	<u>\$ 28,238,491</u>	<u>\$ (683,834)</u>	<u>\$ 18,449</u>	<u>\$ -</u>	<u>\$ 27,536,208</u>

**Coconino County Community College District**  
**Notes to Financial Statements**  
**June 30, 2011**

**Note 5 - Long-Term Liabilities**

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

	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Due within 1 year
Bonds payable:					
General obligation refunding bonds	\$ 15,535,000	\$ -	\$ 1,420,000	\$ 14,115,000	\$ 1,485,000
Premium on general obligation refunding bonds	517,058	-	85,855	431,203	
Deferred charges on refunding	(195,582)	-	(32,475)	(163,107)	
Capital leases payable	72,032	-	32,140	39,892	34,029
OPEB obligation	101,838	100,169	-	202,007	
Compensated absences payable	486,834	379,364	265,959	600,239	85,928
Total long-term debt	<u>\$ 16,517,180</u>	<u>\$ 479,533</u>	<u>\$ 1,771,479</u>	<u>\$ 15,225,234</u>	<u>\$ 1,604,957</u>

**Bonds**—The District's bonded debt consists of general obligation refunding bonds that are generally callable with interest payable semiannually. The District repays general obligation refunding bonds from voter-approved property taxes. The original amount of general obligation refunding bonds issued was \$17,135,000.

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for these defeased bonds are not included in the District's financial statements. At June 30, 2011, the following outstanding bonds were considered defeased:

<u>Description</u>	<u>Amount</u>
General Obligation Bonds, Series A (1999)	\$14,520,000

Bonds outstanding at June 30, 2011, were as follows:

Description	Original Amount	Maturities	Interest Rates	Outstanding Principal
General obligation refunding bonds, Series 2009	\$17,135,000	annually through 7/1/2019	2.00% - 5.00%	\$14,115,000

Under Article IX of the Arizona Constitution, the total amount of indebtedness of the District may not exceed 15% of the County's secondary property assessed valuation. The bonds are subject to federal arbitrage regulations.

**Coconino County Community College District**  
**Notes to Financial Statements**  
**June 30, 2011**

**Note 5 - Long-Term Liabilities (concluded)**

The following schedule details debt service requirements to maturity for the District's bonds payable at June 30, 2011:

Year Ending June 30	<b>General Obligation Refunding Bonds</b>	
	Principal	Interest
2012	\$ 1,485,000	\$ 510,900
2013	1,545,000	477,488
2014	1,620,000	438,863
2015	1,690,000	394,313
2016	1,785,000	332,413
2017-2020	5,990,000	572,475
Total	\$ 14,115,000	\$ 2,726,452

**Capital leases** – The District has acquired equipment under provisions of a long-term lease agreement classified as a capital lease for accounting purposes because it provides for a bargain purchase option and a transfer of ownership by the end of the lease term.

The capital assets acquired meeting the District's capitalization policy through the capital lease are as follows:

Equipment - copiers	\$ 135,150
Less: accumulated depreciation	94,605
Carrying value	\$ 40,545

The following schedule details debt service requirements to maturity for the District's capital lease payable at June 30, 2011:

Year ending June 30	
2012	\$ 35,429
2013	5,904
Total minimum lease payments	41,333
Less amount representing interest	1,441
Present value of net minimum lease payments	\$ 39,892

**Note 6 - Operating Leases**

The District leases the land on which the Fourth Street campus resides. The lease agreement is classified as an operating lease for accounting purposes. Rental expenses under the terms of the operating lease were \$28,833 for the year ended June 30, 2011.

**Coconino County Community College District**  
**Notes to Financial Statements**  
**June 30, 2011**

**Note 6 - Operating Leases (concluded)**

The operating lease has a remaining noncancelable term of 13 years, and allows four renewal options for eleven years each. Rental payments may be adjusted every five years based on changes in the Consumer Price Index (CPI). The future minimum rental payments required under the operating lease at June 30, 2011, were as follows:

Year ending June 30	
2012	\$ 42,386
2013	42,386
2014	42,386
2015	42,386
2016	42,386
2017 - 21	211,930
2022 - 24	127,158
Total minimum lease payments	<u>\$ 551,018</u>

**Note 7 - 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. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District provides life, accidental death and dismemberment, disability, medical, and dental insurance benefits to its employees and their dependents through a pooled trust, the Northern Arizona Public Employees Benefit Trust (NAPEBT), currently composed of the City of Flagstaff; Coconino County; Flagstaff Unified School District; and the District. The NAPEBT is self-funded through an agreement with the participating members and NAPEBT administers the plan. The members' employee and employer contributions are paid to pay benefits and administrative expenses. If the District withdraws from the NAPEBT, it is responsible for its proportionate share of any claims' run-out costs, including claims reported but not settled, claims incurred but not reported, and administrative costs. If the NAPEBT were to terminate, the District would be responsible for its proportional share of any trust deficit.

**Coconino County Community College District  
Notes to Financial Statements  
June 30, 2011**

**Note 8 – Pension and Other Postemployment Benefits**

**A. Pension Benefits**

Arizona State Retirement System

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. The Arizona State Retirement 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., 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 the 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, 2011, active plan members were required by statute to contribute at the actuarially determined rate of 9.85 percent (9.6 percent retirement and 0.25 percent long-term disability) of the members' annual covered payroll and the District was required by statute to contribute at the actuarially determined rate of 9.85 percent (9.01 percent for retirement, 0.59 percent for health insurance premium, and 0.25 percent for long-term disability) of the members' annual covered payroll.

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

	<b>Retirement Fund</b>	<b>Health Benefit Supplement Fund</b>	<b>Long-Term Disability Fund</b>
Year ending June 30			
2011	\$ 575,840	\$ 37,707	\$ 15,978
2010	565,219	44,455	25,403
2009	561,059	67,645	34,486

**Coconino County Community College District  
Notes to Financial Statements  
June 30, 2011**

**Note 8 – Pension and Other Postemployment Benefits (continued)**

Optional Retirement Plan

Plan description—In September 2001, the District implemented an Optional Retirement Plan (ORP), allowing the employee to opt out of the Arizona State Retirement System and establish a defined contribution account with one of three independent providers: ING Life Insurance and Annuity Company; Variable Annuity Life Insurance Company (VALIC); or Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA-CREF). The ORP generally provides retirement, death, long-term disability, and survivor benefits. The ORP is intended to constitute a qualified plan within the meaning of Section 401(a) of the Internal Revenue Code of 1986 (the Code), as amended, and to constitute a qualified pick-up plan within the meaning of Section 414(h)(2) of the Code, and is authorized by A.R.S. Title 15, Chapter 12, Article 3. Plan contributions are invested, at the direction of each participant, in one or more funding vehicles available to participants under the ORP. ORP contributions are held for the exclusive benefit of the participants.

Funding policy—The District Governing Board establishes and may amend active plan members' and the District's contribution rates. For the year ended June 30, 2011, active participants were required to contribute 7.43 percent (7.0 percent retirement and 0.43 percent long-term disability) of the members' annual covered payroll. Members had the option to contribute 9.6 percent to retirement, as opposed to the 7.0 percent required contribution, depending on their retirement goals. The District was required to contribute 7.43 percent (7.0 percent retirement and 0.43 percent long-term disability) of the members' annual covered payroll.

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

Year ending June 30	Retirement Fund	Long-Term Disability Fund
2011	\$ 68,791	\$ 4,378
2010	75,694	3,509
2009	77,600	3,430

**B. Postemployment Health Care Benefits**

The District follows 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 Northern Arizona Public Employee Benefit Trust (NAPEBT). Under the requirements of GASB Statement No. 45, the actuarially determined liability of \$591,120 as of July 1, 2009 (the date of transition), is being amortized over 30 years.

**Coconino County Community College District**  
**Notes to Financial Statements**  
**June 30, 2011**

**Note 8 – Pension and Other Postemployment Benefits (continued)**

Plan description – The District, as part of the NAPEBT, 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 a reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide 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 cover any explicit subsidies.

Employees may be retained on the District's health insurance provided they make the required contributions and comply with all other provisions of the Plan. To be eligible, an employee must retire from the College with ten years of service as a benefit eligible employee and apply for and receive retirement benefits from either the Arizona State Retirement System or the Optional Retirement Plan. Retirees can maintain their coverage under the provisions of this program until the retiree reaches age 65, which is when he/she qualifies for Medicare. Dependent coverage is available subject to the limitations outlined in the District's health insurance policy. Dependents cannot continue in the insurance program when the retiree is no longer eligible.

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 2010-11 fiscal year, one retiree received postemployment healthcare benefits.

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.

**Coconino County Community College District**  
**Notes to Financial Statements**  
**June 30, 2011**

**Note 8 – Pension and Other Postemployment Benefits (continued)**

Description	Amount
Normal cost (service cost for one year)	\$ 62,726
Amortization of the unfunded actuarial:	
Accrued liability	34,727
Adjustment for timing to end of fiscal year	4,385
Interest on normal cost and amortization	-
<b>Annual required contribution (ARC)</b>	101,838
Interest on net OPEB obligation	4,583
Adjustment to annual required contribution	(6,252)
<b>Annual OPEB Cost</b>	100,169
Contribution toward the OPEB cost	-
Increase in net OPEB obligation	100,169
Net OPEB obligation, beginning of year	101,838
Net OPEB obligation, end of year	\$ 202,007

Funded Status and Fund Progress – As of June 30, 2011, the actuarial accrued liability for benefits was \$614,734 and is unfunded. The covered payroll (annual payroll of active participating employees as of the actuarial valuation date) was \$6,506,901 while the ratio of the unfunded actuarial accrued liability to the covered payroll was 9.45%.

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 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.

**Coconino County Community College District  
Notes to Financial Statements  
June 30, 2011**

**Note 8 – Pension and Other Postemployment Benefits (concluded)**

<b>Method/Assumption</b>	
Valuation date	June 30, 2009
Actuarial cost method	Entry Age Normal
Initial amortization period, level dollar amortization method, open period	30 years
Remaining amortization period	28 years
Investment rate of return	4.50%
Medicare coverage age	65
Retirement and disability age	ASRS assumptions
Health care cost trend range	5% - 9%
Participation assumption	75%
Active members	129
Retirees currently receiving benefits	1

**Note 9 - 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:

Compensation and benefits	\$ 12,040,077
Contract services	1,527,567
Supplies and other services	831,551
Annual fixed charges	650,342
Communication and utilities	516,883
Travel	159,804
Scholarships	3,988,195
Depreciation	1,170,219
Other	94,937
Total	<u>\$ 20,979,575</u>

**Note 10 – Discretely Presented Component Unit Disclosures**

Coconino Community College Foundation

1. Summary of Significant Accounting Policies

The financial statements of Coconino Community College Foundation (the Foundation) have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

**Coconino County Community College District**  
**Notes to Financial Statements**  
**June 30, 2011**

**Note 10 – Discretely Presented Component Unit Disclosures (continued)**

*Nature of the Organization*

Coconino Community College Foundation was founded in 1993 under Arizona law as a non-profit corporation. The mission of the Foundation is to promote the purposes and goals of Coconino Community College (CCC), thereby enhancing the opportunities of Coconino residents. It is the fund raising organization for the solicitation, receipt and management of all private gifts, donations, and contributions, including gifts-in-kind. Funds are disbursed exclusively for charitable and educational purposes within the meaning of the Internal Revenue Service Code Section 501(c)(3), including providing scholarships and financial aid, to fulfill research, teaching and service functions of the College, and to make or receive grants and loans of corporate property for the purposes of the College.

*Financial Statement Presentation*

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Foundation is required to present a statement of cash flows.

*Contributions and Life Annuity Gifts*

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. In addition, the Foundation records life annuity contracts as gifts. All contributions, support and revenue are considered to be unrestricted unless specifically restricted by the donor. As restrictions are met, these revenues become unrestricted and are then allowed to be expended.

*Promises to Give*

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

*Investments*

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the Statement of Activities and Changes in Net Assets.

**Coconino County Community College District**  
**Notes to Financial Statements**  
**June 30, 2011**

**Note 10 – Discretely Presented Component Unit Disclosures (continued)**

2. Use of Estimates

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

3. Cash and Cash Equivalents

The following were included in cash and cash equivalents as of June 30, 2011:

Checking	\$ 119,080
Petty cash	300
Fidelity cash account	64,969
	\$ 184,349

The Federal Deposit Insurance Corporation insured accounts up to \$250,000 per institution. As of June 30, 2011, the Foundation did not maintain cash balances in excess of this amount in their checking account. Cash deposited with Fidelity Investments is insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000. Management is aware of the risks involved and monitors these accounts regularly to keep potential risk of loss to a minimum.

4. Investments

Investments are stated at fair market value as of June 30, 2011. Unless specific prohibitive clauses are contained in the gift instruments, funds are pooled for investment purposes.

The market value and cost of the Foundation's investments at June 30, 2011 are as follows:

	<b>Market Value</b>	<b>Cost</b>
Common stock	\$ 357,347	\$ 255,073
Corporate bonds	252,391	238,886
	\$ 609,738	\$ 493,959

**Coconino County Community College District**  
**Notes to Financial Statements**  
**June 30, 2011**

**Note 10 – Discretely Presented Component Unit Disclosures (continued)**

5. Restrictions on Net Assets

Temporarily restricted net assets are available for scholarships and discretionary spending. Discretionary spending net assets are gifts that were designated by the donors to be spent by a specific campus, area, or department for general needs.

Permanently restricted net assets are to provide a permanent endowment, with the investment income restricted primarily for scholarship awards.

6. Endowment Funds

The Foundation's endowment consists of approximately 15 individual funds, established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair 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 the original value of gifts donated to the permanent endowment and 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: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

To ensure observance of limitations and restrictions placed on the use of resources available to the Coconino Community College Foundation, net assets, revenues and expenditures are classified and reported as follows, based on the existence or absence of donor-imposed restrictions.

*Permanently restricted net assets* include permanent endowments. Such funds are generally subject to donor restrictions requiring the principal be invested in perpetuity for the purpose of producing income that may be expended or added to principal in accordance with the donor's wishes.

**Coconino County Community College District**  
**Notes to Financial Statements**  
**June 30, 2011**

**Note 10 – Discretely Presented Component Unit Disclosures (concluded)**

*Temporarily restricted net assets* relate to contributions designated by donors for use by particular entities or programs or for specific purposes.

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

Coconino Community College Foundation’s Endowment Funds consisted of the following at June 30, 2011:

	Temporarily Restricted	Permanently Restricted	Total
Balance, June 30, 2010	\$ 36,810	\$ 293,574	\$ 330,384
Contributions received	12,623	5,300	17,923
Interest & dividends earned	13,987	-	13,987
Scholarships awarded	(21,364)	-	(21,364)
Administrative fees	(259)	-	(259)
Balance, June 30, 2011	<u>\$ 41,797</u>	<u>\$ 298,874</u>	<u>\$ 340,671</u>

It is not the policy of the Coconino Community College Foundation Board of Directors to adjust the principal balance of its Endowment Funds for investment account market fluctuations. Therefore, the balances stated above have had investment earnings added to them but no adjustments made for market value changes.

The Board of Directors of the Coconino Community College Foundation, or its designee, has and shall have full and plenary power and authority to take, hold, manage, invest and reinvest any principal amount donated as an Endowment Fund, and any increase or accumulation to it, and any income from it, consistent with management policies of the Board, or its designee. An Endowment Fund will earn income according to Board policy if it maintains the minimum balance required for earning income.

**7. Reclassification**

Investment earnings of \$31,899 and unrealized loss on investments of \$3,028 were reclassified from temporarily restricted to unrestricted for the year ended June 30, 2010. This reclassification resulted in a net increase in unrestricted net assets and net decrease in temporarily restricted net assets in the amount of \$28,871.

**Coconino County Community College District  
Required Supplementary Information  
Postemployment Health Care Benefits  
Schedule of Funding Progress  
June 30, 2011**

<u>Actuarial Valuation Date (5)</u>	<u>Fiscal Year Ended June 30</u>	<u>Actuarial Value of Plan Assets</u>	<u>Actuarial Accrued Liability Entry Age (1)</u>	<u>Unfunded Actuarial Accrued Liability (3)</u>	<u>Funded Ratio (2)</u>	<u>Covered Payroll</u>	<u>Actuarial Liability as a Percentage of Covered Payroll</u>
6/30/2009	2010	\$ -	\$ 591,120 (4)	\$ 591,120	0.00 %	\$6,506,901	9.08 %
6/30/2009	2011	-	614,734	614,734	0.00	6,506,901	9.45

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 June 30, 2009, dated September 20, 2010.
- (5) For the purposes of GASB Statement 45, the District performs actuarial valuations once every two years.

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 the percentage over time indicates whether the Plan is becoming financially stronger or weaker. Generally, the greater the percentage, the stronger the plan.

Only two years of funding progress information is available at this time.

# Statistical Section

This section of the Coconino County Community College District's (the District) comprehensive annual financial report presents detailed information as a context for further understanding of the information in the financial statements and note disclosures.

## **Financial Trends**

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

## **Revenue Capacity**

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

## **Debt Capacity**

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**

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**

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



**Coconino  
Community  
College**

**Coconino County Community College District  
Net Assets by Component  
Last Ten Fiscal Years**

(dollars in thousands)

	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2002-03</u>	<u>2001-02</u>
Invested in capital assets, net of related debt	\$ 13,113	\$ 12,310	\$ 10,996	\$ 10,597	\$ 10,372	\$ 9,841	\$ 9,164	\$ 8,850	\$ 8,626	\$ 7,048
Restricted - expendable	509	1,960	2,780	3,056	2,739	2,500	2,838	3,025	2,292	4,117
Unrestricted	11,916	7,912	5,932	4,626	4,442	3,780	3,576	3,701	3,474	3,635
Total primary government net assets	<u>\$ 25,538</u>	<u>\$ 22,182</u>	<u>\$ 19,708</u>	<u>\$ 18,279</u>	<u>\$ 17,553</u>	<u>\$ 16,121</u>	<u>\$ 15,578</u>	<u>\$ 15,576</u>	<u>\$ 14,392</u>	<u>\$ 14,800</u>

Source: Comprehensive Annual Financial Report for the fiscal years presented.

**Coconino County Community College District  
Expenses by Program and Function  
Last Ten Fiscal Years**

(dollars in thousands)

	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2002-03</u>	<u>2001-02</u>
Instruction	\$ 6,658	\$ 6,765	\$ 6,981	\$ 6,916	\$ 6,564	\$ 6,393	\$ 5,631	\$ 4,837	\$ 4,539	\$ 3,701
Public service	284	182	139	143	113	133	180	214	150	142
Adademic support	1,582	1,807	2,289	2,367	2,118	2,113	1,957	1,693	1,634	1,591
Student services	1,771	1,685	1,696	1,610	1,540	1,412	1,380	1,372	1,329	1,351
Institutional support	3,940	3,791	4,129	3,838	3,614	3,175	3,135	2,901	2,785	3,924
Operation and maintenance of plant	1,553	1,521	1,590	1,495	1,280	1,280	1,212	1,195	1,035	973
Scholarships	3,988	3,690	1,701	1,376	1,321	1,249	1,388	1,282	1,095	1,053
Auxiliary enterprises	33	25	20	33	28	19	19	19	27	16
Depreciation	1,170	1,104	1,080	1,041	1,061	1,129	1,127	1,130	1,096	628 (1)
Total operating expenses	<u>20,979</u>	<u>20,570</u>	<u>19,625</u>	<u>18,819</u>	<u>17,639</u>	<u>16,903</u>	<u>16,029</u>	<u>14,643</u>	<u>13,690</u>	<u>13,379</u>
Interest expense on debt	493	519	996	905	958	1,013	1,064	1,128	1,182	1,188
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	-	188
Total nonoperating expenses	<u>493</u>	<u>519</u>	<u>996</u>	<u>905</u>	<u>958</u>	<u>1,013</u>	<u>1,064</u>	<u>1,128</u>	<u>1,182</u>	<u>1,376</u>
Total expenses	<u>\$ 21,472</u>	<u>\$ 21,089</u>	<u>\$ 20,621</u>	<u>\$ 19,724</u>	<u>\$ 18,597</u>	<u>\$ 17,916</u>	<u>\$ 17,093</u>	<u>\$ 15,771</u>	<u>\$ 14,872</u>	<u>\$ 14,755</u>

(percent of total expenses)

	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2002-03</u>	<u>2001-02</u>
Instruction	31.0 %	32.0 %	34.0 %	35.0 %	35.2 %	35.7 %	32.9 %	30.6 %	30.5 %	25.1 %
Public service	1.3	0.9	0.7	0.7	0.6	0.7	1.1	1.4	1.0	1.0
Adademic support	7.4	8.6	11.1	12.0	11.4	11.8	11.5	10.7	11.0	10.8
Student services	8.2	8.0	8.2	8.2	8.3	7.9	8.1	8.7	8.9	9.2
Institutional support	18.4	18.0	20.0	19.4	19.4	17.7	18.3	18.4	18.7	26.5
Operation and maintenance of plant	7.2	7.2	7.7	7.6	6.9	7.1	7.1	7.6	7.0	6.6
Scholarships	18.6	17.5	8.2	7.0	7.1	7.0	8.1	8.1	7.4	7.1
Auxiliary enterprises	0.2	0.1	0.1	0.2	0.2	0.1	0.1	0.1	0.2	0.1
Depreciation	5.4	5.2	5.2	5.3	5.7	6.3	6.6	7.2	7.4	4.3
Total operating expenses	<u>97.7</u>	<u>97.5</u>	<u>95.2</u>	<u>95.4</u>	<u>94.8</u>	<u>94.3</u>	<u>93.8</u>	<u>92.8</u>	<u>92.1</u>	<u>90.7</u>
Interest expense on debt	2.3	2.5	4.8	4.6	5.2	5.7	6.2	7.2	7.9	8.0
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	-	1.3
Total nonoperating expenses	<u>2.3</u>	<u>2.5</u>	<u>4.8</u>	<u>4.6</u>	<u>5.2</u>	<u>5.7</u>	<u>6.2</u>	<u>7.2</u>	<u>7.9</u>	<u>9.3</u>
Total expenses	<u>100.0 %</u>									

Source: Comprehensive Annual Financial Report for the fiscal years presented.

(1) The District began depreciating the Longe Tree Campus in fiscal year 2001-02.

**Coconino County Community College District  
Expenses by Natural Classification  
Last Ten Fiscal Years**

(dollars in thousands)

	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2002-03</u>	<u>2001-02</u>
Compensation and benefits	\$ 12,040	\$ 11,931	\$ 12,443	\$ 12,207	\$ 11,776	\$ 11,161	\$ 10,247	\$ 9,251	\$ 8,727	\$ 7,772
Contract services	1,528	1,627	1,800	1,473	1,086	920	932	843	685	692
Supplies and other services	831	808	960	1,126	785	884	981	800	919	2,218 (1)
Annual fixed charges	650	654	769	644	697	710	561	476	407	339
Communication and utilities	517	565	664	659	628	563	542	528	494	403
Travel	160	130	131	234	195	190	145	202	169	200
Scholarships	3,988	3,690	1,703	1,376	1,321	1,251	1,390	1,304	1,121	1,053
Depreciation	1,170	1,104	1,080	1,040	1,061	1,129	1,127	1,129	1,096	628 (2)
Other	95	61	75	60	90	95	104	110	72	74
Total operating expenses	<u>20,979</u>	<u>20,570</u>	<u>19,625</u>	<u>18,819</u>	<u>17,639</u>	<u>16,903</u>	<u>16,029</u>	<u>14,643</u>	<u>13,690</u>	<u>13,379</u>
Interest expense on debt	493	519	996	905	958	1,013	1,064	1,128	1,182	1,188
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	-	188
Total nonoperating expenses	<u>493</u>	<u>519</u>	<u>996</u>	<u>905</u>	<u>958</u>	<u>1,013</u>	<u>1,064</u>	<u>1,128</u>	<u>1,182</u>	<u>1,376</u>
Total expenses	<u>\$ 21,472</u>	<u>\$ 21,089</u>	<u>\$ 20,621</u>	<u>\$ 19,724</u>	<u>\$ 18,597</u>	<u>\$ 17,916</u>	<u>\$ 17,093</u>	<u>\$ 15,771</u>	<u>\$ 14,872</u>	<u>\$ 14,755</u>

(percent of total expenses)

	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2002-03</u>	<u>2001-02</u>
Compensation and benefits	56.1 %	56.6 %	60.4 %	61.8 %	63.4 %	62.3 %	60.0 %	58.6 %	58.8 %	52.7 %
Contract services	7.1	7.7	8.7	7.5	5.8	5.1	5.5	5.3	4.6	4.7
Supplies and other services	3.9	3.8	4.7	5.7	4.2	4.9	5.7	5.1	6.2	15.0
Annual fixed charges	3.0	3.1	3.7	3.3	3.7	4.0	3.3	3.0	2.7	2.3
Communication and utilities	2.4	2.7	3.2	3.3	3.4	3.1	3.2	3.3	3.3	2.7
Travel	0.8	0.6	0.6	1.2	1.0	1.1	0.8	1.3	1.1	1.4
Scholarships	18.6	17.5	8.3	7.0	7.1	7.0	8.1	8.3	7.5	7.1
Depreciation	5.4	5.2	5.2	5.3	5.7	6.3	6.6	7.2	7.4	4.3
Other	0.4	0.3	0.4	0.3	0.5	0.5	0.6	0.7	0.5	0.5
Total operating expenses	<u>97.7</u>	<u>97.5</u>	<u>95.2</u>	<u>95.4</u>	<u>94.8</u>	<u>94.3</u>	<u>93.8</u>	<u>92.8</u>	<u>92.1</u>	<u>90.7</u>
Interest expense on debt	2.3	2.5	4.8	4.6	5.2	5.7	6.2	7.2	7.9	8.0
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	-	1.3
Total nonoperating expenses	<u>2.3</u>	<u>2.5</u>	<u>4.8</u>	<u>4.6</u>	<u>5.2</u>	<u>5.7</u>	<u>6.2</u>	<u>7.2</u>	<u>7.9</u>	<u>9.3</u>
Total expenses	<u>100.0 %</u>									

Source: Comprehensive Annual Financial Report for the fiscal years presented.

(1) The District started operations at the Lone Tree Campus in fiscal year 2001-02.

(2) The District began depreciating the Lone Tree Campus in fiscal year 2001-02.

**Coconino County Community College District  
Revenues by Source  
Last Ten Fiscal Years**

(dollars in thousands)

	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2002-03</u>	<u>2001-02</u>
Tuition and fees (net of scholarship allowance)	\$ 6,011	\$ 5,181	\$ 4,970	\$ 4,340	\$ 4,286	\$ 3,700	\$ 3,144	\$ 2,618	\$ 2,215	\$ 1,864
Private contracts	248	188	154	195	212	131	241	276	235	97
Bookstore income	93	86	76	76	56	45	42	38	37	- (1)
Auxiliary enterprises	32	26	24	31	22	23	22	21	33	43
Other operating revenues	197	195	142	148	139	146 (4)	125 (4)	108 (4)	88 (4)	63 (4)
Total operating revenues	<u>6,581</u>	<u>5,676</u>	<u>5,366</u>	<u>4,790</u>	<u>4,715</u>	<u>4,045</u>	<u>3,574</u>	<u>3,061</u>	<u>2,608</u>	<u>2,067</u>
Property taxes	8,434	8,341	8,241	7,787	7,620	7,274	7,033	6,685	6,200	6,066
State appropriations	2,679	2,679	2,994	3,335	3,322	3,148	3,025	2,905	2,905	3,105
Government grants and contracts	6,272	6,212	4,480	3,152	3,080 (5)	2,841 (5)	2,552 (5)	2,466 (5)	2,175 (5)	2,057 (5)
Share of state sales taxes	383	377	404	454	456	425	370	1,348 (2)	330	318
Investment earnings	249	278	411	508	414	318	185	170	(72) (3)	329
Other nonoperating revenues	230 (7)		14 (6)							
Total nonoperating revenues	<u>18,247</u>	<u>17,887</u>	<u>16,544</u>	<u>15,236</u>	<u>14,892</u>	<u>14,006</u>	<u>13,165</u>	<u>13,574</u>	<u>11,538</u>	<u>11,875</u>
Total revenues before other revenues and gains	<u>\$ 24,828</u>	<u>\$ 23,563</u>	<u>\$ 21,910</u>	<u>\$ 20,026</u>	<u>\$ 19,607</u>	<u>\$ 18,051</u>	<u>\$ 16,739</u>	<u>\$ 16,635</u>	<u>\$ 14,146</u>	<u>\$ 13,942</u>

(percent of total revenues)

	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2002-03</u>	<u>2001-02</u>
Tuition and fees (net of scholarship allowance)	24.2 %	22.0 %	22.7 %	21.7 %	21.9 %	20.5 %	18.8 %	15.7 %	15.6 %	13.4 %
Private contracts	1.0	0.8	0.7	0.9	1.0	0.7	1.5	1.8	1.7	0.7
Bookstore income	0.4	0.4	0.3	0.4	0.3	0.3	0.3	0.2	0.3	-
Auxiliary enterprises	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.2	0.3
Other operating revenues	0.8	0.8	0.6	0.7	0.7	0.8	0.7	0.6	0.6	0.4
Total operating revenues	<u>26.5</u>	<u>24.1</u>	<u>24.4</u>	<u>23.9</u>	<u>24.0</u>	<u>22.4</u>	<u>21.4</u>	<u>18.4</u>	<u>18.4</u>	<u>14.8</u>
Property taxes	34.0	35.4	37.6	38.9	38.9	40.3	42.0	40.2	43.9	43.5
State appropriations	10.8 (8)	11.4	13.7	16.7	16.9	17.4	18.1	17.5	20.5	22.3
Government grants and contracts	25.3	26.3	20.5	15.7	15.8	15.7	15.2	14.8	15.4	14.7
Share of state sales taxes	1.5	1.6	1.8	2.3	2.3	2.4	2.2	8.1	2.3	2.3
Investment earnings	1.0	1.2	1.9	2.5	2.1	1.8	1.1	1.0	(0.5)	2.4
Other nonoperating revenues	0.9	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total nonoperating revenues	<u>73.5</u>	<u>75.9</u>	<u>75.6</u>	<u>76.1</u>	<u>76.0</u>	<u>77.6</u>	<u>78.6</u>	<u>81.6</u>	<u>81.6</u>	<u>85.2</u>
Total revenues	<u>100.0 %</u>									

Source: Comprehensive Annual Financial Report for the fiscal years presented, as reclassified in (4) and (5).

- (1) The District contracted for Bookstore operations beginning in fiscal year 2002-03.
- (2) The District received \$1,000,000 from share of state sales taxes for deferred maintenance in fiscal year 2003-04.
- (3) The Local Government Investment Pool (LGIP) and the County Treasurer investments experienced a loss due to the NCFE bankruptcy in fiscal year 2002-03.
- (4) Nonoperating revenues were properly reclassified to operating revenues in fiscal year 2006-07. For comparability purposes, prior years have been reclassified.
- (5) Government grants and contracts were reclassified to nonoperating revenues in fiscal year 2007-08. For comparability purposes, prior years have been reclassified.
- (6) General obligation bonds were refunded in fiscal year 2008-2009.
- (7) Other nonoperating revenues resulted from a reclassification of in-lieu and property excise tax from "property taxes" to "other nonoperating revenues."
- (8) State budget reductions have resulted in a significant drop in State Appropriations as a percentage of total revenues.

**Coconino County Community College District  
Other Changes in Net Assets  
Last Ten Fiscal Years**

(dollars in thousands)

	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2002-03</u>	<u>2001-02</u>
Income (loss) before other changes in net assets	\$ 3,356	\$ 2,474	\$ 1,289	\$ 302	\$ 1,010	\$ 135	\$ (353)	\$ 864	\$ (727)	\$ (813)
Capital appropriations	-	-	-	424	421	383	356	319	319	314
Capital gifts	-	-	140	-	-	25	-	-	-	-
Total change in net assets	<u>\$ 3,356</u>	<u>\$ 2,474</u>	<u>\$ 1,429</u>	<u>\$ 726</u>	<u>\$ 1,431</u>	<u>\$ 543</u>	<u>\$ 3</u>	<u>\$ 1,183</u>	<u>\$ (408)</u>	<u>\$ (499)</u>

Source: Comprehensive Annual Financial Report for the fiscal years presented.

**Coconino County Community College District  
Expenditure Limitation - Statutory Limit to Budgeted Expenditures  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Statutory Expenditure Limitation (1)</b>	<b>Budgeted Expenditures Subject to the Limitation (2)</b>	<b>Unused Legal Limit</b>
2002	\$ 8,996,579	\$ 8,996,578	\$ 1
2003	9,843,252	9,843,251	1
2004	10,723,076	10,723,075	1
2005	11,075,088	11,075,087	1
2006	12,566,670	12,566,669	1
2007	13,231,427	13,231,426	1
2008	13,287,083	13,287,082	1
2009	12,957,557	12,957,556	1
2010	14,146,598	14,146,597	1
2011	16,038,742	14,585,517	1,453,225

Source: District records.

- (1) The Statutory Expenditure Limitation is calculated by the Arizona Department of Revenue Economic Estimates Commission and applies to Current Funds (General, Auxiliary Enterprises, and Restricted) and Plant Funds (Unexpended and Retirement of Indebtedness).
- (2) Budgeted expenditures are net of allowable exclusions.

**Coconino County Community College District  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	\$ 5,895,209	\$ 5,686,488	96.46 %	170,049	\$ 5,856,537	99.34 %
2003	6,113,161	5,900,703	96.52	212,466	6,113,169	100.00
2004	6,504,040	6,459,745	99.32	43,472	6,503,217	99.99
2005	6,713,825	6,570,730	97.87	141,840	6,712,570	99.98
2006	7,048,845	6,938,140	98.43	108,947	7,047,087	99.98
2007	7,358,292	7,240,945	98.41	114,780	7,355,725	99.97
2008	7,621,195	7,450,465	97.76	166,937	7,617,402	99.95
2009	8,199,945	7,942,306	96.86	245,654	8,187,960	99.85
2010	8,148,944	7,926,032	97.26	208,816	8,134,848	99.83
2011	8,439,513	8,073,310	95.66	-	8,073,310	95.66

**Source:** Coconino County Treasurer's Office and District records.

(1) Tax levy is based on the levy limits of the calendar year at June 30. Amounts represent adjusted tax levy for each year as of June 30, 2011.

(2) Cash basis; excludes payments in lieu of taxes.

**Coconino Community College District  
Assessed Value, Net Assessed Value and Total Value  
of All Taxable Property  
Last Ten Tax Years  
(dollars in thousands)**

Tax Year		Assessed Value						Enterprise Zone
		Utilities	Commercial	Vacant/ Agriculture	Residential	Railroads	Historic	
2001	Primary	\$ 236,455	\$ 295,262	\$ 145,648	\$ 413,841	\$ 17,682	\$ 2,151	\$ 181
2001	Secondary	236,455	307,515	160,435	421,345	18,656	2,170	195
2002	Primary	212,960	301,132	161,426	439,809	16,436	2,327	200
2002	Secondary	212,960	310,901	177,491	451,657	17,350	2,385	201
2003	Primary	255,187	297,565	174,423	481,484	15,857	2,314	200
2003	Secondary	255,187	302,990	189,384	495,712	17,065	2,327	998
2004	Primary	240,410	310,610	186,317	534,776	16,846	1,007	375
2004	Secondary	240,410	318,520	201,576	558,559	18,786	1,044	1,876
2005	Primary	238,464	326,562	207,823	590,946	17,941	1,054	608
2005	Secondary	238,464	333,713	225,164	617,419	19,467	1,070	3,037
2006	Primary	235,209	343,392	229,727	662,437	21,050	1,062	115
2006	Secondary	235,209	369,659	265,428	709,899	22,105	1,165	526
2007	Primary	236,638	371,049	262,501	757,337	17,520	1,160	130
2007	Secondary	236,638	411,811	331,057	886,140	19,133	1,322	595
2008	Primary	239,843	397,175	299,266	875,050	17,392	1,231	146
2008	Secondary	239,843	442,124	402,069	1,103,234	19,301	1,453	640
2009	Primary	248,299	407,295	330,841	987,455	14,955	1,292	182
2009	Secondary	248,299	444,948	434,785	1,174,036	17,239	1,529	802
2010	Primary	275,480	404,652	341,972	1,072,490	14,315	1,953	224
2010	Secondary	275,480	427,513	397,449	1,134,935	16,755	2,157	941

		Assessed Value					Total Direct Tax Rate	Total Value (1)	Total Net Assessed Value as a Percent of Total Value
		Environmental Technology	Certain Improvements on Government Property	Total Assessed Value	Less: Exempt Property	Net Assessed Value			
2001	Primary	\$ 574	\$ 26	\$ 1,111,820	\$ 83,138	\$ 1,028,682	0.4010	\$ 7,314,108	14.06 %
2001	Secondary	589	26	1,147,386	85,304	1,062,082	0.1707	7,535,970	14.09
	Total weighted direct tax rate						0.2840		
2002	Primary	615	-	1,134,905	86,404	1,048,501	0.4083	7,597,238	13.80
2002	Secondary	616	-	1,173,561	88,685	1,084,876	0.1726	7,860,165	13.80
	Total weighted direct tax rate						0.2884		
2003	Primary	766	103	1,227,899	111,231	1,116,668	0.4098	8,260,359	13.52
2003	Secondary	766	127	1,264,556	113,074	1,151,482	0.1677	8,526,470	13.50
	Total weighted direct tax rate						0.2869		
2004	Primary	1,906	110	1,292,357	118,240	1,174,117	0.4065	8,862,299	13.25
2004	Secondary	1,913	127	1,342,811	120,585	1,222,226	0.1595	9,238,836	13.23
	Total weighted direct tax rate						0.2805		
2005	Primary	1,811	116	1,385,325	121,545	1,263,780	0.4031	9,623,676	13.13
2005	Secondary	1,817	127	1,440,278	123,301	1,316,977	0.1494	10,034,155	13.12
	Total weighted direct tax rate						0.2736		
2006	Primary	2,013	125	1,495,130	127,167	1,367,963	0.3920	10,583,070	12.93
2006	Secondary	2,094	133	1,606,218	132,875	1,473,343	0.1349	11,396,634	12.93
	Total weighted direct tax rate						0.2587		
2007	Primary	2,206	131	1,648,672	134,414	1,514,258	0.3717	11,900,974	12.72
2007	Secondary	2,322	131	1,889,149	144,327	1,744,822	0.1148	13,799,611	12.64
	Total weighted direct tax rate						0.2342		
2008	Primary	2,306	129	1,832,538	144,355	1,688,183	0.3652	13,552,305	12.46
2008	Secondary	2,417	129	2,211,210	153,731	2,057,479	0.0991	16,687,281	12.33
	Total weighted direct tax rate						0.2190		
2009	Primary	2,578	131	1,993,027	152,252	1,840,775	0.3369	15,087,936	12.20
2009	Secondary	2,629	131	2,324,397	168,546	2,155,851	0.0898	17,790,932	12.12
	Total weighted direct tax rate						0.2036		
2010	Primary	976	28	2,112,091	161,492	1,950,598	0.3352	16,230,436	12.02
2010	Secondary	994	28	2,256,252	172,336	2,083,916	0.0956	17,326,884	12.03
	Total weighted direct tax rate						0.2114		

Source: Coconino County Assessor's Office.

Note: Figures are not broken out between secured and unsecured. Primary assessed values are used to determine primary levy for maintenance and operations; secondary assessed values are used to determine secondary levy for general obligation bond debt service.

- (1) Primary = Total Limited Property Value.  
Secondary = Total Full Cash Value.

**Coconino County Community College District  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Tax Years  
(Per \$100 Assessed Valuation)**

Tax Year	Coconino County Community College District			Coconino County (1)	State Education Equalization	Cities or Fire Districts	School Districts	Joint Technology Districts
	Primary Levy	Secondary Levy	Total					
2001	\$ 0.4010	\$ 0.1707	\$ 0.5717	\$ 0.5977	\$ 0.4974	\$0.15 - \$3.00	\$2.06 - \$7.81	\$ 0.05
2002	0.4083	0.1726	0.5809	0.7052	0.4889	0.15 - 3.00	2.03-8.31	0.05
2003	0.4098	0.1677	0.5775	0.7652	0.4717	0.15 - 3.00	1.96-2.58	0.05
2004	0.4065	0.1595	0.5660	0.7652	0.4560	0.65 - 3.00	1.89-8.23	0.05
2005	0.4031	0.1494	0.5525	0.7652	0.4358	0.65 - 3.00	1.81-10.42	0.05
2006	0.3920	0.1349	0.5269	0.7521	-	0.47 - 3.00	1.74-9.46	0.05
2007	0.3717	0.1148	0.4865	0.7588	-	0.41 - 3.00	1.60-9.90	0.05
2008	0.3652	0.0991	0.4643	0.7603	-	0.41 - 2.75	1.46-10.99	0.05
2009	0.3369	0.0898	0.4267	0.7244	0.3306	0.30 - 3.00	1.37 - 9.94	0.05
2010	0.3352	0.0956	0.4308	0.9745	0.3564	0.27 - 3.00	1.45 - 8.45	0.05

<b>2010 Tax Rates (Special Districts) (2)</b>	
Hospital Districts	\$0.91 - \$1.00
Anasazi Trail CID	2.67
Domestic Water Districts	1.37 - 1.46
Flood Control (3)	0.20
Williams Facilities District	0.27

Source: Coconino County Office of Planning and Budget.

- (1) Coconino County applies to the General Fund, Library District, Fire District Assistance Tax, and Public Health Services District Assistance Funds.
- (2) Special District boundaries lie within the total boundary of the Coconino Community College District, but are not district-wide.
- (3) Flood Control District applies to all property outside the cities of Flagstaff, Page and Fredonia.

**Coconino County Community College District  
Principal Taxpayers  
Current Year and Nine Years Ago**

Taxpayer	Type of Business	2011				2002			
		Secondary Assessed		Percentage of District's Total Secondary Assessed		Secondary Assessed		Percentage of District's Total Secondary Assessed	
		Value	Rank	Value		Value	Rank	Value	
Arizona Public Service Company	Utility	\$ 74,141,215	1	3.56%			\$ 59,642,816	1	5.62%
Transwestern Pipeline Co	Utility	38,105,312	2	1.83%			18,657,434	3	1.76%
W.L. Gore & Associates Inc	Manufacturing	18,558,228	3	0.89%			9,738,182	10	0.92%
El Paso Natural Gas Co	Utility	17,927,358	4	0.86%			18,013,917	4	1.70%
Unisource Energy Corporation	Utility	17,903,028	5	0.86%			*		
City of Los Angeles Department of Water & Power	Utility	17,054,644	6	0.82%			21,937,054	2	2.07%
BNSF Railway Company	Railroad	16,506,384	7	0.79%			17,035,424	5	1.60%
Nevada Power Company (T&D)	Utility	9,695,758	8	0.47%			13,937,745	6	1.31%
Qwest Corporation	Utility	9,270,370	9	0.44%			13,796,642	7	1.30%
Fidelity National Title Insurance	Commercial	6,061,403	10	0.29%			*		
Northern Arizona Gas	Utility	*					11,499,877	8	1.08%
Tuscon Electric Power	Utility	*					11,781,816	9	1.11%
<b>Total Principal Taxpayers</b>		<b>\$ 225,223,700</b>		<b>10.80%</b>			<b>\$ 196,040,907</b>		<b>18.46%</b>
<b>Secondary Assessed Value</b>		<b>\$ 2,083,915,983</b>		<b>100.00%</b>			<b>\$ 1,062,082,181</b>		<b>100.00%</b>

Source: Coconino County Assessor (2011) & Arizona Department of Revenue (2002).

\* Taxpayers did not fall within the top 10 for the year identified.

**Coconino County Community College District  
Historic General Resident Tuition  
Last Ten Fiscal Years**

**District Historic Tuition (1)**

Fiscal Year	General Tuition Per Credit Hour (2)	Annual Cost Per Full-time Student	Increase (Decrease)	
			Dollars	Percent
			2001-02	\$ 34.00
2002-03	37.00	1,110.00	90.00	8.8
2003-04 (3)	44.00	1,056.00	(54.00)	(4.9)
2004-05	48.00	1,152.00	96.00	9.1
2005-06	56.00	1,344.00	192.00	16.7
2006-07	61.00	1,464.00	120.00	8.9
2007-08 (4)	65.00	1,690.00	226.00	15.4
2008-09 (5)	70.00	2,100.00	410.00	24.3
2009-10	70.00	2,100.00	-	-
2010-11	80.00	2,400.00	300.00	14.3

**National and Statewide Comparisons  
(Based on Full-time Enrollment for the Academic Year)**

Fiscal Year	Arizona Public 2-year Institution Average (6)		National Public 2-year Institution Average (6)		Arizona Universities Average (7)	
	Annual Cost	Percent Change	Annual Cost	Percent Change	Annual Cost	Percent Change
	2001-02	\$ 963	4.2 %	\$ 1,380	3.5 %	\$ 2,486
2002-03	1,029	6.9	1,483	7.5	2,583	3.9
2003-04	1,141	10.9	1,702	14.8	3,593	39.1
2004-05	1,226	7.4	1,847	8.5	4,074	13.4
2005-06	1,344	9.6	1,935	4.8	4,428	8.7
2006-07	1,451	8.0	2,017	4.2	4,662	5.3
2007-08	1,475	1.7	2,061	2.2	4,949	6.2
2008-09	1,612	9.3	2,137	3.7	5,545	12.0
2009-10	1,817 (8)	12.7	2,558 (9)	19.7	6,374	15.0
2010-11	1,921	5.7	2,699	5.5	6,720	5.4

(1) District records.

(2) Does not include a \$5 technology fee per credit hour that was instituted in FY2009.

(3) In fiscal year 2003-04, the District implemented a tuition plateau at 12 to 18 credit hours.

(4) In fiscal year 2007-08, the District raised the low end of the tuition plateau from 12 to 13 credit hours.

(5) In fiscal year 2008-09, the District raised the low end of the tuition plateau from 13 to 15 credit hours.

(6) U.S.Department of Education, National Center for Education Statistics-Higher Education Statistics.

(7) Arizona Board of Regents Tuition History.

(8) Arizona Community College Districts.

(9) American Association of Community Colleges.

**Coconino County Community College District  
Computation of Legal Debt Margin  
Last Ten Fiscal Years**

	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
Secondary Assessed Value of Real and Personal Property	<u>\$ 2,083,915,983</u>	<u>\$ 2,155,851,009</u>	<u>\$ 2,057,478,154</u>	<u>\$ 1,744,822,563</u>	<u>\$ 1,473,342,694</u>
Debt Limit, 15% of Secondary Assessed Value	<u>\$ 312,587,397</u>	<u>\$ 323,377,651</u>	<u>\$ 308,621,723</u>	<u>\$ 261,723,384</u>	<u>\$ 221,001,404</u>
Amount of Debt Applicable to Debt Limit:					
General Obligation Bonded Debt	<u>15,535,000</u>	<u>16,900,000</u>	<u>18,320,000</u>	<u>19,425,000</u>	<u>20,455,000</u>
Total Debt Applicable to the Limit	<u>15,535,000</u>	<u>16,900,000</u>	<u>18,320,000</u>	<u>19,425,000</u>	<u>20,455,000</u>
Legal Debt Margin	<u>\$ 297,052,397</u>	<u>\$ 306,477,651</u>	<u>\$ 290,301,723</u>	<u>\$ 242,298,384</u>	<u>\$ 200,546,404</u>
	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2002-03</u>	<u>2001-02</u>
Secondary Assessed Value of Real and Personal Property	<u>\$ 1,316,977,311</u>	<u>\$ 1,222,225,551</u>	<u>\$ 1,151,482,204</u>	<u>\$ 1,084,875,819</u>	<u>\$ 1,062,082,181</u>
Debt Limit, 15% of Secondary Assessed Value	<u>\$ 197,546,597</u>	<u>\$ 183,333,833</u>	<u>\$ 172,722,331</u>	<u>\$ 162,731,373</u>	<u>\$ 159,312,327</u>
Amount of Debt Applicable to Debt Limit:					
General Obligation Bonded Debt	<u>21,410,000</u>	<u>22,295,000</u>	<u>23,115,000</u>	<u>23,835,000</u>	<u>24,460,000</u>
Total Debt Applicable to the Limit	<u>21,410,000</u>	<u>22,295,000</u>	<u>23,115,000</u>	<u>23,835,000</u>	<u>24,460,000</u>
Legal Debt Margin	<u>\$ 176,136,597</u>	<u>\$ 161,038,833</u>	<u>\$ 149,607,331</u>	<u>\$ 138,896,373</u>	<u>\$ 134,852,327</u>

Source: District records.

**Coconino County Community College District  
 Computation of Direct and Overlapping Bonded Debt  
 General Obligation Bonds  
 June 30, 2011**

**Direct Debt:**

Coconino County Community College District	\$	14,115,000
		14,115,000
Net general obligation debt		14,115,000

**Overlapping Debt:**

City of Flagstaff		44,216,115
Flagstaff Unified School District #1		40,650,000
Grand Canyon Unified School District #4		820,000
Sedona-Oak Creek Unified School District #9		64,300,000
		149,986,115
Overlapping debt		149,986,115
Total direct general obligation and overlapping debt	\$	164,101,115

Source: RBC Capital Markets

Note: All jurisdictions are within the boundaries of the District.

**Coconino County Community College District  
General Obligation Bond Coverage  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Secondary Property Tax Revenues (cash basis)</b>	<b>Debt Service Requirements</b>			<b>Coverage Ratio</b>
		<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2001-02	\$ 1,799,156	\$ 625,000	\$ 1,188,343	\$ 1,813,343	0.99
2002-03	1,860,893	720,000	1,152,405	1,872,405	0.99
2003-04	1,931,365	820,000	1,111,005	1,931,005	1.00
2004-05	1,944,298	885,000	1,063,855	1,948,855	1.00
2005-06	1,963,702	955,000	1,012,968	1,967,968	1.00
2006-07	1,990,513	1,030,000	958,055	1,988,055	1.00
2007-08	2,018,822	1,105,000	898,830	2,003,830	1.01
2008-09	2,017,104	1,420,000	598,014 (1)	2,018,014	1.00
2009-10	1,985,791	1,365,000	570,150	1,935,150	1.03
2010-11	1,938,720	1,420,000	542,850	1,962,850	0.99

Source: District records.

(1) Bond refinancing resulted in lower interest payments.

**Coconino County Community College District**  
**Ratios of Outstanding Debt**  
**Last Ten Fiscal Years**  
(dollars in thousands, except "per capita" and "per student")

	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
<b>General Bonded Debt</b>										
General obligation bonds	\$ 14,115	\$ 15,535	\$ 16,900	\$ 18,320	\$ 19,425	\$ 20,455	\$ 21,410	\$ 22,295	\$ 23,115	\$ 23,835
Total general bonded debt	14,115	15,535	16,900	18,320	19,425	20,455	21,410	22,295	23,115	23,835
Per capita	\$ 113.95	\$ 125.42	\$ 136.44	\$ 147.90	\$ 156.82	\$ 165.14	\$ 174.41	\$ 183.80	\$ 184.30	\$ 202.14
Per student	\$ 6,877.98	\$ 7,569.92	\$ 8,235.06	\$ 8,927.01	\$ 9,465.45	\$ 10,136.27	\$ 10,671.92	\$ 12,223.14	\$ 13,647.64	\$ 15,236.85
As a percentage of personal income	(5)	0.35%	0.38%	0.45%	0.51%	0.58%	0.66%	0.74%	0.79%	0.85%
As a percentage of secondary net assessed valuation	0.68%	0.72%	0.82%	1.05%	1.32%	1.55%	1.75%	1.94%	2.13%	2.24%
<b>Other Debt</b>										
Installment purchase contract	-	-	-	197	-	-	-	-	-	-
Capital lease	41	72	102	131	-	-	-	-	-	-
Certificates of participation	-	-	-	-	-	-	-	-	-	-
Total other debt	41	72	102	328	-	-	-	-	-	-
Total outstanding debt	\$ 14,156	\$ 15,607	\$ 17,002	\$ 18,648	\$ 19,425	\$ 20,455	\$ 21,410	\$ 22,295	\$ 23,115	\$ 23,835
Per capita	\$ 105.31	\$ 120.19	\$ 132.25	\$ 146.43	\$ 154.21	\$ 164.10	\$ 173.73	\$ 183.56	\$ 192.09	\$ 202.38
Per student	\$ 5,902.27	\$ 6,610.33	\$ 7,995.30	\$ 9,379.34	\$ 9,465.45	\$ 10,136.27	\$ 10,671.92	\$ 12,223.14	\$ 13,647.64	\$ 15,236.85
As a percentage of personal income	(5)	0.35%	0.39%	0.46%	0.51%	0.58%	0.66%	0.74%	0.79%	0.85%
As a percentage of secondary net assessed valuation	0.68%	0.72%	0.83%	1.07%	1.32%	1.55%	1.75%	1.94%	2.13%	2.24%
Estimated County population (1)	134,421	129,849	128,558	127,350	125,966	124,653	123,235	121,460	120,333	117,771
Full Time Student Equivalent (2)	2,398.4	2,361.0	2,126.5	1,988.2	2,052.2	2,018.0	2,006.2	1,824.0	1,693.7	1,564.3
Personal Income (3)	(5)	\$ 4,481,137	\$ 4,408,897	\$ 4,056,682	\$ 3,797,409	\$ 3,511,729	\$ 3,258,728	\$ 2,999,350	\$ 2,908,992	\$ 2,787,863
Secondary Net Assessed Valuation (4)	\$ 2,083,915	\$ 2,155,851	\$ 2,057,478	\$ 1,744,823	\$ 1,473,343	\$ 1,316,977	\$ 1,222,226	\$ 1,151,482	\$ 1,084,876	\$ 1,062,082

(1) U.S.Census Bureau and District records.

(2) District records.

(3) U.S. Bureau of Economic Analysis.

(4) Coconino County Assessor.

(5) Not yet available.

**Coconino County Community College District  
Demographic and Economic Statistics - Coconino County  
Last Ten Calendar Years**

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Personal Income (1) (dollars in thousands)</u>	<u>Personal Income per Capita (1)</u>	<u>Unemployment Rate (2)</u>
2001	117,771	\$ 2,787,863	\$ 23,672	4.8 %
2002	120,333	2,908,992	24,175	5.4
2003	121,460	2,999,350	24,694	5.7
2004	123,235	3,258,728	26,443	5.2
2005	124,653	3,511,729	28,172	4.9
2006	125,966	3,797,409	30,146	4.2
2007	127,350	4,056,682	31,855	3.7
2008	128,558	4,408,897	34,295	5.1
2009	129,849	4,481,137	34,510	7.9
2010	134,421	(3)	(3)	8.4

- (1) U.S Department of Commerce Bureau of Economic Analysis.
- (2) Arizona Workforce Informer.
- (3) Not yet available.

**Coconino County Community College District  
Principal Employers - Coconino County  
Current Year**

<u>Employer (1)</u>	<u>Employees (1)</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Northern Arizona University	3,560	1	5.8 %
Flagstaff Medical Center	2,000	2	3.3
Flagstaff Unified School District	1,700	3	2.8
W.L. Gore & Associates	1,300	4	2.1
Coconino County	1,059	5	1.7
City of Flagstaff	825 (3)	6	1.4
Wal-Mart	570	7	0.9
Grand Canyon Railway	475	8	0.8
Walgreen's Distribution Center	420	9	0.7
Coconino Community College	236 (4)	10	0.4
Total County Employment (2)	61,100		100.0 %

Source: (1) Flagstaff Chamber of Commerce.  
(2) Arizona Workforce Informer.  
(3) City of Flagstaff Finance Department.  
(4) Coconino Community College Records.

Note: Current year information is displayed since the implementation of GASB#44 in FY 2005-06; trended comparisons will be displayed as information becomes available.

**Coconino County Community College District  
Historic Enrollment  
Last Ten Fiscal Years**

**Fall Historic Headcount (1)**

<u>College/Center</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Flagstaff	3,370	4,139	3,866	3,656	3,754	3,722	3,540	3,165	3,108	2,621
Page	245	213	212	263	222	249	330	280	331	309
Tuba City	37	146	119	77	218	50	87	8	8	1
Williams	35	47	44	27	36	37	62	39	39	42
Fredonia	5	-	-	7	8	6	Reported with Page headcount.			
Grand Canyon	5	23	2	-	8	9	2	15	15	16
NAU	555	393	372	314	315	320	359	260	284	369
Total	<u>4,252</u>	<u>4,961</u>	<u>4,615</u>	<u>4,344</u>	<u>4,561</u>	<u>4,393</u>	<u>4,380</u>	<u>3,767</u>	<u>3,785</u>	<u>3,358</u>

**Historic FTSE (2)**

<u>Semester</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2002-03</u>	<u>2001-02</u>
Fall/Spring Average	2,067.4	2,051.0	1,842.8	1,718.5	1,774.2	1,717.0	1,691.7	1,538.1	1,439.8	1,334.8
Summer	220.0	202.0	171.2	161.2	173.0	192.0	187.7	181.7	160.8	149.2
Short	93.5	87.0	90.0	85.7	85.0	84.0	89.5	104.2	93.1	80.3
Adult Basic Education	17.5	21.0	22.5	22.8	20.0	25.0	37.3	-	-	-
Total	<u>2,398.4</u>	<u>2,361.0</u>	<u>2,126.5</u>	<u>1,988.2</u>	<u>2,052.2</u>	<u>2,018.0</u>	<u>2,006.2</u>	<u>1,824.0</u>	<u>1,693.7</u>	<u>1,564.3</u>

Source: District records.

(1) Headcount is unduplicated for the 45th day of Fall semesters.

(2) FTSE refers to Full-Time Student Equivalent which is calculated by dividing total enrollment credit hours per semester by 15 credit hours (the number of hours considered to be a full-time student.)

**Coconino County Community College District  
Student Enrollment Demographic Statistics  
Last Ten Fall Semesters**

<b>Fall Semester</b>	<b>Attendance</b>		<b>Residency</b>						<b>Gender</b>	
	<b>FT</b>	<b>PT</b>	<b>County Resident</b>	<b>Out of County</b>	<b>Out of State</b>	<b>M</b>	<b>F</b>			
2001	16 %	84 %	94 %	5 %	1 %	42 %	58 %			
2002	20	80	93	6	1	41	59			
2003	20	80	94	5	1	41	59			
2004	20	80	93	6	1	44	56			
2005	24	76	93	6	1	44	56			
2006	23	77	93	6	1	43	57			
2007	24	76	88	10	2	43	57			
2008	23	77	87	11	2	42	58			
2009	28	72	92	8	1	43	57			
2010	31	69	79	11	8	42	58			

**Ethnic Background**

<b>Fall Semester</b>	<b>Mean Age</b>	<b>Native American</b>	<b>Asian</b>	<b>African American</b>	<b>Hispanic</b>	<b>Anglo</b>	<b>Other</b>
2001	29	18 %	2 %	1 %	9 %	69 %	1 %
2002	29	19	2	2	8	67	2
2003	28	18	2	1	9	68	2
2004	27	20	2	1	8	67	2
2005	27	21	1	1	9	66	2
2006	27	22	1	2	8	65	2
2007	30	23	1	2	8	64	2
2008	31	24	1	2	9	62	2
2009	29	26	1	1	9	61	2
2010	28	25	1	2	9	60	3

Source: District records.

**Coconino County Community College District  
Graduation Statistics  
Last Six Fiscal Years**

	2010-11		2009-10		2008-09		2007-08		2006-07		2005-06	
	Count	Percent										
<b>Ethnicity</b>												
Asian Pacific Islander	3	1.1 %	5	2.3 %	2	1.0 %	3	1.4 %	3	1.6 %	3	1.7 %
African American	2	0.7	2	0.9	0	-	4	1.8	4	2.2	2	1.1
Hispanic	20	7.1	20	9.4	26	12.6	19	8.5	8	4.3	9	5.1
Native American	53	18.9	40	18.8	44	21.3	42	18.8	35	19.0	26	14.6
White	187	66.5	146	68.5	130	62.7	151	67.7	132	71.8	133	74.7
Other	16	5.7	0	-	5	2.4	4	1.8	2	1.1	5	2.8
<b>Age</b>												
<20	5	1.8	5	2.3	2	1.0	6	2.7	-	-	-	-
20-24	105	37.4	77	36.2	79	38.2	71	31.8	50	27.2	63	35.3
25-29	63	22.4	43	20.2	56	27.1	51	22.9	65	35.3	43	24.2
30-39	63	22.4	47	22.1	40	19.3	54	24.2	38	20.7	40	22.5
40-49	28	10.0	20	9.4	16	7.7	18	8.1	21	11.4	20	11.2
50-59	16	5.7	17	8.0	11	5.3	17	7.6	7	3.8	9	5.1
>60	1	0.4	4	1.9	3	1.4	6	2.7	3	1.6	3	1.7
Average age	28.1	10.0	30.8		29.3		31.6		30.5		30.9	
<b>High School Graduation Dates</b>												
September 2008 - Current	20	7.1										
September 2007 - August 2008	19	6.8	12	5.6	5	2.4						
September 2006 - August 2007	25	8.9	18	8.5	8	3.9	2	0.9	-	-	-	-
September 2005 - August 2006	27	9.6	18	8.5	19	9.2	32	14.3	-	-	-	-
September 2004 - August 2005	23	8.2	26	12.2	22	10.6	111	49.8	2	1.1	-	-
September 2003 - August 2004	29	10.3	14	6.6	22	10.6	4	1.8	14	7.6	7	3.9
September 2002 - August 2003	10	3.6	4	1.9	16	7.7	10	4.5	14	7.6	13	7.3
Prior to September 2002	128	45.6	109	51.2	115	55.6	63	28.3	152	82.6	155	87.1
Not Given	0	-	12	5.6	0	-	1	0.4	2	1.1	3	1.7
<b>Sex</b>												
Female	176	62.6	116	54.5	134	64.7	135	60.5	111	60.3	112	62.9
Male	105	37.4	97	45.5	73	35.3	88	39.5	73	39.7	66	37.1
<b>Degree Type</b>												
Advanced Certificate	1	0.4	3	1.5	12	5.3			2	1.1	4	2.1
Associate of Applied Science	66	23.5	55	26.7	48	21.1	65	25.8	48	25.4	48	25.5
Associate of Arts	133	47.3	76	36.9	94	41.2	98	38.8	80	42.3	74	39.4
Associate of Business	7	2.5	8	3.9	8	3.5	14	5.6	11	5.8	14	7.4
Associate of General Studies	17	6.0	22	10.7	19	8.3	24	9.5	19	10.1	9	4.8
Associate of Science	13	4.6	11	5.3	14	6.1	14	5.6	7	3.7	3	1.6
Basic Certificate	12	4.3	2	1.0	4	1.8	2	0.8	4	2.1	9	4.8
Certificate of Completion	27	9.6	27	13.1	24	10.5	34	13.5	17	9.0	18	9.6
Intermediate Certificate	5	1.8	2	1.0	5	2.2	1	0.4	1	0.5	9	4.8

Source: District records.

Note: Information is displayed since the implementation of GASB 44 in FY 2005-06.  
Additional information for future years will be displayed as it becomes available.

**Coconino County Community College District  
Faculty and Staff Statistics  
Last Ten Fiscal Years**

	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2002-03</u>	<u>2001-02</u>
Faculty										
Full-time faculty	39.0	42.3	43.0	44.0	40.0	40.0	36.0	32.0	30.0	28.0
Part-time faculty FTE	<u>86.7</u>	<u>100.5</u>	<u>71.7</u>	<u>90.4</u>	<u>97.0</u>	<u>98.0</u>	<u>100.3</u>	<u>82.1</u>	<u>83.0</u>	<u>87.0</u>
Total faculty FTE	<u>125.7</u>	<u>142.8</u>	<u>114.7</u>	<u>134.4</u>	<u>137.0</u>	<u>138.0</u>	<u>136.3</u>	<u>114.1</u>	<u>113.0</u>	<u>115.0</u>
Administrative and support staff	109.9	101.5	124.5	124.5	124.8	119.6	117.4	111.0	108.0	104.0
Total employees	<u>235.6</u>	<u>244.3</u>	<u>239.2</u>	<u>258.9</u>	<u>261.8</u>	<u>257.6</u>	<u>253.7</u>	<u>225.1</u>	<u>221.0</u>	<u>219.0</u>
Average class size	18.1	17.6	14.8	15.4	14.6	14.1	14.1	12.9	14.2	16.5

Source: District records.

**Coconino County Community College District  
Capital Asset Information  
Last Six Fiscal Years**

Square Footage:	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>
Academic areas:						
Laboratories - Lone Tree Campus	6,840	5,400	5,400	5,400	5,400	5,400
Instructional - Lone Tree Campus	97,607	96,369	96,369	96,369	96,369	96,369
Instructional - 4th Street Campus	48,900	48,900	48,900	48,900	48,900	48,900
Instructional - Williams Campus	4,108	4,108	4,108	4,108	4,108	4,108
Instructional - Page Campus	19,325	19,325	19,325	19,325	19,325	19,325
Administrative areas:						
Lone Tree Campus	20,600	20,600	20,600	20,600	20,600	20,600
4th Street Campus	700	700	700	700	700	700
Williams Campus	240	240	240	240	240	240
Page Campus	1,080	1,080	1,080	1,080	1,080	1,080
Library	500	500	500	500	500	500
Dining	1,560	1,560	1,560	1,560	1,560	1,560
Bookstore	2,210	2,210	2,210	2,210	2,210	2,210
Childcare	-	2,678	2,678	2,678	2,678	2,678
Total square footage	<u>203,670</u>	<u>203,670</u>	<u>203,670</u>	<u>203,670</u>	<u>203,670</u>	<u>203,670</u>
Library - number of volumes	511	1,775	1,775	1,775	1,775	1,775
Dining - seating capacity	40	40	40	40	40	40
Dining - average daily customers	175	175	175	175	175	175
Number of Vehicles:						
Street vehicles	5	5	5	5	4	4
Forklift	1	1	1	1	1	1
Bobcat loader	1	1	1	1	1	1
Tractor	1	1	1	1	1	1
Dump truck	1	1	1	1	1	1
Backhoe	1	1	1	1	1	1
Trailer	2	1	1	1	1	1
Snow plow	-	1	1	1	1	1
Parking Capacity:						
Lone Tree Campus	500	500	500	500	500	500
4th Street Campus	235	235	235	235	235	235
Williams Campus	24	24	24	24	24	24
Page Campus	78	78	78	78	78	78
Total parking capacity	<u>837</u>	<u>837</u>	<u>837</u>	<u>837</u>	<u>837</u>	<u>837</u>

Source: District records.

Note: Information is displayed since the implementation of GASB 44 in FY 2005-06.  
Additional information for future years will be displayed as it becomes available.