

**COCONINO COUNTY COMMUNITY  
COLLEGE DISTRICT**

**COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT**

Fiscal Year Ended June 30, 2001



Prepared by:  
District Business and  
Administrative Services Office

Flagstaff, Arizona

**COCONINO COUNTY**  
**COMMUNITY COLLEGE DISTRICT**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED JUNE 30, 2001**

Prepared by

**DISTRICT BUSINESS AND ADMINISTRATIVE SERVICES OFFICE**

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COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2001**

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# INTRODUCTORY SECTION



September 28, 2001

*TO THE CITIZENS OF COCONINO COUNTY COMMUNITY COLLEGE DISTRICT:*

We are pleased to provide to you the Comprehensive Annual Financial Report (CAFR) of the Coconino County Community College District (the District), Flagstaff, Arizona for the fiscal year ended June 30, 2001.

Responsibility for both the accuracy and completeness of the data, as well as the fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The CAFR is presented in three sections: Introductory, Financial, and Statistical. The introductory section acquaints the reader with the report. The financial section includes the basic financial statements, as well as the auditors' report on the financial statements for all funds of the District. The statistical section presents selected unaudited financial and demographic information presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996; the U.S. Office of Management and Budget Circular A-133; and Government Auditing Standards issued by the Comptroller General of the United States. Information related to this single audit, including the Schedule of Expenditures of Federal Awards and auditors' reports on internal controls and compliance with applicable laws and regulations, will be available by contacting the Vice President for Business and Administrative Services.

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

**ORGANIZATION AND ADMINISTRATION**

The District is governed by the State Board of Directors for Community Colleges of Arizona and operated as a comprehensive community college under the laws of the State of Arizona. It is governed by a five-member District Governing Board (the Board). Each Board member is elected from one of the five precincts in Coconino County on a six-year staggered basis. The Board has oversight responsibility and control over all District activities. The administrative staff is responsible for the daily operation of the District.

## **ENTITY**

The District is an independent reporting entity within the criteria established by generally accepted accounting principles and the Governmental Accounting Standards Board. The Board has governance responsibilities over all activities related to public community college education within the jurisdiction of the District. These responsibilities include the receipt of monies from local, state, and federal government sources and compliance with accompanying requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined in Section 2100, ~~Codification of Governmental Accounting and Financial Reporting Standards~~, since Board members are elected by the public, have decision-making authority with the power to designate management, maintain the responsibility to significantly influence operations, and possess primary accountability for fiscal matters. All funds of the District are included in this report.

## **HISTORY**

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

## **~~ECONOMIC CONDITION AND OUTLOOK~~**

Coconino County is located in the northern portion of the State and encompasses an area of approximately 12 million acres or over 18,000 square miles. Its boundaries include the cities of Page, Fredonia, Tuba City, Grand Canyon, Williams, Sedona, and Flagstaff, as well as other smaller cities and towns, and all the unincorporated areas of the County. The County's 2000 population has been estimated at 116,320 by the U.S. Census Bureau. The Arizona Department of Economic Security projects the County population to reach 150,000 within the next ten years.

The share of the County's labor force is heavily weighted towards government, trade, and service employment. These sectors employ over 85% of the entire county's nonagricultural work force. Relative to the rest of the state, the work force employed by government is high. Part of the reason for the large number of government workers in the county is the presence of several major national parks, the large portion of the county covered by Indian reservations and the high percentage of the total area in the county public lands; (94% of the county is public land; including Indian reservations which cover 45% of the county).

The State and National economy have declined somewhat this past year, however, property values in Coconino County have grown nearly 6% and county unemployment rates have remained stable. Despite the County's strengthening economy, the District must contend with the continued limited funding from the State. The District is committed to improving and offering additional service to meet the county needs. These efforts are achieved through careful monitoring of costs, innovative partnerships and continual searching for cost savings opportunities.

## **GROWTH OF STUDENT POPULATION**

The District began in 1991, initially expecting to serve 600 students. Nearly 1,000 students registered the first semester. Since then, enrollment has increased dramatically. Today the District enrolls nearly 10,000 students annually (duplicated headcount).

## **MAJOR INITIATIVES**

The District's major initiatives for the coming fiscal year are:

- Completing numerous construction projects including: 1) The Lone Tree Campus and District Offices, a 128,000 square foot facility in Flagstaff scheduled to be open for classes in Spring of 2002; 2) The Page/Lake Powell Campus addition of approximately 5,000 square feet; 3) The Williams Campus of approximately 5,000 square feet; and 4) A significant remodeling project for the Fourth Street Campus and Technology Center.
- The District has initiated a concentrated effort to provide more workforce development and technical training. The voters of Arizona recently passed a 0.6% sales tax to assist in this effort, with all revenue being passed on to educational institutions for the purposes of workforce development. Coconino Community College anticipates receiving over \$360,000 in FY02 from this sales tax, which the District is restricting to fund workforce development initiatives.
- Technology and Distance Learning - In fiscal year 2000, the District was awarded the Title III Grant for Distance Learning. This grant, along with District operating funds and bond proceeds offer the funding needed to progress with distance learning initiatives in an effort to provide educational opportunities to our widespread District. Equipment will be provided at each of the campuses as well as other sites within the County. These distance learning initiatives will provide many more opportunities to the placed bound communities within the County.
- Accreditation/Assessment/Institutional Effectiveness - The North Central Association of Colleges and Secondary Schools (NCA) awarded the District five-year accreditation in 1996. The District is preparing for the re-accreditation process, and NCA is scheduled to visit during April of 2002. The District has set up a steering committee comprised of staff from various disciplines to ensure that the District is prepared for the re-accreditation effort. The District has performed student, employee and community surveys to assess the effectiveness, interest and support of the overall mission. This assessment, as well as a District-wide self-study process is currently being undertaken to ensure our institutional effectiveness now and in the future.

## **Fiscal Year 2001 Accomplishments**

Significant accomplishments for fiscal year 2001 include:

- Completed a restructuring effort for the organization.
- Revised the strategic plan and assessment projects in preparation for the NCA visit.
- Completed approximately 60% of all the capital development bond initiatives throughout the District.
- Purchased the 60,000 square foot facility in Flagstaff, Fourth Street Campus and Technology Center. This facility was the original Flagstaff Campus and was rented from the District's inception until June 2001.
- The voters of Arizona approved an increase in sales tax to fund workforce development, thereby increasing the District's revenue base for fiscal year 2002.
- Fully retired a Certificates of Participation debt issue that was initiated in 1996 for the construction of the Page Campus.
- Improved our community participation and resource base by increased partnerships and collaboration with other entities .
- Updated and renewed several policies and procedures for the overall improvement to the institution's effectiveness.
- Continued to review and improve the salary and benefits plan for all District personnel to assist with the retention and turnover rates of our most valuable resource.
- Performed a complete review of the chart of accounts and revised numerous funds, organizations, and accounts to reflect the new organization and improve the comparability with other institutions.

## **FINANCIAL INFORMATION**

The District's responsibilities for stewardship, safeguarding of assets, and accountability to resource providers are fulfilled by effective management of these funds through internal control, budgetary controls, cash management, and financial reporting.

### **Internal Control**

The District's administration is responsible for establishing and maintaining a system of internal controls designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The District's annual audit was conducted by the Certified Public Accounting firm of Heinfeld & Meech, P.C. The auditors consider the adequacy of internal controls and test the District's compliance with applicable laws and regulations. The results of their audit procedures will be described in the auditors' report on compliance and on internal control over financial reporting to be issued later.

### **Single Audit**

As a recipient of federal, state, and local assistance, the District also is responsible for providing adequate internal controls to ensure compliance with applicable laws and regulations related to those programs. This internal control system is subject to periodic evaluation by management and the independent auditors of the District.

As part of the District's single audit, the auditors have tested the District's compliance with requirements applicable to each of its major federal programs and considered its internal control over compliance with requirements that could have a direct and material effect on a major federal program. The results of their audit procedures will be described in the auditors' report on compliance with requirements applicable to each major program and internal control over compliance to be issued later. Copies of the single audit reports will be available in the Office of the Vice President for Business and Administrative Services.

### **Budgetary Controls**

The District maintains budgetary controls by line-item of the approved budget. Budget transfers are restricted by function and object. The objective of these budgetary controls is to ensure compliance with the annual budget adopted by the District's Governing Board. The legal level of budgetary control is by summary line item of the current and plant funds.

The District complies with Arizona Revised Statutes §41-1279.07 requiring that an annual report be filed with the State Board of Directors for Community Colleges of Arizona comparing the adopted budgets with the actual revenues and expenditures.

Budgetary compliance is also demonstrated with the issuance of an annual budgeted expenditure limitation report, which is also audited. The expenditure limitation calculation determines the maximum allowable expenditure budget capacity for current and plant funds.

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

Schedules of budget to actual data for General fund revenues and expenditures for the fiscal year ended June 30, 2001, follow:

General Fund: Budget to Actual Fiscal Year Ended June 30, 2001				
	Budget	Actual	Variance Favorable (Unfavorable)	Percent Change
<b>Revenues:</b>				
Property taxes	\$ 3,886,056	\$ 3,861,021	\$ (25,035)	(0.64) %
State appropriations	3,130,800	3,130,800	-	- %
Governmental grants and contracts	20,749	21,209	460	2.22 %
Tuition and fees	2,048,773	2,354,189	305,416	14.91 %
Investment income	378,240	524,791	146,551	38.75 %
Other	60,134	60,797	663	1.10 %
Carry Forward	83,762		(83,762)	(100.00) %
Total revenues	<u>9,608,514</u>	<u>9,952,807</u>	<u>344,293</u>	<u>3.58 %</u>
<b>Expenditures by program</b>				
Instruction	3,714,821	3,645,235	69,586	1.87 %
Academic support	1,255,217	1,196,342	58,875	4.69 %
Student services	1,053,335	1,025,541	27,794	2.64 %
Institutional support	1,980,995	1,981,788	(793)	(0.04) %
Operation and maintenance of plant	1,063,835	983,243	80,592	7.58 %
Contingency & Reserves	300,000		300,000	100.00 %
Scholarships and student support	27,500	19,554	7,946	28.89 %
Total expenditures	<u>9,395,703</u>	<u>8,851,703</u>	<u>544,000</u>	<u>5.79 %</u>
<b>Expenditures by object</b>				
Employee Salaries and Wages	5,754,201	5,549,605	204,596	3.56 %
Employee Benefits	1,065,916	979,768	86,148	8.08 %
Contracted Services	534,315	706,632	(172,317)	(32.25) %
Supplies	508,256	405,790	102,466	20.16 %
Fixed Charges	587,020	572,085	14,935	2.54 %
Utilities & Communications	222,190	193,688	28,502	12.83 %
Other Operating	168,529	223,457	(54,928)	(32.59) %
Travel	194,076	162,638	31,438	16.20 %
Miscellaneous	33,700	38,486	(4,786)	(14.20) %
Contingency	300,000	-	300,000	100.00 %
Scholarships	27,500	19,554	7,946	28.89 %
Total expenditures	<u>9,395,703</u>	<u>8,851,703</u>	<u>544,000</u>	<u>5.79 %</u>
<b>Transfers</b>				
Mandatory transfers - Restricted Cash Match	(80,553)	(83,650)	3,097	(3.84) %
Nonmandatory transfers - Auxiliary Fund	20,973	45,478	(24,505)	(116.84) %
Nonmandatory transfers - Plant Fund	(153,231)	(3,082,073)	2,928,842	(1,911.39) %
Total transfers	<u>(212,811)</u>	<u>(3,120,245)</u>	<u>2,907,434</u>	<u>(1,366.20) %</u>
<b>Net increase (decrease) in fund balances</b>	<u>\$ -</u>	<u>\$ (2,019,141)</u>	<u>\$ (2,019,141)</u>	

## **DISTRICT FUNCTIONS**

The District exercises primary property tax levy authority for generation of funds for operating purposes. State appropriations are also received based on full-time student enrollment and formula funding.

### **Cash Management**

The District is governed by the Arizona Revised Statutes relating to the overall investment of idle public funds. The fiduciary responsibility of such investments is entrusted to the District Governing Board and facilitated through the Vice-President for Business and Administrative Services.

Idle funds are invested by the District in a prudent, conservative, and secure manner for the highest yield as prescribed by Arizona Revised Statutes. General Fund monies are on deposit with the State Treasurer. Amounts which are idle during the year are invested by the Treasurer on a pooled basis with the interest prorated back to the District.

During the year, idle funds were invested in demand deposits, notes, commercial paper, and certificates of deposit through the State of Arizona Local Government Investment Pool. The average yield on investments was 6.126 percent. The District's cash management objective is to equal or exceed the average returns on the thirteen week U.S. Treasury Bill rates. The average yield for 90-day U.S. Treasury Bills issued during the year was 5.297 percent.

### **Financial Reporting**

The Comprehensive Annual Financial Report (CAFR) for the District was formulated with data from several sources including: District records, Coconino County Department of Finance reports, and Northern Arizona University College of Business economic outlook report. These statements present information on the financial condition of the District and whether resources were adequate to cover the costs of providing services during the reporting period. The District's CAFR is distributed to the District Governing Board and executive management, the State legislature, Federal and State agencies, and financial institutions as well as others throughout the general public. Internal management reports are customized and provided to meet the information and decision-making needs at all levels of the organization to aid management in the allocation of resources.

### **Debt Administration**

The District sold \$25 million in general obligation bonds in January 1999. The voters of Coconino County have approved a secondary tax to retire this debt. These bonds are tax exempt and therefore subject to federal arbitrage requirements. The District has contracted with Gust-Rosenfeld for bond counsel and Dain-Rauscher for financial advisement in the administration of this debt to ensure compliance with all state and federal regulations. A previous debt issue, certificates of participation (COPs) in the amount of \$1,550,000, was retired this fiscal year. The COPs were utilized to fund the construction of the Page Campus in 1996; approximately \$350,000 per year of current revenues were pledged and used to retire the debt.

## CURRENT FUNDS

The result of the financial activities for the current funds is a fund balance of \$2,942,866. The combined current funds (general, auxiliary and restricted) fund balances were 26% of the total current fund expenditures, which approximates 95 days of expenditure coverage.

The following schedules present summaries of Current Funds revenues and expenditures for the fiscal year ended June 30, 2001 and the amount and percentage of change in relation to prior year revenues and expenditures:

Current Fund Revenues				
<b><u>REVENUES</u></b>	<b><u>AMOUNT</u> <u>(in Thousands)</u></b>	<b><u>PERCENT</u> <u>OF TOTAL</u></b>	<b><u>CHANGE</u> <u>FROM 2000</u> <u>(in Thousands)</u></b>	<b><u>PERCENT</u> <u>CHANGE</u> <u>FROM 2000</u></b>
Property Taxes	\$ 3,861	31.7%	\$ 75	2.0 %
State Appropriations	3,131	25.7%	-	- %
Governmental Grants and Contracts	2,039	16.8%	456	28.9 %
Private Gifts, Grants and Contracts	142	1.2%	112	373.3 %
Tuition and Fees	2,366	19.5%	353	17.5 %
Investment Income & Other	632	5.2%	47	8.0 %
Total Current Funds Revenues	<u>\$ 12,171</u>	<u>100.0%</u>	<u>\$ 1,043</u>	<u>9.4 %</u>

Current Fund Expenditures				
<b><u>EXPENDITURES (by function)</u></b>	<b><u>AMOUNT</u> <u>(in Thousands)</u></b>	<b><u>PERCENT</u> <u>OF TOTAL</u></b>	<b><u>CHANGE</u> <u>FROM 2000</u> <u>(in Thousands)</u></b>	<b><u>PERCENT</u> <u>CHANGE</u> <u>FROM 2000</u></b>
Instruction	\$ 3,834	34.5%	\$ 508	15.3 %
Public Service	148	1.3%	6	4.2 %
Academic Support	1,633	14.7%	471	40.5 %
Student Services	1,255	11.3%	117	10.3 %
Institutional Support	1,977	17.8%	274	16.1 %
Operation & maintenance of plant	983	8.8%	34	3.6 %
Scholarships and student support	1,249	11.2%	198	18.8 %
Auxiliary Enterprises Expenditures	36	0.3%	(187)	(83.9) %
Provision for Bad Debts	8	0.1%	(7)	(46.7) %
Total Current Funds Expenditures	<u>\$ 11,123</u>	<u>100.0%</u>	<u>\$ 1,414</u>	<u>14.6 %</u>

The unique needs of the District and the state-wide economic development are being translated and prioritized in our strategic plan. This plan along with projections of future revenues and expenditures, provide a base for future budget planning.

### **GENERAL FUND**

The General Fund accounts for over 80% of the revenues and expenditures of the current funds group. This fund accounts for the primary resources in support of the District's mission. These monies are unrestricted and provide the revenues to accomplish the majority of the District's maintenance and operations.

### **AUXILIARY ENTERPRISES FUND**

The Auxiliary Enterprises Fund account for transactions of substantially self-supporting auxiliary activities that perform a service primarily to students, faculty, and staff. Funds also support educational activities. The District's Auxiliary Enterprises consist primarily of a bookstore and vending services.

### **RESTRICTED FUNDS**

The Restricted Funds account for transactions of funds which are regulated by the sponsoring agency. These funds include primarily grant and financial aid programs for the District.

### **PLANT FUNDS**

The Plant Funds consist of the Unexpended Plant Fund, Retirement of Indebtedness Plant Fund, and the Investment in Plant Fund. These funds account for the District's capital transactions relating to the investment in plant assets.

The following table summarizes the Unexpended Plant Fund revenues and expenditures for the fiscal year ended June 30, 2001 and the amount, and percentage of change in relation to prior year revenues and expenditures.

Unexpended Plant Fund				
	AMOUNT (in Thousands)	PERCENT OF TOTAL	CHANGE FROM 2000 (in Thousands)	PERCENT CHANGE FROM 2000
<b><u>REVENUES AND TRANSFERS</u></b>				
State Appropriations	\$ 313	1.7%	\$ (72)	(18.7) %
Investment Income	885	4.8%	(293)	(24.9) %
Other	3	0.0%	(3)	(50.0) %
Transfers In	17,314	93.5%	11,839	216.2 %
Total Revenues & Transfers	<u>\$ 18,515</u>	<u>100.0%</u>	<u>\$ 11,471</u>	<u>162.9 %</u>
<b><u>EXPENDITURES (by object) &amp; TRANSFERS</u></b>				
Expended for Plant Facilities	\$ 17,268	99.0%	\$ 13,728	387.8 %
Transfers Out	179	1.0%	(247)	(58.0) %
Total Expenditures & Transfers	<u>\$ 17,447</u>	<u>100.0%</u>	<u>\$ 13,481</u>	<u>339.9 %</u>
Net Increase	<u>\$ 1,068</u>			

The following schedule summarizes the Retirement of Indebtedness Fund for the fiscal year ended June 30, 2001 and the amount and percentage of change in relation to prior year revenues and expenditures.

Retirement of Indebtedness Fund				
	AMOUNT (in Thousands)	PERCENT OF TOTAL	CHANGE FROM 2000 (in Thousands)	PERCENT CHANGE FROM 2000
<b><u>REVENUES AND TRANSFERS</u></b>				
Property Taxes	\$ 1,847	91.2%	\$ 85	4.8 %
Transfer In	179	8.8%	(247)	(58.0) %
Total Revenues & Transfers	<u>\$ 2,026</u>	<u>100.0%</u>	<u>\$ (162)</u>	<u>(7.4) %</u>
<b><u>EXPENDITURES (by object) &amp; TRANSFERS</u></b>				
Retirement of Indebtedness	\$ 715	36.6%	\$ 380	113.4 %
Interest on Indebtedness	1,222	62.5%	(631)	(34.1) %
Provision for Bad Debts	17	0.9%	17	100.0 %
Total Expenditures & Transfers	<u>\$ 1,954</u>	<u>100.0%</u>	<u>\$ (234)</u>	<u>(10.7) %</u>
Net Increase	<u>\$ 72</u>			

All property, buildings, and equipment of the District are accounted for in the Investment in Plant Fund. As of June 30, 2001, the District had fixed assets of \$25,955,836. Depreciation of these assets is not recognized. The following schedule summarizes the Investment in Plant Fund for the fiscal year ended June 30, 2001 and the amount and percentage of change in relation to prior year revenues and expenditures.

Investment in Plant Fund				
	AMOUNT (in Thousands)	PERCENT OF TOTAL	CHANGE FROM 2000 (in Thousands)	PERCENT CHANGE FROM 2000
<b><u>REVENUES AND TRANSFERS</u></b>				
Expended for Plant Facilities	\$ 17,488	96.1%	\$ 13,834	378.6 %
Retirement of Indebtedness	715	3.9%	380	113.4 %
Total Revenues & Transfers	<u>\$ 18,203</u>	<u>100.0%</u>	<u>\$ 14,214</u>	<u>356.3 %</u>
<b><u>EXPENDITURES (by object) &amp; TRANSFERS</u></b>				
Disposal of Plant Facilities	\$ 117	0.8%	\$ (146)	(55.5) %
Transfers-Out	14,235	99.2%	11,118	356.7 %
Total Expenditures & Transfers	<u>\$ 14,352</u>	<u>100.0%</u>	<u>\$ 10,972</u>	<u>324.6 %</u>
Net Increase	<u>\$ 3,851</u>			

## **RISK MANAGEMENT**

A full complement of insurance coverage is maintained for the District in accordance with (and usually in excess of) requirements established by the State Board of Directors for Community Colleges of Arizona. Liability coverage is broad in form, including errors and omissions and "wrongful acts" coverage, and is maintained with policy limits totalling \$10,000,000. Casualty coverages are maintained on a replacement value basis with a schedule of values agreed upon between the carrier and the District. Miscellaneous coverages include crime and fidelity coverages. Workers' Compensation coverage is maintained through the State Fund.

## **INDEPENDENT AUDIT**

The District utilized the audit services of the Certified Public Accounting firm of Heinfeld & Meech, PC, to comply with Arizona Revised Statutes, which require an annual audit of the District's financial statements. This requirement has been complied with and the Independent Auditors' Report is included in this document. The auditors' expressed an unqualified opinion.

## **GFOA CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Coconino Community College for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2000. This was the sixth consecutive year that Coconino Community College has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

#### **ACKNOWLEDGEMENT**

We thank the members of the District Governing Board for their interest and support in planning and conducting the financial operations of the District in a highly responsible and progressive manner. The preparation of this report could not have been accomplished without the hard work and dedicated services of the Business and Administrative Services staff. Appreciation is also expressed to Heinfeld & Meech, P.C. for timely completion of the audit.

Respectfully submitted,

Thomas S. Jordan  
President

Jami V. Bradley, Vice President  
Business and Administrative Services

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Coconino Community  
College, Arizona

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2000

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



*Imelda Gruve*  
President

*Jeffrey L. Esler*  
Executive Director

# **COCONINO COUNTY COMMUNITY COLLEGE DISTRICT**

## **PRINCIPAL OFFICERS**

### **DISTRICT GOVERNING BOARD**

Nat White, Chair, District 1

Daniel W. Baertlein, Secretary, District 3

Val Gleave, Member, District 5

Carole Mandino, Member, District 2

Paul Neuman, Member, District 4

### **ADMINISTRATION**

Thomas S. Jordan, President

Jami V. Bradley, Vice-President for Business and Administrative Services

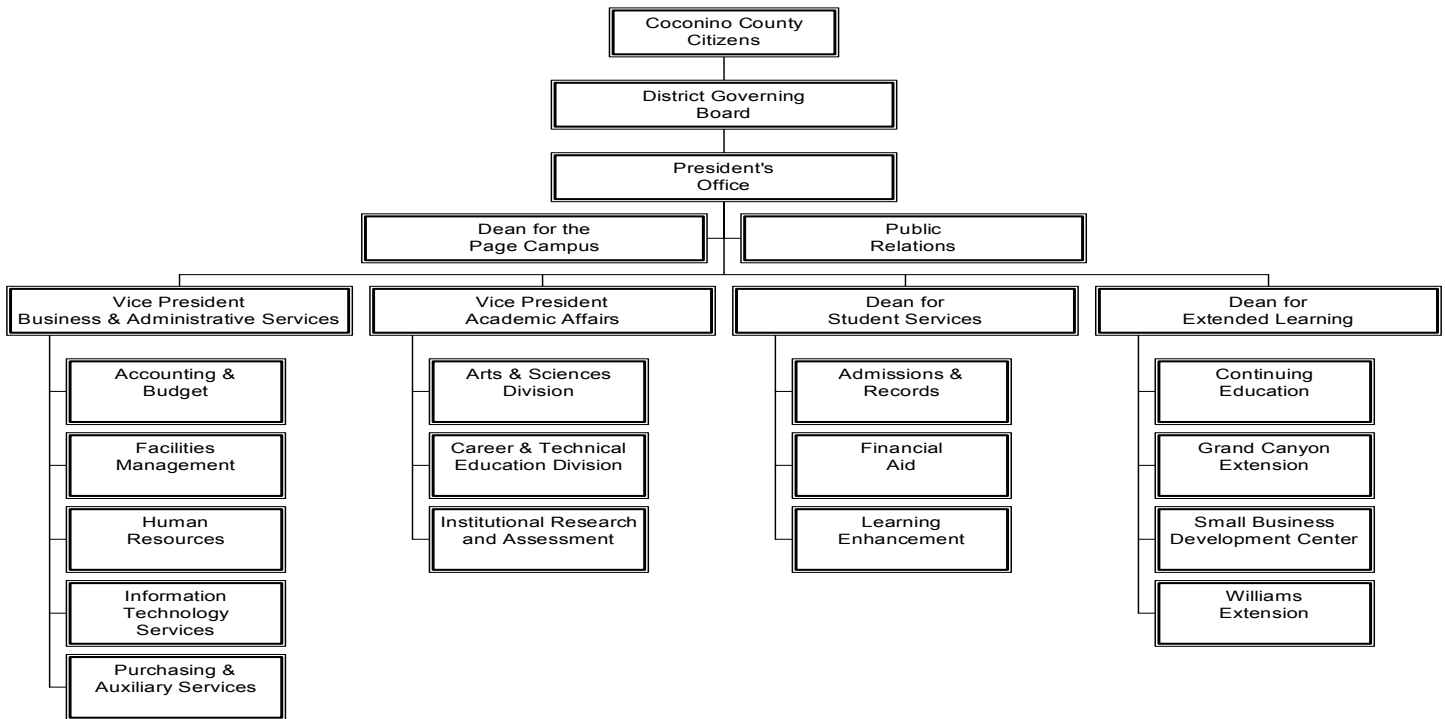
Kathleen Corak-Sund, Vice-President for Academic Affairs

Terree Duncan, Dean for Student Services

Lloyd Hammonds, Dean for Page Campus

Michael Lainoff, Dean for Extended Learning

## ORGANIZATIONAL CHART



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## **FINANCIAL SECTION**



HEINFELD & MEECH, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

Gary Heinfeld, CPA, CGFM  
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## INDEPENDENT AUDITORS' REPORT

The Auditor General of the State of Arizona

The Governing Board of  
Coconino County Community College District

We have audited the accompanying balance sheet of Coconino County Community College District as of June 30, 2001, and the related statements of changes in fund balances and current funds revenues, expenditures, and other changes for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coconino County Community College District as of June 30, 2001, and the changes in its fund balances and its current funds revenues, expenditures, and other changes for the year then ended in conformity with U.S. generally accepted accounting principles.

As discussed in Note 13 to the financial statements, the District changed its capitalization threshold for property, buildings and equipment.

The information included in the introductory and statistical sections listed in the table of contents has not been subjected to the auditing procedures applied in our audit of the financial statements and, accordingly, we express no opinion on such information.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2001, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

HEINFELD & MEECH, P.C.  
Certified Public Accountants

September 28, 2001

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT**

**Balance Sheet**

**June 30, 2001**

(with comparative totals for 2000)

	Current Funds			Total Current Funds (Memorandum Only)	
	Unrestricted		Restricted	2001	2000
	General	Auxiliary Enterprises			
<b>Assets</b>					
Cash in bank and on hand	\$ -	\$ -	\$ -	\$ -	\$ 1,520,569
Cash and investments held by the County Treasurer	125,443			125,443	123,232
Investments	7,158,813			7,158,813	7,152,777
Receivables:					
Property taxes (net of allowances of \$54,747 and \$41,480 as of June 30, 2001 and June 30, 2000, respectively)	84,061			84,061	129,223
Government grants			197,881	197,881	130,925
Interest	75,191			75,191	103,798
Other (net of allowances of \$59,537 and \$52,287 as of June 30, 2001 and June 30, 2000, respectively)	92,705	2,764		95,469	243,738
Due from other funds		2,615		2,615	380,493
Prepaid items	51,816		1,943	53,759	166,429
Property, buildings, and equipment:					
Land					
Buildings					
Improvements Other than Buildings					
Equipment					
Vehicles					
Library collections					
Construction in progress (estimated cost to complete at June 30, 2001 \$3,446,811; estimated cost to complete at June 30, 2000 \$15,470,010)					
<b>Total assets</b>	<b>\$ 7,588,029</b>	<b>\$ 5,379</b>	<b>\$ 199,824</b>	<b>\$ 7,793,232</b>	<b>\$ 9,951,184</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 123,688	\$ 349	\$ 42,721	\$ 166,758	\$ 163,159
Accrued liabilities	722,798	3,524		726,322	741,431
Deposits held in custody for others					
Due to other funds	3,546,111		117,704	3,663,815	3,326,702
Bonds payable					
Obligation under certificates of participation					
Arbitrage payable					
Interest payable					
Deferred revenues	254,072		39,399	293,471	742,006
<b>Total liabilities</b>	<b>4,646,669</b>	<b>3,873</b>	<b>199,824</b>	<b>4,850,366</b>	<b>4,973,298</b>
<b>Fund balances:</b>					
Unrestricted:					
General	2,941,360	1,506		2,942,866	4,977,886
Net investment in plant					
<b>Total fund balances</b>	<b>2,941,360</b>	<b>1,506</b>	<b>-</b>	<b>2,942,866</b>	<b>4,977,886</b>
<b>Total liabilities and fund balances</b>	<b>\$ 7,588,029</b>	<b>\$ 5,379</b>	<b>\$ 199,824</b>	<b>\$ 7,793,232</b>	<b>\$ 9,951,184</b>

See accompanying notes to financial statements.

Unexpended	Plant Funds		Agency Fund	Total All Funds	
	Retirement of Indebtedness	Investment in Plant		(Memorandum Only)	
				2001	2000 (restated)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,520,569
9,644,460				125,443	123,232
				16,803,273	30,592,350
	38,876			122,937	129,223
				197,881	130,925
96,843				172,034	421,586
				95,469	249,370
3,586,965	32,958		46,134	3,668,672	3,331,559
				53,759	166,429
		1,089,000		1,089,000	1,089,000
		5,292,078		5,292,078	2,376,705
		18,461		18,461	18,461
		1,382,283		1,382,283	1,151,140
		21,790		21,790	21,790
		27,729		27,729	27,729
		18,124,495		18,124,495	3,899,835
<u>\$ 13,328,268</u>	<u>\$ 71,834</u>	<u>\$ 25,955,836</u>	<u>\$ 46,134</u>	<u>\$ 47,195,304</u>	<u>\$ 45,249,903</u>
\$ 696,853	\$ -	\$ -	\$ 256	\$ 863,867	\$ 1,262,758
				726,322	741,431
			45,878	45,878	21,877
		4,857		3,668,672	3,331,559
6,998,010		17,461,990		24,460,000	25,000,000
				-	175,000
564,406				564,406	355,529
				-	2,231
				293,471	742,006
<u>8,259,269</u>	<u>-</u>	<u>17,466,847</u>	<u>46,134</u>	<u>30,622,616</u>	<u>31,632,391</u>
5,068,999	71,834			8,083,699	8,979,323
		8,488,989		8,488,989	4,638,189
<u>5,068,999</u>	<u>71,834</u>	<u>8,488,989</u>		<u>16,572,688</u>	<u>13,617,512</u>
<u>\$ 13,328,268</u>	<u>\$ 71,834</u>	<u>\$ 25,955,836</u>	<u>\$ 46,134</u>	<u>\$ 47,195,304</u>	<u>\$ 45,249,903</u>

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT**  
**Statement of Changes in Fund Balances**  
**Year Ended June 30, 2001**  
(with comparative totals for 2000)

	Current Funds			Total Current Funds	
	Unrestricted		Restricted	(Memorandum Only)	
	General	Auxiliary Enterprises		2001	2000
<b>Revenues and other additions:</b>					
Unrestricted current revenues	\$ 9,952,807	\$ 65,860	\$ -	\$ 10,018,667	\$ 9,542,507
Property Taxes					
State appropriations					
Governmental grants and contracts			2,013,971	2,013,971	1,560,922
Private gifts, grants, and contracts			134,081	134,081	20,087
Investment income					
Sale of surplus property					
Capital cost recovery					
Expended for plant facilities (Including \$220,190 and \$114,244 of expenditures charged to current funds in 2001 and 2000, respectively)					
Retirement of indebtedness					
Total revenues and other additions	9,952,807	65,860	2,148,052	12,166,719	11,123,516
<b>Expenditures and other deductions:</b>					
Educational and general expenditures	8,844,119		2,216,418	11,060,537	9,453,737
Auxiliary enterprises expenditures		36,261		36,261	222,544
Indirect costs recovered			18,918	18,918	17,690
Provision for bad debts	7,584			7,584	14,735
Expended for plant facilities					
Retirement of indebtedness					
Interest on indebtedness					
Disposal of plant facilities					
Total expenditures and other deductions	8,851,703	36,261	2,235,336	11,123,300	9,708,706
<b>Transfers among funds</b>					
<b>additions (deductions):</b>					
Mandatory transfers for:					
Principal and interest					
College matching portion of government grants	(83,650)		83,650	-	-
Total mandatory transfers	(83,650)		83,650	-	-
Nonmandatory transfers (net)	(3,036,595)	(45,478)	3,634	(3,078,439)	(2,358,510)
Total transfers	(3,120,245)	(45,478)	87,284	(3,078,439)	(2,358,510)
<b>Net increase (decrease) for the year</b>	(2,019,141)	(15,879)	-	(2,035,020)	(943,700)
<b>Fund balances, beginning of year, as restated</b>	4,960,501	17,385	-	4,977,886	5,921,586
<b>Fund balances, end of year</b>	\$ 2,941,360	\$ 1,506	\$ -	\$ 2,942,866	\$ 4,977,886

See accompanying notes to financial statements.

Plant Funds			Total All Funds	
Unexpended	Retirement of Indebtedness	Investment in Plant	(Memorandum Only)	
			2001	2000 (restated)
\$ -	\$ -	\$ -	\$ 10,018,667	\$ 9,542,507
	1,846,522		1,846,522	1,761,604
313,300			313,300	384,900
			2,013,971	1,560,922
			134,081	20,087
885,006			885,006	1,178,536
1,221			1,221	
1,497			1,497	5,632
		17,488,004	17,488,004	3,654,167
		715,000	715,000	335,000
1,201,024	1,846,522	18,203,004	33,417,269	18,443,355
			11,060,537	9,453,737
			36,261	222,544
			18,918	17,690
	17,313		24,897	14,735
17,267,814			17,267,814	3,539,923
	715,000		715,000	335,000
	1,221,838		1,221,838	1,853,040
		116,828	116,828	263,516
17,267,814	1,954,151	116,828	30,462,093	15,700,185
(179,463)	179,463		-	-
			-	-
(179,463)	179,463	-	-	-
17,313,815		(14,235,376)	-	-
17,134,352	179,463	(14,235,376)	-	-
1,067,562	71,834	3,850,800	2,955,176	2,743,170
4,001,437	-	4,638,189	13,617,512	10,874,342
\$ 5,068,999	\$ 71,834	\$ 8,488,989	\$ 16,572,688	\$ 13,617,512

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT**  
**Statement of Current Funds Revenues, Expenditures, and Other Changes**  
**Year Ended June 30, 2001**  
(with comparative totals for 2000)

	Unrestricted			Restricted	Total Current Funds (Memorandum Only)	
	General	Auxiliary Enterprises	Total		2001	2000
<b>Revenues:</b>						
Property taxes	\$ 3,861,021	\$ -	\$ 3,861,021	\$ -	\$ 3,861,021	\$ 3,785,749
State appropriations	3,130,800		3,130,800		3,130,800	3,130,800
Governmental grants and contracts	21,209		21,209	2,017,605	2,038,814	1,593,680
Private gifts, grants, and contracts		7,487	7,487	134,081	141,568	29,567
Tuition and fees	2,354,189	12,181	2,366,370		2,366,370	2,013,005
Investment income	524,791		524,791		524,791	476,039
Other	60,797	46,192	106,989		106,989	109,744
<b>Total revenues</b>	<b>9,952,807</b>	<b>65,860</b>	<b>10,018,667</b>	<b>2,151,686</b>	<b>12,170,353</b>	<b>11,138,584</b>
<b>Expenditures and mandatory transfers:</b>						
Educational and general expenditures:						
Instruction	3,645,235		3,645,235	189,276	3,834,511	3,325,782
Public service				148,276	148,276	142,287
Academic support	1,196,342		1,196,342	436,446	1,632,788	1,162,479
Student services	1,025,541		1,025,541	229,381	1,254,922	1,138,132
Institutional support (administration)	1,974,204		1,974,204	2,556	1,976,760	1,703,198
Operation and maintenance of plant	983,243		983,243		983,243	948,800
Scholarships and student support	19,554		19,554	1,229,401	1,248,955	1,050,749
Total educational and general expenditures	8,844,119		8,844,119	2,235,336	11,079,455	9,471,427
Auxiliary enterprises expenditures		36,261	36,261		36,261	222,544
Provision for bad debts	7,584		7,584		7,584	14,735
<b>Total expenditures</b>	<b>8,851,703</b>	<b>36,261</b>	<b>8,887,964</b>	<b>2,235,336</b>	<b>11,123,300</b>	<b>9,708,706</b>
Mandatory transfers for:						
College matching portion of government grants	(83,650)	-	(83,650)	83,650	-	-
Total mandatory transfers	(83,650)	-	(83,650)	83,650	-	-
Total expenditures and mandatory transfers	8,935,353	36,261	8,971,614	2,151,686	11,123,300	9,708,706
Other transfers and additions (deductions):						
Excess of transfers to revenues over restricted receipts				(3,634)	(3,634)	(15,068)
Nonmandatory transfers (net)	(3,036,595)	(45,478)	(3,082,073)	3,634	(3,078,439)	(2,358,510)
<b>Net increase (decrease) in fund balances</b>	<b>\$ (2,019,141)</b>	<b>\$ (15,879)</b>	<b>\$ (2,035,020)</b>	<b>\$ -</b>	<b>\$ (2,035,020)</b>	<b>\$ (943,700)</b>

See accompanying notes to financial statements.

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT**  
**(COCONINO COLLEGE)**  
**Notes to Financial Statements**  
**June 30, 2001**

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

The accounting policies of the Coconino County Community College District conform to generally accepted accounting principles as applied to governmental colleges and universities in the AICPA College Guide model as defined in Governmental Accounting Standards Board Statement No. 15. A summary of the District's more significant accounting policies follows.

**Reporting Entity** – The District is a special-purpose government that is governed by a separately elected governing body. It is legally separate and fiscally independent of other state and local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity.

The financial activities of Coconino County Community College Foundation, summarized in Note 6, are not included in the District's financial statements. The Foundation is a nonprofit corporation controlled by a separate board of directors. The Foundation's goals are to promote educational programs and District objectives.

**Fund Accounting** - The District's accounts are maintained in accordance with the principles of fund accounting to ensure that limitations and restrictions on the District's available resources are observed. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with the activities or objectives specified for those resources. Accounts are separately maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, financial transactions are reported by fund groups as if each fund group was a single fund. A description of the funds follows.

**Descriptions of Funds** - The *Current Funds* account for resources that will be expended in the near term for operating purposes in performing the District's primary and support missions, which are instruction, public service, academic support, student services, institutional support, operation and maintenance of plant, scholarships, and auxiliary enterprises. The individual Current Funds are described more fully as follows:

- The General Fund accounts for all current financial resources not required to be accounted for in the other Current Funds.
- The Auxiliary Enterprises Fund accounts for transactions of substantially self-supporting auxiliary activities that perform services primarily to students, faculty, and staff, such as the bookstore and contract instruction.

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
(COCONINO COLLEGE)  
Notes to Financial Statements  
June 30, 2001**

**NOTE 1 – Summary of Significant Accounting Policies (continued)**

- The Restricted Fund accounts for resources that are expended only for operating purposes specified by donors or other outside agencies. The Restricted Fund's revenues are reported in the statement of current funds revenues, expenditures, and other changes only to the extent of expenditures and net mandatory transfers. Amounts received in excess of expenditures and net mandatory transfers are reported as additions to the fund balance during the year, and may be subject to repayment if not expended.

The other funds of the District and their purposes are described as follows:

- The *Plant Funds* account for transactions relating to the District's investment in plant assets such as property, buildings, and equipment. The individual Plant Funds are described more fully as follows:

The Unexpended Plant Fund accounts for resources available to finance the District's acquisition, construction, or improvement of plant assets. Expenditures for construction in progress are accumulated in this fund until the project is completed or until the end of the fiscal year and then transferred to the Investment in Plant Fund. Resources restricted for renewals and replacements of existing District plant assets are also recorded in the Unexpended Plant Fund.

The Retirement of Indebtedness Plant Fund accounts for the accumulation of resources for payment of principal, interest, and other debt service charges, including contributions for sinking funds relating to debt incurred in financing District plant assets.

The Investment in Plant Fund accounts for the costs of the District's plant assets and the associated liabilities. Assets recorded in the Investment in Plant Fund may be acquired from resources in the Unexpended Plant, Auxiliary Enterprises, and Restricted Funds.

- The *Agency Fund* accounts for resources held by the District as custodian or fiscal agent for students, faculty, staff, and other organizations; therefore, the transactions within this fund do not affect the statement of changes in fund balances.

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
(COCONINO COLLEGE)  
Notes to Financial Statements  
June 30, 2001**

**NOTE 1 – Summary of Significant Accounting Policies (continued)**

**Basis of Accounting** - The financial statements are presented on the accrual basis of accounting. The statement of current funds revenues, expenditures, and other changes is a statement of financial activities of current funds related to the current reporting period. It does not claim to present the results of operations, or the net income or loss for the period as would a statement of income, or a statement of revenues and expenses.

**Cash and Investments** - The District's cash and cash equivalents are considered to be cash on hand, demand deposits, cash and investments held by the County Treasurer, and highly liquid investments. All other investments are stated at fair value.

**Property, Buildings, and Equipment** - Property, buildings, and equipment are capitalized at cost if purchased, or estimated fair market value at the time received in the case of gifts. Major outlays for assets or improvements to them are capitalized as projects are constructed. Interest incurred during the construction phase of the project is capitalized net of interest earned on the invested proceeds over the same period.

To the extent that current fund monies are used to finance such assets, the amounts so provided are accounted for as expenditures in the case of normal acquisition or replacement of movable equipment and library books; mandatory transfers (transfers among funds resulting from legally binding agreements) in the case of required provisions for debt amortization and interest, and equipment renewal and replacement; or nonmandatory transfers (transfers among funds made at the discretion of the Governing Board) in other cases.

Depreciation on buildings and equipment is not recorded.

**Compensated Absences** - Compensated absences consist of vacation leave, compensatory time earned, and a calculated amount of sick leave earned by employees based on services already rendered. Employees may accumulate vacation and compensatory hours up to 1.5 times their annual vacation accrual, but such hours in excess of the maximum amount that are unused at year-end are forfeited. Generally, sick leave benefits provide for ordinary sick pay and are cumulative but do not vest with employees and therefore, are not accrued. However, for employees who are 60 or over and who have 10 years of service, a portion (up to a maximum of \$5,000) of their sick leave benefits do vest and, therefore, are accrued.

**Investment Income** - Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments. Income earned from investments purchased with pooled monies is allocated to each of the District's funds based on average monthly ending balance.

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
(COCONINO COLLEGE)  
Notes to Financial Statements  
June 30, 2001**

**NOTE 1 – Summary of Significant Accounting Policies (concluded)**

**Summer Sessions** - Summer sessions revenues and expenditures are reported in the General Fund within the fiscal year in which the total summer sessions program is predominantly conducted.

**Tuition and Fees** - Tuition and fees revenues (net of refunds) include \$17,680 of waivers for faculty and staff benefits charged to the appropriate expenditure category to which the benefited personnel relate.

**Financial Aid** - When the District does not select the recipients for student financial aid, such awards are accounted for within the Agency Fund (except for Pell grants that are included in the Current Restricted Fund) and, consequently, are not included in the statement of changes in fund balances. During the year ended June 30, 2001, the District disbursed \$325,420 in such student awards, primarily for private scholarships.

**Budget** - An annual budget is prepared and legally adopted for the General Fund, Auxiliary Enterprise Fund, Restricted Fund, and Plant Funds. These budgets are prepared on a GAAP basis. Budget transfers within the General Fund are subject to limitations imposed by function and object. After adoption, the budget may only be modified downward by the Board. Expenditures may not exceed the adopted budget for each fund. Unexpended balances, including state appropriations received, carry over into next year as a financing source for the new year.

**Encumbrances** - Encumbrance accounting, under which purchase orders, contracts, and other commitments to expend monies are recorded to reserve that portion of the applicable fund balance, is employed as an extension of formal budgetary control of the General Fund. Encumbrances outstanding at year-end for goods or services that were not received before fiscal year-end are cancelled.

**Total Columns (Memorandum Only)** - The information in the Total Current Funds and Total All Funds columns is for comparison purposes only and does not purport to present financial position or the results of operations in conformity with generally accepted accounting principles (GAAP). Interfund eliminations have not been made and, therefore, the data is not comparable to a consolidation.

**NOTE 2 - Deposits and Investments**

Arizona Revised Statutes (A.R.S.) require the District to deposit special tax levies for the District's maintenance or capital outlay with the County Treasurer. The statutes do not require the District to deposit other public monies in its custody with the County Treasurer; however, the District must act as a prudent person dealing with the property of another when making investment decisions about those monies.

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
(COCONINO COLLEGE)  
Notes to Financial Statements  
June 30, 2001**

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

**Investments** - At June 30, 2001, the District's investments consisted of the following.

	Fair Value
Cash and investments held by the County Treasurer	\$ 125,443
Investment in State Treasurer's investment pool	16,803,273
Total	<u>\$ 16,928,716</u>

The District's investment in the State or County Treasurer's investment pools represents a proportionate interest in those pools' portfolios; however, the District's portion is not identified with specific investments and is not subject to custodial credit risk.

The State Board of Deposit provides oversight for the State Treasurer's pools, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant's position in the pool approximates the value of that participant's pool shares. No comparable oversight is provided for the County Treasurer's investment pool, and that pool's structure does not provide for shares.

**NOTE 3 - Property Taxes Receivable**

The Coconino County Treasurer is responsible for collecting property taxes for all governmental entities within the County. The County levies the property taxes due to the District in August. Two equal installments, payable in October and March, become delinquent after the first business day in November and May. A lien assessed against real and personal property attaches on the first day of January preceding the assessment and levy.

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
(COCONINO COLLEGE)  
Notes to Financial Statements  
June 30, 2001**

**NOTE 3 – Property Taxes Receivable (concluded)**

Property taxes receivable consist of uncollected property taxes as determined from the records of the County Treasurer's Office, and at June 30, 2001, the uncollected property taxes and related allowances for uncollectibles were as follows:

	General Fund	Retirement of Indebtedness
Property Taxes Receivable	\$ 121,495	\$ 56,189
Less allowance for uncollectibles	37,434	17,313
Net total	<u>\$ 84,061</u>	<u>\$ 38,876</u>

**NOTE 4 - Other Receivables**

Other receivables are shown net of the related allowances for uncollectibles. A summary of the allowances for uncollectibles for other receivables at June 30, 2001, follows:

General Fund	\$ 59,537
Total	<u>\$ 59,537</u>

**NOTE 5 – Interfund Receivables/Payables**

Cash and investments (other than investments relating to the bond issue which are recorded in the Plant Fund) are recorded in the General Fund. The District's Interfund receivables and payables at June 30, 2001, were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$	\$ 3,546,111
Auxiliary Enterprises Fund	2,615	
Restricted Fund		117,704
Unexpended Plant Fund	3,586,965	
Retirement of Indebtedness Fund	32,958	
Investment in Plant Fund		4,857
Agency Fund	46,134	
Total Interfund	<u>\$ 3,668,672</u>	<u>\$ 3,668,672</u>

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
(COCONINO COLLEGE)  
Notes to Financial Statements  
June 30, 2001**

**NOTE 6 – Financially Interrelated Organizations**

In May 1996, the Coconino County Community College Foundation purchased from a third party the Flagstaff campus used by the District and became the lessor of the property to the District. The prior lease terms and obligations of the District did not change as a result of the transfer of ownership. On June 28, 2001, the District purchased the Flagstaff campus from the Foundation.

Unaudited assets, fund balance, and revenues of the Foundation for the most recent fiscal year were \$534,925, \$528,373, and \$869,795, respectively.

The leasing of the Flagstaff campus to the District accounted for 45% of the Foundation's total revenues for their fiscal year ended June 30, 2001.

**NOTE 7 – Obligations Under Operating Leases**

During the year ended June 30, 2001, the District leased the Flagstaff campus District offices and classroom space under the provisions of a long-term lease agreement classified as an operating lease for accounting purposes. Rental expenditures under the terms of the operating lease were \$396,815 for the year ended June 30, 2001.

On June 28, 2001, the District purchased the Flagstaff campus from the Coconino County Community College Foundation. Under the agreement of the purchase, the District assumed the lease payments for the land on which the Flagstaff campus resides. The lease agreement is classified as an operating lease for accounting purposes. The operating lease has a remaining noncancelable lease term of 23 years, allowing four renewal options for eleven years each, and rental payments are adjusted annually based on changes in the Consumer Price Index (CPI). The future minimum rental payments required under the operating lease at June 30, 2001, were calculated using an estimated CPI of 3% annually and are as follows.

Future Minimum Operating Lease Payments

Year ending June 30:	
2002	\$ 28,833
2003	29,698
2004	30,589
2005	31,507
2006	32,452
Thereafter	727,389
Total minimum lease payments at June 30, 2001	<u>\$ 880,468</u>

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
(COCONINO COLLEGE)  
Notes to Financial Statements  
June 30, 2001**

**NOTE 8 - Bonds Payable**

**General Obligation Bonds Payable.** General obligation bonds payable at June 30, 2001, consisted of the outstanding general obligation bonds presented below. The bonds are generally callable with interest payable semiannually.

The \$25,000,000 in bonds were authorized by voters in November 1997, and were subsequently sold on January 7, 1999, at a net interest rate of 4.72%.

Principal and interest requirements at June 30, 2001, were as follows:

<u>Description</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Outstanding Principal</u>
General Obligation Bonds Series A (1999)	4.3% - 5.75%	Semi-annual 7/1/2019	\$24,460,000

General obligation bond debt service requirements to maturity, including \$12,970,662 of interest, are as follows:

General Obligation Bond Debt Service Requirements to Maturity

Year ending June 30,	
2002	\$ 1,813,343
2003	1,872,405
2004	1,931,005
2005	1,948,855
2006	1,967,968
Thereafter	27,897,086
Total general obligation bond debt service requirements at June 30, 2001	<u>\$ 37,430,662</u>

**NOTE 9 - Certificates of Participation**

During fiscal year 1995-96, the District issued Certificates of Participation Series 1995 to finance the construction of the Page Campus. During the fiscal year ended June 30, 2001, the Certificates of Participation were retired:

	<u>Interest Rates</u>	<u>Maturities</u>	<u>Outstanding Principal June 30, 2000</u>	<u>Retirements</u>	<u>Outstanding Principal June 30, 2001</u>
Certificates of Participation Series 1995	4.6% - 5.1%	1998-2001	\$ 175,000	\$ 175,000	\$ -

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
(COCONINO COLLEGE)  
Notes to Financial Statements  
June 30, 2001**

**NOTE 10 - Risk Management**

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

**NOTE 11 - Retirement Plan**

**Plan Description.** The District contributes to a cost-sharing multiple-employer defined benefit pension plan administered by the Arizona State Retirement System. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits. The System is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

The System issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report may be obtained by writing the System, 3300 North Central Avenue, PO Box 33910, Phoenix, AZ 85067-3910 or by calling (602) 240-2000 or (800) 621-3778.

**Funding Policy.** The Arizona State Legislature establishes and may amend active plan members' and the District's contribution rate. For the year ended June 30, 2001, active plan members and the District were each required by statute to contribute at the actuarially determined rate of 2.66 percent (2.17 percent retirement and 0.49 percent long-term disability) of the members' annual covered payroll. The District's contributions to the System for the years ended June 30, 2001, 2000, and 1999 were \$124,490, \$126,071, and \$121,990, respectively, which were equal to the required contributions for the year.

**NOTE 12 - Property, Buildings, and Equipment**

On March 23, 2001, the State Board of Directors for Community Colleges of Arizona increased the capitalization rates for Community Colleges from \$1,000 to \$5,000, to be implemented on or before July 1, 2001. The District elected immediate implementation and has restated beginning balances for property, buildings, and equipment. This resulted in a total write-down of \$1,871,773.

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
(COCONINO COLLEGE)  
Notes to Financial Statements  
June 30, 2001**

**NOTE 12 – Property, Buildings, and Equipment (concluded)**

The following is a summary of changes in property, buildings, and equipment during the fiscal year:

Changes in Property, Buildings, and Equipment

	Balance July 1, 2000 (restated)	Additions	Deductions	Balance June 30, 2001
Land	\$ 1,089,000			\$ 1,089,000
Buildings	2,376,705	2,915,373		5,292,078
Improvements other than buildings	18,461			18,461
Equipment	1,151,140	347,971	116,828	1,382,283
Vehicles	21,790			21,790
Library collections	27,729			27,729
Construction in progress	3,899,835	14,224,660		18,124,495
Total property, buildings, and equipment	<u>\$ 8,584,660</u>	<u>\$ 17,488,004</u>	<u>\$ 116,828</u>	<u>\$ 25,955,836</u>

Estimated costs to complete construction in progress at June 30, 2001, is \$3,446,811. Expended for plant facilities additions in the Investment in Plant Fund include \$220,190 of expenditures charged to current funds in fiscal year 2001.

**NOTE 13 – Beginning Fund Balance Restated**

The July 1, 2000, fund balance of the Investment in Plant Fund does not agree to the balance reported in the financial statements at June 30, 2000, due to a write-down of assets due to increased capitalization rates as discussed in Note 12. In the June 30, 2000, financial statements, equipment and vehicles included \$1,869,973 and \$1,800 of assets valued at less than \$5,000, respectively.

Fund Balance, June 30, 2000, as previously reported	\$ 6,509,962
Less: Asset write-down	<u>1,871,773</u>
Fund Balance, July 1, 2001, as restated	<u>\$ 4,638,189</u>

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
(COCONINO COLLEGE)  
Notes to Financial Statements  
June 30, 2001**

**NOTE 14 - Implementation of GASB Statement No. 35**

Beginning with fiscal year 2002, the District will prepare its external financial reports following the requirements of GASB Statement No. 35, Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities. Implementing this standard will significantly change the accounting principles and reporting format used by the District in future financial reports.

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## **STATISTICAL SECTION**

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
CURRENT FUNDS REVENUES BY SOURCE  
LAST TEN FISCAL YEARS**

	<u>2000-01</u>		<u>1999-00</u>		<u>1998-99</u>	
<u>Source of revenue</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Property taxes	\$ 3,861,021	31.7%	\$ 3,785,749	34.0%	\$ 3,499,824	34.1%
State appropriations	3,130,800	25.7%	3,130,800	28.1%	3,130,800	30.5%
Governmental grants and contracts	2,035,180	16.7%	1,578,612	14.2%	1,442,749	14.1%
Private gifts, grants, and contracts	141,568	1.2%	29,567	0.3%	21,850	0.2%
Tuition and fees	2,366,370	19.5%	2,013,005	18.1%	1,737,319	16.9%
Investment income	524,791	4.3%	476,039	4.3%	343,049	3.3%
Other	106,989	0.9%	109,744	1.0%	89,440	0.9%
Total revenues	<u>\$ 12,166,719</u>	<u>100.0%</u>	<u>\$ 11,123,516</u>	<u>100.0%</u>	<u>\$ 10,265,031</u>	<u>100.0%</u>

	<u>1997-98</u>		<u>1996-97</u>		<u>1995-96</u>	
<u>Source of revenue</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Property taxes	\$ 3,334,611	34.6%	\$ 3,020,591	33.9%	\$ 2,902,234	36.0%
State appropriations	2,803,900	29.1%	2,411,500	27.0%	1,955,500	24.2%
Governmental grants and contracts	1,445,559	15.0%	1,415,282	15.9%	1,387,581	17.2%
Private gifts, grants, and contracts	145,039	1.5%	114,211	1.3%	68,459	0.9%
Tuition and fees	1,595,778	16.6%	1,699,863	19.1%	1,520,775	18.8%
Investment income	300,287	3.1%	239,034	2.7%	229,584	2.8%
Other	13,845	0.1%	8,182	0.1%	6,037	0.1%
Total revenues	<u>\$ 9,639,019</u>	<u>100.0%</u>	<u>\$ 8,908,663</u>	<u>100.0%</u>	<u>\$ 8,070,170</u>	<u>100.0%</u>

	<u>1994-95</u>		<u>1993-94</u>		<u>1992-93</u>	
<u>Source of revenue</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Property taxes	\$ 2,758,731	40.7%	\$ 2,646,545	49.7%	\$ 2,454,104	54.1%
State appropriations	1,584,600	23.4%	1,047,200	19.7%	1,000,900	22.1%
Governmental grants and contracts	826,980	12.2%	272,745	5.1%	150,899	3.3%
Private gifts, grants, and contracts	36,685	0.5%	3,000	0.1%	3,986	0.1%
Tuition and fees	1,319,679	19.5%	1,184,454	22.2%	849,011	18.7%
Investment income	211,804	3.1%	128,927	2.4%	73,075	1.6%
Other	39,439	0.6%	44,466	0.8%	6,567	0.1%
Total revenues	<u>\$ 6,777,918</u>	<u>100.0%</u>	<u>\$ 5,327,337</u>	<u>100.0%</u>	<u>\$ 4,538,542</u>	<u>100.0%</u>

	<u>1991-92</u>	
<u>Source of revenue</u>	<u>Amount</u>	<u>%</u>
Property taxes	\$ 2,337,281	60.6%
State appropriations	979,400	25.4%
Governmental grants and contracts	98,843	2.6%
Private gifts, grants, and contracts	10,490	0.3%
Tuition and fees	403,810	10.5%
Investment income	19,849	0.5%
Other	4,532	0.1%
Total revenues	<u>\$ 3,854,205</u>	<u>100.0%</u>

Source: Annual Reports on Financial Statements for years presented.

Note 1: Current Fund includes the General Fund, the Auxiliary Enterprises Fund, and the Restricted Fund.

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
CURRENT FUNDS EXPENDITURES BY FUNCTION  
LAST TEN FISCAL YEARS**

	<b>2000-01</b>		<b>1999-00</b>		<b>1998-99</b>	
<b>Function</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Instruction	\$ 3,834,511	34.5%	\$ 3,325,782	34.3%	\$ 2,894,818	33.0%
Public service	148,276	1.3%	142,287	1.5%	143,511	1.6%
Academic support	1,632,788	14.7%	1,162,479	12.0%	655,820	7.5%
Student services	1,254,922	11.3%	1,138,132	11.7%	1,282,664	14.6%
Institutional support (administration)	1,976,760	17.8%	1,703,198	17.5%	1,633,765	18.6%
Operation and maintenance of plant	983,243	8.8%	948,800	9.8%	954,393	10.9%
Scholarships and student support	1,248,955	11.2%	1,050,749	10.8%	975,194	11.1%
Auxiliary enterprises expenditures	36,261	0.3%	222,544	2.2%	204,415	2.3%
Provision for bad debts	7,584	0.1%	14,735	0.2%	30,267	0.4%
Total expenditures	<u>\$ 11,123,300</u>	<u>100.0%</u>	<u>\$ 9,708,706</u>	<u>100.0%</u>	<u>\$ 8,774,847</u>	<u>100.0%</u>

	<b>1997-98</b>		<b>1996-97</b>		<b>1995-96</b>	
<b>Function</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Instruction	\$ 2,744,702	32.5%	\$ 2,818,136	34.9%	\$ 2,646,417	34.4%
Public service	144,122	1.7%	139,911	1.7%	143,870	1.9%
Academic support	586,163	6.9%	617,147	7.6%	481,244	6.3%
Student services	1,295,423	15.3%	1,207,415	15.0%	1,096,022	14.3%
Institutional support (administration)	1,746,053	20.6%	1,486,561	18.4%	1,342,427	17.5%
Operation and maintenance of plant	796,966	9.4%	725,586	9.0%	780,320	10.1%
Scholarships and student support	991,689	11.7%	980,592	12.2%	984,396	12.8%
Auxiliary enterprises expenditures	107,116	1.3%	47,823	0.6%	169,095	2.2%
Provision for bad debts	50,117	0.6%	49,894	0.6%	40,189	0.5%
Total expenditures	<u>\$ 8,462,351</u>	<u>100.0%</u>	<u>\$ 8,073,065</u>	<u>100.0%</u>	<u>\$ 7,683,980</u>	<u>100.0%</u>

	<b>1994-95</b>		<b>1993-94</b>		<b>1992-93</b>	
<b>Function</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Instruction	\$ 2,083,208	35.2%	\$ 1,583,358	38.7%	\$ 1,250,852	37.9%
Public service	130,039	2.2%	203,536	5.0%	169,431	5.1%
Academic support	589,483	9.9%	567,613	13.8%	517,078	15.7%
Student services	559,376	9.4%	372,518	9.1%	253,705	7.7%
Institutional support (administration)	1,083,107	18.3%	732,416	17.9%	586,608	17.8%
Operation and maintenance of plant	712,954	12.0%	562,776	13.7%	506,376	15.4%
Scholarships and student support	715,278	12.1%	50,166	1.2%	10,306	0.3%
Auxiliary enterprises expenditures	43,481	0.7%	20,014	0.5%		0.0%
Provision for bad debts	10,438	0.2%	3,294	0.1%	3,633	0.1%
Total expenditures	<u>\$ 5,927,364</u>	<u>100.0%</u>	<u>\$ 4,095,691</u>	<u>100.0%</u>	<u>\$ 3,297,989</u>	<u>100.0%</u>

	<b>1991-92</b>	
<b>Function</b>	<b>Amount</b>	<b>%</b>
Instruction	\$ 913,679	42.1%
Public service	98,316	4.5%
Academic support	166,320	7.7%
Student services	202,512	9.3%
Institutional support (administration)	595,665	27.4%
Operation and maintenance of plant	183,100	8.4%
Scholarships and student support	10,176	0.5%
Auxiliary enterprises expenditures		0.0%
Provision for bad debts	1,827	0.1%
Total expenditures	<u>\$ 2,171,595</u>	<u>100.0%</u>

Source: Annual Reports on Financial Statements for years presented.

Note 1: Current Fund includes the General Fund, the Auxiliary Enterprises Fund, and the Restricted Fund.

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
EXPENDITURE LIMITATION  
STATUTORY LIMIT TO BUDGETED EXPENDITURES  
LAST TEN FISCAL YEARS**

<b>FISCAL YEAR</b>	<b>STATUTORY EXPENDITURE LIMITATION</b> <sup>1</sup>	<b>BUDGETED EXPENDITURES SUBJECT TO THE LIMITATION</b> <sup>2</sup>	<b>UNUSED LEGAL LIMIT</b> <sup>3</sup>
1991-92	\$ 3,895,615	\$ 3,656,700	\$ 238,915
1992-93	5,488,569	2,423,376	3,065,193
1993-94	5,918,104	2,732,135	3,185,969
1994-95	7,599,551	5,401,497	2,198,054
1995-96	8,358,792	6,890,003	1,468,789
1996-97	8,098,460	8,098,459	1
1997-98	8,606,136	8,606,135	1
1998-99	8,817,955	8,817,954	1
1999-00	8,584,609	8,584,608	1
2000-01	8,294,190	8,294,189	1

Source: District records.

Note 1: The Statutory Expenditure Limitation is calculated by the Arizona Department of Revenue Economic Estimates Commission and applies to Current (General, Auxiliary Enterprises, and Restricted) and Plant Funds (Unexpended and Retirement of Indebtedness).

Note 2: Budgeted expenditures are net of allowable exclusions.

Note 3: The unused legal limit may be carried forward to the extent it does not exceed fund balances.

**COCONINO COMMUNITY COLLEGE  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

<b>FISCAL YEAR</b>	<b>TOTAL TAX LEVY (1)</b>	<b>TOTAL TAX COLLECTIONS</b>	<b>RATIO OF TOTAL TAX COLLECTIONS TO TOTAL TAX LEVY</b>	<b>OUTSTANDING DELINQUENT TAXES</b>	<b>RATIO OF DELINQUENT TAXES TO TOTAL TAX LEVY</b>
1991-92	\$ 2,187,738	\$ 2,062,784	94.29%	\$ 124,954	5.71%
1992-93	2,413,001	2,456,490	101.80%	122,568	5.08%
1993-94	2,644,101	2,657,405	100.50%	111,708	4.22%
1994-95	2,742,094	2,756,133	100.51%	114,306	4.17%
1995-96	2,907,547	2,877,602	98.97%	138,938	4.78%
1996-97	3,169,405	3,101,761	97.87%	138,757	4.38%
1997-98	3,237,396	3,162,511	97.69%	167,321	5.17%
1998-99	3,390,966	3,366,588	99.28%	160,600	4.74%
1999-00	5,392,349	5,343,807	99.10%	143,270	2.66%
2000-01	5,601,262	5,546,120	99.02%	177,683	3.17%

Source: Coconino County Department of Finance, Coconino County Treasurer's Office, and District records.

(1) Tax Levy is based on levy limits of the calendar year at June 30.

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

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
SECONDARY ASSESSED VALUE AND CURRENT MARKET VALUE  
OF ALL TAXABLE PROPERTY  
LAST TEN TAX YEARS  
(Dollars in Thousands)**

<b>TAX YEAR</b>	<b>TOTAL PROPERTY VALUES</b>		<b>TOTAL ASSESSED VALUE AS A PERCENT OF TOTAL MARKET VALUE</b>
	<b>ASSESSED</b>	<b>CURRENT MARKET</b>	
1992	688,104	4,244,198	16.2%
1993	704,577	4,523,115	15.6%
1994	735,069	4,862,390	15.1%
1995	763,229	5,162,803	14.8%
1996	780,215	5,814,529	13.4%
1997	845,386	6,215,438	13.6%
1998	887,556	6,462,245	13.7%
1999	939,915	6,700,526	14.0%
2000	1,004,869	7,158,212	14.0%
2001	1,062,082	7,535,970	14.1%

Source: Coconino County Assessor's Office

Note: Figures are not broken out between secured and unsecured.

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
PRIMARY PROPERTY TAX RATES, DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN TAX YEARS  
(Per \$100 Assessed Valuation)**

<b>Tax Year</b>	<b>Coconino County Community College District</b>	<b>State of Arizona</b>	<b>Coconino County*</b>	<b>County Education District</b>
1992	0.3589	0.4700	0.9785	2.3600
1993	0.3671	0.4700	0.9624	2.3600
1994	0.3706	0.4700	0.9432	2.3600
1995	0.3728	0.4700	0.9308	2.3600
1996	0.3784	-	0.9137	2.2000
1997	0.3869	-	0.8899	2.2000
1998	0.3949	-	0.8733	2.2000
1999	0.4001	-	0.8650	2.1654
2000	0.3973	-	0.8556	2.1265
2001	0.4010	-	0.8407	2.0647

<b>Tax Year</b>	<b>Cities or Fire Districts</b>		<b>School Districts</b>	
	<b>Range</b>		<b>Range</b>	
	<b>From</b>	<b>To</b>	<b>From</b>	<b>To</b>
1992	0.6644	1.3880	1.8491	8.3947
1993	0.6644	1.3880	2.2336	7.6900
1994	0.6644	1.3880	2.2370	7.6483
1995	0.7326	1.3880	1.6118	7.6483
1996	0.7326	1.3880	1.9114	6.8876
1997	0.7326	1.3880	2.2947	6.6914
1998	0.7326	1.3526	2.4607	7.8187
1999	0.7326	1.3138	1.9307	7.3800
2000	0.7326	1.2573	1.9949	6.4113
2001	0.7326	1.2573	1.0763	7.8089

<b>2001 Tax Rates (Special Districts)</b>	
Flood Control **	0.0913
Forest Lakes Domestic Water	1.1730
Williams Facilities District	0.2138
Williams Hospital District	0.9211
Page Hospital District	0.7629

\* Coconino County applies to the General, Library District and Fire District Assistance Funds.

\*\* Flood Control District applies to all property outside the cities of Flagstaff, Page and Fredonia.

Source: Arizona Tax Research Foundation

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
SECONDARY PROPERTY TAX RATES, DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN TAX YEARS  
(Per \$100 Assessed Valuation)**

<b>Tax Year</b>	<b>Coconino County Community College District</b>	<b>Coconino Association for Vocation, Industry, and Technology</b>	<b>Coconino County*</b>	<b>County Education District</b>
1992	-	-	0.2030	0.2030
1993	-	-	0.2026	-
1994	-	-	0.2190	-
1995	-	-	0.2164	-
1996	-	-	0.2248	-
1997	-	-	0.2269	-
1998	-	-	0.2361	-
1999	0.1946	-	0.2711	-
2000	0.1751	-	0.2780	-
2001	0.1707	0.0500	0.2544	-

<b>Tax Year</b>	<b>Cities or Fire Districts</b>		<b>School Districts</b>	
	<b>Range</b>		<b>Range</b>	
	<b>From</b>	<b>To</b>	<b>From</b>	<b>To</b>
1992	-	2.5000	-	9.1611
1993	-	2.6000	-	9.9260
1994	-	2.6000	-	5.5190
1995	-	2.6000	-	6.9003
1996	-	2.6000	-	5.2463
1997	-	2.6000	-	6.6700
1998	-	2.6000	-	7.2869
1999	-	2.6000	-	7.8837
2000	-	2.6000	-	7.5159
2001	-	2.5000	-	6.6782

\* Coconino County applies to the General, Library District and Fire District Assistance Funds.

Source: Arizona Tax Research Foundation

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
COMPUTATION OF LEGAL DEBT MARGIN  
For Fiscal Year Ended June 30, 2001**

Secondary Assessed Value of Real and Personal Property		\$ 1,062,082,181
Debt Limit = 15% of secondary assessed value		159,312,327
Amount of debt applicable to debt limit:		
General Obligation Bonded Debt	<u>\$ 24,460,000</u>	
Total debt applicable to debt limit		<u>24,460,000</u>
Legal debt margin		<u><u>\$ 134,852,327</u></u>

Source: District Records

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
DIRECT AND OVERLAPPING DEBT  
General Obligation Bonds, June 30, 2001**

**Overlapping Municipality**

Direct:

Coconino County Community College District	\$	24,460,000
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Overlapping:

City of Flagstaff	\$	10,300,000
City of Williams		21,000
Flagstaff Unified School District #1		62,355,000
Fredonia-Moccasin Unified School District #6		250,000
Grand Canyon Unified School District #4		755,000
Page Unified School District #8		16,460,000
Sedona-Oak Creek Unified School District #9		27,458,547
Tuba City Unified School District #15		1,325,000
Williams Unified School District #2		<u>2,900,000</u>
 TOTAL	 \$	 <u>146,284,547</u>

Source: Dain Rauscher Incorporated

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
TOP TEN PRINCIPAL TAXPAYERS  
June 30, 2001**

<b><u>TAXPAYER</u></b>	<b><u>TYPE OF BUSINESS</u></b>	<b><u>ESTIMATED 2000 SECONDARY ASSESSED VALUE</u></b>	<b><u>PERCENTAGE OF DISTRICT'S 2000 SECONDARY ASSESSED VALUE</u></b>
Arizona Public Service	Utility	\$ 62,945,082	6.26%
City of Los Angeles Dept. of Water & Power	Utility	35,815,645	3.56%
Salt River Project	Utility	33,186,626	3.30%
Transwestern Pipeline	Utility	18,999,401	1.89%
Nevada Power Company	Utility	18,615,216	1.85%
Atchison Topeka, Burlington No. & Santa Fe Railway Company	Railway	17,171,885	1.71%
El Paso Natural Gas	Utility	16,001,281	1.59%
Tucson Electric Power	Utility	15,514,476	1.54%
U.S. West Communications	Utility	12,313,540	1.23%
W.L. Gore & Associates	Manufacturer	11,182,806	1.11%
Total Top Ten Taxpayers		<u>\$ 241,745,958</u>	<u>24.06%</u>

Sources: Coconino County Assessor's Office

Coconino County Treasurer's Office

Note: All figures are based on secondary assessed valuation.

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
HISTORIC ENROLLMENT  
LAST TEN FISCAL YEARS**

**FALL HISTORIC HEADCOUNT**

<u>COLLEGE/CENTER</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Flagstaff	2,621	2,736	2,518	2,603	2,699
Page	309	286	226	203	252
Grand Canyon	16	40	15	32	26
Williams	42	38	28	14	21
Other	1	37	-	21	29
NAU	369	436	486	561	868
Total	<u>3,358</u>	<u>3,573</u>	<u>3,273</u>	<u>3,434</u>	<u>3,895</u>

<u>COLLEGE/CENTER</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>
Flagstaff	2,417	2,200	1,728	1,369	736
Page	248	256	249	253	156
Grand Canyon	31	26	39	34	28
Williams	43	40	50	47	35
Other	-	34	39	30	17
NAU	1,030	1,209	1,453	1,503	-
Total	<u>3,769</u>	<u>3,765</u>	<u>3,558</u>	<u>3,236</u>	<u>972</u>

**HISTORIC FTSE\***

<u>SEMESTER</u>	<u>2000-01</u>	<u>1999-00</u>	<u>1998-99</u>	<u>1997-98</u>	<u>1996-97</u>
Fall/Spring Average	1,403.9	1,371.8	1,280.8	1,313.5	1,427.6
Summer	162.8	160.8	165.5	155.4	150.7
Short	85.6	71.3	45.3	27.8	9.2
Annual Total	<u>1,652.3</u>	<u>1,603.9</u>	<u>1,491.6</u>	<u>1,496.7</u>	<u>1,587.5</u>

<u>SEMESTER</u>	<u>1995-96</u>	<u>1994-95</u>	<u>1993-94</u>	<u>1992-93</u>	<u>1991-92</u>
Fall/Spring Average	1,369.3	1,240.4	1,047.3	894.8	437.2
Summer	146.0	146.0	138.6	115.6	38.2
Short	2.9	1.1	0.3	12.2	15.9
Annual Total	<u>1,518.2</u>	<u>1,387.5</u>	<u>1,186.2</u>	<u>1,022.6</u>	<u>491.3</u>

Source: District records

Note 1: Headcount is unduplicated for the 45th day of Fall semesters only.

\* Full Time Student Equivalent (15 Credit Hours)

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
STUDENT ENROLLMENT DEMOGRAPHIC STATISTICS  
LAST TEN FALL SEMESTERS**

<b>FISCAL YEAR</b>	<b>RESIDENCY</b>			
	<b>COUNTY RESIDENT</b>	<b>OUT OF COUNTY</b>	<b>OUT OF STATE</b>	<b>FOREIGN</b>
1991-92	91%	7%	2%	0%
1992-93	87%	10%	3%	0%
1993-94	84%	13%	3%	0%
1994-95	88%	9%	3%	0%
1995-96	87%	9%	4%	0%
1996-97	88%	9%	3%	0%
1997-98	82%	11%	7%	0%
1998-99	85%	8%	7%	0%
1999-00	86%	4%	10%	0%
2000-01	94%	5%	1%	0%

<b>FISCAL YEAR</b>	<b>ATTENDANCE</b>		<b>GENDER</b>	
	<b>FT</b>	<b>PT</b>	<b>M</b>	<b>F</b>
1991-92	8%	92%	41%	59%
1992-93	13%	87%	40%	60%
1993-94	16%	84%	40%	60%
1994-95	12%	88%	39%	61%
1995-96	13%	87%	40%	60%
1996-97	13%	87%	41%	59%
1997-98	14%	86%	41%	59%
1998-99	14%	86%	41%	59%
1999-00	14%	86%	41%	59%
2000-01	16%	84%	42%	58%

<b>FISCAL YEAR</b>	<b>ETHNIC BACKGROUND</b>						<b>MEAN AGE</b>
	<b>AMERICAN INDIAN</b>	<b>ASIAN</b>	<b>BLACK</b>	<b>HISPANIC</b>	<b>WHITE</b>	<b>OTHER</b>	
1991-92	12%	1%	1%	9%	77%	0%	32
1992-93	13%	2%	1%	9%	75%	0%	30
1993-94	12%	2%	2%	9%	75%	0%	30
1994-95	14%	2%	1%	10%	72%	1%	29
1995-96	15%	2%	1%	10%	70%	2%	29
1996-97	15%	2%	1%	10%	71%	1%	29
1997-98	15%	2%	1%	9%	72%	1%	29
1998-99	15%	1%	1%	9%	73%	1%	29
1999-00	15%	1%	2%	9%	71%	1%	29
2000-01	18%	2%	1%	9%	69%	1%	29

Source: District records

Note: Coconino Community College students only - does not include CCC/NAU students.

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
ECONOMIC INDICATORS FOR COCONINO COUNTY  
JUNE 30, 2001**

**Coconino County Non-Farm Employment by Sector\***

<u>Sector</u>	<u>Number of Personnel</u>	<u>Percent of Total</u>
Mining & Quarrying	75	0.13
Manufacturing	2,550	4.33
Construction	3,200	5.44
Transportation, Communication & Utilities	1,650	2.80
Trade	13,775	23.42
Finance, Insurance & Real Estate	1,300	2.21
Services & Miscellaneous	16,650	28.30
Government	<u>19,625</u>	<u>33.36</u>
Totals	<u><u>58,825</u></u>	<u><u>100.00 %</u></u>
Total Unemployment Rate (6 Month Average) for Coconino County		<u><u>5.60 %</u></u>
Arizona June 2001 Unemployment Rate		<u><u>4.40 %</u></u>
United States June 2001 Unemployment Rate		<u><u>4.50 %</u></u>

Source: Arizona Department of Economic Security (DES)

\* Employment by Sector statistics are based on the first six months of the 2001 annual a  
All Unemployment Rates are sesonally adjusted

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
MISCELLANEOUS STATISTICS  
JUNE 30, 2001**

Established:	July 1, 1991
Geographical Location:	North Central portion State of Arizona
Altitude:	Flagstaff Campus/District Offices 7,000 Feet Page Campus 4,300 Feet
Population Projections	2001 125,820
Coconino County*	2005 135,595
	2010 147,352
	2015 158,753
	2020 169,343
	2025 179,555
Number of Faculty:	Full-time. . . . . 30 Part-time. . . . 180
Number of Administrative and Support Staff:	98
Average Class Size:	16

Source: District records

\* Arizona Department of Economic Security, 1997 Projections