

 Coconino Community College

**YOUR COLLEGE**

**YOUR FUTURE**

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



**ADOPTED BUDGET 2018 FISCAL YEAR**

July 1st, 2017 through June 30th, 2018

Coconino County, Arizona | [www.coconino.edu](http://www.coconino.edu)





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The background features a large, faint, circular seal of Coconino Community College. The seal contains a sunburst design at the top, a central emblem with a book and a torch, and the text "COCONINO COMMUNITY COLLEGE" around the perimeter, with "EST. 1991" at the bottom.

# COCONINO COMMUNITY COLLEGE PROFILE

**July 1, 2017 - June 30, 2018**





# Coconino Community College Profile

## Background information

The College has served residents across 18,000 square miles of Coconino County since 1991 and helped create the region's skilled workforce, which is improving overall health, safety and the economy in the region.

## History

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

When the District began in 1991, it initially expected to serve 600 students per year. Nearly 1,000 students registered the first semester. Since then, enrollment has increased dramatically. Today the College enrolls 5,505 annually (unduplicated headcount).

## Geography and Population

Coconino County is located in the northern portion of the state and encompasses an area of approximately twelve million acres. Its boundaries include the cities of Page, Fredonia, 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 as reported 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, but is one of the most sparsely populated. 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.

Tribal Lands comprise 38.4 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 33.3 percent of the land; the State of Arizona owns 9.5 percent; the National Park Service controls 6.8 percent; the remaining 12 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. Relative to the rest of the state, the workforce employed by government is high at 25%. The reason for the large number of government workers in Coconino County includes the presence of several major national parks, tribal lands and the high percentage of the total area in county public lands.

The County unemployment rate as of May 2017 (5.2%) is above state unemployment (5.0%) and above national levels (4.3%), and the District must contend with continued limited funding from the state. Coconino Community College (CCC) is committed to improving and offering additional services to meet the County residents' needs. These efforts are achieved through careful monitoring of costs, innovative partnerships, cost-saving opportunities, and seeking new revenue sources.



# Coconino Community College Profile

## **Educational Programs**

The College is dedicated to offering quality educational programs and services at a reasonable cost for the citizens of Coconino County. The College provides a wide range of programs, including general academic, technical-vocational, and student development services. CCC also offers more than 50 degrees and certificates, distance learning, and developmental courses. CCC offers dual enrollment and concurrent enrollment programs to jump-start high schools students' higher education goals. The CCC2NAU program and other university transfer programs offer a seamless transition to a four-year institution.

## **Student Population**

The College serves a diverse population of students each year. Most are Coconino County residents: 19 percent are Native American, 18 percent are Hispanic, 51 percent are female, 74 percent are seeking a degree or certificate; and 17 percent are high school students earning college credit. Three percent are people who already have bachelors or advanced academic degrees.

## **Facilities**

The College serves the educational needs of Coconino County through three facilities: the Flagstaff Lone Tree Campus and District Offices, the Flagstaff Fourth Street Innovation Campus and Technology Center/FMC Institute for Nursing Education and the Page/Lake Powell Instructional Site. In addition, the College partners with others to provide services in Tuba City and Fredonia. District-wide administrative and support services are centralized and administered by the President and the respective Vice Presidents and Deans.

## **District Governing Board**

The College is a political subdivision of the State of Arizona, and 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.

### **District Governing Board**

Dr. Nathaniel White, Member, District 1

Ms. Patricia A. Garcia, Chair, District 2

Dr. Marie Peoples, Member, District 3

Mr. Patrick Hurley, Member, District 4

Mr. Lloyd Hammonds, Vice Chair/Secretary, District 5

### **Senior Administration**

Dr. Colleen Smith, President

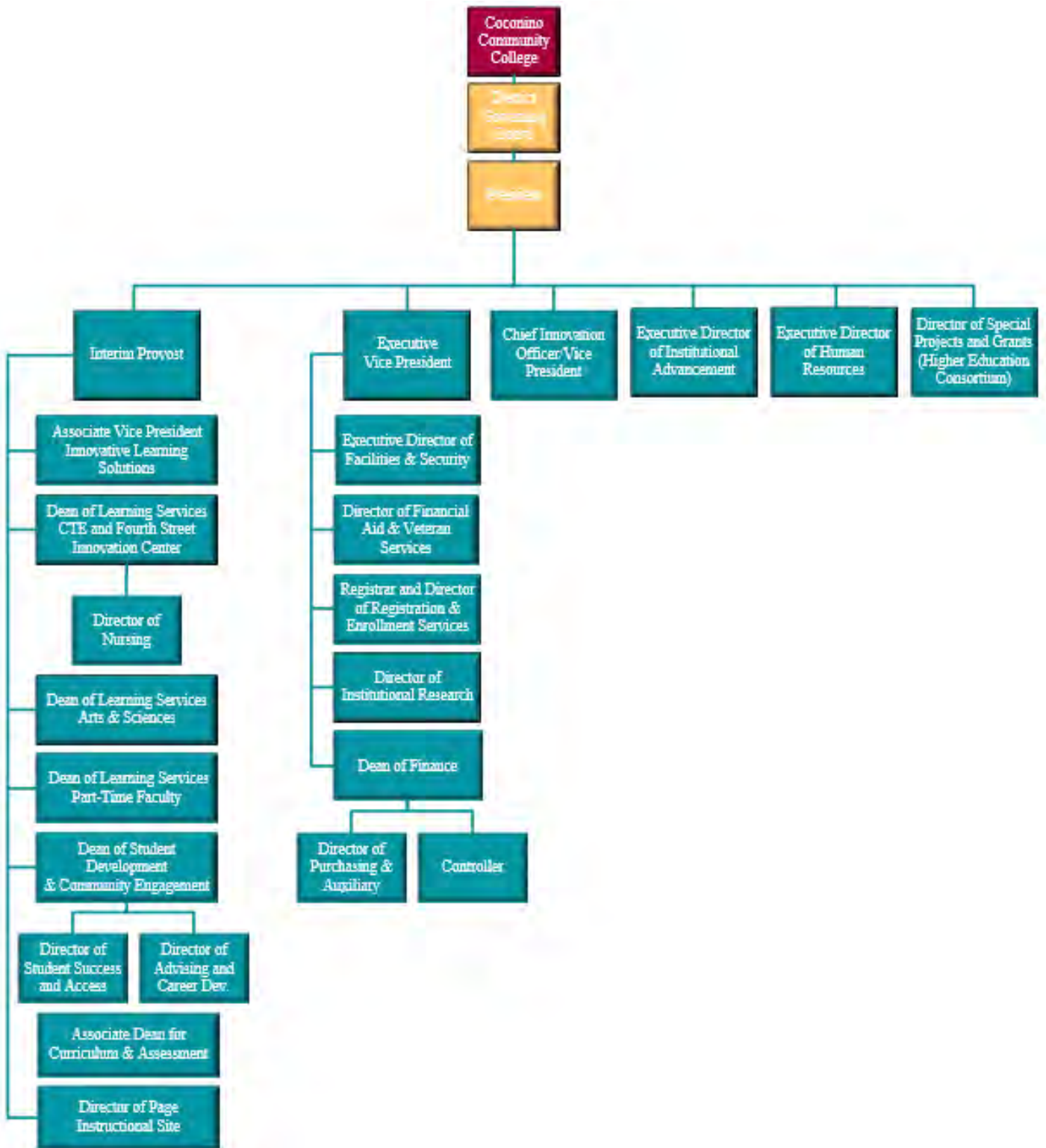
Ms. Jami Van Ess, Executive Vice President

Dr. Albert Gardner, Interim Provost

# Coconino Community College Profile



## Administrative Organizational Chart







# Coconino Community College Profile

## 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.

## 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 in a mindful and economically-feasible manner.

# Coconino Community College Profile



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The seal of Coconino County Community College is a circular emblem. It features a central mountain range with a sunburst rising behind it. The words "COCONINO COUNTY COMMUNITY COLLEGE" are written around the perimeter, and "EST. 1991" is at the bottom.

# Challenges and Solutions

**July 1, 2017 - June 30, 2018**

## **MISSION**

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





# Challenges and Solutions

## Introduction to Challenges and Solutions

As CCC Administration began planning the FY18 budget, a number of challenges, opportunities, and solutions were identified that were factored into the budget planning cycle. Some of the challenges the college has faced and will continue to face are addressed throughout this section in more detail, along with the solutions that are being implemented to address those challenges. The sections below will give a high-level overview of some of the challenges that were considered in the budget development process, some important initiatives that helped guide budget allocations for FY18, and other solutions that were important to resource allocation decisions.

### Community Outreach and Engagement

CCC has brought three requests to increase property taxes to voters, all of which have failed. This is one cause of the financial challenges the College faces. These failed ballot initiatives have also shown that CCC faces a challenge when it comes to outreach and community engagement. One way CCC considered this challenge in developing the FY18 budget was to evaluate College IT services. Many of these services had been outsourced in the past, so the College used the FY18 budget as an opportunity to reallocate contract services funds that previously supported outsourced IT services into funding an IT equipment replacement plan, bringing leadership in house, and enhanced community outreach. The result was the creation of a new Vice President of Innovation position that will work with community partners to expand CCC's outreach in the community and develop partnerships for educational programs.

### Assessment of Student Learning

The Higher Learning Commission (HLC) has noted that CCC has not maintained adherence to best practices when it comes to the assessment of student learning. The College created an Assessment Coordinator position in FY17. For FY18, it was determined that additional investments in assessment were needed and created an Associate Dean for Curriculum and Assessment to assist faculty in their development of assessment.

### Program Quality

Another area in which the new Associate Dean will make an impact, is in curriculum and program quality. HLC has directed CCC to specifically assess online programs and improve their quality. The FY18 budget includes funding for CCC faculty to develop curriculum for these classes that aligns with the standards set forth by HLC.

### Diversity

Diversity in hiring, student recruitment, and student retention is also an HLC focus for CCC for this upcoming year. CCC has recently formed a diversity committee to bring a renewed focus to diversity efforts across the College, broaden our student diversity education efforts, and provide critical thinking opportunities for students to contemplate diversity issues in the college environment.

### Student Experience

The College completed a comprehensive business process review (BPR) of the initial student experience in FY17. This led to recommendations for improvements in how we interact with students who are new to the College. That work jump-started some exciting initiatives to improve customer service. Also during FY17, the College was awarded a Foundation for Student Success grant. This grant aligns well with the customer service outcomes of the BPR, and CCC is excited to continue improving the student experience by implementing recommendations from the BPR and learning how other schools encourage student success through a "students first" culture.

### High School Transitions

Creating a strong pipeline for students transitioning from high school to CCC is a College priority. The high school transitions work was reorganized during FY17, creating opportunities to evaluate our Dual Enrollment programs and implement positive changes that will help more students get access to CCC while in high school. Major changes have been implemented in how CCC works with school districts to pay instructors, enroll



# Challenges and Solutions



## Introduction to Challenges and Solutions (continued)

students, and how payments pass between organizations. To help further strengthen these programs, CCC has received funding for a part-time AmeriCorps position and a Louis Stokes Alliances for Minority Participation (LSAMP) grant position. The LSAMP grant is a collaboration between the University of Las Vegas and NAU that will work to strengthen STEM enrollment for underrepresented minority student cohorts.

### **Budget Transparency**

In planning the FY18 budget development process, CCC wanted to address concerns about transparency in the budget decision making process. The College has been working to better define how a Council Structure, led by Executive Council, supports college operations. To help increase participation and transparency in the budget process, budget hearings were implemented for the FY18 budget development process. All employees were invited to attend meetings, starting with the budget kickoff all the way through hearings where budget requests were presented and discussed. Employees were encouraged to bring forth budget requests through the Academic, Administrative, or Student Development councils for consideration and prioritization. The result was enhanced understanding of how budget decisions are made and what needs were identified across the College.

### **Significant Challenges**

The initiatives discussed above were part of the context in which the FY18 budget was developed. Larger, more systematic challenges will be presented throughout this section. Included in those challenges are:

- Long-term financial stability
- Performance measures
- Compensation and cost-of-living

The solutions CCC is implementing to address those challenges will also be discussed, including:

- Sustainable Financial Plan/Financial Austerity
- Strategic Resource Allocation
- Compensation adjustments

### **Strategic Plan**

Another important piece to resource allocation are the goals and objectives from the College strategic plan. The development and completion of strategic plans has been important to CCC's development. More specific information on the current strategic plan, how it was developed, and the framework for improvement it has created will be presented in the next section. The strategic plan is one of the guiding documents for developing the FY18 budget.

# Challenges and Solutions



## 2016-2020 Strategic Plan

The College began an eighteen month planning process for the 2016-2020 strategic plan in June 2014. The process was an exceptional example of CCC's shared governance philosophy as all areas of the college were involved in developing and vetting the plan. Community members and other stakeholders reviewed the plan in the Fall 2015 semester prior to approval by the Board at the November 16, 2015 District Governing Board meeting.

A total of four goals were developed for the plan, based on input received from all areas of the College in the planning process. The plan also includes a total of 21 objectives and 113 tactics. The goals and objectives are presented below.

**Goal 1: CCC will provide learners educational opportunities that are accessible and affordable, while also being economically feasible for the College.**

### Objectives:

1. Increase enrollment numbers including targeted underrepresented groups
2. Expand and enhance scholarship and financial aid opportunities to increase access for students

**Goal 2: CCC will promote a learner-centered environment that incorporates innovative strategies and support structures intended to reduce student attrition and increase retention.**

### Objectives:

1. Align strategic enrollment management initiatives with clear objectives defined by strategic key performance indicators
2. Increase learning and social support and build academic success skills
3. Implement "Intrusive Academic Advising Practices" and continued implementation of new Advising Model/Strategies
4. Evaluate and enhance distance learning modalities to increase student success
5. Evaluate and enhance student technology support and services to maximize student success
6. Investigate and develop clear pathways for developmental education (English, Reading and Math), certificates, and programs

**Goal 3: CCC will empower students to achieve their individual learning goals and implement strategies to increase certificate and degree completion rates.**

### Objectives:

1. Streamline and automate operations for degree completion
2. Increase student completion rates using targeted institutional scholarships
3. Investigate initial strategies of student completion and transfer rates and realign with strategic enrollment management initiatives
4. Strengthen partnerships with NAU/ASU/U of A and other 4-year accredited institutions aligned with the purpose and goals of CCC
5. Increase number of students completing educational goals

# Challenges and Solutions



## 2016-2020 Strategic Plan

**Goal 4: CCC will strengthen the College's working environment by maximizing college resources, expanding community outreach, and implementing effective personnel management and employee development strategies.**

### **Objectives:**

1. Evaluate professional development, retention, and internal communication to enhance a positive campus climate
2. Evaluate strategies to promote a more safe and an environmentally friendly learning and working environment
3. Create a diverse, inclusive and supportive climate for students and employees
4. Explore options for alternative revenue sources
5. Evaluate and enhance administrative efficiency and effectiveness
6. Optimize allocation of resources for student success
7. Enhance and broaden the image of the college with internal and external stakeholders
8. Improve student experience with enrollment, registration, and payment processes

# Challenges and Solutions



## Best Practices (Guiding Practices)

In preparing the strategic plan, the College conducted a literature review of several recent reports and initiatives targeting student success and the national completion agenda. The resources reviewed included the following:

- *Achieving the Dream*, a Lumina Foundation initiative
- *Complete College America*, a Lumina Foundation report
- *Completion by Design*, The Gates Foundation initiative
- *A Matter of Degrees*, The Center for Community College Student Engagement (CCCSE)
- *21st Century Report Reclaiming the American Dream*, American Association of Community Colleges (AACC)
- *Empowering Community Colleges to Build the Nation's Future*, AACC

The College adopted the best practices included in the *Empowering Community Colleges to Build the Nation's Future* by AACC. Their resources and report are the most comprehensive. The AACC organized the report based upon nine areas as follows:

- Community College Completion Commitment
- Re-Imagining Pathways for Students
- Community College/K-12 Collaboration for College Readiness
- Developmental Education Redesign—Resources for Community Colleges
- Closing the Skills Gap
- Policy and Advocacy Agenda for Reclaiming the American Dream
- Redefining Institutional Roles and Functions
- Accountability
- Faculty Engagement and Leadership Development

Each section of the report includes many helpful examples of successful initiatives from colleges across the United States. It was encouraging to see that Coconino Community College was already implementing many of the best practices identified in the report.



# Challenges and Solutions

## FY17 Strategic Planning Priorities and Accomplishments

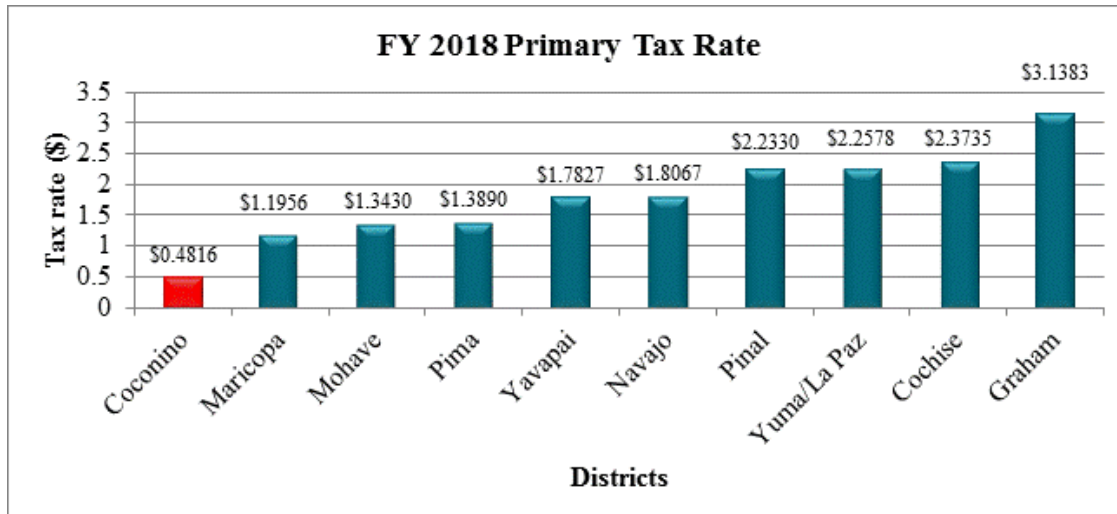
The chart below provides an update on progress towards the selected goals and objectives identified in the plan that took place during calendar year 2016. In addition, the column on the right entitled “Going Forward” explains the outcomes for calendar year 2017 objectives.

GOAL 1: CCC will provide learners educational opportunities that are accessible and affordable, while also being economically feasible for the college.			
Objective*	Tactic	Evidence	Going Forward
(1) Increase enrollment numbers including targeted underrepresented groups	(3) Gather data to inform the development of strategies to identify Key Performance Indicators that will increase various segments of identified college measures 1-4 (Full Time Student Enrollment, Enrollment of Underserved Populations, Alternative Delivery, and College-going students).	Data Collection Complete	The information gathered will be used by the Strategic Enrollment Management group for implementation of initiatives that increase targeted enrollment.
(2) Expand and enhance scholarship and financial aid opportunities to increase access for students.	(14) Evaluate current scholarship online application and alternative products, including costs, and make recommendation; (15) Update scholarship application system software to create a smooth experience for applicants	Recommend an update to the application and implement changes	Financial Aid and the CCC Foundation will continue to work together to develop scholarships and market those opportunities to both returning and incoming students in targeted enrollment groups.
GOAL 2: CCC will promote a learner-centered environment that incorporates innovative strategies and support structures intended to reduce student attrition and increase retention.			
Objective*	Tactic	Evidence	Going Forward
(2) Increase learning and social support and build academic success skills	(23) Increase study space for individual and group use; (31) Organize group of interested Veteran students and follow procedure to achieve formal student group status; (32) Evaluate expansion of Veterans Center as recommended by the Arizona Department of Veterans Affairs and make recommendation	Student use data, assessment on effectiveness, recommendations made; Veteran's student group created; Implementation of recommendations as deemed necessary	Expanded space for clubs and organizations will continue to be available for clubs; The renovated Veterans Center will continue to expand services;
GOAL 3: CCC will empower students to achieve their individual learning goals and implement strategies to increase certificate and degree completion rates.			
Objective*	Tactic	Evidence	Going Forward
(2) Increase student completion rates using targeted institutional scholarships	(55) Conduct data analysis to determine best opportunities for CCC completion scholarships; (56) Secure additional funding or reallocate current funding for completion scholarships	Data is compiled and target groups of students are identified; Additional funding is available for awarding completion scholarships	The effectiveness and appropriate funding level of completion scholarships will continue to be measured and adjusted for optimized results
(5) Increase number of students completing educational goals	(65) Review and consider the need for more Full Time Faculty as research and best practice link higher student success with greater Full-Time to Part-Time ratios	Identify Orphaned Programs and Areas with highest need, Hire one additional FT Faculty per year (2017, 2018, 2019, 2020)	Programs that do not meet Full-Time to Part-Time instruction ratio goals will be evaluated and additional faculty positions will be added, or reallocated, to boost ratios
GOAL 4: CCC will strengthen the College's working environment by maximizing the college resources, expanding outreach, and implementing effective personnel management and employee development strategies			
Objective*	Tactic	Evidence	Going Forward
(8) Improve student experience with enrollment, registration, and payment processes	(107) Complete Financial Aid, Enrollment Services, Student Services business process review and make recommendations for improvement to student services; (108) Implement Business Process Review for Accounts Receivable including correction detail codes, clean-up hold set-ups, develop comprehensive billing schedule, and enhance billing and payment process for students.	Business process review meetings held and recommendations made; Complete correct of detail codes, clean-up hold set-ups, develop comprehensive billing schedule, and implement student billing and payment process through portal.	Business process review and Accounts Receivable recommendations have been implemented. The College will continue customer service initiatives to enhance the student experience at CCC.
* Refers to chart in the Challenges and Solution section under Performance Based Funding Measures			

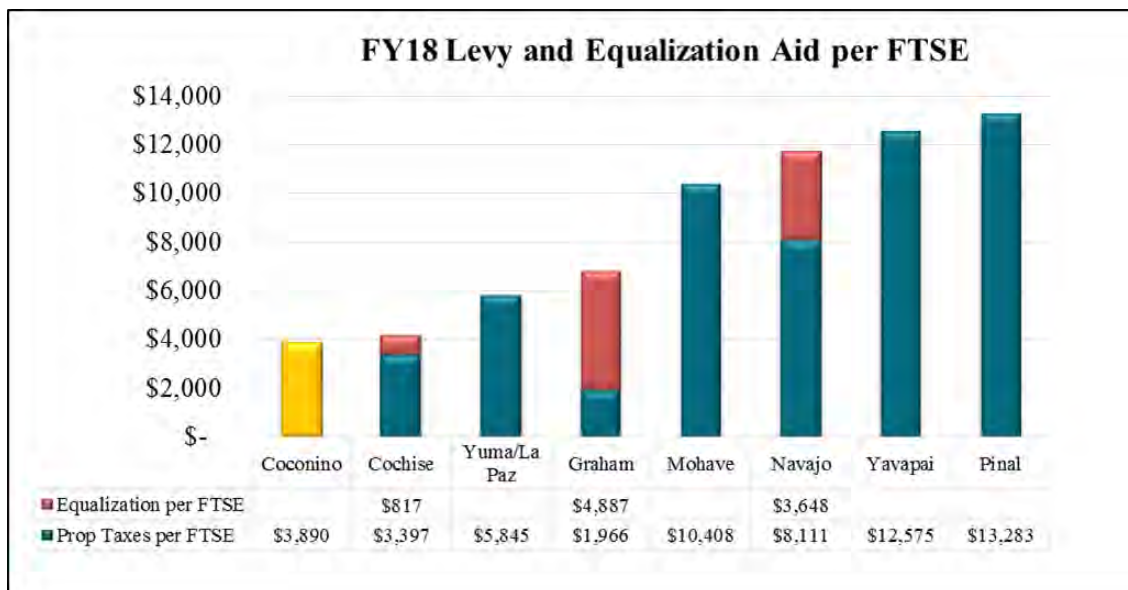
# Challenges and Solutions

## Challenge - Long-Term Financial Stability

The College's main on-going challenge is financial. In 1991, the College was established with very low primary property tax rate used for general operational and maintenance expenses. Of the ten community college districts in the state, CCC's property tax rate is substantially lower than any other district. The table below shows ***FY 2018 Primary Tax Rate*** for all rural Arizona Districts.



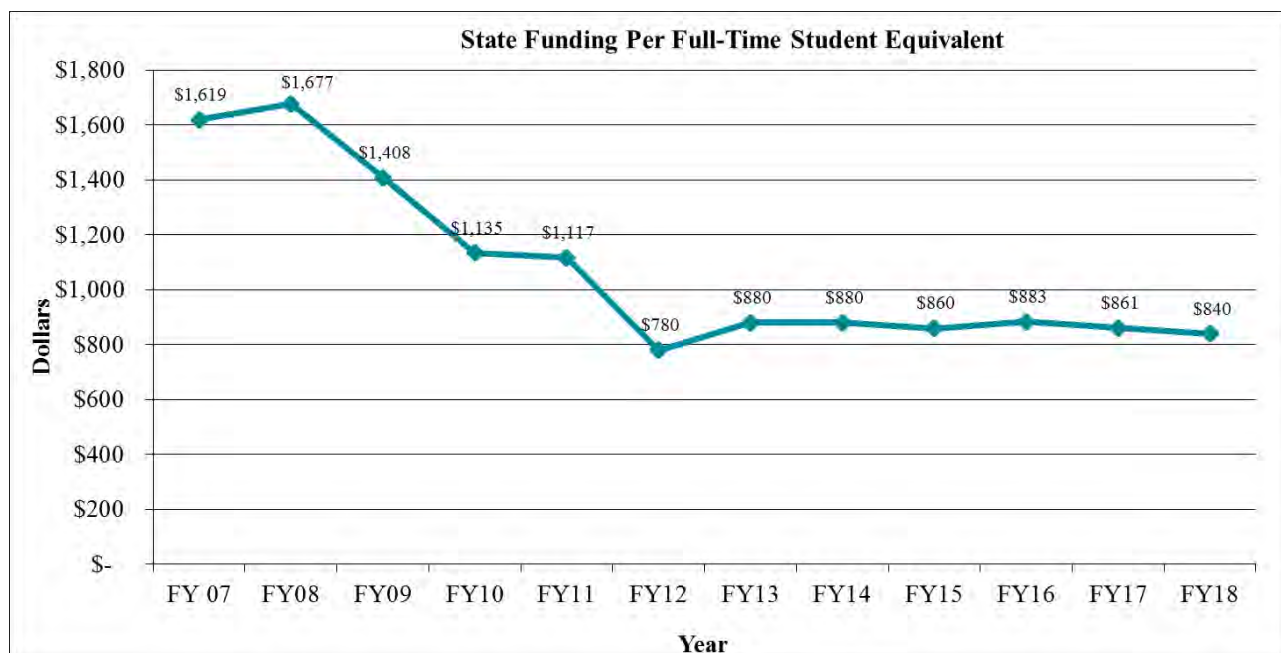
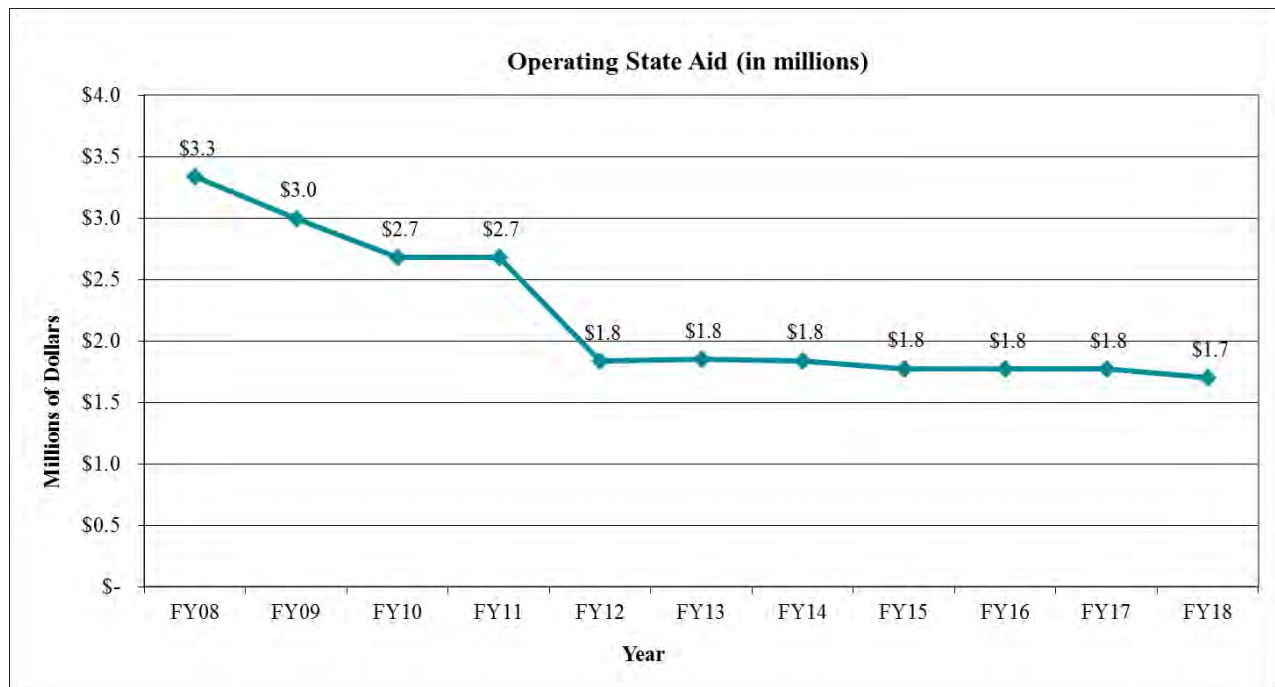
The state has an equalization formula that was established in the 1970s to help rural districts from smaller geographic areas. The equalization formula is based upon a minimum assessed value determined by statute and is indexed annually by the growth in the assessed values of all the rural districts. Districts with levies below the minimum assessed value level receive equalization funding for the difference at the assigned tax rate of \$1.37. The formula does not take into consideration that the growing districts will have more students to serve. In other words, the formula does not look at levy per Full-Time Student Enrollment (FTSE). Thus the equalization formula provides funding to small districts based upon the growth in other districts, even though the small districts do not have additional students to serve. The ***FY18 Levy and Equalization Aid per FTSE*** chart shows the levy per FTSE and equalization aid per FTSE. Navajo County qualifies for substantial State Equalization Aid even though they receive much more levy per student than Coconino. Coconino has a low levy per FTSE and does not qualify for State Equalization Aid because of its large geographic area.



# Challenges and Solutions

## Challenge - Long-Term Financial Stability (continued)

The State of Arizona has compounded this financial challenge by reducing state appropriations to community colleges steadily since 1998 when it provided nearly 45% of the College's budget. The state has made significant cuts since FY08 because of the 'great recession' and now only provides 9% of the College's General Fund budget. Today, the College receives approximately the same funding per student as it did in 1993 (in real dollars) and is serving 500 more full-time students than in 1993. The *Operating State Aid* chart shows the decline in state aid in dollars over the past ten years. In the long-term, continued operating state aid is uncertain as the state completely defunded Maricopa and Pima Community Colleges, the two largest community colleges in the state.



# Challenges and Solutions



## Solution - Sustainable Financial Plan & Financial Austerity Plan

As discussed on the previous page, state aid cuts started in FY08 because of the ‘great recession’; the College developed a Sustainable Financial Plan (SFP) in 2008 to ensure long-term financial sustainability while trying to minimize the impact to students. The SFP included hundreds of initiatives organized by account type and divided by three levels of severity: Efficiency Measures, Critical, and Crisis. By implementing the SFP, the College improved its financial position through new revenue generation, expense reductions, and cost avoidance measures. These initiatives resulted in savings of \$3 million over three years, including the reduction of 25 full-time equivalent (FTE) positions.

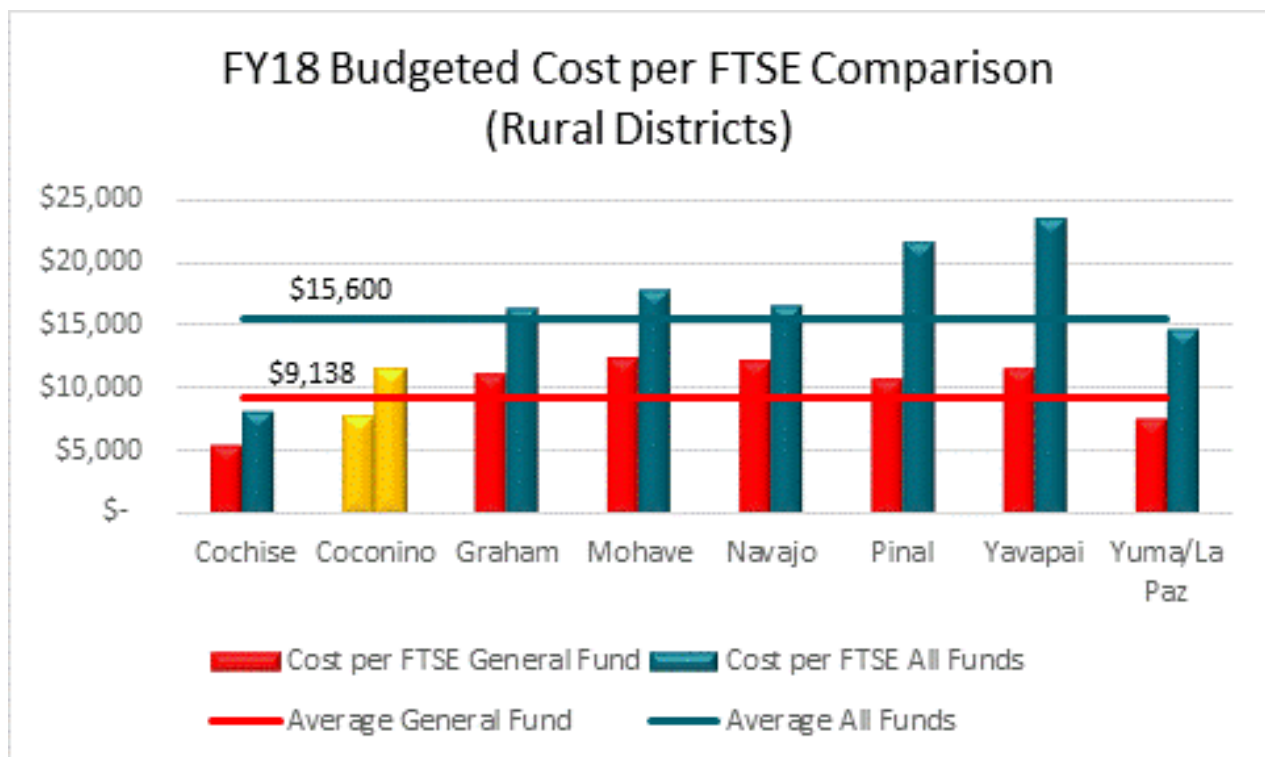
### Revenue generating efforts

- 60% tuition increase
- 100% increase in government grants
- 24% increase of private Foundation gifts and donations

### Expense savings included

- 100+ cost savings initiatives
- 20% reduction of classes
- 30% programs eliminated
- 15% reduction of staff or 25 FTE
- Closed the Williams extension site

The result of the Sustainable Financial Plan is that the College is very efficient. This is demonstrated in the *FY18 Cost per FTSE Comparison (Rural Districts)* chart, that shows CCC’s cost per FTSE is very low for both the general fund and all funds compared to the other districts in the state.

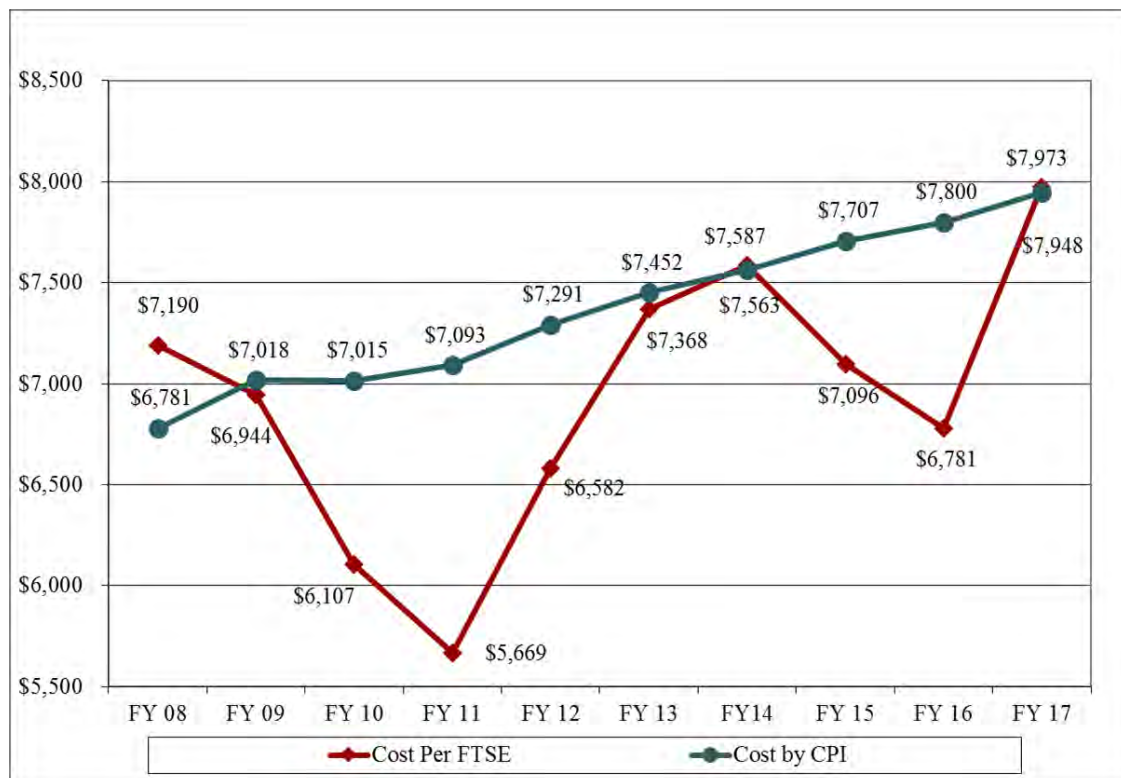




# Challenges and Solutions

## Solution - Sustainable Financial Plan & Financial Austerity Plan (continued)

In addition, the College has also kept cost per FTSE in line with the rate of Consumer Price Index (CPI) for the past ten years, as shown in the chart below. In FY10, FY11, and FY12, the sharp decline per FTSE was due to the large influx of students during the recession. Since FY13, FTSE has returned to normal levels. During FY15 and FY16, the college experienced turnover in many key leadership positions which led to higher than typical vacancy savings and other budget line items coming in under budget. The FY17 figure shows the current budgeted cost per FTSE for FY17, as final actual expense figures are not yet available.



Even though the College has implemented many financial sustainability measures and is extremely cost efficient, CCC still has a long-term financial stability concern due to the very low property tax rate and low state aid. To help address the long-term financial stability concerns, the College went to the voters in November 2013 to seek a budget override of \$3 million per year. This measure did not pass.

# Challenges and Solutions

## Solution - Sustainable Financial Plan & Financial Austerity Plan (continued)

Following the failure of the 2013 override, the College needed to implement more cuts to be financially sustainable in the long-term. These additional cuts came from reduction in programs and services, because numerous efficiency initiatives had already been implemented. Administration called this phase of cuts the Financial Austerity Plan (FAP) and invited input from the employees to review the Sustainable Financial Plan with fresh eyes. The employees submitted new recommendations for long-term financial solutions.

The majority of FAP solutions were implemented in the FY15 and FY16 budgets, with the final phase in FY17. In FY15 there were \$430,858 of revenue items implemented that became part of the FY16 baseline budget. In FY15, savings totaled \$696,517 and FY16, savings total \$135,041. The FY17 budget saw an additional savings of \$23,898 from phasing-in a reduction of the Nursing Program from 40 graduates per year down to 20 graduates per year.

The full list of Financial Austerity Plan per year for revenue and expense solutions are shown below.

Revenue	FY15	FY16	FY17	Total
Tuition	\$ 140,000	\$ -	\$ -	\$ 140,000
Plateau Elimination	30,000	-	-	30,000
Differential Tution	148,858	-	-	148,858
Credit Card Fee	17,300	-	-	17,300
No Show fee	65,000	-	-	65,000
Student Parking	25,400	-	-	25,400
Employee Parking	4,300	-	-	4,300
<b>Subtotal</b>	<b>\$ 430,858</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 430,858</b>

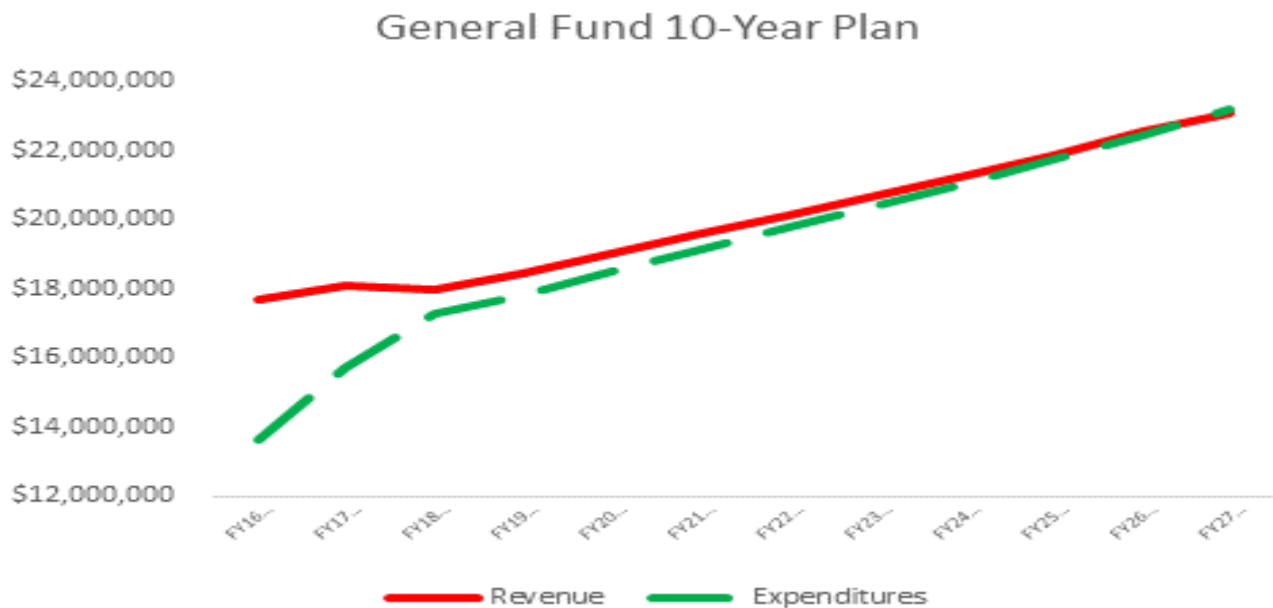
Expenses	FY15	FY16	FY17	Total
Community and Corporate Learning	\$ 170,342	\$ -	\$ -	\$ 170,342
Small Business Development	27,500	27,500	-	55,000
Page Instructional Site	245,232	-	-	245,232
Nursing Program	23,898	47,795	23,898	95,590
Dance Degree	37,826	-	-	37,826
Early Childhood Education	(25,046)	59,746	-	34,700
Vacant Positions	185,765	-	-	185,765
Reorganization & Tuition Waiver	31,000	-	-	31,000
<b>Subtotal</b>	<b>\$ 696,517</b>	<b>\$ 135,041</b>	<b>\$ 23,898</b>	<b>\$ 855,455</b>
<b>Total</b>	<b>\$ 1,127,375</b>	<b>\$ 135,041</b>	<b>\$ 23,898</b>	<b>\$ 1,286,313</b>

# Challenges and Solutions

## Solution - Sustainable Financial Plan & Financial Austerity Plan (continued)

Although long-term financial stability is an issue for the College, the initiatives that have been adopted have helped align revenues and expenses for a longer time period and pushed back the projected structural deficit CCC was facing prior to the implementation of the FAP (see chart below). Before the adjustments, expenses would have exceeded revenues within five years. As you can see from the chart below, expenses are currently below revenues and slowly growing faster than revenues. It is important to note that these reductions were made not only to address the structural deficit, but also in anticipation of losing future state funding.

The most recent austerity plan has created a gap of \$700,000 in the FY18 budget between revenues and expenses. This gap was created at the direction of the District Governing Board in order to provide capacity for investment in new programs and does not include the budgeted contingency use of fund balance of \$2 million.



Note: Long-term financial assumptions based upon continued state aid funding. Please see the Long-Term Financial Sustainability Section of the document for more information.

# Challenges and Solutions



## Challenge - Performance Measures

### State Performance Measures - Vision 2020

In 2010, the presidents of all ten of the Arizona community college districts worked together to develop long-term performance measures called Vision 2020. The document identified 30 key indicators to measure progress toward three critical goals of access, retention, and completion. Many of the key indicators within each goal area are based on the American Association of Community Colleges Voluntary Framework of Accountability (VFA). The VFA created common measures by which community colleges can be held accountable including student progress, outcomes, workforce, economic, and community development metrics.

The performance measures and baseline data were published in February 2011. The Arizona colleges have since reported on the metrics for 2012 through 2016 and now have five years of trend data. Coconino Community College uses performance measures to drive the development of the strategic plan and budget development process. CCC has selected various measures to focus on for improvement, and has set target goals for annual improvement. The most recent comparison on 2016 State and CCC information is presented and coded using indicator colors:

	variance of -1% or better
	variance between -2% to -10%
	variance of larger than -10%

In developing the 2016-2020 Strategic Plan, an analysis of the performance measures was performed by members of a cross-functional team. The team members discussed the performance measures targeted for improvement in order to develop strategic plan objectives that will help meet established targets.

### Access Measures

Measure	Description	CCC FY16	State Average
1	Full Time Student Enrollment (FTSE)	2066	
2	Enrollment of Underserved Populations		
2a	Minority	40%	41%
2b	Age 25+	32%	39%
2c	Pell Grant	27%	32%
3	Alternative Delivery	51%	63%
4	College-going	20%	33%
5	1 Yr. Success After Last Developmental Course		
5a	Math	35%	30%
5b	English/Reading	60%	48%
6	Cost	19%	16%

The causes identified for lagging access measures include the College's financial challenges, inadequate technology, and the young age of the institution. Financial challenges have led to the highest tuition rate in the State of Arizona and has limited our ability to design on-line courses for increased alternative delivery. Inadequate technology hinders the College's ability to serve distant and remote areas of the county and limits alternative delivery options. Having a large county that is sparsely populated is one of the unique challenges CCC faces, and solving alternative delivery to extend services is costly given these circumstances. While the Statewide trend has been a decrease in the local college-going rates, CCC has seen increases as more of the population is served.

The District Governing Board has set a goal of a 1% increase in annual FTSE. Alternative delivery has hovered in the 49% - 51% range and CCC is working to strengthen and expand online offerings to address this measure. The College-going rate of high school students in Coconino County has more than doubled to 20%



# Challenges and Solutions

## Challenge - Performance Measures (continued)

since 2011. Both of these areas are more than 10% below the State-wide average and need attention. Enrollment of underserved populations as a percentage of enrollment is under the State average, and seems to be trending downward. Although the tuition rate is increasing, the cost of attendance as a percentage of household income has remained flat. These areas also show room for improvement when compared to the other Arizona community college rates.

### Retention Measures

Measure	Description	CCC FY16	State Average
7	Developmental Course Success	74%	63%
8	College Level Course Success	78%	76%
9	Reaching Credit Thresholds		
9a	Full Time	43%	47%
9b	Part Time	56%	53%
10	FA-SP Retention	88%	90%
11	FA-FF Retention	65%	77%

The causes identified for the lagging retention measure of fall-to-fall retention involve the close proximity to NAU. Many students transfer before completing a degree, or are taking CCC courses as needed to fill their schedule. Fall-to-fall retention is an area of concern for CCC when looking at the Statewide average, but compared to the individual results, CCC is in line with median Arizona fall-to-fall retention rates. Fall-to-spring retention is high both Statewide, and specifically at CCC. Other retention measures are fairly strong for CCC in comparison to the rest of the State.

### Completion Measures

Measure	Description	CCC FY16	State Average
12	Annual Degree/Certificate Completion	355	
13	Transfer Rate	229	
14	Transfer Rate after CCC Completion	62%	60%

The main challenge when looking at CCC transfer rates comes from close proximity to NAU. Some students transfer before completing a degree with CCC. As a commuter-campus, completion will tend to be more of a challenge for the students. Annual degree/certificate completion and transfer rate are targeted for improvement in student totals, but are not compared to State averages.

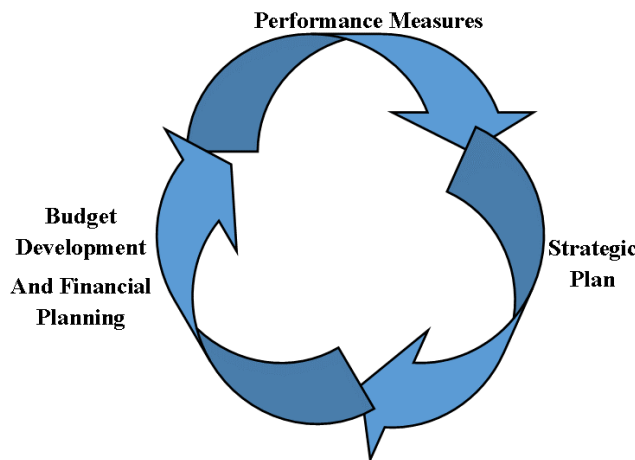
### Summary

A review of the performance measure data shows that CCC faces some unique challenges due to the nature of the College, but also has opportunities for improvement. The largest challenge when looking at performance measures is the timeliness of comparable information. Some measures cover a six-year period, and the report is issued annually based on data that is at least 18 months old at the time of release. Tracking trends, and evaluating the success of initiatives aimed at improving these measures will continue to be a challenge for all institutions.

# Challenges and Solutions

## Solution - Strategic Resource Allocation

CCC has implemented a planning cycle for continuous improvement. Targeted performance measures help influence the development of the strategic plan. The measures and strategic plan together are a large consideration when allocating resources during budget development and when looking at long-term financial planning. This cycle is depicted in the graph below.



Resource allocation for the FY18 budget was tied to the performance measures according to the chart below. This will be discussed further in the Strategic Plan and Priorities section of the document.

	Access						Retention					Completion		
	1)	2)	3)	4)	5)	6)	7)	8)	9)	10)	11)	12)	13)	14)
<b>Strategic Plan Goal #1: Access</b>														
Dual Enrollment operational increases	X			X										
Increase Page academic support	X	X												
Fund Coursework and Programs of Study review			X											
Implement electronic forms	X													
<b>Strategic Plan Goal #2: Retention</b>														
Interim Dean of Learning position made permanent							X	X	X	X	X			
Library eBook collection							X	X						
Student SafeCampus training								X						
Fund Aspire EDU Performance Analytics & Password Manager										X	X			
State Authorization Reciprocity Agreement/State Portal Agency										X	X			
IT minimum wage, password manager, and new ITV endpoints							X	X						
Higher Learning Commission accreditation travel								X	X	X	X			
New Faculty Orientation								X						
Library subscriptions and Consortium membership								X						
Travel for 3rd Dean of Learning and State Articulation Task Force								X		X	X			
<b>Strategic Plan Goal #3: Completion</b>														
Full-Time Faculty: Math, Philosophy & Religion, Nursing, Spanish, Biology												X		
Increase Instructional Supplies (Biology, Geology, Business, Accounting, Economics, Administration of Justice, Emergency Medical Services, Construction Technology Management, Nursing, Welding)													X	
PTK Induction													X	
HLC Evaluation Coordinators													X	
Provost travel for mandatory State Articulation Task Force meetings													X	
<b>Strategic Plan Goal #4</b>														
Expand and improve faculty forum								X						
Expand Faculty training and mentoring								X		X	X			

# Challenges and Solutions

## Solution - FY18 Strategic Planning Prioritization

The strategic plan is created by identifying objectives to support the main goals and then identifying specific tactics to achieve the objectives. In order to identify the highest priorities for FY18, the Executive Council reviewed all requests and evaluated them on how they impact the performance measures and the strategic plan.

Goal 1: CCC will provide learners educational opportunities that are accessible and affordable, while also being economically feasible for the College.				
Objective	Tactic*	Evidence	Responsible	Performance Measure*
(1) Increase enrollment numbers including targeted underrepresented groups	(9) Increase contact with students in grades K-12	Increase number of relationships and programs; prospect data	Provost	1, 2, 3, 4
(1) Increase enrollment numbers including targeted underrepresented groups	(12) Increase opportunities for social support on campus for Native American, Latino and other underrepresented minority students	Retention and enrollment data	Provost	1, 2, 3, 4
(2) Expand and enhance scholarship and financial aid opportunities to increase access for students	(17) Evaluate Financial Aid TV or similar product to provide basic financial aid counseling videos to ensure students understand financial aid regulations	Financial aid TV produce purchased and implemented	Executive Vice President	1, 2, 3, 6
Goal 2: CCC will promote a learner-centered environment that incorporates innovative strategies and support structures intended to reduce student attrition and increase retention.				
Objective	Tactic*	Evidence	Responsible	Performance Measure*
(2) Increase learning and social support and build academic success skills			Provost	7, 8, 9
(4) Evaluate and enhance distance learning modalities to increase student success	(42) Evaluate online programs, compare to best practices and make recommendations for improvement	Complete recommendations	Provost	7, 8
Goal 3: CCC will empower students to achieve their individual learning goals and implement strategies to increase certificate and degree completion rates.				
Objective	Tactic*	Evidence	Responsible	Performance Measure*
(5) Increase number of students completing educational goals	(65) Review and consider the need for more full-time faculty as research and best practice link higher student success with greater full-time to part-time faculty ratios	Identify orphaned programs and areas with highest need, Hire one additional FT faculty per year (2017, 2018, 2019, 2020)	Provost	12
Goal 4: CCC will strengthen the College's working environment by maximizing college resources, expanding community outreach, and implementing effective personnel management and employee development strategies.				
Objective	Tactic*	Evidence	Responsible	Performance Measure*
(1) Evaluate professional development, retention, and internal communication to enhance a positive campus climate	(71) Research a system to increase opportunities and professional growth for PT Faculty	Written recommendation will be provided to the President and implement if appropriate	Provost	All, indirect

\* Objective numbers above are from the larger strategic plan document and help to associate prioritized spending for each objective. Performance Measures are explained on Page 15 of this document.

# Challenges and Solutions



## **Solution - Prioritized Spending to Enact Strategic Planning Tactics**

**Strategic Plan, Goal 1: CCC will provide learners educational opportunities that are accessible and affordable, while also being economically feasible for the College.**

### **Objective 1, Tactic 9 – Increase contact with students in grades K-12**

**Responsible - Provost**

#### **Dual Enrollment Operational Increase - \$3,800 General Fund Allocation**

Dual Enrollment courses allow students to earn both high school and college credits for courses they take at the high school with their high school teachers. This funding will increase operational support for the Dual Enrollment program. In addition, CCC will leverage new resources from AmeriCorps and a new collaborative LSAMP grant to increase staffing that assists Dual Enrollment and enhances outreach to the schools.

### **Objective 1, Tactic 12 – Increase opportunities for social support on campus for Native American, Latino and other underrepresented minority students**

**Responsible - Provost**

#### **Increase Page Academic Support - \$8,112 General Fund Allocation**

The Page Instructional Site services the Page region, which has a large Native American population. The FY18 budget includes an increase in operational support for this site, in order to better serve student needs. CCC is also expanding Page services by coordinating and providing facilities for a new Page Higher Education Consortium, that will bring together higher education providers from across the region and bring a larger variety of degree and certificate offerings.

### **Objective 2, Tactic 17 – Evaluate Financial Aid TV or similar product to ensure students understand financial aid regulations**

**Responsible - Executive Vice President**

#### **Coursework and Programs of Study (CPOS) Staffing - \$10,128 General Fund Allocation**

There has been a recent increase in financial aid regulations relating to applying funds only to coursework within a student's declared degree path. This funding will allow for additional staff that can help educate students on financial aid regulations and ensure compliance with CPOS requirements.

**Strategic Plan, Goal 2: CCC will promote a learner-centered environment that incorporates innovative strategies and support structures intended to reduce student attrition and increase retention.**

### **Objective 2 – Increase learning and social support and build academic success skills**

**Responsible - Provost**

#### **Increase eBook collection - \$4,800**

#### **Student SafeCampus Training - \$4,200**

There are a number of important initiatives that are well aligned with Objective #2 of Strategic Plan Goal #2, but where there was not a specific tactic identified to address the College need. For FY18, CCC has added recurring funding to continue the interim Dean of Learning position that was added in 2015, where one Dean carries a half-time teaching load and has an expanded focus on part-time faculty success. The College will also provide a largely expanded eBook collection for student learning support, and fund Safe Campus Training for students.

# Challenges and Solutions



## **Solution - Prioritized Spending to Enact Strategic Planning Tactics (continued)**

**Objective 4, Tactic 42 – Evaluate online programs, compare to best practices and make recommendations for improvement**

**Responsible - Provost**

**AspireEDU Performance Analytics - \$5,800 General Fund Allocation**

**National Council for State Authorization Reciprocity Agreement - \$5,500**

AspireEDU uses analytics to promote engagement with students in the online environment and is considered a progressive best practice. The analytics generated by AspireEDU enables eLearning to provide faculty the feedback, encouragement, and support necessary to assure that engagement criteria are being met. The dues to fund reciprocity agreements allow CCC to expand offerings to students across states without additional state-level regulatory concerns.

**Strategic Plan, Goal 3: CCC will empower students to achieve their individual learning goals and implement strategies to increase certificate and degree completion rates.**

**Objective 5, Tactic 65 - Consider the need for more Full-Time Faculty**

**Responsible – Provost**

**Philosophy/Religion, Spanish, Math, Biology, and Nursing Full-Time Faculty - \$305,278 General Fund Allocation**

Lack of full-time faculty in “orphaned areas” left CCC without content experts and continuity in curriculum and assessment. Geology, Anthropology, Philosophy/Religion, and Spanish are some of these areas. “Orphaned areas” are defined as subject areas with course offerings, but no full-time faculty. Research has shown that in the first two-years of a post-secondary education, interaction with full-time faculty rather than part-time faculty has a stronger effect on retention than any other factor.

Increased enrollment in Math and Biology have impacted the full-time to part-time credit hours of instruction ratio. This trend is expected to continue, creating a need for additional full-time faculty in order to improve instruction ratios.

The State Nursing Board recommended CCC hire a third full-time faculty member in order to maintain State-required instruction ratios. For cohorts of between 20-30 students, it is recommended that the College maintain three full-time credentialed faculty at all times.

In the past year and a half, CCC has added seven new faculty positions, and will continue to evaluate programs and enrollment to add and reallocate full-time faculty positions to align with College and student needs.

**Strategic Plan, Goal 4: CCC will strengthen the College’s working environment by maximizing college resources, expanding community outreach, and implementing effective personnel management and employee development strategies.**

**Objective 1, Tactic 71 – Research a system to increase opportunities and professional growth for PT Faculty**

**Responsible - Provost**

**Expand and Improve Faculty Forum - \$1,550 General Fund Allocation**

**Expand Faculty Training - \$5,269**

Faculty Forum is held at the start of each term as a training opportunity for new and continuing faculty. Topics covered include College updates and information needed to provide an excellent classroom experience for students. Faculty training will be expanded for more new part-time faculty orientation and mentoring from longer-term peers to enhance the on-boarding experience.



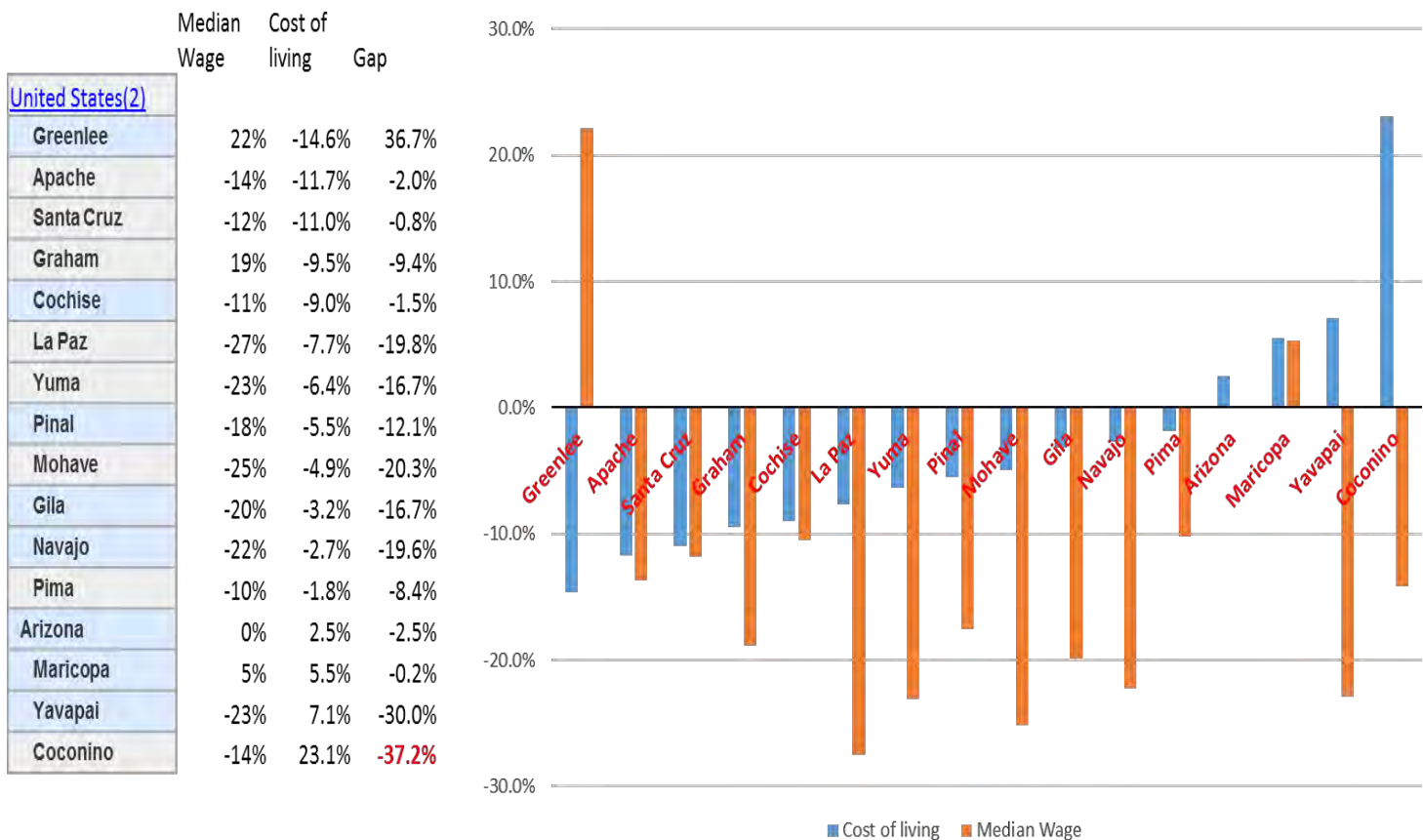
# Challenges and Solutions



## Challenge - Cost of Living and Employee Retention

Compensation factors pose significant challenges for CCC. Arizona voters approved an increased State-wide minimum wage, at the same time the City of Flagstaff voters approved a higher City minimum wage. The result of these actions will be a \$3 increase in the minimum wage in the short-term, with a long-term increase expected to be over \$7 per hour, to \$15.50 per hour, by 2022. Along with the Arizona minimum wage increase was the addition of mandatory sick leave for Arizona employees. For every 30 hours worked, an Arizona employee is entitled to one hour of paid sick leave. This adds a benefit to part-time employees that did not previously exist. The College also participates in a health benefits trust with other local public agencies. The College had an increase of 11% for health insurance premiums for FY18.

Coconino Community College is located in Coconino County, where the cost of living is 23.1% higher than the state average. Conversely, the median wage is 14% below the Arizona median, which leads to the highest wage/cost of living gap in the state. This poses a challenges for attracting and retaining qualified staff, and makes benchmark salary data less comparable to the rest of the state for similar positions. The chart below shows the comparison of median wages and cost of living by county, compared to the State average.



A review of salaries in comparison to the other Arizona Community Colleges shows CCC is in the lowest quartile of faculty pay when compared to peer organizations in the State for most categories. When the cost of living is considered, CCC is last in every category. The same was found for many staff categories. The impact this has been higher than average turnover, with turnover ranging from 18% - 26% per year since FY10.

# Challenges and Solutions



## Solution - Compensation Adjustments

In order to address the compensation challenges CCC faces, the District Governing Board approved market-based compensation adjustments for Fiscal Year 2018. All employees received a 1.9% CPI increase. Faculty received 2% step increases, and staff were awarded from 1.5% - 2.5% increases depending on their pay for performance rating. In addition, each position was evaluated and re-placed in their market considering educational attainment, and direct and indirect experience. That market placement was compared to current salary, and employees who were below market were adjusted to within 1% below their market placement. The result was targeted market adjustments resulting in an average increases of 4.1%.

The total FY 2018 compensation package approved by the District Governing Board includes:

- Medical premium increases of 11%
- Step or merit equivalent averaging 1.62%
- CPI of 1.9% for staff, CPI of 2% for faculty
- Market increase to within 1% below market for each position
- New doctorate column for full-time faculty
- New masters, masters + 15 credits, masters + 30 credit step increases for full-time faculty
- Cafeteria funding increase of \$720 per year for eligible employees

Other steps the College took to address compensation and turnover were to create a new, more competitive salary structure, incorporate minimum wage changes into the salary structure, address compression caused by minimum wage and salary structure changes, and create new placements for staff in their market.

This plan will address the current market challenge the College faces. A long-term solution may still be needed to lower turnover and continue to attract and retain employees with CCC. This compensation package is a strong start to addressing the College's compensation challenges.

# Challenges and Solutions



## Other Challenges and Solutions

### Higher Learning Commission

The Higher Learning Commission (HLC) is the accrediting Agency that evaluates CCC, makes recommendations for improvement, and sets standards for best practices and regulations that Higher Education Agencies must follow. HLC has helped the College identify three current challenges. The first is to create an Assessment program that has sustainability. CCC is doing this under the leadership of our Assessment Coordinator and the Faculty Assessment Committee. The second challenge is to ensure quality Online Instruction, in compliance with HLC standards. Lastly, the College needs to attract and retain qualified part-time faculty. HLC has tightened guidelines for required credentials for qualified instructors, and the College is developing strategies to help our instructors meet these requirements. Some instructors may choose not to pursue the educational requirements necessary for continued teaching, and attracting qualified replacements may be a challenge.

### Organizational Changes

On February 1, 2016, Dr. Colleen Smith joined the College as our new President. In her time at the College, she has identified areas where the College could be strengthened by enhancing the Administrative Team. This has led to a new organizational structure that better serves our students and encourages collaboration and innovation. Some early initiatives that have been put into place address community outreach, expanded partnerships, and increased engagement in the Coconino County Community.

### Summary

The College's main challenge is, and will continue to be, long-term financial stability due to low property taxes and the uncertainty of state aid. The College also faces weaknesses in performance measures that are now being incorporated into the strategic plan and budgeting process. The College financial austerity measures have helped re-align expenditures and revenues, but without a long-term solution the structural deficit will continue. The College is moving forward to reallocate resources based upon performance measures, cost of programs, and strategic planning and is actively seeking opportunities to continue to improve CCC's services to the community.

The seal of Cocconino County Community College is a circular emblem. It features a sunburst at the top, a stack of books in the center, and a torch. The words "COCCONINO COUNTY COMMUNITY COLLEGE" are written around the perimeter, and "EST. 1991" is at the bottom.

# **Annual Financial Plan**

**July 1, 2017 - June 30, 2018**

## **CORE VALUES**

People • Learning & Growth • Quality • Ethics  
Community • Respect • Sustainability





# Annual Financial Plan

## Budget Development Process

### Budget Organization

An explanation of funds and programs codes is described below.

### Funds

There are five funds that make up the College's all Funds budget.

- **General Fund** - Used to account for all general operations of the College and is the largest fund.
- **Auxiliary Fund** - Used to account for self-supporting activities that perform a service to students.
- **Restricted Fund** - Used to account for resources that are restricted by outside donors or agencies such as grants, contracts, and financial aid.
- **Unexpended Plant Fund** - Used to account for equipment, or the construction or improvement of buildings.
- **Retirement of Indebtedness** - Used to account for the resources for payment of principal and interest on debt.

### Program Codes

- **Instruction** - Activities directly related to instruction including faculty salaries, benefits, and supplies.
- **Public Service** - Non-instructional services beneficial to individuals or groups external to the institution.
- **Academic Support** - Activities that support instruction including libraries, academic computing, curriculum development, and deans' offices.
- **Student Services** - Non-instructional, student-related activities such as recruitment, admissions, advising, career counseling, financial aid, and student clubs and organizations.
- **Institutional Support** - General administrative services such as executive management, legal and fiscal operations, human resources, and public relations.
- **Scholarships** - Institutional spending on scholarships, including federal financial aid from restricted funds.
- **Plant Operations and Maintenance** - Service and maintenance of the physical plant, buildings and grounds, utilities, and property insurance.

### Basis of Budgeting

The College primarily uses an incremental budget process. An incremental budget means that the prior year base budgets are the starting point, and incremental changes are made to the base budget when not covered by reallocations of funds. Budget requests are prioritized based upon strategic planning initiatives and performances measures, then reviewed and recommended to the District Governing Board for adoption by the Executive Council. The College also uses a zero-base budget process for travel and other account categories on a rotational basis. Zero-base means that the budget begins with "zero" and all expenditures must be justified.

### Controls

The College maintains budgetary controls by line item of the approved budget. An encumbrance accounting system is maintained by the College to accomplish 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.



# Annual Financial Plan

## Budget Development Process (continued)

### Budget Process

In previous years, the Budget Planning Committee guided the budget process. For the FY18 budget process, budget hearings were introduced to help develop transparency throughout the College. The new budget process continues to ensure that the goals and objectives from the strategic plan and performance measures are prioritized when creating the budgets for the year. The Executive Council reviews budget requests and recommends increments included in the preliminary budget presented to the District Governing Board (DGB).

A summary of the new budget development process is listed below and is explained in more detail on following pages:

- October - Develop budget assumptions and present to all budget managers
- November - Distribute tuition and fee schedules to budget managers
- December - Tuition and fee recommendations due to Controller
- January- Distribute base budget reallocations and travel justification forms to budget managers; forms must be approved by Executive Vice President, Provost, Vice President and President
- January - DGB work session to review tuition and fee recommendations
- February - Present tuition recommendation to student forum
- February - Compensation committee recommendations presented to Vice Presidents and President
- February - DGB compensation work session and approval of tuition and fees
- February/March - Budget hearings to prioritize requests/individual meetings upon request
- March - Budget managers confirm preliminary budget
- March - DGB provides direction on salary and benefits
- April - DGB review preliminary budget
- May - DGB final budget adoption
- May - College-wide budget presentation

### Assumptions

Beginning assumptions are established as a starting point for developing the budget and are developed in October of each year. For FY18, the beginning assumptions were as follows:

#### Revenues

- Enrollment - Projection of meeting the District Governing Board target of 1% enrollment increase per year
- Tuition - \$2.00 increase per credit hour to standard tuition rate as directed by the Board, other rates are a multiplier of the standard rate
- State Aid - Reduction per state formula due to decline in enrollment in prior years
- Property taxes - 2% maximum allowed increase in levy plus 1% new construction added to the tax rolls based upon trend
- Overall Revenue - CPI and/or enrollment-based increases to most line items

#### Expenses

- All expense categories including salaries and benefits were assumed to increase by 2.5%





# Annual Financial Plan

## Budget Development Process (continued)

### **Budget Hearings**

For FY18, budget hearings were introduced to the budget process. The budget hearings were open to all CCC staff and all staff were encouraged to attend. In February, budget hearings were scheduled for each program area. During the budget hearings, three years of budget-to-actual trend data was reviewed, as well as any budget requests for each area. Budget requests were covered first through any reallocation of lapse funds when possible. If a budget request could not be covered by reallocated funds, then the net difference was listed on a budget request spreadsheet. Base budget adjustments are entered by the Controller and sent back to the budget manager for his/her review and confirmation.

### **REVENUES**

#### **Enrollment**

Enrollment projections are based upon trend analysis and County projections for population growth, as well as the DGB enrollment goals and program changes.

#### **Tuition and Fees**

Tuition and fees, including specialty tuition rates and non-class fees, are reviewed in December. Academic Deans review specialty tuition rates for higher-cost programs, market data and instructional expenses to determine if increases to specialty tuition rates will be recommended. Other fees, such as parking fees, are also reviewed by respective areas and compared to market to determine if changes will be recommended. Trend analysis of enrollment within the different rates of tuition is used to project tuition revenue.

Tuition and fee recommendations are taken to the Board in January in a work session to review recommendations and receive direction. The Board approves tuition and fees rates in February for the next academic year. For FY18, the Board approved to change the Dual Enrollment fee from the format of the previous year. The net result was an almost \$400,000 reduction in both revenues and expenses. Dual Enrollment now charges \$10 per credit hour to students in Arts & Science classes, and does not charge a fee for students in CTE classes.

#### **State Appropriation Aid**

State aid is calculated per formula which is “base plus growth.” The base is the prior year’s state aid. The growth or loss is calculated by the increase or decrease in full-time student equivalent (FTSE) between the two most recent fiscal years in each category of non-dual enrollment and dual enrollment. The growth or loss in FTSE is multiplied by the given rate per category. One FTSE equals an average of 15 credit hours in each of the fall and spring semesters, for a total of 30 credits hours for one year. The future of state appropriation for the College is uncertain, because of recent cuts to urban districts.

#### **State STEM Appropriation**

The state provided STEM appropriations to the College since FY14 and it is not known if it will continue for future years. The STEM aid is restricted for science, technology, engineering, mathematics, and workforce programs.

#### **Property Taxes**

By February 10<sup>th</sup> of each year, the County Assessor’s Office provides assessed valuations needed to calculate the primary and secondary property tax levies. The primary levy cannot exceed the prior year levy by more than two percent plus new construction added to the tax rolls. Due to CCC’s low tax rate, the Board typically adopts the maximum allowed tax levy. Secondary taxes are based upon voter-approved debt retirement schedule.

# Annual Financial Plan

## Budget Development Process (continued)

### Grants and Contracts

Grants and contracts mostly include revenue from federal and state grants that have been awarded to the College. During the budget hearings, special meetings are held with individual grant program managers and the Grants Accountant to develop the upcoming budget based on the anticipated funding level for the program.

### Sales and Services

Sales and services revenue is budgeted in the Auxiliary Services Fund and is estimated using minimum guarantees and estimates based off trend information.

### Investment Income

Investment income is earned on balances invested with the County Treasurer and State Local Government Investment Pool. This revenue is budgeted using projected fund balance, and estimated rate of return.

## **EXPENSES**

### Salary and Benefits

Salary and benefits are the largest expenditure of the College and accounts for approximately 61% of the General Fund budget. The Board has directed staff to conduct a salary survey every other year. In alternate years, employees and supervisors can request position reviews or reclassifications. The Board reviews and provides direction on salaries and benefits at the February and March meeting, respectively. The Board's allocation includes any increases for CPI, merit, market, and reclassifications for all faculty and staff.

The Arizona State Retirement System (ASRS) posts the required employee and employer contribution rates each year.

Health benefits are determined through the Northern Arizona Public Employees Benefit Trust (NAPEBT) which is a trust formed by local public employers to provide cost-effective benefits packages to their employees. The benefits covered include self-funded medical, vision, pharmacy, and traditional life and dental insurance. For FY18 there was an 11% increase in the cost of health insurance benefits.

### Travel

All travel expenses are zero-based annually. All travel must be requested and justified each year. Travel expenses includes in-district, in-state, and professional development. Professional development travel is allocated on a FTE basis to benefit eligible positions.

FY 18	
Administrator	\$ 1,300
IT Analyst	1,100
Professional / Technical	700
Faculty	600
Classified Staff	400

Since Professional Development fund allocations do not cover all the costs of attending conferences, supervisors and budget managers typically pool the funds and alternate which employees are able to receive funds from year to year.



# Annual Financial Plan

## Budget Development Process (continued)

### **Preventative Maintenance (Life Cycle Replacement)**

The College allocates funds for preventative maintenance projects annually, based upon a cost per square foot indexed by the CPI. Allocated funds not used in any one year are rolled over and reserved for future preventative maintenance projects. This process allows the College to set funds aside annually for larger projects.

The College has preventative maintenance schedules for 20 years that include major maintenance and replacement of items such as HVAC units, roofs, parking lots, and carpeting. The Executive Director of Facilities assesses the condition of the facilities and adjusts the schedules annually, or as needed, to ensure the facilities are maintained and the life and safety of the students and staff are protected. Any capital items that improve or extend the life of the facilities and are over \$5,000 are capitalized and budgeted in the plant fund.

### **Academic Support Technology**

In FY17, The \$7 per credit hour technology fee and on-line course fees were combined into the base tuition rate instead of being separate per credit hour fees. Any necessary purchases needed are addressed during the budget process in February. The Instructional Technology Services department uses the funds to pay for equipment, software and maintenance agreements for the instructional, academic support, and student services program codes.

### **Institutional Technology and Other Equipment**

The College budgets \$75,000 annually for institutional technology and other equipment. Starting in FY18, an IT life cycle replacement budget of \$140,000 was added to the budget to assist with yearly non-capital and capital equipment cost. In addition to equipment funds, the College has STEM appropriation of \$409,000. To receive funds, a request is submitted and all equipment and STEM requests are prioritized by Executive Council based upon strategic planning initiatives and performance measures. Any equipment items over \$5,000 are capitalized and budgeted in the Plant Fund.

### **Presidents Discretionary Fund**

An allowance of \$50,000 is budgeted for unforeseen expenditures and is expended at the President's discretion.

### **Innovation Fund**

The purpose of the Innovation Fund program is to provide a funding mechanism for faculty, staff, and students in developing and implementing innovative projects that will generate revenue, create savings or technological solutions, improve services to students, and/or advance strategic planning initiatives of access, retention, and completion. A \$50,000 fund has been set aside in the President's budget for innovation projects.

### **Contingency Fund**

The College increased the contingency budget to \$2 million in FY18 for emergencies. Since the implementation of the Financial Austerity Plan (FAP), the contingency has increased to \$2.7 million, \$2 million is for fund balance use towards emergency contingency items, and \$700,000 excess operating revenues over expenditures. The contingency can be used to fund College operations if the state cuts funding to the College. If the contingency is not used, it is returned to the fund balance.

# Annual Financial Plan

## All Funds

### Three-Year Comparative Analysis - For Years Ended June 30th

Three year Comparison - All Funds For Years Ended June 30				
Revenue	FY16 Actual	FY17 Budget	FY18 Budget	FY18 % Change
Tuition & Fees	\$ 7,859,674	\$ 8,176,740	\$ 7,994,790	-2.23%
State Appropriations	2,194,400	2,174,400	2,140,100	-1.58%
Property Taxes	9,346,685	9,755,000	10,124,250	3.79%
Grants & Contracts	5,885,055	6,870,646	6,884,788	0.21%
Sales & Services	24,797	22,140	22,140	0.00%
Investment Income	209,568	150,000	200,000	33.33%
Other Income	609,704	581,125	602,200	3.63%
<b>Total Revenues</b>	<b>\$ 26,129,883</b>	<b>\$ 27,730,051</b>	<b>\$ 27,968,268</b>	<b>0.86%</b>
<b>Other financing sources (uses)</b>				
Transfer In	\$ 615,874	\$ 666,588	\$ 858,498	28.79%
Transfer Out	(615,874)	(666,588)	(858,498)	28.79%
<b>Total other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0%</b>
<b>Total Revenues and Transfers</b>	<b>\$ 26,129,883</b>	<b>\$ 27,730,051</b>	<b>\$ 27,968,268</b>	<b>0.86%</b>
<b>Expenditures by Program</b>				
Instruction	\$ 5,369,491	\$ 6,202,537	\$ 6,560,769	5.78%
Public Service	35,368	-	30,000	100.00%
Academic Support	2,939,916	2,866,878	3,268,775	14.02%
Student Services	2,480,697	2,840,053	3,027,735	6.61%
Institutional Support	3,385,575	4,577,958	4,462,684	-2.52%
Facilities Operation & Maintenance	2,174,322	1,755,219	1,822,352	3.82%
Scholarships & Grants	3,807,558	5,406,793	5,407,788	0.02%
Auxiliary Enterprises	38,641	34,140	46,640	36.61%
Retirement of Indebtedness	2,064,839	2,109,120	2,153,579	2.11%
Contingency	-	2,566,298	2,718,575	5.93%
<b>Total Expenditures</b>	<b>\$ 22,296,406</b>	<b>\$ 28,358,996</b>	<b>\$ 29,498,897</b>	<b>4.02%</b>
<b>Expenditures by Object</b>				
Personnel Services	\$ 11,586,133	\$ 13,224,077	\$ 14,715,454	11.28%
Contractual Services	1,648,584	1,547,214	867,960	-43.90%
Supplies	867,305	1,412,946	1,429,364	1.16%
Fixed Charges	803,153	890,016	946,476	6.34%
Utilities	523,574	603,928	589,513	-2.39%
Travel	207,120	250,807	262,916	4.83%
Capital Equipment	617,388	10,250	173,000	1587.80%
Retirement of Indebtedness	1,785,000	1,885,000	1,985,000	5.31%
Scholarships	3,801,855	5,400,763	5,401,784	0.02%
Miscellaneous/Other	456,294	567,697	408,855	-27.98%
Contingency	-	2,566,298	2,718,575	5.93%
<b>Total Expenditures</b>	<b>\$ 22,296,406</b>	<b>\$ 28,358,996</b>	<b>\$ 29,498,897</b>	<b>4.02%</b>
<b>Excess of revenues and other sources over/(under) expenditures</b>	<b>\$ 3,833,477</b>	<b>\$ (628,945)</b>	<b>\$ (1,530,629)</b>	<b>143.4%</b>

\*Excludes net investment in Plant Fund



# Annual Financial Plan

## All Funds

### FY18 Budget Summary - For Year Ended June 30th

	General Fund	Restricted Fund	Auxiliary Fund	Unexpended Plant Fund	Retirement of Indebtedness	Total All Funds
<b>Revenues</b>						
Tuition & Fees	\$ 7,988,790	\$ 6,000	\$ -	\$ -	\$ -	\$ 7,994,790
State Appropriations	1,731,100	409,000	-	-	-	2,140,100
Property Taxes	7,939,000	-	-	-	2,185,250	10,124,250
Grants & Contracts	177,000	6,707,788	-	-	-	6,884,788
Sales & Services	-	-	22,140	-	-	22,140
Investment Income	200,000	-	-	-	-	200,000
Other Income	532,200	-	-	-	70,000	602,200
<b>Total Revenues</b>	<b>\$ 18,568,090</b>	<b>\$ 7,122,788</b>	<b>\$ 22,140</b>	<b>\$ -</b>	<b>\$ 2,255,250</b>	<b>\$ 27,968,268</b>
<b>Other Financing Sources (uses)</b>						
Transfer In	\$ 143,200	\$ 39,898	\$ 10,500	\$ 664,900	\$ -	\$ 858,498
Transfer Out	(715,298)	-	-	(143,200)	-	(858,498)
<b>Total Other Financing Sources (uses)</b>	<b>\$ (572,098)</b>	<b>\$ 39,898</b>	<b>\$ 10,500</b>	<b>\$ 521,700</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Revenues and Transfers</b>	<b>\$ 17,995,992</b>	<b>\$ 7,162,686</b>	<b>\$ 32,640</b>	<b>\$ 521,700</b>	<b>\$ 2,255,250</b>	<b>\$ 27,968,268</b>
<b>Expenditures by Program</b>						
Instruction	\$ 5,237,949	\$ 1,322,820	\$ -	\$ -	\$ -	\$ 6,560,769
Public Service	-	30,000	-	-	-	30,000
Academic Support	2,987,681	281,094	-	-	-	3,268,775
Student Services	2,671,751	355,984	-	-	-	3,027,735
Institutional Support	4,322,684	-	-	140,000	-	4,462,684
Facilities Operation & Maintenance	1,822,352	-	-	-	-	1,822,352
Scholarships & Grants	235,000	5,172,788	-	-	-	5,407,788
Auxiliary Enterprises	-	-	46,640	-	-	46,640
Retirement of Indebtedness	-	-	-	-	2,153,579	2,153,579
Contingency	2,718,575	-	-	-	-	2,718,575
<b>Total Expenditures</b>	<b>\$ 19,995,992</b>	<b>\$ 7,162,686</b>	<b>\$ 46,640</b>	<b>\$ 140,000</b>	<b>\$ 2,153,579</b>	<b>\$ 29,498,897</b>
<b>Expenditures by Object</b>						
Personnel Services	\$ 13,105,297	\$ 1,610,157	\$ -	\$ -	\$ -	\$ 14,715,454
Contractual Services	820,799	46,861	300	-	-	867,960
Supplies	1,216,515	168,709	44,140	-	-	1,429,364
Fixed Charges	944,826	1,650	-	-	-	946,476
Utilities	589,113	400	-	-	-	589,513
Travel	199,392	61,324	2,200	-	-	262,916
Capital Equipment	-	33,000	-	140,000	-	173,000
Retirement of Indebtedness	-	-	-	-	1,985,000	1,985,000
Scholarships	235,000	5,166,784	-	-	-	5,401,784
Miscellaneous/Other	166,475	73,801	-	-	168,579	408,855
Contingency	2,718,575	-	-	-	-	2,718,575
<b>Total Expenditures</b>	<b>\$ 19,995,992</b>	<b>\$ 7,162,686</b>	<b>\$ 46,640</b>	<b>\$ 140,000</b>	<b>\$ 2,153,579</b>	<b>\$ 29,498,897</b>
<b>Excess of Revenues and Other Sources</b>						
<b>Over/(Under) Expenditures</b>	<b>\$ (2,000,000)</b>	<b>\$ -</b>	<b>\$ (14,000)</b>	<b>\$ 381,700</b>	<b>\$ 101,671</b>	<b>\$ (1,530,629)</b>

# Annual Financial Plan



## All Funds - Faculty and Staff Statistics

Salaries and benefits represent the largest expense for the College. The schedule below provides an all funds three-year comparison of salaries and benefits by program and employee classification type. In addition, the number of full-time equivalent positions for both restricted and unrestricted funds is provided. For FY18, total compensation has increased due to additional faculty, reallocation of contracted services funds to salary funds, reclassification of Administrative staff, the FY18 compensation package, and an increase to medical benefits. FY18 salary budget change is an eleven percent increase from FY17.

### Three-Year Comparative Analysis Faculty and Staff Statistics

Fiscal Year 2017/2018 (Budget)								
Program	Faculty	Part Time Faculty	Admin	Support Staff	Part Time Staff	Total Salary Per Program	Total Benefits	Total Compensation
Instructional	\$ 2,527,220	\$ 1,781,024	\$ -	\$ 57,443	\$ 363,954	\$ 4,729,641	\$ 1,159,748	\$ 5,889,389
Academic	-	-	568,537	1,162,155	176,279	1,906,971	659,018	2,565,989
Student Services	-	-	416,292	1,326,028	190,621	1,932,941	723,611	2,656,552
Institutional	-	-	802,696	1,234,384	14,700	2,051,780	749,225	2,801,005
Facilities	-	-	102,521	431,641	52,216	586,378	216,141	802,519
<b>Total Salary</b>	<b>\$ 2,527,220</b>	<b>\$ 1,781,024</b>	<b>\$ 1,890,046</b>	<b>\$ 4,211,651</b>	<b>\$ 797,770</b>	<b>\$ 11,207,711</b>	<b>\$ 3,507,743</b>	<b>\$ 14,715,454</b>
Unrestricted Funds	31.0	71.1	21.0	80.7	17.5	221.4		
Restricted Funds	9.0	-	-	7.8	7.9	24.7		
<b>Total FTE</b>	<b>40.0</b>	<b>71.1</b>	<b>21.0</b>	<b>88.5</b>	<b>25.4</b>	<b>246.1</b>		

Fiscal Year 2016/2017 (Budget)								
Program	Faculty	Part Time Faculty	Admin	Support Staff	Part Time Staff	Total Salary Per Program	Total Benefits	Total Compensation
Instructional	\$ 2,149,444	\$ 1,668,800	\$ -	\$ 55,484	\$ 347,665	\$ 4,221,393	\$ 967,867	\$ 5,189,260
Academic	-	-	517,176	983,688	144,948	1,645,812	555,316	2,201,128
Student Services	-	-	266,415	1,350,663	222,339	1,839,417	655,396	2,494,813
Institutional	-	-	694,926	1,195,825	6,350	1,897,101	701,706	2,598,807
Facilities	-	-	100,352	395,141	47,716	543,209	196,860	740,069
<b>Total Salary</b>	<b>\$ 2,149,444</b>	<b>\$ 1,668,800</b>	<b>\$ 1,578,869</b>	<b>\$ 3,980,801</b>	<b>\$ 769,018</b>	<b>\$ 10,146,932</b>	<b>\$ 3,077,145</b>	<b>\$ 13,224,077</b>
Unrestricted Funds	25.0	71.2	19.0	78.0	18.5	211.7		
Restricted Funds	10.0	-	-	11.0	9.0	30.0		
<b>Total FTE</b>	<b>35.0</b>	<b>71.2</b>	<b>19.0</b>	<b>89.0</b>	<b>27.5</b>	<b>241.7</b>		

Fiscal Year 2015/2016 (Budget)								
Program	Faculty	Part Time Faculty	Admin	Support Staff	Part Time Staff	Total Salary Per Program	Total Benefits	Total Compensation
Instructional	\$ 1,994,347	\$ 1,904,238	\$ -	\$ 89,795	\$ 382,187	\$ 4,370,568	\$ 914,948	\$ 5,285,516
Public Service	-	-	-	42,791	-	42,791	16,719	59,509
Academic	-	-	468,844	1,013,258	163,728	1,645,830	529,510	2,175,340
Student Services	-	-	257,328	1,221,124	209,250	1,687,703	569,590	2,257,293
Institutional	-	-	599,060	1,207,128	6,350	1,812,538	649,443	2,461,981
Facilities	-	-	96,771	376,183	33,524	506,478	205,013	711,491
<b>Total Salary</b>	<b>\$ 1,994,347</b>	<b>\$ 1,904,238</b>	<b>\$ 1,422,003</b>	<b>\$ 3,950,279</b>	<b>\$ 795,040</b>	<b>\$ 10,065,907</b>	<b>\$ 2,885,224</b>	<b>\$ 12,951,130</b>
Unrestricted Funds	23.0	83.9	17.0	78.8	14.0	216.7		
Restricted Funds	10.0	-	-	10.8	11.1	31.9		
<b>Total FTE</b>	<b>33.0</b>	<b>83.9</b>	<b>17.0</b>	<b>89.6</b>	<b>25.1</b>	<b>248.6</b>		





# Annual Financial Plan

## All Funds - Fund Balance Reserve

The purpose of the College's fund balance procedure is to establish a targeted amount for General Fund and fund balance reserves. It is important to maintain adequate levels of unreserved fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, cash flow management, emergency contingency, and Plant Fund designations. The fund balance also provides cash flow liquidity for general operations.

At the close of each fiscal year, a transfer of funds shall be made to maintain a General Fund ending balance equal to four (4) months of revenues (estimated at 33% of annual revenues). Any excess revenues over expenditures in the General Fund for a fiscal year will be transferred to the Plant Fund for future capital expenditures.

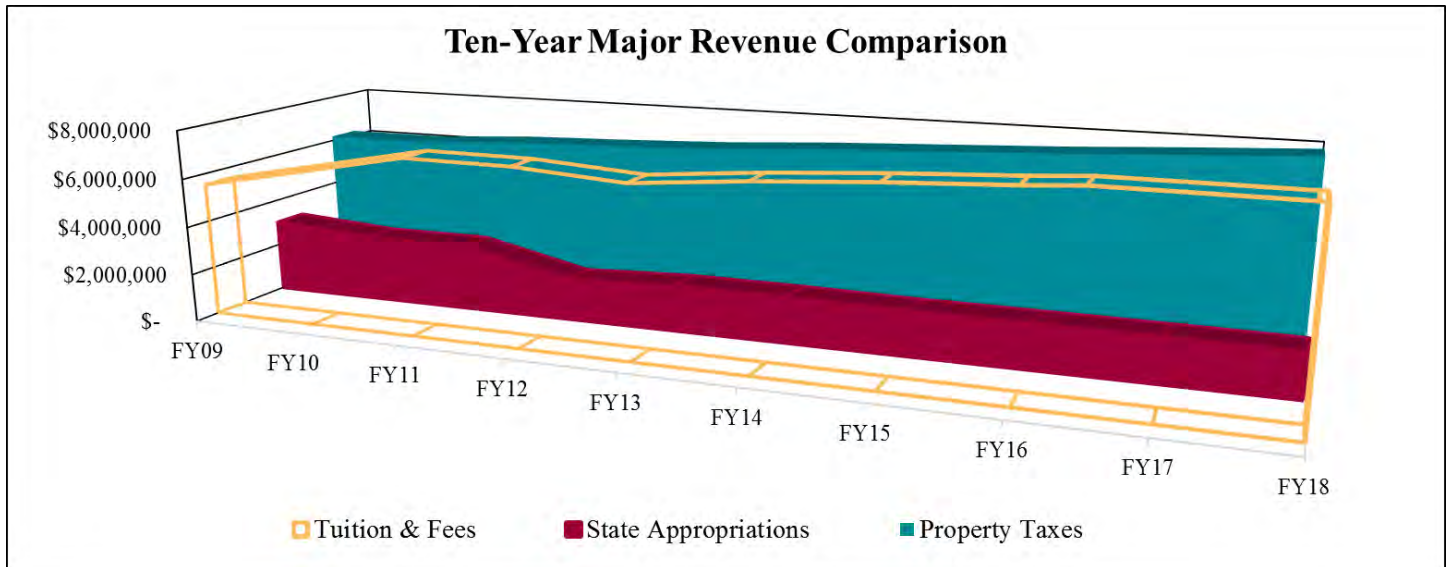
### Three-Year Comparative Analysis

	<b>FY16 Actual</b>	<b>FY17 Budget</b>	<b>FY18 Budget</b>
Unrestricted Net Position	\$ 9,550,542	\$ 11,116,840	\$ 11,821,315
<b>Targeted Fund Balance</b>			
All Funds Sustainability Reserves (33%) - Based on Budget	\$ 8,574,472	\$ 9,150,917	\$ 9,229,528
General Fund Contingency - Based on Budget	1,000,000	1,000,000	2,000,000
Auxiliary Fund Reserve	47,691	47,691	33,691
Plant Fund - Preventative Maint. Reserves	3,555,990	3,901,785	4,266,485
Plant Fund - Copier replacement Reserve	55,500	72,500	89,500
Total Target Fund Balance/Reserves	\$ 13,233,653	\$ 14,172,893	\$ 15,619,205
<b>Unrestricted Net Position (Fund Balance/Reserves)</b>	<b>\$ 9,550,542</b>	<b>\$ 11,116,840</b>	<b>\$ 11,821,315</b>
<b>% of Fund Balance/Reserves compared to Target</b>	<b>72%</b>	<b>78%</b>	<b>76%</b>

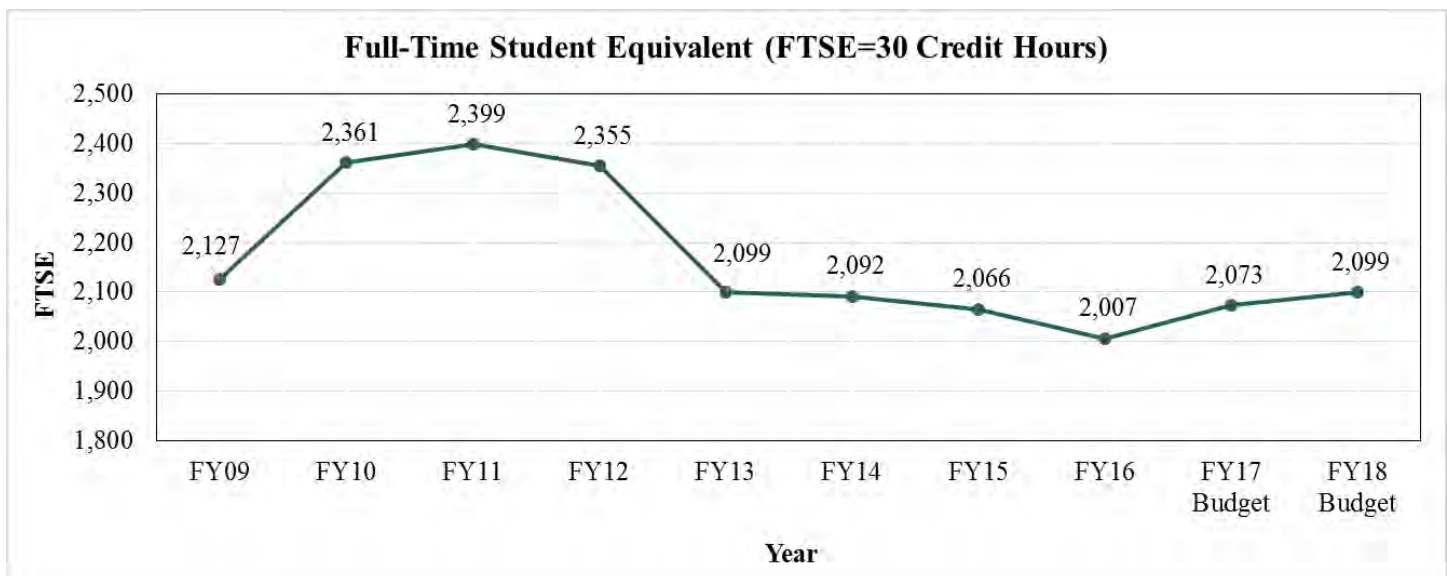
# Annual Financial Plan

## General Fund - Revenues

The General Fund has three major revenue sources: student tuition and fees, state appropriations, and property taxes. The chart below depicts the changes in these revenue sources over a ten-year period showing the state appropriations declining, while tuition and fees has increased.



Tuition and Fee revenue for FY18 is based upon enrollments of 2,099 FTSE. Enrollment flattened out after the recession and returned to normal levels.



# Annual Financial Plan

## General Fund - Tuition and Fee Revenue

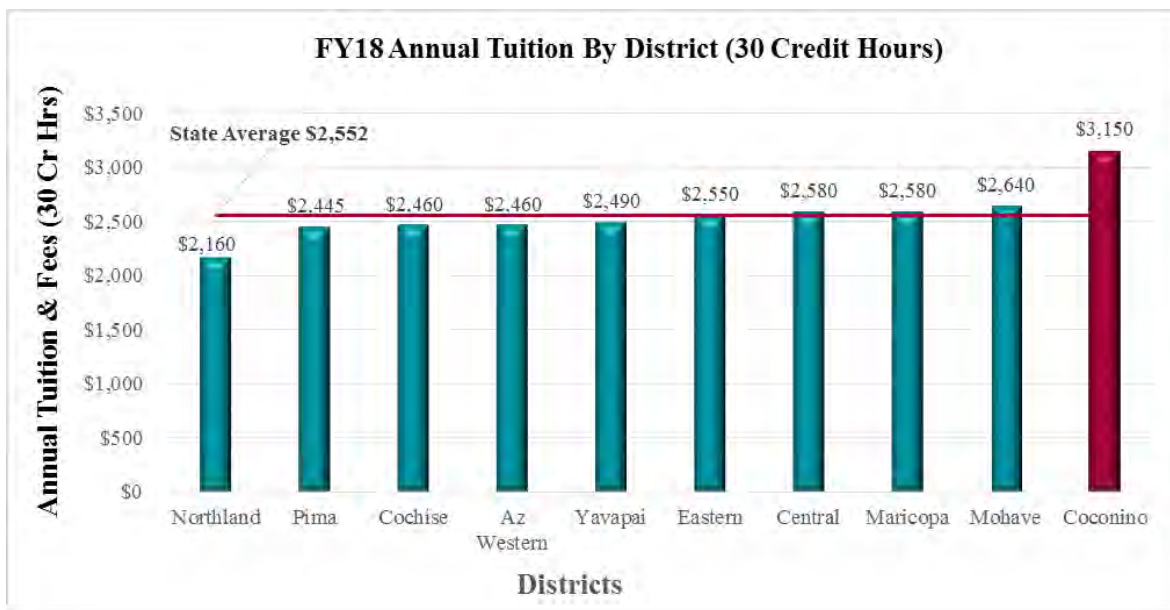
The chart below shows how CCC was forced to implement large tuition increases due to the decline in state appropriations from FY09 through FY11. CCC now has the highest tuition rate in the state. Since FY12, the College has been able to maintain lower tuition increases.

Historic Tuition Rates - Resident - Last 10 Fiscal Years						
Fiscal Year	<sup>A</sup> Per Credit Hour	<sup>B</sup> Tech Fee per Hour	Tuition & Tech Fee per Hour	Annual Tuition 30 cr. Hours	Change in \$	% increase
FY09	\$ 70	\$ 5	\$ 75	\$ 1,970	\$ 280	16.6%
FY10	70	5	75	2,250	280	14.2%
FY11	80	5	85	2,550	300	13.3%
FY12	83	5	88	2,640	90	3.5%
FY13	85	5	90	2,700	60	2.3%
FY14	87	5	92	2,760	60	2.2%
FY15	89	5	94	2,820	60	2.2%
FY16	92	7	99	2,970	150	5.3%
FY17	102	-	102	3,060	90	3.0%
FY18	105	-	105	3,150	90	3.0%

<sup>A</sup> Per Credit hour includes student ID, transcripts, student activities, and computer lab

<sup>B</sup> Tech Fee included in per credit hour rate beginning in FY17

Coconino Community College has the highest tuition rates in the state, as previously discussed, this is mainly due to the also having the lowest property tax levy in the state.



# Annual Financial Plan

## General Fund - Tuition and Fee Revenue

Tuition and fees are projected based upon trend analysis for the different types of tuition (Out-of-State, Out-of-County, WUE, Dual Enrollment, and CAVIAT).

### Tuition and Fee Revenue Projections Three-Year Comparative Analysis

General Fund Tuition and Fees Detail	FY 16 Actual	FY 17 Budget	FY18 Budget	FY18 FTSE
General Tuition (Resident Tuition)	\$ 4,667,994	\$ 4,872,000	\$ 5,101,000	1,713
Differential Tuition Rates	368,881	350,000	372,000	
Out-of-State Tuition	333,802	339,000	200,000	34
Out-of-County Reimbursement	209,600	200,000	353,000	
Out-of-State Tuition (WUE)	888,516	851,000	883,000	195
Out-of-State Tuition (WUE2)	-	38,000	-	
Dual Enrollment Tuition	336,696	383,000	-	
Dual Enrollment Fee (Arts & Sciences)	53,889	37,500	27,000	143
Coconino Association for Vocations, Industry and Technology (CAVIAT)	134,672	137,000	68,400	14
Online Course fee revenue	16,030	-	-	
Technology Fee (reallocated from General Tuition)	424,309	473,000	473,000	
Scholarship tuition (reallocated from General Tuition)	185,954	232,000	235,000	
Prior Learning Assessment (PLA)	4,392	11,040	19,440	
Non-credit classes (CPR, EMT, FSC)	12,675	32,000	32,000	
Fees (Parking, Transcripts, Graduation, ID, Testing, Etc.)	218,670	215,200	224,950	
<b>Total Tuition and Fees</b>	<b>\$ 7,856,079</b>	<b>\$ 8,170,740</b>	<b>\$ 7,988,790</b>	<b>2,099</b>

In FY18, the District Governing Board approved a tuition increase of \$3.00. The differential tuition rate replaces class fees and charges higher tuition rates to higher-cost programs. The standard tuition for each of the residency types are: Residents - \$105, Western Undergraduate Exchange (WUE) Program - \$157.50, and Out-of-State - \$367.50. The WUE program and Out-of-State tuition rates are based on a multiplier of the standard rate. The **2017-2018 Tuition Schedule** below shows the level for each differential tuition rate.

Differential Tuition Schedule	In State Per Credit Hour	*WUE Per Credit Hour	Out-of-State Per Credit Hour
Standard	\$105.00	\$157.50	\$367.50
<b>Specialty Higher Rates</b>			
Differential Tuition Level 1 (+\$5)	\$110.00	\$162.50	\$372.50
Differential Tuition Level 2 (+\$10)	\$115.00	\$167.50	\$377.50
Differential Tuition Level 3 (+\$15)	\$120.00	\$172.50	\$382.50
Differential Tuition Level 4 (+\$20)	\$125.00	\$177.50	\$387.50
Differential Tuition Level 5* (+\$25)	\$130.00	\$392.50	\$392.50
Differential Tuition Level 6* (+\$30)	\$135.00	\$397.50	\$397.50
Differential Tuition Level 7* (+\$50)	\$155.00	\$417.50	\$417.50
Differential Tuition Level 8* (+\$80)	\$185.00	\$447.50	\$447.50
Differential Tuition Level 9* (+100)	\$205.00	\$467.50	\$467.50

\*Levels 5-9: Students in the WUE program are charged non-resident tuition for any course specified in levels 5 through 9, plus applicable special course tuition rates and fees.



# Annual Financial Plan

## General Fund - State Appropriations

Declines in state aid began in 1998 due to the struggling economy and decreased tourist activity. State funding for FY18 has declined slightly from last year based on the statutory formula and whether state funding will continue is uncertain, at this time. State appropriations are received based on Full-Time Student Equivalent (FTSE) enrollment and formula funding. This formula funding provides \$673 per FTSE (30 credit hours per year) while dual enrollment is only calculated at fifty percent or \$337 per FTSE. State appropriations are received on a two-year lag based on enrollment growth or decline. The State appropriations funding formula has not been adjusted to keep pace with inflation.

## State Appropriations Revenue Projections Three-Year Comparative Analysis

STATUTORY CALCULATION A.R.S. §15-1466 Subject to legislative appropriation	FY16 Actual	FY17 Budget	FY18 Budget
FTSE Change:			
Total Audited FTSE third most recent fiscal year	2,099	2,092	2,066
Total Audited FTSE second most recent fiscal ear	2,092	2,066	2,012
Increase/(decrease)	(7)	(26)	(54)
Non Dual Enrollment Audited FTSE third most recent fiscal year	1,967	1,938	1,915
Non Dual Enrollment Audited FTSE second most recent fiscal year	1,938	1,915	1,893
Increase/(decrease)	(29)	(23)	(22)
Average Appropriation Per FTSE (Non Dual Enrollment)	254	605	673
Non Dual Enrollment Growth	\$ (7,400)	\$ (13,700)	\$ (14,800)
Dual Enrollment Audited FTSE third most recent fiscal year	132	154	150
Dual Enrollment Audited FTSE second most recent fiscal year	154	150	119
Increase/(decrease)	22	(4)	(31)
Average Appropriation Per FTSE (Dual Enrollment @ 50%)	127	303	337
Dual Enrollment Growth	\$ 2,800	\$ (1,100)	\$ (10,500)
State Appropriation	\$ 1,771,200	\$ 1,756,400	\$ 1,731,100
State Aid Cuts	-		-
<b>Total M &amp; O State Appropriations</b>	<b>\$ 1,771,200</b>	<b>\$ 1,756,400</b>	<b>\$ 1,731,100</b>



# Annual Financial Plan

## General Fund - Property Taxes

The tax levy is calculated in accordance with Arizona Revised Statutes (A.R.S.) §42-17051. Assessed property values fall into two tax levy categories, property on the tax rolls in the current year and newly completed construction being added to the rolls.

The Arizona Constitution limits the increase in the District's tax levy on current assessed property to 2% per year. Because of the low property tax rate, CCC Board has approved the maximum levy each year. New construction growth rate averages approximately 1% per year.

Secondary taxes are collected to pay for the General Obligation Bonds as described in the Retirement of Indebtedness section of this document.

### Tax Levy Limit A.R.S. §42-17051 Three-Year Comparative Analysis

STATUTORY CALCULATION	FY16 (Tax Year 2015) ADOPTED LEVY	FY17 (Tax Year 2016) ADOPTED LEVY	FY18 (Tax Year 2017) ADOPTED LEVY
1) Maximum levy - prior tax year	\$ 7,243,258	\$ 7,478,002	\$ 7,706,000
2) Maximum levy prior tax year multiplied by 102%	7,388,124	7,627,562	7,860,120
3) Assessed value for current tax year of all property subject to tax in the preceding year	1,519,027,681	1,553,773,227	1,612,982,660
4) Paragraph 3 divided by 100, then divide paragraph 2 by the resulting quotient; round to four decimal places	0.4864	0.4909	0.4873
5) Assessed value of all property for current year	1,537,418,218	1,569,812,808	1,629,112,487
6) Paragraph 5 divided by 100 and multiplied by rate in para 4 equals maximum allowable primary property tax levy	7,478,002	7,706,211	7,938,665
7) Less any amounts pursuant to A.R.S. §42-17051 B. & C.	-	-	-
8) Paragraph 6 minus paragraph 7 equals the allowable primary property tax levy	7,478,002	7,706,000	7,939,000
Total primary property tax revenue	\$ 7,478,000	\$ 7,706,000	\$ 7,939,000





# Annual Financial Plan

## General Fund - Other Revenue and Transfers

Other revenue consists of less than three percent of total revenue. They are funds such as administrative cost recovered (indirect cost) from grants, contracts, investment income, bookstore income, parking ticket revenue, and other income listed below.

### Three-Year Comparative Analysis

	FY16 ACTUAL	FY17 BUDGET	FY18 BUDGET
<b>Gifts, Grants &amp; Contracts</b>			
PELL ACA Revenue	\$ 5,350	\$ 7,500	\$ 5,000
Administrative Cost Recovered	146,637	71,000	58,000
Veterans Admins Cost Recovered	1,386	1,500	1,000
Foundation FMC Contribution	133,950	95,000	95,000
Non-credit contract training	24,011	18,000	18,000
<b>Total Private Gifts, Grants &amp; Contracts</b>	<b>\$ 311,334</b>	<b>\$ 193,000</b>	<b>\$ 177,000</b>

	FY16 ACTUAL	FY17 BUDGET	FY18 BUDGET
<b>Investments</b>			
Investments	\$ 209,568	\$ 150,000	\$ 200,000
<b>Total Investments</b>	<b>\$ 209,568</b>	<b>\$ 150,000</b>	<b>\$ 200,000</b>

	FY16 ACTUAL	FY17 BUDGET	FY18 BUDGET
<b>Other Income</b>			
Bookstore (Commissions)	\$ 96,009	\$ 98,000	\$ 85,000
Salt River Project/Other In-Lieu of Tax	170,494	157,000	170,000
Govt. Prop. Lease Excise Tax (in lieu), Parks on Fed Lands, ADOT, Game & Fish	69,099	25,000	70,000
Surplus Property	105	500	500
Parking Tickets	18,147	20,000	12,000
Facility Usage (Misc. temporary)	1,962	1,000	1,000
Flagstaff Library (Lease)	89,816	93,800	96,675
CAVIAT (Lease)	48,000	48,600	49,800
Cell Phone Tower (Lease)	33,064	33,000	33,000
Deli (Lease)	3,025	3,525	3,525
Misc (Trust & PLA books)	16,350	40,700	10,700
<b>Total Other Income</b>	<b>\$ 546,071</b>	<b>\$ 521,125</b>	<b>\$ 532,200</b>

	FY16 ACTUAL	FY17 BUDGET	FY18 BUDGET
<b>Transfers</b>			
Transfers In	\$ 91,597	\$ 131,375	143,200
Transfers Out	(528,220)	(535,213)	(715,298)
<b>Net Transfers</b>	<b>\$ (436,623)</b>	<b>\$ (403,838)</b>	<b>\$ (572,098)</b>

# Annual Financial Plan

## General Fund - Cost per FTSE by Program

The chart below depicts the cost per full-time student equivalent in the General Fund based upon programs codes. While the cost per FTSE increased, the amount contributed by the General Fund decreased by one percent from FY17, due to the Financial Austerity Plan. The full cost to educate one full-time student per year is \$8,231, as shown in the chart below. The college is open access and provides these educational opportunities for students who might not otherwise be able afford higher education.

<b>FTSE</b>	<b>2007</b>	<b>2073</b>	<b>2099</b>
<b>Expenditure by Program</b>	<b>FY16 Actual</b>	<b>FY17 Budget</b>	<b>FY18 Budget</b>
Instruction	\$ 2,040	\$ 2,395	\$ 2,495
Public Service	18	-	-
Academic Support	1,177	1,222	1,423
Student Services	971	1,193	1,273
Institutional Support	1,687	2,208	2,059
Plant Operations and Maintenance	797	842	868
Scholarships	92	112	112
<b>Total General Fund Cost Per FTSE</b>	<b>\$ 6,781</b>	<b>\$ 7,973</b>	<b>\$ 8,231</b>

# Annual Financial Plan

## General Fund - Non-Capital Equipment

### FY18 Preventative Maintenance (Life Cycle Replacement)

The College has preventative maintenance schedules for 20 years that include major maintenance and replacement of items which normally impacts the Plant Fund. The chart below shows the items that impact the General Fund for a total of \$143,200. This covers repairs and replacements such as, furniture, lighting, landscape, etc. Purchases under \$5,000 are not capitalized and budgeted to supplies and materials in the General Fund.

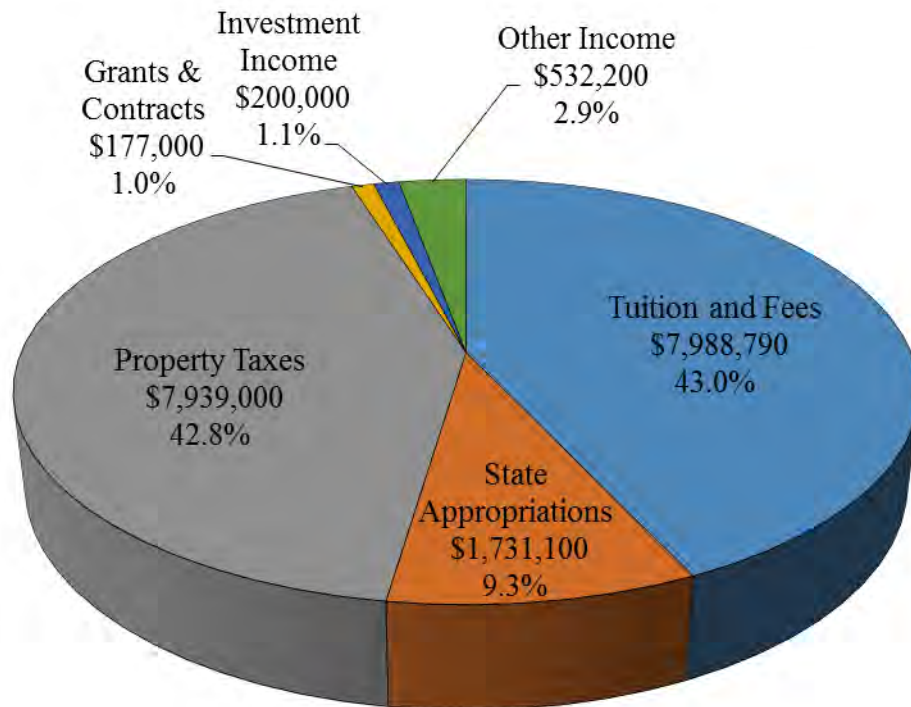
Planned Maintenance	Fourth Street	Lone Tree	Page	Total
Floor Tile	\$ -	\$ -	\$ 14,000	\$ 14,000
Lighting	8,200	-	-	8,200
Furniture Replacement	12,600	7,200	-	19,800
Computer Lab Chair Replacement	-	20,000	-	20,000
Doors/Windows	-	-	8,200	8,200
Parking Expansion	-	25,000	-	25,000
Misc./Contingency	5,000	25,000	18,000	48,000
<b>Total</b>	<b>\$25,800</b>	<b>\$77,200</b>	<b>\$40,200</b>	<b>\$143,200</b>

### Institutional Technology and Other Equipment

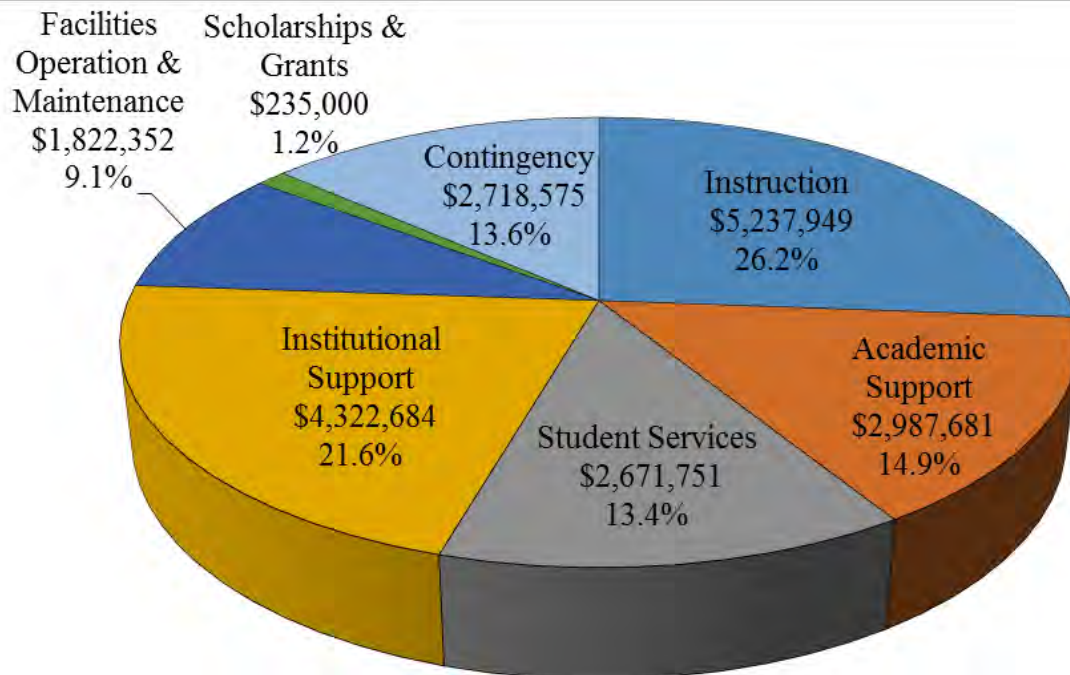
The College also budgets \$75,000 for institutional equipment replacement for FY18. Starting in FY18, an IT life cycle replacement budget of \$140,000 was added to the budget to assist with yearly non-capital and capital equipment costs. The College also budgets \$409,000 for equipment that is used for STEM purchases only. To receive funds, a request must be submitted and then the equipment is prioritized based upon strategic planning initiatives and performance measures, and then approved by Executive Council.

# Annual Financial Plan

## General Fund - FY18 Revenues



## General Fund - FY18 Expenditures by Program





# Annual Financial Plan

## General Fund

### Three-Year Comparative Analysis - For Years Ended June 30th

Revenues	FY16 Actual	FY17 Budget	FY18 Budget
Tuition and Fees	\$ 7,856,079	\$ 8,170,740	\$ 7,988,790
State Appropriations	1,771,200	1,756,400	1,731,100
Property Taxes	7,448,328	7,706,000	7,939,000
Grants & Contracts	311,334	193,000	177,000
Investment Income	209,568	150,000	200,000
Other Income	546,071	521,125	532,200
<b>Total Revenues</b>	<b>\$ 18,142,580</b>	<b>\$ 18,497,265</b>	<b>\$ 18,568,090</b>
<b>Other financing sources (uses)</b>			
Transfer In	\$ 91,597	\$ 131,375	\$ 143,200
Transfer Out	(528,220)	(535,213)	(715,298)
<b>Total other financing sources (uses)</b>	<b>\$ (436,623)</b>	<b>\$ (403,838)</b>	<b>\$ (572,098)</b>
<b>Total Revenues and Transfers</b>	<b>\$ 17,705,957</b>	<b>\$ 18,093,427</b>	<b>\$ 17,995,992</b>
<b>Expenditures by Program</b>			
Instruction	\$ 4,093,608	\$ 4,963,840	\$ 5,237,949
Public Service	35,368	-	-
Academic Support	2,362,569	2,533,668	2,987,681
Student Services	1,948,091	2,473,694	2,671,751
Institutional Support	3,385,575	4,577,958	4,322,684
Facilities Operation & Maintenance	1,599,997	1,744,969	1,822,352
Scholarships & Grants	184,701	233,000	235,000
Contingency	-	2,566,298	2,718,575
<b>Total Expenditures</b>	<b>\$ 13,609,908</b>	<b>\$ 19,093,427</b>	<b>\$ 19,995,992</b>
<b>Expenditures by Object</b>			
Personnel Services	\$ 9,727,278	\$ 11,627,104	\$ 13,105,297
Contractual Services	1,508,039	1,489,439	820,799
Supplies	700,910	1,243,770	1,216,515
Fixed Charges	789,983	887,841	944,826
Utilities	522,924	602,383	589,113
Travel	146,731	166,717	199,392
Scholarships	184,701	233,000	235,000
Miscellaneous/ Other	29,342	276,875	166,475
Contingency	-	2,566,298	2,718,575
<b>Total Expenditures</b>	<b>\$ 13,609,908</b>	<b>\$ 19,093,427</b>	<b>\$ 19,995,992</b>
<b>Excess of Revenues and Other Sources Over/(Under) Expenditures</b>	<b>\$ 4,096,049</b>	<b>\$ (1,000,000)</b>	<b>\$ (2,000,000)</b>

# Annual Financial Plan

## General Fund

### Three-Year Comparative Analysis - For Years Ended June 30th

FY17 to FY18 Change		FY17 to FY18 Changes Detail
\$ (181,950)	-2.2%	Tuition increase, Reduction for Dual Enrollment fee change (see tuition and fees assumption)
(25,300)	-1.4%	Per state formula
233,000	3.0%	2% plus new construction
(16,000)	-8.3%	Reduced grant indirect recovery
50,000	33.3%	Based on prior actuals
11,075	2.1%	CPI increase
<b>\$ 70,825</b>	<b>0.4%</b>	
\$ 11,825	9.0%	Planned maintenance
(180,085)	33.6%	IT planned maintenance; Small Business Development Center; CPI
<b>\$ (168,260)</b>	<b>41.7%</b>	
<b>\$ (97,435)</b>	<b>-0.5%</b>	
\$ 274,109	5.5%	New faculty, compensation adjustments
-	0.0%	
454,013	17.9%	reoccurring funds for 3rd Dean, Assessment, reallocation of IT contracted services, HLC requirements, compensation
198,057	8.0%	Compensation, turnover increases
(255,274)	-5.6%	Reallocation of IT contracted services; Assessment (training)
77,383	4.4%	Compensation adjustments, planned maintenance
2,000	0.9%	Increased enrollment
152,277	5.9%	Expense growth over revenue (increased cont. to 2.7M)
<b>\$ 902,565</b>	<b>4.7%</b>	
\$ 1,478,193	12.7%	New faculty, reoccurring funds for 3rd Dean, Compensation adjustments
(668,640)	-44.9%	IT reduction in contracted services, Dual Enrollment change
(27,255)	-2.2%	Reduced equipment allocation
56,985	6.4%	IT budget increases, reallocations
(13,270)	-2.2%	Reallocations to other categories
32,675	19.6%	Reallocations from other categories, new positions
2,000	0.9%	Increased enrollment
(110,400)	-39.9%	Reduced innovation, President contingency
152,277	5.9%	Expense growth over revenue (increased cont. to 2.7M)
<b>\$ 902,565</b>	<b>4.7%</b>	



# Annual Financial Plan



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# Annual Financial Plan

## Restricted Funds

Restricted Funds are funds regulated by the sponsoring agency. Some of the programs are listed below.

### **STEM Appropriation - State (\$409,000)**

STEM provide the College with funds for partnerships, faculty, technology equipment, student services, facilities, and property. In FY16 statutory language classified STEM funding as restricted funds.

### **Workforce Development (Prop 301) - State (\$486,009)**

Workforce Development Proposition 301 is a voter-approved initiative that was passed in 2000. The State of Arizona imposes a 0.6% sales tax for a 20-year period. The use of these funds is restricted to workforce development programs and is used for nursing, information technology and construction technology management.

### **Adult Education (ADE) - Federal (\$383,046) and State (\$60,000)**

The State of Arizona provides Adult Education funding to CCC to serve County residents 16 years and older or who are not legally required to be in school and who do not have a high school diploma. The purpose of the services are to assist in job readiness by offering instruction in basic workplace development skills, provide General Education preparation classes, English language instruction, and citizenship preparation classes.

### **Financial Aid - Federal (\$5,247,471) and State (\$9,403)**

Student financial aid consists of student grants (SEOG, LEAP, PELL), Federal Work Study (FWS), administrative overhead, scholarships funded by federal, state, and local governments, as well as other public and private sources. The financial aid department has developed procedures to verify eligibility and coordinate aid awards to ensure that any one recipient does not receive aid in excess of prescribed limits.

### **Carl Perkins Grant/Program of Study (POS) - Federal (\$250,797/\$22,500) and POS State (\$2,500)**

The Carl Perkins Grant provides funding to improve vocational educational programs and the assessment, retention, and completion of special population students in these programs. The grant provides assistance with purchases of capital equipment within the CTE programs.

### **TRiO - Federal (\$220,000)**

The TRiO program serves approximately 140 students who are low-income, first-generation college students and/or students with documented disabilities. Services that are provided include tutoring and counseling for academic issues, career planning, financial aid, and personal issues.

### **Bridges to Baccalaureate - Federal (\$26,062)**

The B2B program serves Native American Students. The objective of the program is to increase the transfer of these students from accredited 2-year degree granting institutions to baccalaureate degree programs in biomedical and behavioral sciences at Northern Arizona University.

### **Small Business Development Center (SBDC)**

In FY18, a placeholder was created because a decision had not been made to relocate SBDC to the Fourth Street Innovation Campus.



# Annual Financial Plan

## Restricted Funds

### Three-Year Comparative Analysis - For Years Ended June 30th

Revenues	FY16 Actual	FY17 Budget	FY18 Budget
Tuition and Fees	\$ 3,595	\$ 6,000	\$ 6,000
State Appropriation STEM	423,200	418,000	409,000
Federal Grants and Contracts	4,982,446	6,099,878	6,149,876
State Grants and Contracts	591,275	577,768	557,912
<b>Total Revenues</b>	<b>\$ 6,000,516</b>	<b>\$ 7,101,646</b>	<b>\$ 7,122,788</b>
<b>Other Financing Sources (uses)</b>			
Transfer In	\$ 8,177	\$ 10,413	\$ 39,898
<b>Total Other Financing Sources (uses)</b>	<b>\$ 8,177</b>	<b>\$ 10,413</b>	<b>\$ 39,898</b>
<b>Total Revenues and Transfers</b>	<b>\$ 6,008,693</b>	<b>\$ 7,112,059</b>	<b>\$ 7,162,686</b>
<b>Expenditures by Program</b>			
Instruction	\$ 1,275,883	\$ 1,238,697	\$ 1,322,820
Public Service	-	-	30,000
Academic Support	577,347	333,210	281,094
Student Services	532,606	366,359	355,984
Scholarships & Grants	3,622,857	5,173,793	5,172,788
<b>Total Expenditures</b>	<b>\$ 6,008,693</b>	<b>\$ 7,112,059</b>	<b>\$ 7,162,686</b>
<b>Expenditures by Object</b>			
Personnel Services	\$ 1,858,855	\$ 1,596,973	\$ 1,610,157
Contractual Services	139,345	57,275	46,861
Supplies	131,538	137,536	168,709
Fixed Charges	13,170	2,175	1,650
Utilities	639	1,545	400
Travel	58,098	82,090	61,324
Capital Equipment	43,063	-	33,000
Scholarships	3,616,872	5,167,763	5,166,784
Miscellaneous/Other	147,113	66,702	73,801
<b>Total Expenditures</b>	<b>\$ 6,008,693</b>	<b>\$ 7,112,059</b>	<b>\$ 7,162,686</b>
<b>Excess of Revenues and Other Sources Over/(Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



# Annual Financial Plan

## Restricted Funds

### Three-Year Comparative Analysis - For Years Ended June 30th

FY17 to FY18 Change		FY17 to FY18 Changes Detail
\$ -	0.0%	Formula driven
(9,000)		
49,998	0.8%	
(19,856)	-3.4%	
<b>\$21,142</b>	<b>0.3%</b>	
		Small Business Development Center - Placeholder
\$29,485	283.2%	
<b>\$29,485</b>	<b>283.2%</b>	
<b>\$50,627</b>	<b>0.7%</b>	
		Compensation adjustments, reallocations
\$84,123	6.8%	
30,000	100%	
(52,116)	-15.6%	
(10,375)	-2.8%	
(1,005)	0.0%	
<b>\$50,627</b>	<b>0.7%</b>	
		Compensation adjustments Perkins reallocation to capital Small Business Development Center - Placeholder Perkins reallocation to capital Perkins reallocation to capital Perkins reallocation to capital Perkins reallocation to capital Increased indirect
\$13,184	0.8%	
(10,414)	-18.2%	
31,173	22.7%	
(525)	-24.1%	
(1,145)	-74.1%	
(20,766)	-25.3%	
33,000	0.0%	
(979)	0.0%	
7,099	10.6%	
<b>\$50,627</b>	<b>0.7%</b>	



# Annual Financial Plan

## Auxiliary Funds

The Auxiliary Enterprises Fund accounts for transactions of substantially self-supporting activities that provide services for the community, students, faculty, and staff. Auxiliary Fund revenues and expenditures are adjusted each year to ensure that expenditures equal revenues and the fund balance available.

### Vending Services

Vending Services provide revenue sources at all campuses. The student vending account expenditures relate to student programs and clubs. Below is a list of clubs that are funded through Auxiliary funds:

- Anime Club
- Associated Student Body
- Chess Club
- Clay Club
- Games Club
- Kaleidoscope Alliance
- Latter Day Saints Student Association
- Native American Student Association
- Philosophy Club
- Phi Theta Kappa
- Science Club
- Socratics
- Student Veterans of America
- Vintage Christian Fellowship
- Veterans Student Association
- Volunteer Club

The employee vending account is used to promote the values of the College, including employee recognition activities, employee events, and promoting professional development and morale. At the end of the year, any remaining balance will remain in each fund to be used or carried forward into subsequent fiscal years.

### Equipment Rental

In FY18, approximately \$18,700 was budgeted to purchase and update calculators. The Math department at all the Flagstaff and Page locations rents calculators to students. A nominal fee pays for the replacement of the calculators and batteries. This program promotes the use of technology in the classroom and provides an alternative for students who cannot afford to buy a calculator.



# Annual Financial Plan

## Auxiliary Funds

### Three-Year Comparative Analysis - For Years Ended June 30th

Revenues	FY16 Actual	FY17 Budget	FY18 Budget	FY17 to FY18 Change	
Sales & Services	\$24,797	\$22,140	\$ 22,140	\$ -	0.0%
<b>Total Revenues</b>	<b>\$24,797</b>	<b>\$22,140</b>	<b>\$ 22,140</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Other Financing Sources (uses)</b>					
Transfer In	\$12,000	\$12,000	\$ 10,500	\$ (1,500)	-12.5%
<b>Total Other Financing Sources (uses)</b>	<b>\$12,000</b>	<b>\$12,000</b>	<b>\$ 10,500</b>	<b>\$ (1,500)</b>	<b>-12.5%</b>
<b>Total Revenues and Transfers</b>	<b>\$36,797</b>	<b>\$34,140</b>	<b>\$ 32,640</b>	<b>\$ (1,500)</b>	<b>-4.4%</b>
<b>Expenditures by Program</b>					
Auxiliary Enterprises	\$38,641	\$34,140	\$ 46,640	\$ 12,500	36.6%
<b>Total Expenditures</b>	<b>\$38,641</b>	<b>\$34,140</b>	<b>\$ 46,640</b>	<b>\$ 12,500</b>	<b>36.6%</b>
<b>Expenditures by Object</b>					
Personnel Services	\$ -	\$ -	\$ -	\$ -	0.0%
Contractual Services	1,200	500	300	(200)	-40.0%
Supplies	34,857	31,640	44,140	12,500	39.5%
Utilities	11	-	-	-	0.0%
Travel	2,291	2,000	2,200	200	10.0%
Scholarships	282	-	-	-	0.0%
<b>Total Expenditures</b>	<b>\$38,641</b>	<b>\$34,140</b>	<b>\$ 46,640</b>	<b>\$ 12,500</b>	<b>36.6%</b>
<b>Excess of Revenues and Other Sources Over/(Under) Expenditures</b>	<b>\$ (1,844)</b>	<b>\$ -</b>	<b>\$ (14,000)</b>		



# Annual Financial Plan



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# Annual Financial Plan

## Unexpended Plant Fund

The Unexpended Plant Fund consists of expenditures during the current year for capital assets. The budgeted expenses include facility improvements, improvements other than buildings, and equipment necessary for ongoing operations. Any capital items that improve or extend the life of the facilities and are over \$5,000 are capitalized and budgeted in the Plant Fund. The Plant Fund did not have any expenses in preventative maintenance for facilities that were capitalized.

### FY18 Preventative Maintenance (Life Cycle Replacement)

The College has preventative maintenance schedules for 20 years that include major maintenance and replacement of items such as HVAC units, roofs, and carpeting. For FY18 there were no prioritized capital projects. Other planned maintenance cost of \$143,200 was budgeted in the General Fund.

### FY18 IT Lifecycle Replacement

Beginning in FY18, an IT life cycle replacement budget for technology of \$140,000 was established to assist with technology costs and create funding for long-term IT equipment replacement plans.

## Three-Year Comparative Analysis - For Years Ended June 30th

	FY16 Actual	FY17 Budget	FY18 Budget	FY17 to FY18 Change	
<b>Revenues</b>					
<b>Other Financing Sources (uses)</b>					
Transfer In	\$ 504,100	\$ 512,800	\$ 664,900	\$ 152,100	29.7%
Transfer Out	(87,654)	(131,375)	(143,200)	(11,825)	9.0%
<b>Total Other Financing Sources (uses)</b>	<b>\$ 416,446</b>	<b>\$ 381,425</b>	<b>\$ 521,700</b>	<b>\$ 140,275</b>	<b>36.8%</b>
<b>Total Revenues and Transfers</b>	<b>\$ 416,446</b>	<b>\$ 381,425</b>	<b>\$ 521,700</b>	<b>\$ 140,275</b>	<b>36.8%</b>
<b>Expenditures by Program</b>					
Institutional Support	\$ -	\$ -	\$ 140,000	\$ 140,000	100.0%
Facilities Operation & Maintenance	574,325	10,250	-	(10,250)	-100.0%
<b>Total Expenditures</b>	<b>\$ 574,325</b>	<b>\$ 10,250</b>	<b>\$ 140,000</b>	<b>\$ 129,750</b>	<b>1265.9%</b>
<b>Expenditures by Object</b>					
Capital Equipment	\$ 574,325	\$ 10,250	\$ 140,000	\$ 129,750	100.0%
<b>Total Expenditures</b>	<b>\$ 574,325</b>	<b>\$ 10,250</b>	<b>\$ 140,000</b>	<b>\$ 129,750</b>	<b>1265.9%</b>
<b>Excess of Revenues and Other Sources Over/(Under) Expenditures</b>	<b>\$ (157,879)</b>	<b>\$ 371,175</b>	<b>\$ 381,700</b>		

# Annual Financial Plan

## Retirement of Indebtedness Fund

Currently, the College has one long-term debt agreement in the form of General Obligation Refunding Bonds, Series 2009, that is accounted for in the Retirement of Indebtedness Fund.

### General Obligation Bonds (GOBs)

The GOBs were issued in January 1999 and are secured by the full faith and credit of the District through its power to tax. In order for bonds to be issued, voter authorization must be obtained. Debt service (payment of principal and interest) is to be paid from the proceeds of ad valorem taxes (i.e. secondary property taxes based upon the value of the property). Voters of Coconino County approved \$25 million in general obligation bond authority on November 4, 1997, to support the District's capital initiatives. The College issued General Obligation Refunding Bonds, Series 2009, at an estimated tax savings to taxpayers of nearly \$100,000 per year for 10 years (expiring in 2019).

### General Obligation Refunding Bonds

\$17,135,000, Series 2009

Debt Repayment Schedule - Flat Debt Tax Rate Structure

Fiscal Year	The Bonds		Weighted	Amortization		Derived Tax Rate
June 30	Principal	Interest	Average	Premium	Cost/Discount	
2009	\$ 235,000	\$ 154,890	3.88%	\$ 24,497	\$ 9,266	0.0981
2010	1,365,000	570,150	14.27%	90,172	34,108	0.0898
2011	1,420,000	542,850	13.59%	85,855	32,475	0.0942
2012	1,485,000	510,900	12.79%	80,802	30,564	0.1085
2013	1,545,000	477,488	11.95%	75,517	28,565	0.1052
2014	1,620,000	438,863	10.99%	69,409	103,978	0.1243
2015	1,690,000	394,313	9.87%	62,363		0.1268
2016	1,785,000	332,413	8.32%	52,573		0.1241
2017	1,885,000	266,225	6.67%	42,105		0.1305
<b>2018</b>	<b>1,985,000</b>	<b>200,250</b>	<b>5.01%</b>	<b>31,671</b>		<b>0.1326</b>
2019	2,120,000	106,000	2.65%	16,764		
	<u>\$ 17,135,000</u>	<u>\$ 3,994,342</u>	100.00%	<u>\$ 631,727</u>	<u>\$ 238,957</u>	

The principal \$1,985,000 is shown in the Expenditure by Object section under *Retirement of Indebtedness* in the Three-Year Comparative Analysis chart. This is the principal amount the college is responsible to repay in FY18. Interest expense, less the 2018 premium amortization, totals \$168,579, and can be found under *Miscellaneous* in the Expenditures by Object section is the budgeted interest expense for FY18. The levy for debt services is calculated based on the total County Limited Property Value, which you can locate on the 2017 Levy Limit worksheet line C.4. in the State documents section.

# Annual Financial Plan



## Retirement of Indebtedness Fund

### Three-Year Comparative Analysis - For Years Ended June 30th

Revenues	FY16 Actual	FY17 Budget	FY18 Budget	FY17 to FY18 Change	
Property Taxes	\$ 1,898,357	\$ 2,049,000	\$ 2,185,250	\$ 136,250	6.6%
Other Revenue	63,633	60,000	70,000	10,000	16.7%
<b>Total Revenues</b>	<b>\$ 1,961,990</b>	<b>\$ 2,109,000</b>	<b>\$ 2,255,250</b>	<b>\$ 146,250</b>	<b>6.9%</b>
<b>Expenditures by Program</b>					
Retirement of Indebtedness	\$ 2,064,839	\$ 2,109,120	\$ 2,153,579	\$ 44,459	2.1%
<b>Total Expenditures</b>	<b>\$ 2,064,839</b>	<b>\$ 2,109,120</b>	<b>\$ 2,153,579</b>	<b>\$ 44,459</b>	<b>2.1%</b>
<b>Expenditures by Object</b>					
Retirement of Indebtedness	\$ 1,785,000	\$ 1,885,000	\$ 1,985,000	\$ 100,000	5.3%
Miscellaneous	279,839	224,120	168,579	(55,541)	-24.8%
<b>Total Expenditures</b>	<b>\$ 2,064,839</b>	<b>\$ 2,109,120</b>	<b>\$ 2,153,579</b>	<b>\$ 44,459</b>	<b>2.1%</b>
<b>Excess of Revenues and Other Sources Over/(Under) Expenditures</b>	<b>\$ (102,849)</b>	<b>\$ (120)</b>	<b>\$ 101,671</b>		

The \$70,000 in other revenue is for Government Property Lease Excise Tax, which is in lieu of property taxes. It has consisted of revenue from Parks on Federal Lands, ADOT, or Game & Fish. This revenue can vary from year to year.

# Annual Financial Plan

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# Long-term Financial Sustainability

July 1, 2017 - June 30, 2018





# Long-term Financial Sustainability

## Long-Term Financial Sustainability

The College has a long-term structural imbalance because of very low property tax rates as well as very low state aid. The College has developed long-term, high-level assumptions through FY27 as follows:

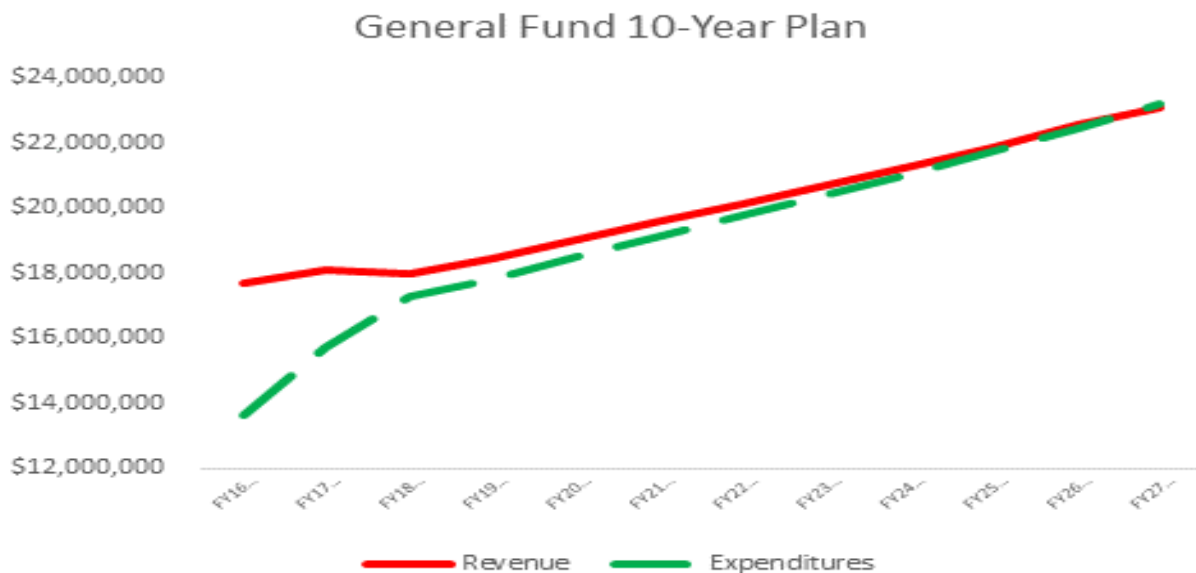
### Revenues - Average growth of 2.8%:

- **Enrollment** - growth of 1% per year based upon long-term county population growth trend
- **Tuition rates** - Increases per year based on CPI and Board direction
- **State aid** - flat funding, no growth and no cuts, which is uncertain
- **Property tax** - 2% levy increase plus 1% new construction growth based upon trend analysis

### Expenditures - Average growth of 3.0%:

- **Personnel cost** - average increases of 3.5% per year including increased part-time faculty associated with 1% enrollment growth
- **All other expense categories** - average increases of 2.5% per year including increased supplies associated with 1% enrollment growth per year

The chart below shows the General Fund revenues and expenses for the next nine years. The implementation of the Financial Austerity Plan helped to align revenues and expenses and pushed back the structural deficit as long as state funding is not reduced. The Financial Austerity Plan created a gap of \$700,000 in the FY18 budget. As discussed in the Challenges and Solution section, the gap provides investment capacity for new programs. The strategic plan will continue to address the long-term financial sustainability of the College.



# Long-term Financial Sustainability



## Multi-Year Forecast - General Fund

Revenue Source	FY16 Actual	FY17 Budget	FY18 Budget	% Chg FY17-18	FY19 Projected	FY20 Projected
Tuition & Fees	\$ 7,856,079	\$ 8,170,740	\$ 7,988,790	-2.2%	\$ 8,234,600	\$ 8,487,300
State Appropriations	1,771,200	1,756,400	1,731,100	-1.4%	1,772,000	1,789,500
Property Taxes	7,448,328	7,706,000	7,939,000	3.0%	8,219,000	8,551,000
Gifts/Grants/Contracts	311,334	193,000	177,000	-8.3%	177,400	177,700
Investment Income	209,568	150,000	200,000	33.3%	202,400	205,000
Other Income	546,071	521,125	532,200	2.1%	538,400	546,000
<b>Sub-Total Revenues Gen'l Fund:</b>	<b>\$ 18,142,580</b>	<b>\$ 18,497,265</b>	<b>\$ 18,568,090</b>	<b>0.4%</b>	<b>\$ 19,143,800</b>	<b>\$ 19,756,500</b>
Net Transfers Out to Other Funds	(436,623)	(403,838)	(572,098)	41.7%	(700,100)	(715,400)
<b>Total Revenues Gen'l Fund:</b>	<b>\$ 17,705,957</b>	<b>\$ 18,093,427</b>	<b>\$ 17,995,992</b>	<b>-0.5%</b>	<b>\$ 18,443,700</b>	<b>\$ 19,041,100</b>

Expenditures by Object	FY16 Actual	FY17 Budget	FY18 Budget	% Chg FY17-18	FY19 Projected	FY20 Projected
Salaries	\$ 8,010,393	\$ 8,930,558	\$ 9,997,260	11.9%	\$ 10,457,200	\$ 10,933,200
Benefits	1,716,884	2,696,546	3,108,037	15.3%	3,246,000	3,380,100
<b>Operations:</b>						
Contracted Services	1,508,039	1,489,439	820,799	-44.9%	841,300	862,400
Supplies	700,910	1,243,770	1,216,515	-2.2%	1,100,100	1,127,700
Fixed Charges	789,983	887,841	944,826	6.4%	968,400	992,700
Utilities and Communications	522,924	602,383	589,113	-2.2%	603,800	618,900
Travel	146,731	166,717	199,392	19.6%	204,400	209,500
Misc./Scholarships/Other	214,044	509,875	401,475	-21.3%	406,600	411,900
<b>Sub-Total Expenditures Gen'l Fund:</b>	<b>\$ 13,609,908</b>	<b>\$ 16,527,129</b>	<b>\$ 17,277,417</b>	<b>4.5%</b>	<b>\$ 17,827,800</b>	<b>\$ 18,536,400</b>
Contingency	-	2,566,298	2,718,575		2,615,900	2,504,700
<b>Total Gen'l Fund Expenditures:</b>	<b>\$ 13,609,908</b>	<b>\$ 19,093,427</b>	<b>\$ 19,995,992</b>	<b>4.7%</b>	<b>\$ 20,443,700</b>	<b>\$ 21,041,100</b>
Transferred (from)/to Fund Balance	\$ 4,096,049	\$ (1,000,000)	\$ (2,000,000)	100%	\$ (2,000,000)	\$ (2,000,000)

# Long-term Financial Sustainability



## Multi-Year Forecast - General Fund Revenue Assumptions for FY18 to FY20

Revenue Source	FY18	FY19	FY20
FTSE	2,099	2,217	2,229
<b>Tuition &amp; Fees</b>	\$3 tuition increase	\$3 tuition increase, Based on CPI and Board direction	\$3 tuition increase, Based on CPI and Board direction
<b>Enrollment</b>	1% increase in enrollment	1% increase in enrollment	1% increase in enrollment
<b>State Appropriations</b>	Reduction \$25,300 due to formula	Increase \$40,900 due to formula	Increase \$17,500 due to formula
<b>Property Taxes</b>	2% allowed levy increase, 1.2% growth	2% allowed levy increase, 1.3% growth	2% allowed levy increase, 1.5% growth
<b>Gifts, Grants &amp; Contracts</b>	Indirect cost recovery from grants	Indirect cost recovery from grants	Indirect cost recovery from grants
<b>Investment Income</b>	Increase based upon current earnings	Increase based upon current earnings	Increase based upon current earnings
<b>Rental and Other Income</b>	2% inflation increase on rentals	2% inflation increase on rentals	2% inflation increase on rentals
<b>Net Transfers to Other Funds</b>	Increase based upon planned maintenance funding schedule	Increase based upon planned maintenance funding schedule	Increase based upon planned maintenance funding schedule

# Long-term Financial Sustainability

## Multi-Year Forecast - General Fund Expense Assumptions for FY18 to FY20

Expenditures by Object FTSE	FY18 2,099	FY19 2,217	FY20 2,229
<b>Staff Compensation</b>	1.9% CPI + 1.8% merit	2.5% CPI + 1% merit	2.5% CPI + 1% merit
<b>FT Faculty Compensation</b>	FT Faculty 2% CPI +1.5% added to schedule	FT Faculty 2% CPI +1.5% added to schedule	FT Faculty 2% CPI +1.5% added to schedule
<b>PT Faculty Compensation</b>	PT Faculty 2% CPI + 1.5%	PT Faculty 3%	PT Faculty 3%
<b>FT Fac &amp; Staff Market Study</b>	Avg increase of 3.1% market (biannually)	no change	1% market (biannually)
<b>PT Faculty FTE Change</b>	Adjustment to PT faculty based upon enrollment	.5% Adjustment to PT faculty based upon enrollment	.5% Adjustment to PT faculty based upon enrollment
<b>FT Faculty FTE Change</b>	Increased FT Faculty by 5 FTE	Increase FT Faculty by 2 FTE	Increase FT Faculty by 2 FTE
<b>Staffing FTE Change</b>	No change	No change	No change
<b>Benefits</b>	11% increase to medical	TBD	TBD
	\$720 increase to cafeteria	TBD	TBD
<b>Contracted Services</b>	2.5% inflation increase, small adjustment for enrollment increase, Campus Works contract was discontinued funds were used to reorganize the IT Department	2.5% inflation increase, small adjustment for enrollment increase	2.5% inflation increase, small adjustment for enrollment increase
<b>Supplies</b>	2.5% inflation increase, small adjustment for enrollment increase	2.5% inflation increase, small adjustment for enrollment increase	2.5% inflation increase, small adjustment for enrollment increase
<b>Fixed Charges</b>	2.5% inflation increase	2.5% inflation increase	2.5% inflation increase
<b>Utilities &amp; Communications</b>	2.5% inflation increase	2.5% inflation increase	2.5% inflation increase
<b>Travel</b>	2.5% inflation increase	2.5% inflation increase	2.5% inflation increase
<b>Scholarships</b>	Adjustments based upon enrollments and tuition rate	Adjustments based upon enrollments and tuition rate	Adjustments based upon enrollments and tuition rate
<b>Contingency</b>	\$2 m for emergencies only Additional \$0.7m for Financial Austerity Plan	\$2 m for emergencies only Additional \$0.6m for Financial Austerity Plan	\$2 m for emergencies only Additional \$0.5m for Financial Austerity Plan

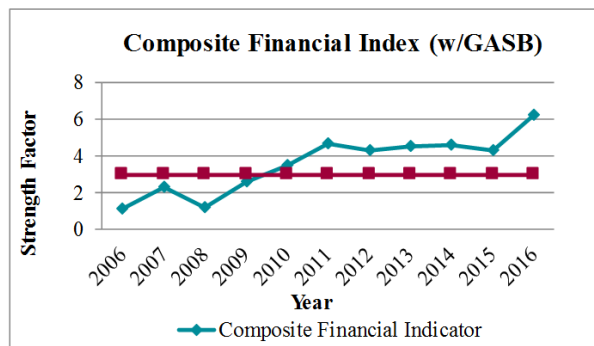
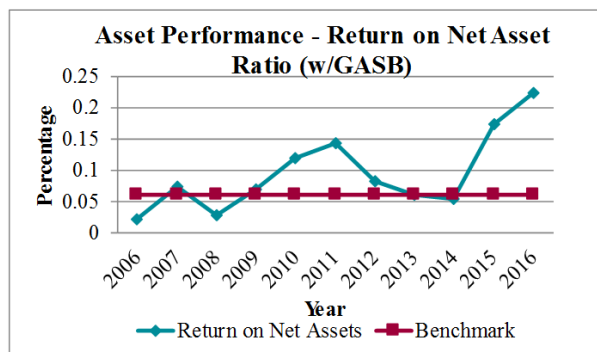
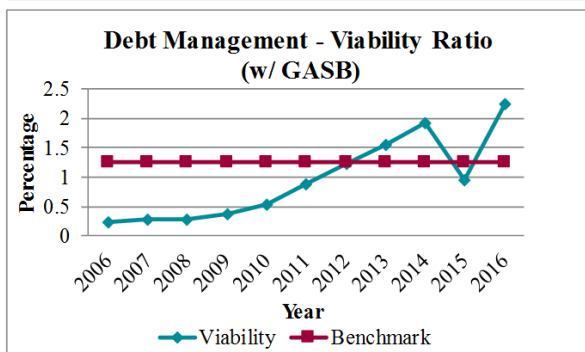
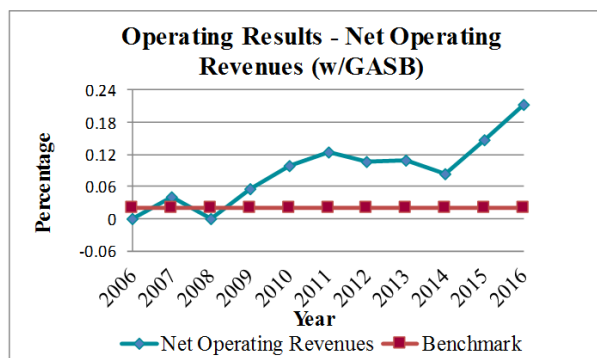
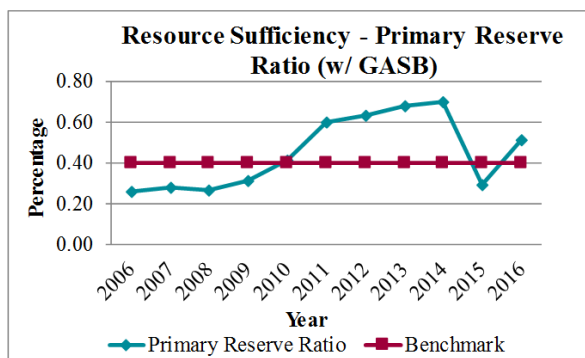
# Long-term Financial Sustainability

## Ratio Analysis

The College is required to submit financial ratios annually to the Higher Learning Commission (HLC), the College's accrediting body, to measure the College's financial health. The financial ratios are defined below:

- **Primary Reserve Ratio:** A measure of how long the institution could operate using expendable reserves
- **Net Operating Revenue Ratio:** A measure if operating activities provide a surplus or deficit
- **Viability:** The availability of expendable net assets to pay off debt at any point in time
- **Return on Net Assets:** Determines the total return on investment of net assets for the year
- **Composite:** Weighted average score to determine overall financial health

The College's financial ratios have been improving since 2005 through strong financial management, including proactively implementing the financial sustainability plan during the recession. The composite score, which must be above 1.1 to avoid a potential HLC review, increased from last year to 6.2, which means that the College is relatively healthy financially based on current business model.



Strength Factors:

1. Institution is under financial stress
3. Institution is relatively financially healthy
10. Institution is financially strong to support new initiatives



# Long-term Financial Sustainability

## Risk Analysis

### High Cost of Technology

Students expect a high level of technology in classrooms and labs as well as easy to use applications for navigating college processes. The cost of hardware and software is expensive, as is the annual maintenance costs for the technology. In addition, expensive specialized consultants are needed, to keep current with changes and to implement new technology and to maintain low cyber risks. Finally, there is a high cost associated with keeping technical staff constantly trained and current with new technologies.

To mitigate the risk of high cost technology, the College has prioritized funding to maintain current technology and fund the long-term technology plan.

### Too Broad of Scope

Following cuts in state aid, the College has continued to try to be all things to all people and has many strategic planning initiatives. In FY16, the College utilized a prioritization process during the budget development process to focus efforts on doing fewer things in a better way. The prioritization process assisted in focusing on the needs that were the highest priority. The loss of 41 FTE since 2009, increased federal and state regulations, and unfunded mandates causes financial difficulty. The changed HLC credentialing requirements for faculty has led to recruitment challenges and increased training costs. With new grant revenue comes heavy compliance requirements. Maintaining compliance can be labor intensive with new and existing grants. All of the challenges require the College to direct funds to the areas that are in the highest alignment with College priorities.

### Insurance and Benefit Risks

The College is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, cybersecurity risks, and natural disasters. The College carries commercial insurance for all such risks of loss, including workers' compensation, employee health, and accident insurance and most recently the College has included insurance on cybersecurity risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The College 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, Coconino County Accommodation School District, Flagstaff Housing Authority, Flagstaff Unified School District, Northern Arizona Intergovernmental Public Transportation Authority (NAIPTA), and the College. 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 fund benefits and administrative expenses. If the College withdraws from 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 NAPEBT were to terminate, the College would be responsible for its proportional share of any trust deficit.

### Minimum Wage Risk

External legislative changes can also impact the College. On November 8th, 2016, Arizona voters approved Proposition 206, which increased the State minimum wage as of January 1st, 2017 from \$8.05 to \$10.00 per hour, as well as providing earned sick time for every 30 hours of work time to all employees starting July 1<sup>st</sup>, 2017. Also on November 8th, the City of Flagstaff voters approved Proposition 414 (later amended by City Council), to increase minimum wage to \$2 per hour above the State rate and a \$15.50 per hour minimum wage. There is an implementation plan that phases in these changes. The increase started with the FY17 budget cycle. Since this was an unexpected change to the budget, budget managers had to



# Long-term Financial Sustainability



## Risk Analysis (continued)

review their FY17 budget to see where they could accommodate the increase in wages. This did not come with increases funding for Federal Work Study students, so those hours have been, and will continue to be, significantly impacted by the increase in minimum wage. Part-time staff hours have been reduced, and will require prioritizing those costs against other needs in the future.

### Other Benefit Risks

The Affordable Care Act (ACA), postemployment health care benefits, Arizona State Retirement System, and GASB 68 pension liability reporting are additional risks to the College and other employers. The ACA mandates that all part-time employees are offered medical insurance benefits when they become eligible or significant penalties could be imposed on the College. The postemployment healthcare benefits reporting regulations require the liability of benefits to be amortized over 30 years. As of July 1, 2014, \$661,332 is being amortized over 30 years at a level dollar amount. Due to rising health care costs and overall utilization, the liability may continue to increase as more retirees stay in the insurance pool. The Arizona State Retirement System is an uncontrollable risk the College faces because it is administered by the ASRS Board. The College has no control over the expenditures each year. As a result of Governmental Accounting Standards Board Statement No. 68, the College had to restate unrestricted net position as of 7/1/14 in order to recognize pension liability. In the future this could possibly have an impact on accreditation ratios, bond rating, contribution rates, and future capital raising potential.

# Long-term Financial Sustainability



## Long-Term Capital Outlook

### Facilities Preventative Maintenance/Life Cycle Replacement

The facilities five-year capital replacement schedule is shown below. This information is taken from the longer twenty-year facilities planned maintenance schedule. During the budget process in FY18, an IT budget life cycle replacement for capital and non-capital equipment costs was added to the budget.

The College allocates funds for preventative maintenance projects and life cycle replacement annually, based upon a cost per square foot indexed by the CPI. The College has preventative maintenance schedules for twenty years that include major maintenance and replacement of items such as HVAC units, roofs, parking lots, and carpeting. The Executive Director of Facilities assesses the condition of the facilities and adjusts the schedules annually or, as needed, to ensure the facilities are maintained and the life and safety of the students and staff are protected. Allocated funds not used in any one year are rolled over and reserved for future planned maintenance projects. This process allows the College to set funds aside annually for larger projects.

The College has been able to maintain this system of setting aside funds annually for preventative maintenance projects even during the state budget cuts and plans to continue to use this method in the future. The chart below depicts current budget year plus four years of the twenty-year maintenance schedule:

Resources	FY18	FY19	FY20	FY21	FY22
Fourth Street Allocation	\$ 124,300	\$ 128,000	\$ 131,800	\$ 135,800	\$ 139,900
Page Allocation	50,700	52,200	53,800	55,400	57,100
Lone Tree Allocation	320,400	330,000	339,900	350,100	360,600
<b>Total Allocation</b>	<b>\$ 495,400</b>	<b>\$ 510,200</b>	<b>\$ 525,500</b>	<b>\$ 541,300</b>	<b>\$ 557,600</b>
<b>Fourth Street</b>					
Parking lot maintenance	\$ -	\$ -	\$ 77,033	\$ -	-
Lighting	8,200	-	-	-	-
Painting - Interior	-	-	-	29,471	-
Doors windows	-	5,342	-	-	-
Furniture Replacement	12,600	12,978	13,367	13,768	14,181
Misc./ Contingency	5,000	7,500	7,500	7,500	7,500
<b>Page</b>					
Parking lot maintenance	\$ -	\$ -	\$ -	\$ 51,007	-
Tile Floor	14,000	-	-	-	-
Painting	-	-	-	-	19,264
Doors/windows	8,200	-	-	-	-
Furniture Replacement	-	5,000	5,150	5,305	5,464
Misc./ Contingency	18,000	2,500	2,500	2,500	2,500
<b>Lone Tree</b>					
Parking Lot Expansion	\$ 25,000	\$ -	\$ -	\$ -	\$ -
Lighting up grades	-	25,642	-	-	-
Tile Floor	-	-	19,201	-	-
Painting	-	17,095	-	-	-
Security Systems	-	45,000	-	-	-
Security Camera Replacement	-	3,000	3,000	3,000	-
Furniture Replacement	7,200	7,416	7,638	7,868	8,104
Deli Equipment	-	5,300	-	-	-
Chevy Equinox - 2010	-	-	30,813	-	-
Chevy Truck 3/4 ton 4 WD - 2002	-	38,000	-	-	-
Chevy Truck 3/4 ton 4 WD - 2011	-	-	-	42,560	-
Dump Truck	-	-	70,000	-	-
Backhoe	-	75,000	-	-	-
Bobcat with attachments	-	-	-	33,600	-
Dakota tractor	-	-	32,700	-	-
Computer Lab Chair Replacement	20,000	-	-	-	-
Misc./ Contingency	25,000	25,000	25,000	25,000	25,000
<b>Total Capital Replacement</b>	<b>\$ 143,200</b>	<b>\$ 274,773</b>	<b>\$ 293,903</b>	<b>\$ 221,578</b>	<b>\$ 82,012</b>

# Long-term Financial Sustainability



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# State Documents

**July 1, 2017 - June 30, 2018**

## MISSION

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



# State Documents

## State Requirements

The College must follow a number of state laws in the development of the budget, as follows:

### **Budget**

The College is required to prepare an annual budget on forms designated by the Auditor General's Office, hold a Special Budget Hearing, and adopt the budget by no later than June 20<sup>th</sup>. [ARS § 15-1461]

### **Expenditure Limitations**

Each year, an expenditure limitation is set for political subdivisions of the State of Arizona in accordance with ARS § 41-563. The expenditure limitation is based upon FY 1979/80 and adjusted for changes in the population and cost of living between 1978 and 2012. The purpose of the expenditure limitation is to limit budget growth that is supported by property taxes and/or state aid.

### **Property Tax Levy limitations**

In 1980, the citizens amended the Arizona State Constitution and capped primary property tax increases from existing property to 2% per year. The purpose was to limit tax increases to small amounts.

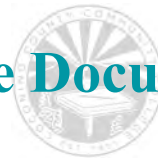
### **Truth-in-Taxation**

In a 1996 legislative session, a Truth-in-Taxation statute was passed requiring political subdivisions to publish notice of and to hold public hearings on proposed tax increases on existing property.

### **Debt**

Any debt increase by local government that is paid exclusively through the secondary property tax must be approved by voters.

# State Documents



## COCONINO COUNTY COMMUNITY COLLEGE DISTRICT COCONINO COMMUNITY COLLEGE BUDGET FOR FISCAL YEAR 2018 SUMMARY OF BUDGET DATA

			Increase/Decrease From Budget 2017 To Budget 2018	
			Amount	%
I.	CURRENT GENERAL AND PLANT FUNDS			
A.	Expenditures:			
	Current General Fund	\$ 19,995,992	\$ 19,093,427	\$ 902,565 4.7%
	Unexpended Plant Fund	140,000	10,250	129,750 1265.9%
	Retirement of Indebtedness Plant Fund	2,153,579	2,109,120	44,459 2.1%
	TOTAL	\$ 22,289,571	\$ 21,212,797	\$ 1,076,774 5.1%
B.	Expenditures Per Full-Time Student Equivalent (FTSE):			
	Current General Fund	\$ 9,527 /FTSE	\$ 9,246 /FTSE	\$ 281 /FTSE 3.0%
	Unexpended Plant Fund	\$ 67 /FTSE	\$ 5 /FTSE	\$ 62 /FTSE 1243.9%
	Projected FTSE Count	2,099	2,065	
II.	TOTAL ALL FUNDS ESTIMATED PERSONNEL COMPENSATION			
	Employee Salaries and Hourly Costs	\$ 11,207,711	\$ 10,146,929	\$ 1,060,782 10.5%
	Retirement Costs	1,058,715	934,891	123,824 13.2%
	Healthcare Costs	919,510	788,919	130,591 16.6%
	Other Benefit Costs	1,529,518	1,353,338	176,180 13.0%
	TOTAL	\$ 14,715,454	\$ 13,224,077	\$ 1,491,377 11.3%
III.	SUMMARY OF PRIMARY AND SECONDARY PROPERTY TAX LEVIES AND RATES			
A.	Amount Levied:			
	Primary Tax Levy	\$ 7,939,000	\$ 7,706,000	\$ 233,000 3.0%
	Secondary Tax Levy	2,185,250	2,049,000	136,250 6.6%
	TOTAL LEVY	\$ 10,124,250	\$ 9,755,000	\$ 369,250 3.8%
B.	Rates Per \$100 Net Assessed Valuation:			
	Primary Tax Rate	0.4816	0.4909	(0.0093) -1.9%
	Secondary Tax Rate	0.1326	0.1305	0.0021 1.6%
	TOTAL RATE	0.6142	0.6214	(0.0072) -1.2%
IV.	MAXIMUM ALLOWABLE PRIMARY PROPERTY TAX LEVY FOR FISCAL YEAR 2018 PURSUANT TO A.R.S. §42-			\$ 7,939,326
V.	AMOUNT RECEIVED FROM PRIMARY PROPERTY TAXES IN FISCAL YEAR 2017 IN EXCESS OF THE MAXIMUM ALLOWABLE AMOUNT AS CALCULATED PURSUANT TO A.R.S. §42-17051			\$



# State Documents



## COCONINO COUNTY COMMUNITY COLLEGE DISTRICT COCONINO COMMUNITY COLLEGE BUDGET FOR FISCAL YEAR 2018 RESOURCES

	CURRENT FUNDS			PLANT FUNDS					
	General Fund 2018	Restricted Fund 2018	Auxiliary Fund 2018	Unexpended Plant Fund 2018	Retirement of Indebtedness 2018	Other Funds 2018	Total All Funds 2018	Total All Funds 2017	% Increase/ Decrease
<b>BEGINNING BALANCES-July 1*</b>									
Restricted	\$	\$	\$	\$	\$	\$	\$	\$ 120	-100.0%
Unrestricted	7,094,864		47,691	3,974,285	(101,671)		11,015,169	4,839,423	127.6%
Total Beginning Balances	\$ 7,094,864	\$	\$ 47,691	\$ 3,974,285	\$ (101,671)	\$	\$ 11,015,169	\$ 4,839,543	127.6%
<b>REVENUES AND OTHER INFLOWS</b>									
Student Tuition and Fees									
General Tuition	\$ 6,139,291	\$ 6,000	\$	\$	\$	\$	\$ 6,145,291	\$ 6,449,540	-4.7%
Out-of-District Tuition	200,000						200,000	200,000	
Out-of-State Tuition	1,373,109						1,373,109	1,229,000	11.7%
Student Fees	276,390						276,390	246,200	12.3%
Tuition and Fee Remissions or Waivers								52,000	-100.0%
State Appropriations									
Maintenance Support	1,731,100						1,731,100	1,756,400	-1.4%
Equalization Aid									
Capital Support		409,000					409,000	418,000	-2.2%
Property Taxes									
Primary Tax Levy	7,939,000						7,939,000	7,706,000	3.0%
Secondary Tax Levy					2,185,250		2,185,250	2,049,000	6.6%
Gifts, Grants, and Contracts	177,000	6,221,779					6,398,779	6,426,930	-0.4%
Sales and Services			22,140				22,140	22,140	
Investment Income	200,000						200,000	150,000	33.3%
State Shared Sales Tax		486,009					486,009	443,716	9.5%
Other Revenues	532,200				70,000		602,200	581,125	3.6%
Proceeds from Sale of Bonds									
Total Revenues and Other Inflows	\$ 18,568,090	\$ 7,122,788	\$ 22,140	\$	\$ 2,255,250	\$	\$ 27,968,268	\$ 27,730,051	0.9%
<b>TRANSFERS</b>									
Transfer In	143,200	39,898	10,500	664,900			858,498	666,588	28.8%
(Transfer Out)	(715,298)			(143,200)			(858,498)	(666,588)	28.8%
Total Transfers	(572,098)	39,898	10,500	521,700					
<b>Less:</b>									
Stabilization	(5,094,864)						(5,094,864)	(285,991)	1681.5%
Future Expenditures			(33,691)	(4,355,985)			(4,389,676)	(3,924,607)	11.9%
Restricted									
<b>Total Resources Available for the Budget Year</b>	\$ 19,995,992	\$ 7,162,686	\$ 46,640	\$ 140,000	\$ 2,153,579	\$	\$ 29,498,897	\$ 28,358,996	4.0%

\*These amounts exclude amounts not in spendable form (i.e., prepaids, inventories, and capital assets) or amounts legally or contractually required to be maintained intact.

# State Documents



**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
COCONINO COMMUNITY COLLEGE  
BUDGET FOR FISCAL YEAR 2018  
EXPENDITURES AND OTHER OUTFLOWS**

**TOTAL RESOURCES AVAILABLE FOR THE  
BUDGET YEAR (from Schedule B)**

**EXPENDITURES AND OTHER OUTFLOWS**

Instruction  
Public Service  
Academic Support  
Student Services  
Institutional Support (Administration)  
Operation and Maintenance of Plant  
Scholarships  
Auxiliary Enterprises  
Capital Assets  
Debt Service-General Obligation Bonds  
Debt Service-Other Long Term Debt  
Other Expenditures  
Contingency

Total Expenditures and Other Outflows

CURRENT FUNDS			PLANT FUNDS		Other Funds 2018	Total All Funds 2018	Total All Funds 2017	% Increase/ Decrease
General Fund 2018	Restricted Fund 2018	Auxiliary Fund 2018	Unexpended Plant Fund 2018	Retirement of Indebtedness 2018				
\$ 19,995,992	\$ 7,162,686	\$ 46,640	\$ 140,000	\$ 2,153,579	\$	\$ 29,498,897	\$ 28,358,996	4.0%
\$ 5,237,949	\$ 1,322,820	\$	\$	\$	\$	\$ 6,560,769	\$ 6,202,537	5.8%
	30,000					30,000		--
2,987,681	281,094					3,268,775	2,866,878	14.0%
2,671,751	355,984					3,027,735	2,840,053	6.6%
4,322,684			140,000			4,462,684	4,577,958	-2.5%
1,822,352						1,822,352	1,755,219	3.8%
235,000	5,172,788					5,407,788	5,406,793	0.0%
		46,640				46,640	34,140	36.6%
				2,153,579		2,153,579	2,109,120	2.1%
2,718,575						2,718,575	2,566,298	5.9%
\$ 19,995,992	\$ 7,162,686	\$ 46,640	\$ 140,000	\$ 2,153,579	\$	\$ 29,498,897	\$ 28,358,996	4.0%

# State Documents

## 2017 Levy Limit Worksheet

Date: 2/10/2017

COCONINO COUNTY - COCONINO COMMUNITY COLLEGE	
<b>MAXIMUM LEVY</b>	<b>2016</b>
A.1. Maximum Allowable Primary Tax Levy	\$7,706,211
A.2. A.1 multiplied by 1.02	\$7,860,335
<b>CURRENT YEAR NET ASSESSED VALUE SUBJECT TO TAXATION IN PRIOR YEAR</b>	<b>2017</b>
B.1. Centrally Assessed	\$212,281,581
B.2. Locally Assessed Real Property	\$1,367,234,315
B.3. Locally Assessed Personal Property	52,624,923
B.4. Total Assessed Value (B.1 through B.3)	\$1,632,140,819
B.5. B.4. divided by 100	\$16,321,408
<b>CURRENT YEAR NET ASSESSED VALUES</b>	<b>2017</b>
C.1. Centrally Assessed	216,118,879
C.2. Locally Assessed Real Property	\$1,376,480,491
C.3. Locally Assessed Personal Property	55,931,683
C.4. Total Assessed Value (C.1 through C.3)	<b>\$1,648,531,053</b>
C.5. C.4. divided by 100	\$16,485,311
<b>LEVY LIMIT CALCULATION</b>	<b>2017</b>
D.1. LINE A.2	\$7,860,335
D.2. LINE B.5	\$16,321,408
<b>D.3. D.1/D.2 (MAXIMUM ALLOWABLE TAX RATE)</b>	<b>0.4816</b>
D.4. LINE C.5	\$16,485,311
<b>D.5. D.3 multiplied by D.4 = MAXIMUM ALLOWABLE LEVY LIMIT</b>	<b>\$7,939,326</b>
D.6. Excess Collections/Excess Levy	
D.7. Amount in Excess of Expenditure Limit	
<b>D.8. ALLOWABLE LEVY LIMIT (D.5 - D.6 - D.7)</b>	<b>\$7,939,326</b>
<hr/>	
<i>2017 New Construction</i>	\$16,390,234

Note: 2017 Levy Limit worksheet for Fiscal Year 2018