



ANNUAL COMPREHENSIVE FINANCIAL REPORT 2022-2023

Fiscal Year Ended June 30th, 2023 | Coconino County, Arizona | www.coconino.edu



COCONINO COUNTY COMMUNITY COLLEGE DISTRICT

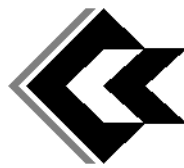
Annual Comprehensive Financial Report

Prepared by

District Business and Administrative Services Office

Fiscal Year Ended June 30, 2023

(July 1, 2022 – June 30, 2023)



**Coconino
Community
College**

Coconino County, Arizona

**Coconino County Community College District
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023**

Table of Contents

Introductory Section

Message from the President	1
Letter of Transmittal	2
Government Finance Officers Association Certificate of Achievement	11
Principal Officers	12
Organizational Chart	13
Vision, Mission, Diversity Statement, and Purposes	14
Guiding Principles	15

Financial Section

Independent Auditors' Report	20
Management's Discussion and Analysis.....	22
Basic Financial Statements:	
Statement of Net Position – Primary Government.....	30
Statement of Financial Position – Component Unit	31
Statement of Revenues, Expenses, and Changes in Net Position – Primary Government	32
Statement of Activities – Component Unit	33
Statement of Cash Flows – Primary Government	34
Notes to Financial Statements	36
Required Supplementary Information:	
Schedule of the District's Proportionate Share of the Net Pension Liability	60
Schedule of the District's Pension Contributions	61
Notes to Pension Plan Schedules.....	62

Statistical Section

Net Position by Component	63
Revenues by Source.....	64
Expenses by Program and Function.....	65
Expenses by Natural Classification.....	66
Other Changes in Net Position.....	67
Higher Learning Commission Financial Ratios	68
Expenditure Limitation - Statutory Limit to Budgeted Expenditures.....	69
Property Tax Levies and Collections	70
Assessed Value, Net Assessed Value and Total Value of All Taxable Property.....	71
Property Tax Rates - Direct and Overlapping Governments	72
Principal Taxpayers.....	73
Historic General Resident Tuition	74
Computation of Legal Debt Margin	75
Computation of Direct and Overlapping Bonded Debt.....	76
General Obligation Bond Coverage	77
Ratios of Outstanding Debt.....	78
Demographic and Economic Statistics – Coconino County.....	79
Principal Employers – Coconino County.....	80
Historic Enrollment	81
Student Enrollment Demographic Statistics.....	82
Faculty and Staff Statistics.....	83
Graduation Statistics	84
Capital Asset Information	85

Introductory Section





Office of The President

Dr. Eric Heiser, President

March 18, 2024

To the Citizens of Coconino County:

We are pleased to share with you our Annual Comprehensive Financial Report, which is a detailed look at how Coconino Community College operates. The Government Finance Officers Association of the United States and Canada has honored the CCC accounting team with the Certificate of Achievement for Excellence in Financial Reporting annually for twenty-seven years, and we are proud of our record for sound fiscal management.

Coconino Community College provides vital educational services to Coconino County residents. The college, in conjunction with the Franklin Covey Corporation, recently adopted our Wildly Important Goals for the next two years. The goals have established our “north star” and will result in increased and unrelenting attention to our student retention and completion numbers. The college is in the process of adopting a new holistic student support model which will help us provide both in and out of the classroom support to allow our students the greatest possibility of success.

Coconino Community College continues to play a significant role in the lives of individuals throughout the County who seek affordable training and higher education opportunities. It is important that the citizens of Coconino County understand that the College’s educational services are directly tied to limited funding sources, and the College is continually working to generate new revenue while maintaining its remarkable efficiency.

This report is another testament to CCC’s outstanding stewardship of public tax dollars while keeping student success as the heart and purpose of our institution.

Sincerely,

Dr. Eric A. Heiser
President
Coconino Community College



March 18, 2024

To the Residents of Coconino County Community College District:

The Annual Comprehensive Financial Report (ACFR) of the Coconino County Community College District (the District) for the fiscal year ended June 30, 2023 is a detailed look at how Coconino Community College operates.

Arizona Revised Statutes (A.R.S.) §41-1279.07 requires community college districts of Arizona to prepare an annual budgeted expenditure limitation report and annual financial statements prepared in accordance with generally accepted accounting principles. The Auditor General or a certified public accountant performing the annual audit shall attest to the expenditure limitation report and financial statements. This report is published to fulfill the requirements for the annual financial statements for the fiscal year ended June 30, 2023. The expenditure limitation report is published separately.

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

Management is responsible for establishing and maintaining internal controls designed to ensure that assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. No matter how well internal controls are designed, they can only provide reasonable assurance that objectives have been achieved.

Audit services are provided by the Arizona Auditor General. As noted above, Arizona Revised Statutes require an annual audit of the District's financial statements. This requirement has been complied with. The independent auditors' report is included in this document. The auditors' opinion is unmodified.

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

Reporting Entity

The District is an independent reporting entity within the criteria established by generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). Although the District shares the same geographic boundaries of Coconino County,

financial accountability for all activities related to public community college education in Coconino County is exercised solely by the District. In accordance with GASB Statement No. 61, the financial reporting entity consists of a primary government and a component unit. Coconino County Community College District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. The financial activity of the Coconino Community College Foundation is presented as a component unit of the District. The District is not included in any other governmental financial reporting entity.

Profile of Coconino County Community College District

As a political subdivision of the State of Arizona, the Coconino County Community College District is subject to the oversight of the District's Governing Board (the Board), which is comprised of five elected members, representing each of the five precincts of the County. These members are elected for six-year terms on a staggered basis. The Board is granted full authority from the Arizona Revised Statutes to manage the business and educational needs of the District. The administrative staff is responsible for the daily operation of the District.

The District exercises primary property tax levy authority for generation of funds for operating expenses. State appropriations are also received based on Full Time Student Equivalent (FTSE) enrollment and formula funding. One FTSE equals 15 credit hours each from both fall and spring semesters, for a total of 30 credit hours for one year.

Coconino Community College faculty and staff help to promote an environment of excellence to support our students. The District has helped create the region's skilled workforce, with the goal of improving the lives of our residents through workforce development and higher education. The District serves approximately 6,200 students a year currently, and has served over 93,000 students county-wide since opening its doors. The District provides affordable tuition and a wide variety of certificates and degrees including career/technical programs with 47 certificate programs and two-year associate degrees in various fields including nursing, fire science, law enforcement and business. Many credit hours are delivered via alternative delivery methods including online, hybrid, videoconference, and at alternative times or places. The District offers Dual Enrollment, Programs of Study, Coconino Association for Vocation, Industry and Technology (CAVIAT) and concurrent enrollment programs to jump start high schools students' higher education goals. The CCC2NAU and other university transfer programs offer a seamless transition to a four-year institution.

The District is an accredited institution of the Higher Learning Commission (HLC). The HLC evaluation process assures quality by verifying an institution meets standards and is engaged in continuous improvement. It includes annual monitoring of both financial and non-financial indicators and ensures the organization adheres to HLC policies and practices on institutional change.

The District serves the educational needs of Coconino County through three facilities: the Flagstaff Lone Tree Campus and District Offices, the Flagstaff Fourth Street Innovation Center,

and the Page/Lake Powell Instructional Site. In addition, The District partners with high schools throughout the County to provide services including those at Grand Canyon, Page, Tuba City, Fredonia, and Williams. District-wide administrative and support services are centralized and administered by the President and the respective Vice-Presidents and Deans.

The District embraces the philosophy of shared governance, which is the process by which the college community, including administration, employees, students and public when appropriate, respectfully share responsibility for reaching collective decisions on issues related to the District. This governance model includes Vice Presidents that provide oversight for departmental and cross-departmental initiatives. Additionally, Faculty and Staff are represented through the Faculty Senate and Staff Council. The President's Cabinet makes decisions based on functional Council recommendations and provides recommendations to the Board when necessary.

History

In November of 1990, the citizens of Coconino County 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 coterminous with the boundaries of Coconino County.

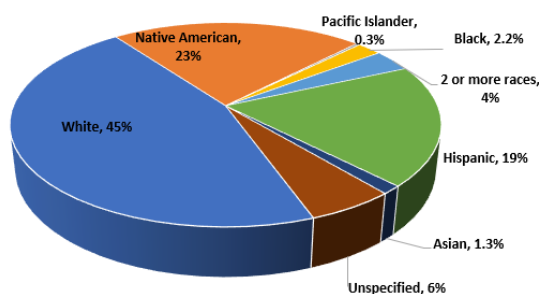
When the District first opened its doors, nearly 1,000 students enrolled at the Flagstaff campus in the first semester. Since then, the District has experienced an astounding growth rate and today serves more than 6,200 students per year.

In June of 1992 the District began the process of seeking affiliation with the Commission on Institutions of Higher Education of the North Central Association of Colleges and Schools. In 1996 the District received initial accreditation from the Commission on Institutions of Higher Education. The first commencement was held in 1993 with three graduates.

Student Population

Coconino Community College serves a diverse population of students each year. Most are seeking a degree or certificate, 55 percent are female, and over 16 percent are high school students earning college credit.

Geography/Population



Graduation Age	
24 and under	56%
25 and over:	44%
Attendance	
Full-Time	34%
Part-Time	66%
Residency	
In-State	90%
Out-of-State	10%

Coconino County is located in the northern portion of the State and encompasses an area of approximately 12 million acres. Its boundaries include the cities of Page, Fredonia, Tuba City, Grand Canyon, Williams, Sedona, and Flagstaff as well as other smaller cities and towns, and all the unincorporated areas of the County. The County's 2022 population was 144,060 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 Tribal 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 39.1 percent of the County and are home to the Navajo, Hopi, Paiute, Havasupai, and Hualapai tribes. The U.S. Forest Service and Bureau of Land Management control 32.3 percent of the land; the state of Arizona owns 9.4 percent; the National Park Services controls 6.9 percent; and the remaining 12.3 percent is owned by individuals or corporations.

Local Economy

The share of the County's labor force is heavily weighted towards government, trade, and service employment. Relative to the rest of the state, the work force employed by government is high at 22% of the workforce. Part of the reasons for the large number of government workers in the County include the presence of several major national parks, Tribal Lands and the high percentage of public lands in the County.

Coconino County and Arizona tend to have higher unemployment rates than the national average. The County unemployment rate as of September 2023 (4.3%) is the same as the state and both are above the national level (3.7%). And with the exception of one-time rural college funding received in the current fiscal year, the District must contend with the continued limited funding from the State due to defunding of over 40% of State aid in the past twelve years. The District is committed to improving and offering additional services to meet the County needs. These efforts are achieved through careful monitoring of costs, innovative partnerships, cost saving opportunities, and seeking new revenue sources.

Long Term Strategic Financial and Operational Planning

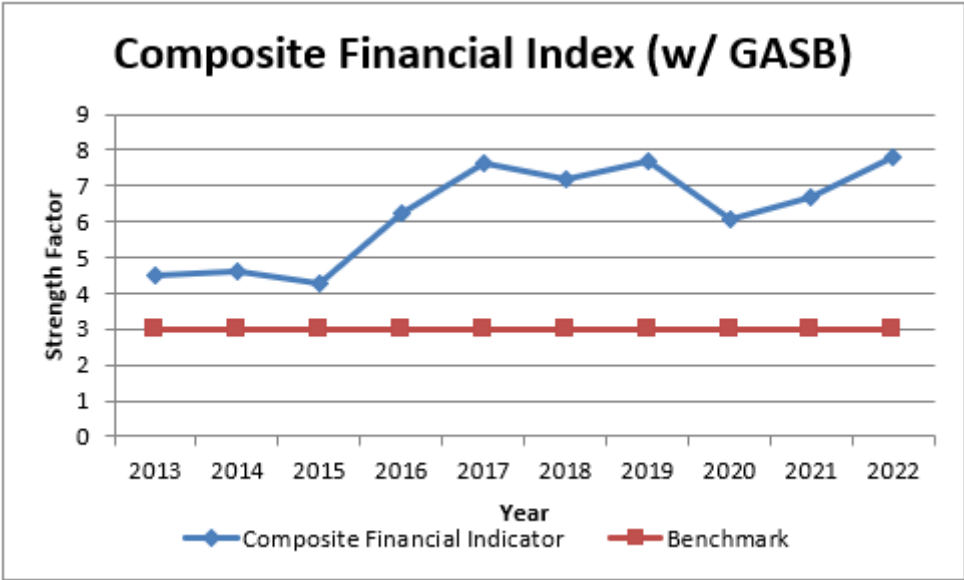
Financial Reporting

The Annual Comprehensive Financial Report (ACFR) for the District was formulated with data from several sources. 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 ACFR 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.

Financial Indicators

Coconino Community College reports financial information with the HLC, the District’s accrediting body. The HLC collects financial indicators to evaluate reserve strength, operating revenues, viability, and return on net assets. In addition, the HLC ratios lead to a composite financial index, which is a weighted average score to determine the overall financial health of the organization. The ratio shown here reflects the impact of the Government Accounting Standards Board (GASB) Statement 68, *Accounting & Financial Reporting for Pensions*, and Statement 75, *Accounting & Financial Reporting for Postemployment Benefits Other Than Pensions*. Through strategic and financial planning efforts, the District has been able to improve its composite financial index score over the past ten years and for FY2022* exceeded the 3.0 benchmark once again with a composite score of 7.8.



*2023 data not yet available

Budget

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

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

An encumbrance accounting system is maintained by the District as one technique of budgetary 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.

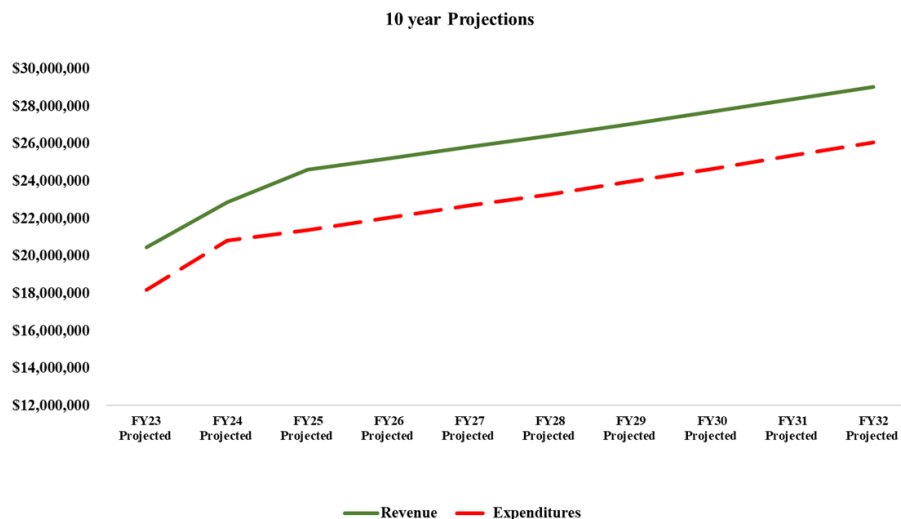
As part of the budget development process, the District continues to hold a budget hearing process that expands financial literacy and transparency. Open meetings were implemented so that all employees could participate in the budget development process, from the budget kick-off through budget hearings where budget increment requests were presented for evaluation. The result is greater transparency for faculty, staff, and students on how resources are allocated to best support learning.

Debt Administration

The District does not foresee any debt in the near future.

Long-term Financial Planning

Coconino Community College has both the lowest property tax rate of all Arizona community colleges, and dwindling State funding as a percentage of the budget. The District continuously monitors revenues and expenditures, and adjusts program levels to maintain long-term financial stability. As shown below, long-term planning has resulted in revenues and expenses in balance for a ten-year horizon.



Major Initiatives

CCC2NAU

In collaboration with Northern Arizona University (NAU), the District continued a unique partnership known as the CCC2NAU program. This award winning program helps students earn their CCC associate degree and transition from CCC to NAU seamlessly to earn a bachelor's degree. Advisors are trained in academic offerings and degree requirements across both institutions, and over 100 degree plans have been created that quickly identify courses at the community college that articulate to a designated major at NAU.

Program features include:

- Waived NAU application fee (\$25) and an NAU ID card
- Automatic transfer of credits and seamless exchange of transcripts
- Option to enroll part-time at NAU every semester
- Assistance in transitioning to the university
- Access to many services, such as the NAU library, computer lab, clubs, and campus events
- Dedicated scholarships for CCC2NAU students at both NAU and CCC
- Option to live on the NAU campus, purchase a meal plan and have access to the Health and Learning Center

The CCC2NAU program began with the Fall 2008 term with an initial cohort of 15 students. To date, 1,067 students have graduated from NAU with a bachelor degree.

Workforce Development and STEM

The District continued a concentrated effort over the past several years to provide communities with more occupational and technical training. As a result of a voter approved Proposition 301 that was passed in 2000, the State of Arizona imposed a 0.6% sales tax to assist in this effort. The use of these funds is restricted to workforce development programs and in FY23 the funds were dedicated to supporting the nursing program.

Similar to the 301 funding, the State of Arizona allocates additional funding to community colleges restricted to support Science, Technology, Engineering, and Mathematics (STEM) and Workforce Programs. This allocation provides community college districts with funds for partnerships, faculty, faculty, technology equipment, student services, facilities, and property needs pursuant to A.R.S § 15-1464. During FY 23 these funds were restricted to expanding math, physics, and pre-engineering programs.

In November 2020 Proposition 207 Smart & Safe Arizona was approved and provided appropriation that funds greater investment in workforce development. The leadership team developed educational plans to prioritize new academic programs to meet the unique interests of individuals and groups within the service area of the District. District graduates are a large part of the local workforce including many registered nurses, paramedics, and firefighters, and directed funds to expand these programs. In addition to emergency services, the College also directed funding to Accounting, Administration of Justice, Automotive, Business, Construction Trades, Computer Information systems, Cyber Security, and Early Childhood Development programs.

Toward the end of the previous Fiscal year in May 2022, the community passed Proposition 438 to reset property tax in Coconino County. As stated in the Prop 438 initiative the District will use the funding to develop new career, technical education, certificate, and training programs; new programs to support veterans' training for civilian jobs, new programs to train and re-train workers including short-term certificates, continue and expand career and technical education programs that were established with one-time funding, and expand the scholarship program, and enhance educational services throughout Coconino County. By the end of the fiscal year, the College has expanded workforce development programs such as a Commercial Driver's License, Caregiving, Google IT Support Professional, Amazon Web Services, Welding, HVAC, and Police Officer certifications. Additional programs under development include expanding multiple healthcare offerings, Manufacturing Technology, and Electric Car Charging Station Technicians.

Efficiency through Partnerships

As the student population and required services continue to expand, the District must continue to maximize its efficiency. To this end, the District has strengthened relationships with partners in education. The District continues to partner with NAU to implement a groundbreaking model for improving student access and expanding achievement by partnering on reverse transfer and admissions programs for community college students while leveraging resources between the two institutions of higher learning.

The District partners with the Coconino Association for Vocations, Industry, and Technology (CAVIAT) program to provide career and technical education (CTE) programs to high school students. This partnership allows students to step out of the classroom into the real world where they can gain a better understanding of the job skills required at the same time as graduating high school. The District also partners with local and unified school districts and two charter schools in Coconino County to provide Dual Enrollment (DE) courses in high schools offering DE course credit for Arts and Science and CTE courses. DE allows high school students to earn college and high school credits simultaneously, save money on college tuition and textbooks, finish college faster and eliminate duplication of college coursework without leaving their high school campus.

Another partnership venture the District has begun is a Public Private Partnership (PPP) for student and workforce housing located adjacent to the instructional site in Page. The model that was approved by the District Governing Board in 2020 would require a developer to finance and maintain a student housing complex that would include short-term rental possibilities for the local workforce in Page. The PPP represents a unique opportunity to collaborate with the city of Page. A developer was selected in 2021 and funding sources continue to be examined. The PPP met the requirements of a lease under GASB 87 and is properly recorded in the financial statements. The District is finding efficiencies by developing new instructional programs that can be fully funded by the fee revenue they generate, and is continuing to seek external funding through the Coconino Community College Foundation.

Acknowledgment

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jami Van Ess".

Jami Van Ess
Executive Vice President

A handwritten signature in blue ink, appearing to read "Sonni Marbury".

Sonni Marbury
Executive Director of Accounting



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Coconino County Community College District
Arizona**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

Coconino County Community College District

Principal Officers

District Governing Board

Dr. Nathaniel White, Chair, District 1

Ms. Patricia Garcia, Chair, District 2

Mr. Erik Eikenberry, Member, District 3

Mr. Patrick Hurley, Member, District 4

Mr. Joseph Smith, Vice Chair/Secretary, District 5

Senior Administration

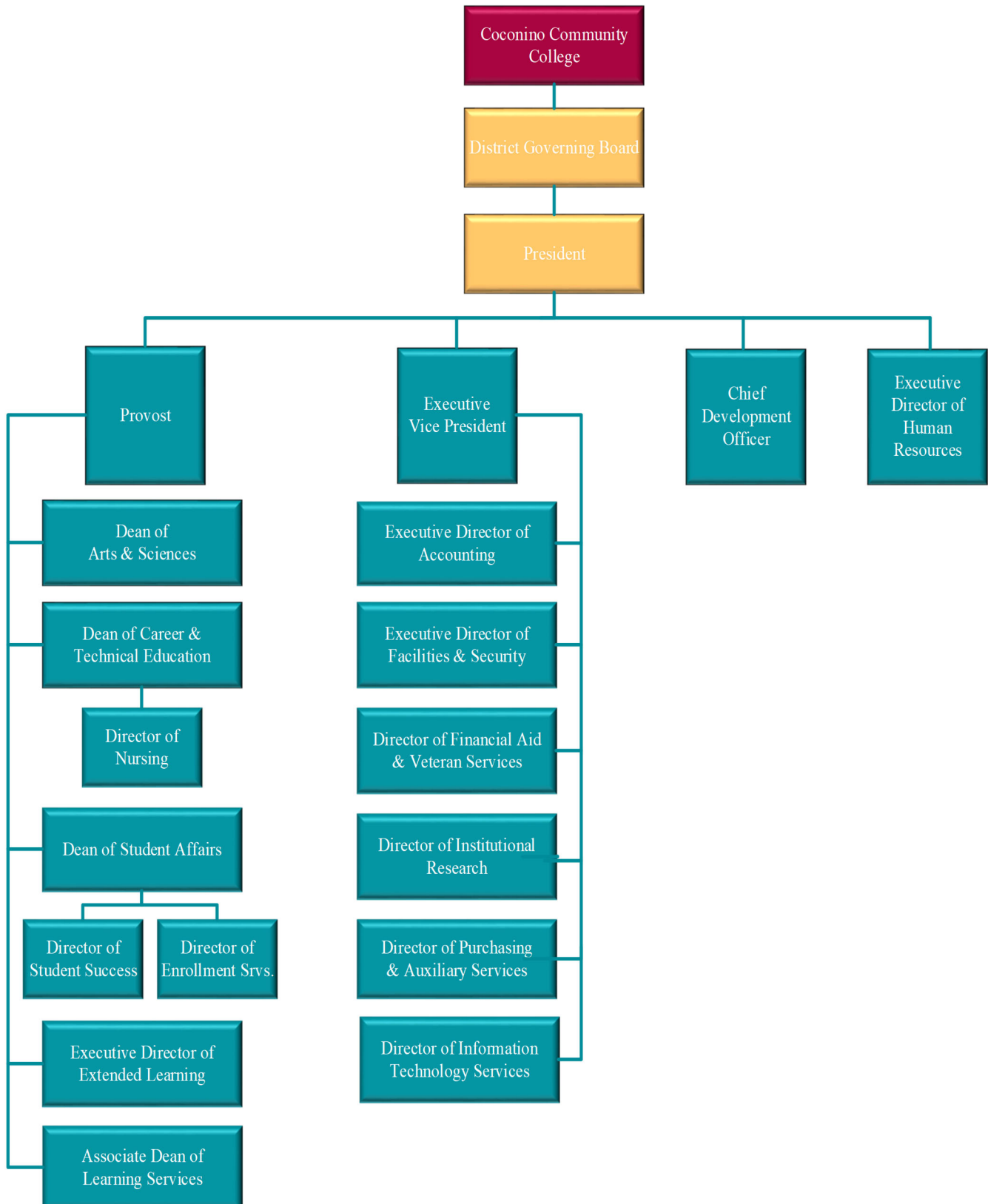
Dr. Christal M. Albrecht, President

Dr. Jami Van Ess, Executive Vice President

Dr. Nathaniel Southerland, Provost

Coconino County Community College District

Administrative Organizational Chart





Vision, Mission, Diversity Statement, Purposes & Guiding Principles

Vision

Shaping the future of Coconino County. Empowering Individuals. Inspiring Communities.

Education with Purpose!

Mission

Coconino Community College is committed to providing accessible and affordable educational programs that prepare students for the future. Deeply engaged with the communities we serve, we promote student success through a welcoming and inclusive learning environment designed for innovative programming, career and workforce development, university transfer education, and continued life-long learning opportunities.

Valuing People: Diversity Statement

Coconino Community College recognizes and respects diversity and the value it brings to our communities. We appreciate and welcome cultures, identities, beliefs, experiences and all that makes us unique. CCC champions and takes action to build an inclusive work and learning environment. We are allies and advocates, navigating a respectful dialogue about our shared humanity.

Purposes

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

- **General Education** to provide learners with the foundation of a liberal education, including lifelong learning.
- **Transfer Education** to provide learners with the curriculum necessary to transfer to baccalaureate institutions.
- **Occupational Education** to provide learners with the skills and knowledge necessary to pursue occupational careers.
- **Continuing Education** to provide all learners with continuing education learning opportunities.
- **Developmental Education** to provide the curriculum necessary to prepare learners for college and the workplace.
- **Economic Development** to respond quickly in the advancement of regional economic development goals.
- **Technology Integration** to provide state-of-the-art technological education and training opportunities.

Guiding Principles

These principles guide the way we work and learn together through our commitment to:

- Put Students First
- Listen, Learn, and Collaborate
- Act and Respond with Integrity and Resilience
- Communicate with Honesty, Dignity, and Respect
- Demonstrate Exceptional Stewardship of Public Resources
- Continually Strive for Excellence as a Community of Learners
- Provide a Safe Environment that Reinforces Learning and Innovation

Financial Section





LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent auditors' report

Members of the Arizona State Legislature

The Governing Board of
Coconino County Community College District

Report on the audit of the financial statements

Opinions

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of the Coconino County Community College District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of the District as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

We did not audit the financial statements of the discretely presented component unit. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the other auditors' report.

Basis for opinions

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 U.S. Comptroller General. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The other auditors did not audit the discretely presented component unit's financial statements in accordance with *Government Auditing Standards*.

Emphasis of matter

As discussed in Note 1 to the financial statements, for the year ended June 30, 2023, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Management's responsibilities for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the audit's planned scope and timing, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required supplementary information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 22 through 29, schedule of the District's proportionate share of the net pension liability on page 60 and schedule of District pension contributions on page 61, be presented to supplement the basic financial statements. Such information is management's responsibility and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be

an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance on the other information.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will issue our report on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters at a future date. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

March 18, 2024

Coconino County Community College District

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2023

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the year ended June 30, 2023. Please read it in conjunction with the transmittal letter, which precedes this section, and the financial statements, which immediately follow.

Using This Annual Report

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

The *Statement of Net Position* reflects the financial position of the District at June 30, 2023. It shows the assets owned or controlled, deferred outflows of resources, related liabilities and other obligations, deferred inflows of resources, and the categories of net position. Net position is an accounting concept defined as total assets and deferred outflows of resources less total liabilities and deferred inflows of resources, and as such, represents the institutional equity or ownership in the total assets of the District.

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

Net position is divided into three major categories. The first category, net investment in capital assets provides the District's equity in property, plant, and equipment owned by the District. The next category is restricted net position, which is expendable. Expendable restricted net position is available for expenditure by the District but must be spent solely for the purpose of their restriction. The final category is unrestricted net position, which is available to the District for any lawful purpose of the District.

The *Statement of Revenues, Expenses, and Changes in Net Position* reflects the results of operations and other changes for the year ended June 30, 2023. It shows the revenues and expenses, both operating and nonoperating, reconciling the beginning net position amount to the ending net position amount, which is shown on the Statement of Net Position described above.

Generally speaking, operating revenues are received for providing goods and services to the customers and constituencies of the District. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues and to carry out the mission of the District. Nonoperating revenues are revenues received for which goods and services are not provided. For example, State appropriations are nonoperating because they are provided by the Legislature to the District without the Legislature directly receiving commensurate goods and services for those revenues.

The *Statement of Cash Flows* reflects the inflows and outflows of cash and cash equivalents for the year ended June 30, 2023. It shows the cash activities by type, reconciling the beginning cash and cash equivalents amount to the ending cash and cash equivalents amount, which is shown on the Statement of Net Position, described above. In addition, this statement reconciles cash flows used for operating activities to the operating loss shown on the Statement of Revenues, Expenses, and Changes in Net Position, described above.

Although the primary focus of this document is on the results and activity for fiscal year 2022-23 (FY2023) comparative data is presented for the previous fiscal year 2021-22 (FY2022). This Management's Discussion and Analysis (MD&A) uses the prior year as a reference point in illustrating issues and trends for determining whether the institution's health may have improved or deteriorated.

**Coconino County Community College District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023**

Condensed Financial Information

Net Position

	<i><u>As of June 30, 2023</u></i>	<i><u>As of June 30, 2022</u></i>	<i><u>Percent Change</u></i>
Assets:			
Current assets	\$ 44,168,031	\$ 39,452,016	12.0%
Noncurrent assets, other than capital assets	3,432,181	3,374,689	1.7%
Capital assets, net of depreciation	<u>20,579,935</u>	<u>20,653,768</u>	<u>-0.4%</u>
Total assets	<u>68,180,147</u>	<u>63,480,473</u>	<u>7.4%</u>
 Deferred outflows of resources	 <u>2,265,707</u>	 <u>3,082,849</u>	 <u>-26.5%</u>
 Liabilities:			
Other liabilities	2,835,042	1,814,925	56.2%
Noncurrent liabilities	<u>16,334,536</u>	<u>13,929,085</u>	<u>17.3%</u>
Total liabilities	<u>19,169,578</u>	<u>15,744,010</u>	<u>21.8%</u>
 Deferred inflows of resources	 <u>4,937,658</u>	 <u>7,712,902</u>	 <u>-36.0%</u>
 Net Position:			
Net investment in capital assets	18,348,232	19,295,043	-4.9%
Restricted net position	617,528	397,192	55.5%
Unrestricted net position	<u>27,372,858</u>	<u>23,414,175</u>	<u>16.9%</u>
Total net position	<u>\$ 46,338,618</u>	<u>\$ 43,106,410</u>	<u>7.5%</u>

**Coconino County Community College District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023**

Condensed Financial Information, cont.

Revenues, Expenses, and Changes in Net Position

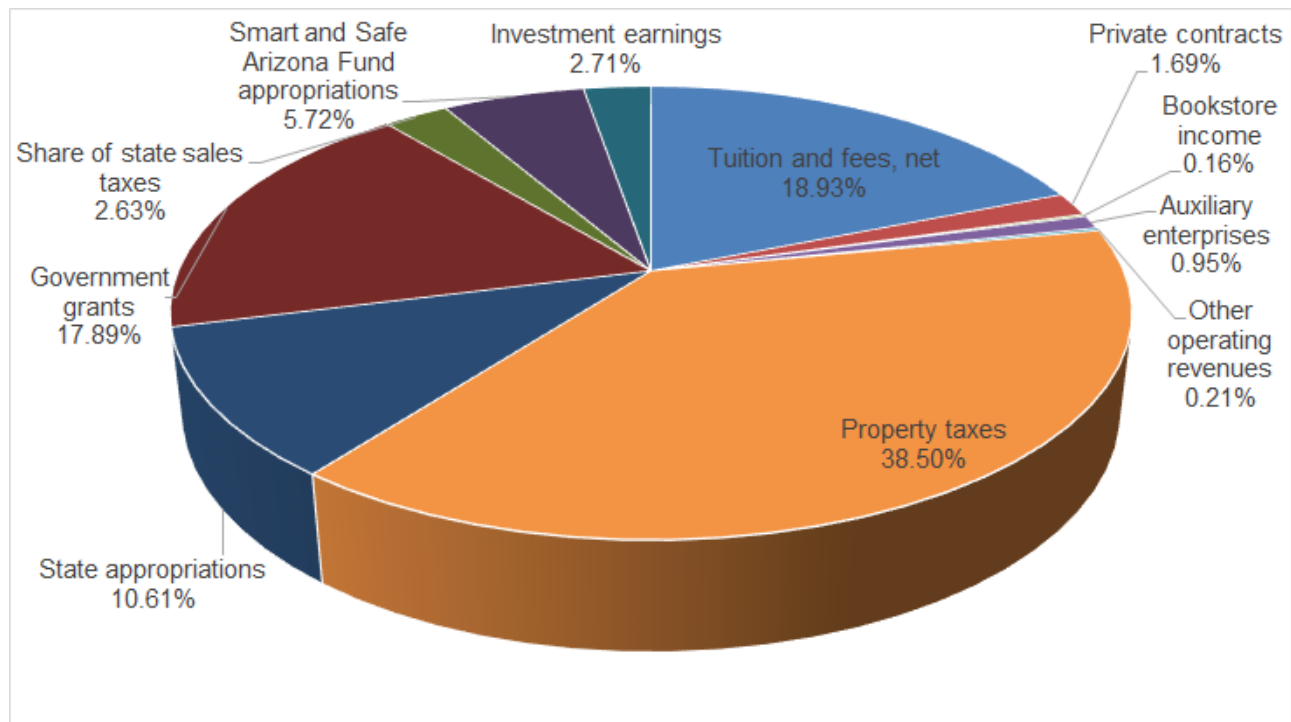
	<i>For the Year Ended June 30, 2023</i>	<i>For the Year Ended June 30, 2022</i>	<i>Percent Change</i>
Operating revenues	\$ 6,220,907	\$ 6,168,209	0.9%
Operating expenses:			
Educational and general	23,479,894	24,730,276	-5.1%
Auxiliary enterprises	91,905	62,336	47.4%
Depreciation/amortization	1,546,651	1,360,512	13.7%
Total operating expenses	25,118,450	26,153,124	-4.0%
Operating loss	(18,897,543)	(19,984,915)	-5.4%
Nonoperating revenues	22,129,751	23,922,631	-7.5%
Increase in net position	3,232,208	3,937,716	-17.9%
Net position, beginning of year	43,106,410	39,168,694	10.1%
Net position, end of year	\$ 46,338,618	\$ 43,106,410	7.5%

Coconino County Community College District Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

The following schedule presents a summary of revenues for the fiscal year ended June 30, 2023, with comparative totals for June 30, 2022.

<i>Revenues by Source</i>	FY2023		FY2022		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent Change
<u>Operating revenues</u>						
Tuition and fees, net of scholarship allowances	\$ 5,367,103	18.93%	\$ 5,666,517	18.83%	\$ (299,414)	-5.28%
Private contracts	479,344	1.69%	228,701	0.76%	250,643	109.59%
Bookstore income	45,645	0.16%	47,137	0.16%	(1,492)	-3.17%
Other operating revenues	269,352	0.95%	218,320	0.72%	51,032	23.38%
Auxiliary enterprises	59,463	0.21%	7,534	0.03%	51,929	689.26%
Total operating revenues	6,220,907	21.94%	6,168,209	20.50%	52,698	0.85%
<u>Nonoperating revenues</u>						
Property taxes	10,915,467	38.50%	9,017,800	29.96%	1,897,667	21.04%
State appropriations	3,006,800	10.61%	3,905,600	12.98%	(898,800)	-23.01%
Government grants	5,072,503	17.89%	9,211,979	30.61%	(4,139,476)	-44.94%
Share of state sales taxes	743,985	2.63%	674,679	2.24%	69,306	10.27%
Smart and Safe Arizona Fund appropriations	1,622,475	5.72%	959,190	3.19%	663,285	69.15%
Investment earnings	767,408	2.71%	157,712	0.52%	609,696	386.59%
Other nonoperating revenues	1,113	0.00%		0.00%	1,113	100.00%
Total nonoperating revenues	22,129,751	78.06%	23,926,960	79.50%	(1,797,209)	-7.51%
Total revenues	\$ 28,350,658	100.0%	\$ 30,095,169	100.0%	\$ (1,744,511)	-5.80%

Revenues by Source FY2023

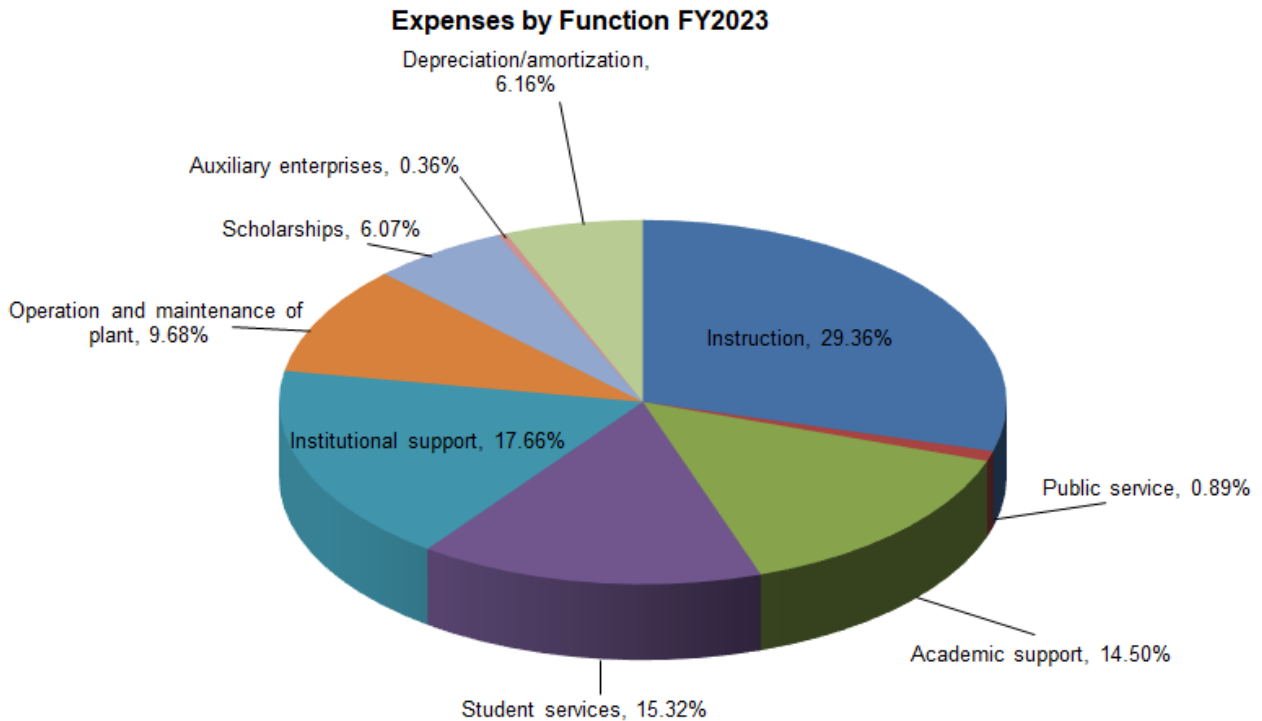


Coconino County Community College District Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

The following schedule presents a summary of expenses by function for the fiscal year ended June 30, 2023, with a comparative total for June 30, 2022.

Expenses by Function

	FY2023		FY2022		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent Change
Operating expenses						
Educational and general:						
Instruction	\$ 7,373,527	29.36%	\$ 6,501,650	24.86%	\$ 871,877	13.41%
Public service	224,805	0.89%	210,652	0.81%	14,153	6.72%
Academic support	3,641,322	14.50%	3,771,607	14.42%	(130,285)	-3.45%
Student services	3,848,722	15.32%	3,578,940	13.67%	269,782	7.54%
Institutional support	4,435,349	17.66%	4,935,215	18.87%	(499,866)	-10.13%
Operation and maintenance of plant	2,431,788	9.68%	1,955,703	7.48%	476,085	24.34%
Scholarships	1,524,381	6.07%	3,776,509	14.44%	(2,252,128)	-59.64%
Auxiliary enterprises	91,905	0.36%	62,336	0.24%	29,569	47.44%
Depreciation/amortization	1,546,651	6.16%	1,360,512	5.20%	186,139	13.68%
Total operating expenses	25,118,450	100.00%	26,153,124	99.99%	(1,034,674)	-3.96%
Nonoperating expenses						
Loss on disposal of assets	-	0.00%	4,329	0.01%	(4,329)	-100.00%
Total nonoperating expenses	-	0.00%	4,329	0.01%	(4,329)	-100.00%
Total expenses	\$ 25,118,450	100.00%	\$ 26,157,453	100.00%	\$ (1,039,003)	-3.97%



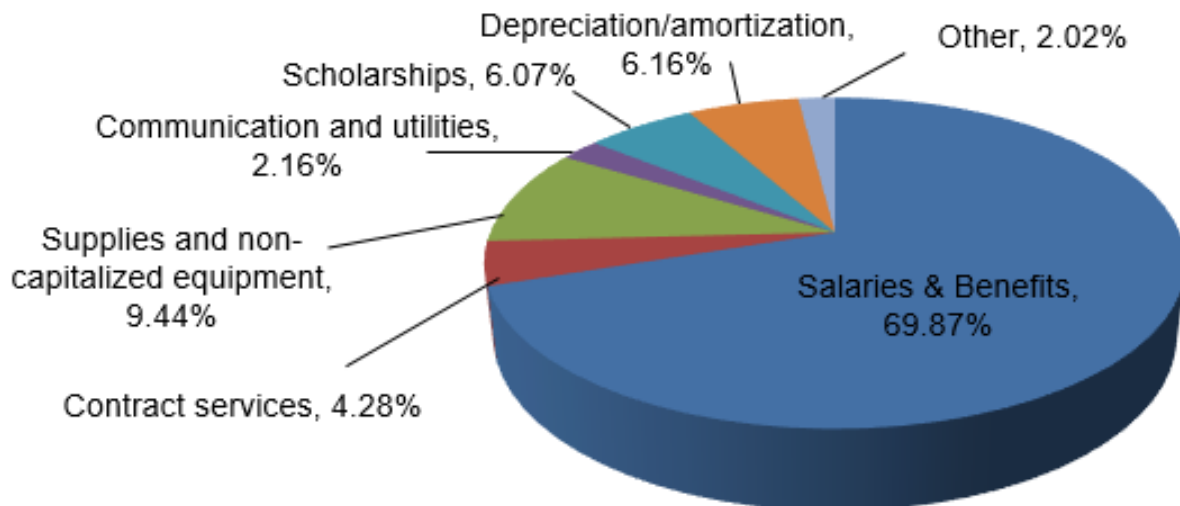
**Coconino County Community College District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2023**

The following schedule presents a summary of expenses by natural classification for the fiscal year ended June 30, 2023, with a comparative total for June 30, 2022.

Operating Expenses by Natural Classification	FY2023		FY2022**		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent Change
<u>Operating expenses</u>						
Salaries & Benefits	\$17,550,111	69.87%	\$15,490,705	59.23%	\$ 2,059,406	13.29%
Contract services	1,076,185	4.28%	1,503,125	5.75%	(426,940)	-28.40%
Supplies and non-capitalized equipment	2,370,983	9.44%	3,120,168	11.93%	(749,185)	-24.01%
Communication and utilities	542,472	2.16%	534,548	2.04%	7,924	1.48%
Scholarships	1,524,381	6.07%	3,776,509	14.44%	(2,252,128)	-59.64%
Depreciation/amortization	1,546,651	6.16%	1,360,512	5.20%	186,139	13.68%
Other	507,667	2.02%	367,557	1.41%	140,110	38.12%
Total operating expenses	25,118,450	100.00%	26,153,124	100.00%	(1,034,674)	-3.96%
Total expenses	\$25,118,450	100.00%	\$26,153,124	100.00%	\$ (1,034,674)	-3.96%

**The District's operating expenses by natural classification was modified in FY2023 to be more consistent with similar institutions' classification. The FY2022 amounts were adjusted for consistent presentation.

Expenses by Natural Classification FY2023



Coconino County Community College District

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2023

Financial Highlights and Analysis

Statement of Net Position

Total net position for the Coconino County Community College District increased by \$3,232,208, from fiscal year 2022 to fiscal year 2023. This increase was primarily a result of program investment with capital assets purchases using reserve funds, increased funding from the Smart and Safe Arizona Fund appropriations, additional grant revenue, and increased state sales tax.

Current assets increased by 12.0% due to exceptional investment performance and continued active budget management. Deferred outflows of resources decreased 26.5% from the previous year's balance due to changes in market assumptions for retirement programs.

Total liabilities increased 21.8% primarily due to the implementation of GASB Statement no. 96, *Subscription-Based Information Technology Arrangements* (SBITA) and increases in the Arizona State Retirement System (ASRS) pension liability. Deferred inflows of resources decreased dramatically due to the actuarial assumptions changing in ASRS and other post employment retirement plan changes. More detail on FY23 assets, deferred outflows of resources, liabilities, and deferred inflows of resources can be found on the Statement of Net Position.

Many other factors are responsible for the net position increase, which are identified in the discussion of the Statement of Revenues, Expenses, and Changes in Net Position, below.

Statement of Revenues, Expenses, and Changes in Net Position

The District has four major revenue sources that account for 85.9% of revenues. These are tuition and fees, property taxes, state appropriations, and government grants and contracts. Total revenue for the District decreased in fiscal year 2023 from the fiscal year 2022 total. Operating revenues increased slightly. Nonoperating revenues decreased due to HEERF funding expiration in government grants and a decrease in State Appropriations. Changes in revenue sources are described below:

- Total operating revenues increased slightly; with some categorical variations, operations generally continued trending the same as prior years.
- Property taxes increased as a result of the successful passage of the levy reset and increased assessments to property values in the County (see next page for additional information).
- State appropriations decreased \$898,800 due to the funding formula from the State, also reflecting a decrease in enrollment (see next page for additional information).
- Government grants decreased due to the expiration of the Higher Education Emergency Relief Funds (part of the Coronavirus Aid, Relief and Economic Security (CARES) Act) first granted to the District in March 2020 as part of the COVID-19 response and stimulus.
- Continuing to grow as a revenue source this year was the Smart and Safe Arizona Fund appropriation, a result of the passage of Proposition 207 in late 2020. These funds, \$1,622,475 for FY2023, are restricted for workforce development, job training, career and technical education, and science, technology, engineering, and mathematics programs.
- Investment earnings increased dramatically by \$609,696 as the State of Arizona's LGIP investment pool outperformed many expectations.

Coconino County Community College District Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

Total operating expenses decreased due to the expiration of the Higher Education Emergency Relief Funds (CARES Act) first granted to the District in March 2020 as part of the COVID-19 response and stimulus. Additional changes by expense classification are as follows:

- Instruction expenses increased due to payroll obligations as the impact of the minimum wage increase compliance requirement as well as unprecedented CPI increases for the Flagstaff area also had a significant impact.
- Operation and maintenance of plant increased due to supply costs and utility rates increasing as well as roof repair and renovation needs.
- Scholarship expense decreased, net of scholarship allowances, due to emergency funds granted to students through the Higher Education Emergency Relief Fund expiring.
- Institutional expenses decreased by \$499,866 largely due to the cost of the tax levy reset election including legal expenses for the election that occurred in May 2022 during the previous fiscal year.

Capital Asset and Debt Administration

The District does not have any debt, and does not plan on acquiring any debt in the near future. However, approximately \$1 million in additions to capital assets were added to the schedule due to the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). Additional information on the District capital assets can be found in Note 4 of the basic financial statements.

Current Factors Having Probable Future Financial Significance

The community college system-wide appropriation for state aid is provided by A.R.S. §15-1466. The formula is based on the current base and enrollment growth. During the past decade state aid to community colleges was cut drastically. Due to this historical funding trend, it is anticipated the trend of declining aid may continue. Trends in enrollment also directly impact the state's funding formula. The District has incorporated state aid funding loss projections into its long-term planning scenarios and has developed a plan to balance the budget with future funding reductions.

In FY2023, the state approved a one-time appropriation for rural community colleges, awarding each college a set amount. The District received an additional \$1,343,400 in funding. The funds are being used as one-time capital acquisition projects and are not expected in fiscal year 2024.

As noted earlier, the passage of Proposition 207 has continued to bring an additional funding source to the District. The amount of this additional funding from legal marijuana sales is somewhat uncertain but continues to be higher than anticipated. The funds continue to be invested in workforce development programs that benefit the community served in Coconino County.

Changes to both the Arizona and Flagstaff minimum wage rates will continue to impact the hours the College can pay for student wage positions. Future increases will also create pressure on the College's salary structure, leading to higher compensation costs.

Additionally, following the successful passage of Proposition 438 in the May 2022 election, the College was able to reset the tax levy rate for the District. The District's legal counsel and the Property Tax Oversight Commission are currently in discussion because there is a conflict of interpretation over the tax reset. While the District believes the implementation of the new levy rate was done accurately, There is a potential liability related to FY24 of \$348,497 that may be held in escrow by Coconino County until a conclusion is reached between the parties.

Requests for Information

This discussion and analysis is designed to provide a general overview of the Coconino County Community College District's finances for all those with an interest in such matters. Questions concerning any of the information provided in this Annual Comprehensive Financial Report or requests for additional financial information should be addressed to the Executive Director of Accounting, Coconino County Community College District, 2800 S. Lone Tree Road, Flagstaff, AZ 86005.

COCONINO COMMUNITY COLLEGE DISTRICT
Statement of Net Position - Primary Government
June 30, 2023

	Business-Type Activities
Assets	
Current assets:	
Cash in bank and on hand	\$ 4,570,443
Cash and investments held by County Treasurer	29,098,228
Investments	8,837,898
Receivables (net of allowances for uncollectibles):	
Property taxes	177,008
Government grants and contracts	907,162
Leases	91,685
Other	446,908
Prepaid items	24,519
Inventories	14,180
Total current assets	<u>44,168,031</u>
Noncurrent assets:	
Lease receivable	3,432,181
Capital assets, not being depreciated/amortized	1,089,000
Capital assets, net of depreciation/amortization	19,490,935
Total noncurrent assets	<u>24,012,116</u>
Total assets	<u>68,180,147</u>
Deferred Outflows of Resources	
Deferred outflows related to pensions	2,060,847
Deferred outflows related to OPEB	204,860
Total deferred outflows of resources	<u>2,265,707</u>
Liabilities	
Current liabilities:	
Accounts payable	853,634
Accrued payroll and employee benefits	789,287
Deposits held in custody for others	134,640
Unearned revenue	690,495
Current portion of lease liability	9,180
Current portion of software agreement liability	282,782
Current portion of compensated absences payable	75,024
Total current liabilities	<u>2,835,042</u>
Noncurrent liabilities:	
Lease liability	1,386,448
Software agreement liability	553,293
Compensated absences payable	550,179
OPEB liability	530,580
Net pension liability	13,314,036
Total non-current liabilities	<u>16,334,536</u>
Total liabilities	<u>19,169,578</u>
Deferred Inflows of Resources	
Deferred inflows related to pensions	1,001,750
Deferred inflows related to OPEB	546,879
Deferred inflows related to leases	3,389,029
Total deferred inflows of resources	<u>4,937,658</u>
Net Position	
Net investment in capital assets	18,348,232
Restricted	
Expendable	
Smart & Safe Arizona Fund appropriations	617,528
Unrestricted	27,372,858
Total net position	<u>\$ 46,338,618</u>

See accompanying notes to financial statements.

Coconino County Community College District
Statement of Financial Position - Component Unit
June 30, 2023

	Coconino Community College Foundation
Assets	
Current Assets:	
Cash and cash equivalents	\$ 347,595
Prepaid expenses	4,646
Total Current Assets	<u>352,241</u>
Long-Term Assets:	
Investments, at market	2,062,587
	<u>2,062,587</u>
 Total Assets	 <u><u>\$ 2,414,828</u></u>
 Liabilities and Net Assets	
Current Liabilities:	
CCC College payable	\$ 14,002
Accounts payable	173
Deferred Revenue	380
Refundable advance	33,432
Total Current Liabilities	<u>47,987</u>
 Net Assets	
Net assets without donor restrictions	907,454
Net assets with donor restrictions	1,459,387
Total Net Assets	<u>2,366,841</u>
 Total Liabilities and Net Assets	 <u><u>\$ 2,414,828</u></u>

COCONINO COMMUNITY COLLEGE DISTRICT
Statement of Revenues, Expenses, and Changes in Net Position - Primary Government
Year Ended June 30, 2023

	<u>Business-Type Activities</u>
Operating revenues:	
Tuition and fees (net of scholarship discounts and allowances of \$1,224,854)	\$ 5,367,103
Private contracts	479,344
Bookstore income	45,645
Auxiliary enterprises	59,463
Other	269,352
Total operating revenues	<u>6,220,907</u>
Operating expenses:	
Educational and general:	
Instruction	7,373,527
Public service	224,805
Academic support	3,641,322
Student services	3,848,722
Institutional support	4,435,349
Operation and maintenance of plant	2,431,788
Scholarships	1,524,381
Auxiliary enterprises	91,905
Depreciation and amortization	1,546,651
Total operating expenses	<u>25,118,450</u>
Operating loss	<u>(18,897,543)</u>
Nonoperating revenues (expenses):	
Property taxes	10,915,467
State appropriations	3,006,800
Government grants	5,072,503
Share of state sales tax	743,985
Smart and Safe Arizona Fund appropriations	1,622,475
Investment earnings	767,408
Other nonoperating income	1,113
Total nonoperating revenues	<u>22,129,751</u>
Increase in net position	3,232,208
Net position - July 1, 2022	<u>43,106,410</u>
Net position - June 30, 2023	<u><u>\$ 46,338,618</u></u>

See accompanying notes to financial statements.

Coconino County Community College District
Statement of Activities - Component Unit
Year Ended June 30, 2023

	Coconino Community College Foundation		
	Without Donor Restrictions	With Donor Restrictions	TOTAL
Revenue, Gains and Other Support			
Public contributions and grants	\$ 17,105	\$ 455,500	\$ 472,605
Donated services	253,442		253,442
Investment earnings, net of fees	23,946	16,357	40,303
Realized gain on investments	12,754	8,430	21,184
Unrealized gain on investments	76,691	58,017	134,708
Net assets released from restrictions	325,747	(325,747)	
Total Revenue, Gains and Other Support	709,685	212,557	922,242
Expenses and Losses			
Program services	472,076		472,076
Management and general	131,657		131,657
Fundraising	97,305		97,305
Total Expenses and Losses	701,038		701,038
Change in Net Assets	8,647	212,557	221,204
Net Assets, beginning of year, as restated	898,807	1,246,830	2,145,637
Net Assets, end of year	<u>\$ 907,454</u>	<u>\$ 1,459,387</u>	<u>\$ 2,366,841</u>

COCONINO COMMUNITY COLLEGE DISTRICT
Statement of Cash Flows
Year Ended June 30, 2023

Cash flows from operating activities:	
Tuition and fees	\$ 5,494,442
Private contracts	479,344
Bookstore receipts	11,481
Auxiliary enterprises	59,463
Other receipts	216,671
Payments to suppliers and providers of goods and services	(4,051,962)
Payments for employee wages and benefits	(17,536,829)
Payments to students for scholarships	(1,524,381)
Other custodial receipts	134,640
Other custodial disbursements	(81,783)
Net cash used in operating activities	<u>(16,798,914)</u>
Cash flows from noncapital financing activities:	
Property taxes	10,882,343
State appropriations	3,006,800
Government grants	5,655,875
Share of state sales tax	743,985
Smart and Safe Arizona Fund	1,622,475
Other nonoperating income	1,113
Federal direct student loans received	1,317,415
Federal direct student loans disbursed	(1,317,415)
Net cash provided by noncapital financing activities	<u>21,912,591</u>
Cash flows from capital and related financing activities:	
Purchases of capital assets	(502,313)
Principal paid on capital debt/obligations	(237,937)
Net cash used in capital and related financing activities	<u>(740,250)</u>
Cash flows from investing activities:	
Interest received on investments	<u>767,408</u>
Net cash provided by investing activities	<u>767,408</u>
Net increase (decrease) in cash and cash equivalents	5,140,835
Cash and cash equivalents - July 1, 2022	<u>37,365,734</u>
Cash and cash equivalents - June 30, 2023	<u><u>\$ 42,506,569</u></u>

(Continued)

See accompanying notes to financial statements.

COCONINO COMMUNITY COLLEGE DISTRICT
Statement of Cash Flows
Year Ended June 30, 2023

Reconciliation of operating loss to net cash used in operating activities:

Operating loss	<u>\$ (18,897,543)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	1,546,651
Change in assets, deferred outflows, liabilities, and deferred inflows:	
Other receivable	(208,262)
Lease receivable	5,575
Prepaid items	25,798
Inventories	5,813
Accounts payable	413,733
Accrued payroll and employee benefits	62,318
Unearned revenue	243,180
Current portion of compensated absences payable	(7,030)
Compensated absences payable	(12,616)
OPEB liability	(68,040)
Net pension liability	1,856,343
Deferred outflow pensions	785,785
Deferred inflow pensions	(2,802,062)
Deferred outflow OPEB	31,357
Deferred inflow OPEB	167,229
Deposits held in custody for others	52,857
Total adjustments	<u>2,098,629</u>
Net cash used in operating activities	<u><u>\$ (16,798,914)</u></u>

Reconciliation of cash and cash equivalents to the Statement of Net Position:

Cash in bank and on-hand	4,570,443
Cash and investments held by County Treasurer	29,098,228
Investments	8,837,898
Cash and cash equivalents	<u><u>\$ 42,506,569</u></u>

Non-cash transaction:

Addition of SBITAS: The District had a non-cash addition of \$1,109,649 of SBITA liability in FY2023 for GASB Statement No. 96.

See accompanying notes to financial statements.

Coconino County Community College District
Notes to Financial Statements
June 30, 2023

Note 1 - Summary of Significant Accounting Policies

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

For the year ended June 30, 2023, the District implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which (1) defines a subscription-based information technology arrangement (SBITA); (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. As a result, the District's financial statements have been modified to reflect the implementation of this new standard.

A. Reporting Entity

The District is a special-purpose government that a separately elected governing body governs. It is legally separate and fiscally independent of other state and local governments. The accompanying financial statements present the activities of the District (the primary government) and its discretely presented component unit, the Coconino Community College Foundation (Foundation).

The Coconino Community College Foundation is a legally separate, tax-exempt organization. It acts primarily as a fund-raising organization that receives gifts and bequests, administers those resources, and disburses payments to or on behalf of the District for scholarships and support of District programs. Although the District does not control the timing or amount of receipts from the Foundation, the Foundation's restricted resources can be used only by or for the benefit of the District or its constituents. Consequently, the Foundation is considered a component unit of the District and is discretely presented in the District's financial statements.

For financial reporting purposes, the Foundation follows the Financial Accounting Standards Board statements for not-for-profit organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information included in the District's financial report. Accordingly, those financial statements have been reported on separate pages following the District's respective counterpart financial statements. For financial reporting purposes, only the Foundation's statements of financial position and activities are included in the District's financial statements as required by generally accepted accounting principles for public colleges and universities. The Foundation has a June 30 year-end.

During the year ended June 30, 2023, the Foundation distributed \$391,960 to the District for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from the CCC Foundation Office, Coconino County Community College District, 2800 S. Lone Tree Road, Flagstaff, AZ 86005.

B. Basis of Presentation and Accounting

The financial statements include a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows.

A statement of net position provides information about the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at the end of the year. Assets and liabilities are classified as either current or noncurrent. Net position is

Coconino County Community College District
Notes to Financial Statements
June 30, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

B. Basis of Presentation and Accounting (continued)

classified according to external donor restrictions or availability of assets to satisfy the District's obligations. Net investment in capital assets represents the value of capital assets, net of accumulated depreciation/amortization, less any outstanding debt incurred to acquire or construct the assets. Expendable restricted net position represents grants, contracts, gifts, and other resources that have been externally restricted for specific purposes. Unrestricted net position consists of all other resources, including those that have been designated by management to be used for other than general operating purposes.

A statement of revenues, expenses, and changes in net position provides information about the District's financial activities during the year. Revenues and expenses are classified as either operating or nonoperating, and all changes in net position are reported, including capital contributions. Operating revenues and expenses generally result from exchange transactions. Accordingly, revenues such as tuition and bookstore, in which each party receives and gives up essentially equal values are considered operating revenues. Other revenues, such as property taxes, state appropriations, and government grants, result from transactions in which the parties do not exchange equal values and are considered nonoperating revenues. Operating expenses include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. Other expenses, such as interest expense, are considered nonoperating expenses.

A statement of cash flows provides information about the District's sources and uses of cash and cash equivalents during the year. Increases and decreases in cash and cash equivalents are classified as either operating, noncapital financing, capital financing, or investing.

The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. State appropriations are recognized as revenue in the year in which the appropriation is first made available for use. Grants and donations are recognized as revenue as soon as all eligibility requirements the provider imposed have been met. Internal activity is eliminated using a charge-back method, charging user departments, and reducing expenses in the department providing the service. It is the District's policy to first apply restricted resources when an expense is incurred for purposes when both restricted and unrestricted net positions are available.

C. Cash and Investments

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

All investments are stated at fair value.

D. Inventories

The supplies inventory is stated at cost by specific identification.

Coconino County Community College District
Notes to Financial Statements
June 30, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

E. Capital Assets

Capital assets are reported at actual cost. Donated assets are reported at acquisition value.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation/amortization methods, and estimated useful lives of capital assets are as follows:

	Capitalization Threshold	Depreciation/ Amortization Method	Estimated Use- ful Life
Land	\$5,000	Straight-Line	N/A
Buildings & Improvements	\$5,000	Straight-Line	15-40 Years
Improvements other than buildings	\$5,000	Straight-Line	15 Years
Equipment and vehicles	\$5,000	Straight-Line	5 Years
Intangibles:	\$5,000	Straight-Line	5 Years
Right-to-use subscription assets	\$20,000	Straight-Line	Varies
Right-to-use lease assets:			
Land	\$5,000	Straight-Line	Varies
Buildings & Improvements	\$5,000	Straight-Line	Varies
Equipment and vehicles	\$5,000	Straight-Line	Varies

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the District has determined is reasonably certain of being exercised - then the lease asset is amortized over the useful life of the underlying asset.

Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying IT assets.

F. Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefits (OPEB) liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

G. Investment Earnings

Investment earnings is composed of interest, dividends, and net changes in the fair value of applicable investments.

Coconino County Community College District
Notes to Financial Statements
June 30, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

H. Scholarship Allowances

A scholarship allowance is the difference between the stated charge for goods and services the District provides and the amount that the student or third parties making payments on the student's behalf pays. Accordingly, some types of student financial aid, such as Pell grants and scholarships the District awards, are considered scholarship allowances. These allowances are netted against tuition and fees revenues in the statement of revenues, expenses, and changes in net position.

I. Compensated Absences

Compensated absences payable consists of compensatory time earned for classified employees; vacation pay for benefit eligible administrative, professional, and classified employees; and a calculated amount of sick leave by grandfathered employees based on services already rendered.

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

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

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

With the passage of Arizona Proposition 206, effective July 1, 2017, sick leave was extended to part-time and seasonal employees. The law mandates that for every 30 hours worked, an hour of paid sick leave be accrued to a maximum of 40 hours per year. While sick leave is tracked for all employees, it is not paid out at time of termination and, therefore, is not considered a liability in the financial statements.

J. Leases and subscription-based information technology arrangements

As lessee, the District recognizes lease liabilities with an initial, individual value of \$5,000 or more. The District uses the rate implicit in the lease when it is readily determinable, otherwise the District has used professional judgement to determine the best estimate

Coconino County Community College District
Notes to Financial Statements
June 30, 2023

Note 1 - Summary of Significant Accounting Policies (concluded)

J. Leases and subscription-based information technology arrangements (continued)

based on the most recent estimated borrowing rate of taxable debt issuance for the District.

As lessor, the District recognizes lease receivables with an initial, individual value of \$5,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the District charges the lessee) and the implicit rate cannot be determined, the District uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The District's estimated incremental borrowing rate is calculated as described above.

Subscription-based information technology arrangements

The District recognizes subscription liabilities with an initial, individual value of \$20,000 or more. The District uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement. When no explicit rates were known, Treasury yields were used as determined by term length of the arrangement.

Note 2 - Deposits and Investments

Arizona Revised Statutes (A.R.S.) requires the District to deposit special tax levies for the District's maintenance or capital outlay with the County Treasurer. A.R.S. does not require the District to deposit other public monies in its custody with the County Treasurer; however, the District must act as a prudent person dealing with another's property when making investment decisions about those monies. A.R.S. requires collateral for deposits at 102 percent of all deposits not covered by federal depository insurance. A.R.S. does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the District's investments.

Deposits - At June 30, 2023, the carrying amount of the District's deposits was \$4,569,168 and the bank balance was \$5,116,409. The District does not have a formal policy with respect to custodial credit risk.

Investments - The District had the following investments in external investment pools measured at fair value:

External investment pools measured at fair value	Amount
County Treasurer's investment pool	\$ 29,098,228
State Treasurer's investment pool 5	<u>8,837,898</u>
Total external investment pools measured at fair value	<u>\$ 37,936,126</u>

Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the District held. The fair value of a participant's position in the pools approximates the value of that participant's pool shares. The investment in the County Treasurer's pool is valued using the District's proportionate participation in the pool because the pool's structure does not provide for shares. The State Board of Investment provides oversight for the State Treasurer's investment pools. No comparable oversight is provided for the County Treasurer's investment pool.

Coconino County Community College District
Notes to Financial Statements
June 30, 2023

Note 2 - Deposits and Investments (continued)

Credit risk - The District does not have a formal policy with respect to credit risk. Credit risk for the District's investments at June 30, 2023 was as follows:

Investment Type	Rating	Rating Agency	Amount
County Treasurer's investment pool	Unrated	Not applicable	\$ 29,098,228
State Treasurer's investment pool 5	AAA f/S1+	Standard & Poor's	8,837,898
			<u>\$ 37,936,126</u>

Interest rate risk - The District does not have a formal policy with respect to interest rate risk. At June 30, 2023, the District had the following investments in debt securities:

Investment Type	Amount	Weighted Average Maturity in Years
County Treasurer's investment pool	\$ 29,098,228	2.48
State Treasurer's investment pool 5	8,837,898	0.12
	<u>\$ 37,936,126</u>	

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

Cash, deposits and investments:		Statement of Net Position:	
Cash on hand	\$ 1,275	Cash in bank and on hand	\$ 4,570,443
Amount of deposits	4,569,168	Cash and investments held by the County Treasurer	29,098,228
Amount of investments	37,936,126	Investments	8,837,898
	<u>\$ 42,506,569</u>		<u>\$ 42,506,569</u>

Note 3 - Receivables

Lease receivables—The District leases land and building space to third parties under the provisions of various lease agreements. Leases include land for a cell tower, classroom space for truck driving instruction, and library space.

During the fiscal year ended June 30, 2023, the District recognized total lease-related revenues of \$221,320.

Coconino County Community College District
Notes to Financial Statements
June 30, 2023

Note 3 - Receivables (continued)

Other receivables—Other receivables are shown net of related allowances for uncollectible amounts. A summary for other receivables at June 30, 2023, follows:

	Receivable	Allowance	Net Receivable
Vendor	\$ 40,464	\$ -	\$ 40,464
Student	498,454	92,065	406,389
Employee	55	-	55
	<u>\$ 538,973</u>	<u>\$ 92,065</u>	<u>\$ 446,908</u>

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Capital assets not being depreciated/amortized:				
Land	\$ 1,089,000			\$ 1,089,000
Construction in progress	32,500		(32,500)	-
Total capital assets not being depreciated/amortized	<u>1,121,500</u>	<u>-</u>	<u>(32,500)</u>	<u>1,089,000</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	34,478,482	189,147		34,667,629
Improvements other than buildings	1,094,877	82,738		1,177,615
Equipment	2,968,177	191,149		3,159,326
Intangibles:				
Software	685,232			685,232
Right-to-use lease assets:				
Land	1,413,892			1,413,892
Right-to-use subscription assets		1,019,649		1,019,649
Vehicles	350,951			350,951
Total capital assets being depreciated/amortized	<u>40,991,611</u>	<u>1,482,683</u>	<u>-</u>	<u>42,474,294</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	17,125,088	974,810		18,099,898
Improvements other than buildings	848,453			848,453
Equipment	2,457,857	273,272		2,731,129
Intangibles:				
Software	685,232			685,232
Right-to-use lease assets:				
Land	55,167	7,395		62,562
Subscription assets		236,661		236,661
Vehicles	287,546	31,878		319,424
Total accumulated depreciation/amortization	<u>21,459,343</u>	<u>1,524,016</u>	<u>-</u>	<u>22,983,359</u>
Total capital assets being depreciated/amortized, net	<u>19,532,268</u>	<u>(41,333)</u>	<u>-</u>	<u>19,490,935</u>
Capital assets, net	<u>\$ 20,653,768</u>	<u>\$ (41,333)</u>	<u>\$ (32,500)</u>	<u>\$ 20,579,935</u>

Coconino County Community College District
Notes to Financial Statements
June 30, 2023

Note 5 - Long-Term Liabilities

The following schedule details the District's long-term liability and obligation activity for the year ended June 30, 2023:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due within 1 year
Leases Payable	\$ 1,358,725	\$ 45,811	\$ (8,909)	\$ 1,395,627	\$ 9,180
Software agreement liability		1,065,103	(229,028)	836,075	282,782
Net pension liability	11,457,693	1,856,343		13,314,036	
OPEB liability	598,620		(68,040)	530,580	
Compensated absences payable	644,849	172,187	(191,833)	625,203	75,024
	<u>\$ 14,059,887</u>	<u>\$ 3,139,444</u>	<u>\$ (497,810)</u>	<u>\$ 16,701,521</u>	<u>\$ 366,986</u>

The District, as lessee, has obtained the right-to-use land through various lease agreements. Lease terms for our significant sites vary. The most significant lease was entered into by the District on May 31, 1996, to use land for instructional lab and classroom space with the term ending in 2068. This site is located at 3000 N. Fourth Street, Flagstaff, AZ 86004.

The total amount of lease assets and the related accumulated amortization are as follows:

Total intangible right-to-use lease assets	\$ 1,413,892
Less accumulated amortization	<u>(62,562)</u>
Carrying value	<u>\$ 1,351,330</u>

The following schedule details minimum lease payments to maturity for the District's leases payable at June 30, 2023:

Year ending June 30	Principal	Interest
2024	\$ 9,180	\$ 41,743
2025	9,459	41,464
2026	11,192	41,157
2027	11,533	40,816
2028	11,884	40,465
2029-2033	69,659	196,482
2034-2038	88,943	184,651
2039-2043	111,567	169,687
Thereafter	1,072,210	471,144
Total	<u>\$ 1,395,627</u>	<u>\$ 1,227,609</u>

The District has also obtained the right to use of various underlying software based information technology assets under the provisions of various subscription-based information technology arrangements. Terms for significant agreements vary.

The total amount of subscription assets and the related accumulated amortization are as follows:

Total intangible right-to-use subscription assets	\$ 1,019,649
Less accumulated amortization	<u>(236,661)</u>
Carrying value	<u>\$ 782,988</u>

Coconino County Community College District
Notes to Financial Statements
June 30, 2023

Note 5 - Long-Term Liabilities (continued)

The following schedule details minimum subscription payments to maturity for the District's subscriptions liability at June 30, 2023.

Year ending June 30	Principal	Interest
2024	\$ 282,782	\$ 38,586
2025	220,000	26,092
2026	239,258	15,462
2027	46,066	3,884
2028	47,969	1,981
Total	<u>\$ 836,075</u>	<u>\$ 86,005</u>

Note 6 - 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, property loss, and casualty insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

Note 7 - Pension Benefits

Plan description - District employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 2. The ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azasrs.gov.

Benefits provided - The ASRS provides retirement and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as illustrated on the following page.

Coconino County Community College District
Notes to Financial Statements
June 30, 2023

Note 7 - Pension Benefits (continued)

		Retirement
		Initial membership date:
		Before July 1, 2011 On or after July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* any years, age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%
*With actuarially reduced benefits		

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the retirement benefit option chosen determines the survivor benefit. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and the employer's contributions, plus interest earned.

Contributions - In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of the benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2023, statute required active ASRS members to contribute at the actuarially determined rate of 12.03 percent of the active members' annual covered payroll, and statute required the District to contribute at the actuarially determined of 11.92 percent of the active member' annual covered payroll. In addition, the District was required by statute to contribute at the actuarially determined rate of 9.62 percent of annual covered payroll of retired members who worked for the District in positions that an employee who contributes to the ASRS would typically fill. The District's contributions to the pension plan for the year ended June 30, 2023, were \$1,286,603.

Liability - At June 30, 2023, the District reported a liability of \$13,314,036 for its proportionate share of the ASRS' net pension liability.

Coconino County Community College District
Notes to Financial Statements
June 30, 2023

Note 7 - Pension Benefits (continued)

The net pension liability was measured as of June 30, 2022. The total liability used to calculate the net liability was determined using updated procedures to roll forward the total liability from an actuarial valuation as of June 30, 2021, to the measurement date of June 30, 2022.

The District's proportion of the net liability was based on the District's actual contributions to the plan relative to the total of all participating employer's contributions for the year ended June 30, 2022. The District's proportion measured as of June 30, 2022, was 0.08157%, down 0.0056 from its proportion measured as of June 30, 2021.

Expense - For the year ended June 30, 2023, the District recognized pension expense of \$1,126,277.

Deferred outflows/inflows of resources - At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 113,444	
Changes of assumptions or other inputs	660,801	
Net difference between projected and actual earnings on pension plan investments		350,705
Changes in proportionate differences between district contributions and proportionate share of contributions		651,045
District contributions subsequent to measurement date	1,286,603	
	<u>\$ 2,060,848</u>	<u>\$ 1,001,750</u>

The \$1,286,603 reported as deferred outflows of resources related to the ASRS pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the ASRS pension will be recognized as expenses as follows:

Year ending June 30:	
2024	\$ 249,042
2025	(428,960)
2026	(608,906)
2027	561,319

Actuarial assumptions - The significant actuarial assumptions used to measure the total pension liability are continued on the next page.

Coconino County Community College District
Notes to Financial Statements
June 30, 2023

Note 7 - Pension Benefits (continued)

Actuarial valuation date	June 30, 2021
Actuarial roll forward date	June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9 - 8.4%
Inflation	2.3%
Permanent benefit increase	Included
Mortality rates	2017 SRA Scale U-MP

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term expected geometric real rate of return
Equity	50%	3.90%
Fixed Income - Credit	20%	5.30%
Fixed Income - Interest rate sensitive	10%	-0.20%
Real estate	20%	6.00%
Total	<u>100%</u>	

Discount rate – At June 30, 2022, the discount rate used to measure the ASRS total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Coconino County Community College District
Notes to Financial Statements
June 30, 2023

Note 7 - Pension Benefits (continued)

Sensitivity of the District's proportionate share of the ASRS net pension liability to changes in the discount rate - The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

Net Liability/ (Asset)	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
Pension	19,644,464	13,314,036	8,035,448

Plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report.

Contributions payable - The District's accrued payroll and employee benefits included \$55,630 of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2023.

Note 8 - Operating Expenses

The District's operating expenses are presented by functional classification in the statement of revenues, expenses, and changes in net position – primary government. The operating expenses can also be classified into the following:

Salaries & Benefits	\$ 17,550,111
Contract Services	1,076,185
Supplies and non-capitalized equipment	2,370,983
Communications and utilities	542,472
Scholarships	1,524,381
Depreciation & Amortization	1,546,651
Other expense	507,667
	<u>\$ 25,118,450</u>

Note 9 - Discretely Presented Component Unit Disclosures

Nature of Activities

The Coconino Community College Foundation (Foundation) was founded in 1993 under Arizona law as a nonprofit Foundation. The mission of the Foundation is to promote the purposes and goals of Coconino Community College (College), thereby enhancing the opportunities of Coconino County residents. It is the fundraising Foundation for the

Coconino County Community College District
Notes to Financial Statements
June 30, 2023

Note 9 - Discretely Presented Component Unit Disclosures (continued)

Nature of Activities (continued)

solicitation, receipt and management of all private gifts, donations, and contributions, including gifts-in-kind. Funds are disbursed exclusively for charitable and educational purposes within the meaning of the Internal Revenue Code Section 501(c)(3), including providing scholarships and financial aid, to fulfill the teaching and service functions of the College, and to make or receiving grants and loans of corporate property for the purposes of the College. The Foundation's primary source of revenue is from private contributions. An operating agreement between the Foundation and the College is reviewed and renewed annually.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The financial statements of the Foundation have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to not-for-profit entities. The Financial Accounting Standards Board (FASB) is the accepted standard-setting body for establishing not-for-profit accounting and financial reporting principles. The Foundation is required to report information regarding its financial position and activities according to two classes based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations. The Governing Board has designated, from net assets without donor restrictions, net assets for an operating reserve and board designated endowment.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of the Foundation and/or the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds must be maintained in perpetuity.

Donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Coconino County Community College District
Notes to Financial Statements
June 30, 2023

Note 9 - Discretely Presented Component Unit Disclosures (continued)

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

The Foundation reports investments at fair value in the Statement of Financial Position. Realized and unrealized gains and losses are included in the Statement of Activities. Donated securities are received directly into the Fidelity Investments account at market values as of the date executed. On an annual basis, all investment income, which consists of interest and dividend income, realized and unrealized capital gains and losses, less investment expense, is allocated between net assets with donor restrictions and net assets without donor restrictions in accordance with the Foundation's policy.

Concentrations of Credit and Market Risk

Financial instruments that potentially expose the Foundation to concentrations of credit and market risk consist primarily of cash equivalents and investments. The Foundation maintains its cash and cash equivalents in bank deposit and money market accounts, which, for short periods of time, may exceed federally insured limits. At year end, the carrying amount of the Foundation's deposits was \$347,595 and the bank balance was \$347,559. At year end, \$87,471 of the Foundation's deposits were uninsured and uncollateralized. The balance, \$260,088, was insured subject to FDIC and SIPC insurance limits. To minimize risk, cash accounts are maintained at high-quality financial institutions and credit exposure is limited to any one institution. The Foundation's investments do not represent significant concentrations of market risk inasmuch as the Foundation's investment portfolio is adequately diversified among issuers. Funds deposited with Fidelity Investments and Edward Jones are protected by the SIPC up to a ceiling of \$500,000 including a maximum of \$250,000 for cash claims.

Contributions Receivable

Unconditional promises to give are recognized as revenues when the promise is received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Unconditional promises to give that are expected to be collected in less than one year are reported at net realizable value.

Unconditional promises to give that are expected to be collected in periods greater than one year are recorded at net present value of expected cash flows. At year-end, there were no contributions receivable.

Refundable Advance

The Foundation hosts an annual marathon fundraiser for cross country each October. Participant sign-up begins the December preceding the marathon. Participant fees are fully refundable. During the current fiscal year, the Foundation collected refundable marathon proceeds of \$33,432.

Coconino County Community College District
Notes to Financial Statements
June 30, 2023

Note 9 - Discretely Presented Component Unit Disclosures (continued)

Revenue Recognition

Contributions. The Foundation receives contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return are not recognized until the conditions on which they depend have been met. The Foundation did not have any conditional promises to give at June 30, 2023.

Revenue is recognized when earned. Program service fees and payments for future events received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

Donated Services and In-Kind Contributions

Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as increases in net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Foundation reclassifies net assets with donor restrictions to net assets without restrictions at that time.

Volunteers contribute significant amounts of time to the Foundation's program services, administration, and fundraising activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed in generally accepted accounting principles.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses.

Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Primary function
Facilities expenses	Square footage
All other expenses	Full time equivalent

Coconino County Community College District
Notes to Financial Statements
June 30, 2023

Note 9 - Discretely Presented Component Unit Disclosures (continued)

Income Tax Status

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and similar State of Arizona tax provisions. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). The Foundation's Form 990, *Return of Foundation Exempt from Income Taxes*, is generally subject to examination by the Internal Revenue Service for three years after the date filed.

Management has evaluated the tax positions taken or expected to be taken, if any, on its exempt organization filings, and the likelihood that upon examination those positions would be sustained. Based on the results of this evaluation, management believes there are no uncertain tax positions.

New Accounting Pronouncement

During the fiscal year, the Foundation adopted Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842). This update requires entities to recognize assets and liabilities for both capital and operating leases on the statement of financial position, and disclose key information about leasing arrangements. In adopting Topic 842, the Foundation elects the practical expedient transition package to not reassess (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. It also elects not to report assets or liabilities for leases with terms of one year or less. The adoption did not result in a significant effects on amounts reported in the statement of financial position or the statement of activities.

Cash and Cash Equivalents

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

Checking	\$ 337,471
Petty cash	36
Investment cash	10,088
Total	<u>\$ 347,595</u>

Liquidity and Availability

The following represents the Foundation's financial assets at fiscal year-end.

Financial assets at year end:	
Cash and cash equivalents	\$ 347,595
Investments	2,062,587
Total financial assets	<u>\$ 2,410,182</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	1,459,387
Less: Net assets with purpose restrictions to be met in less than one year	<u>163,000</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 787,795</u>

Coconino County Community College District
Notes to Financial Statements
June 30, 2023

Note 9 - Discretely Presented Component Unit Disclosures (continued)

Liquidity and Availability (continued)

The Foundation Board requires that at least five percent of investments be available in cash equivalents. Additionally, it is general practice that all significant endowment gifts are sent to the investment account as soon as practical.

The Foundation Board designated net assets represent accumulated unallocated unrealized gains on investments and are being accounted for separately as per the Foundation's investment policy. The funds represent a cushion against down turning investment markets.

Investments and Fair Value Measurements

Fair value is defined as the price that the Foundation would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date.

Accounting standards establish a three-tier fair value hierarchy that prioritizes the inputs to valuation techniques. Inputs refer broadly to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Observable inputs are those that reflect the assumptions that market participants would use in pricing the asset and are based on market data obtained from independent sources. Unobservable inputs reflect the Foundation's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

Level 1:	Quoted prices in active markets for identical investments.
Level 2:	Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability.
Level 3:	Unobservable inputs for the asset or liability.

The level of fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair Values Measured on Recurring Basis

Fair values of assets measured on a recurring basis at year-end are as follows:

	Hierarchy Level	Fair Value
Investments		
Fixed income investments	Level 1	\$ 741,185
Equities	Level 1	844,252
Mutual funds	Level 1	51,651
EFTs	Level 1	425,499
Total assets		<u>\$ 2,062,587</u>

Coconino County Community College District
Notes to Financial Statements
June 30, 2023

Note 9 - Discretely Presented Component Unit Disclosures (continued)

Investments and Fair Value Measurements (continued)

The following methods and assumptions were used to estimate the fair value for each class of financial instrument measured at fair value.

Investments – Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

The Foundation recognizes transfers into and out of levels within the fair value hierarchy at the end of the reporting period. There were no transfers between levels during the current fiscal year.

Endowments

The Foundation's endowment consists of approximately 30 individual funds established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board to function as endowments. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

Board of Directors of the Foundation has interpreted the State of Arizona's version of the Uni-form Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gifts donated to the endowment and (b) any accumulations to the endowment Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- a. The duration and preservation of the fund
- b. The purpose of the donor-restricted endowment fund
- c. General economic conditions
- d. The possible effect of inflation and deflation
- e. The expected total return from income and the appreciation of investments
- f. Other resources of the Foundation
- g. The investment policies of the Foundation

Coconino County Community College District
Notes to Financial Statements
June 30, 2023

Note 9 - Discretely Presented Component Unit Disclosures (continued)

Endowments (continued)

Endowment Net Asset Composition by Type of Fund as of year end:

	Without Donor Restriction	With Donor Restriction	Total
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$	\$ 989,204	\$ 989,204
Accumulated investment losses		(23,244)	(23,244)
Board-designated endowment funds	94,324		94,324
Total funds	<u>\$ 94,324</u>	<u>\$ 965,960</u>	<u>\$ 1,060,284</u>

Investment Return Objectives, Risk Parameters and Strategies

The Foundation has adopted investment and spending policies, approved by the Board, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of four percent, while growing the funds if possible. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy

The Foundation has a policy of appropriating for distribution each year a maximum 6 percent of its investment fund's average total market value of the investment portfolio for the trailing three year period ending December 31. The Foundation has currently determined that the annual amount to appropriate for distribution for scholarships and programs shall be 4 percent of the book value of the endowed funds. When current income and market appreciation exceed the amount required for the annual scholarship distribution, the excess will be retained in the investment portfolio for future growth and to offset periods of down-market performance.

In making distributions, the Foundation is authorized to assess at 2 percent reinvestment fee will be calculated and assessed to the investment portfolio using the market value of the investment portfolio as of December 31 (using a 3-year rolling average). This fee is designated as a reinvestment fee to support Foundation operations and College Programs. The fee will be determined annually by the Finance Committee and recommended to the Foundation's Board of Directors for approval. In a prolonged down market, the Executive Committee may opt to waive or reduce the 2 percent reinvestment fee.

Coconino County Community College District
Notes to Financial Statements
June 30, 2023

Note 9 - Discretely Presented Component Unit Disclosures (continued)

Spending Policy (continued)

In establishing this policy, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Foundation expects the current spending policy to allow its endowment funds to grow at a nominal average rate of four percent annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

The Foundation has a scholarship committee made up of Foundation, community and College faculty and staff members which meets approximately six times per year to advise the Board of Directors as to how much money to allocate to scholarships.

Scholarship values vary based on the annual interest earned on the endowment. At the Foundation's discretion, an award or awards may be granted for an entire academic year or for a period of less than one full academic year. If the earnings and income of a scholarship are not sufficient to fund one full award, then the Foundation may, in its discretion, grant an award equal to the amount of such earnings and income or determine not to make any award for the year, in which case, the amount of such earnings and income shall be carried forward to the next academic year.

Changes in Endowment Net Assets as of year end:

	Without Donor Re- striction	With Donor Restriction	Total
Endowment net assets, beginning of year	\$ 173,174	\$ 844,464	\$ 1,017,638
Contributions		38,693	38,693
Investment return, net		82,803	82,803
Amounts appropriated for expenditure	(78,850)		(78,850)
Endowment net assets, end of year	<u>\$ 94,324</u>	<u>\$ 965,960</u>	<u>\$ 1,060,284</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the UPMIFA requires the organization to retain as a fund of perpetual duration.

Deficiencies of this nature exist in 18 of the 30 donor-restricted endowment funds, which together have an original gift value of \$989,204, a current fair value of \$965,960, and a deficiency of \$23,244 as of June 30, 2023.

Coconino County Community College District
Notes to Financial Statements
June 30, 2023

Note 9 - Discretely Presented Component Unit Disclosures (continued)

Funds with Deficiencies (continued)

These deficiencies resulted from unfavorable market fluctuations in the prior year. Despite positive market fluctuations and no distributions from endowed funds in the current year, deficiencies still existed. However, the market is still volatile, and there is a reasonable possibility the fair value of the investments will continue to increase.

The Foundation's spending policy permits distributions from investment funds during the current fiscal year (ending June 30) up to 6 percent of the average total market value of the investment portfolio for the trailing three-year period ending December 31. Exceptions to the spending policy can be made only upon the majority approval of the Board of Directors. The Foundation's policy does not specify its ability to spend from underwater endowments. Scholarship distributions usually made from the endowed funds were funded by board-designated funds for the current fiscal year.

Net Assets

Net assets without donor restrictions are as follows:

Designation by the Board	\$ 94,324
Undesignated	813,130
Total	<u>\$ 907,454</u>

Net assets with donor restrictions were as follows:

Specific Purpose	
Scholarships	\$ 1,212,664
Programs	234,442
Page-Lake Powell training site development	3,921
Medical equipment for nursing program	5,076
Construction program enhancements	3,284
Total	<u>\$ 1,459,387</u>

Net assets released from donor restrictions for the purpose of satisfaction of purpose restrictions were \$325,747 for June 30, 2023.

Coconino County Community College District
Notes to Financial Statements
June 30, 2023

Note 9 - Discretely Presented Component Unit Disclosures (continued)

Donated Services

The Foundation receives significant in-kind contributions from Coconino Community College for salaries and benefits. Donated services are recognized as contributions if the services create or enhance nonfinancial assets, or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. The Foundation recognizes in-kind contribution revenue and a corresponding expense in the amount approximating the estimated fair value at the time of the donation. Fair value of the in-kind contribution is determined by allocating a proportion of each employee salary based on time and effort to the Foundation.

The Foundation also received contributions of the use of facilities. Donated space is valued based on a proportionate share of Coconino Community College's square footage.

<u>Program of Supporting Service</u>	<u>Salaries and Benefits</u>	<u>Facilities</u>	<u>Total</u>
Program	\$ 80,116	\$	\$ 80,116
Management and general	71,026	11,175	82,201
Fundraising	91,125		91,125
Total	<u>\$ 242,267</u>	<u>\$ 11,175</u>	<u>\$ 253,442</u>

All donated services were utilized by the Foundation's programs and supporting services. There were no donor-imposed restrictions associated with the donated services.

Concentrations

The Foundation has consistently retained long-term donors. One of which gave \$105,000 and another which gave \$55,000, representing more than 22 percent and 12 percent of public contributions and grant revenues, respectively. Loss of such a donor in the near-term could cause a significant reduction in the Foundation's ability to support the nursing program.

Contingent Liability

For the year ended June 30, 2023, the Foundation had scholarships that have been awarded but not paid in the amount of \$163,000. These scholarships are awarded in two payments, with the first payment given upon enrollment for the fall semester; the second payment is made conditionally upon enrollment for the spring semester. As the scholarships are contingent upon enrollment and paid out over the following fiscal year, they are not recorded as a liability as of June 30, 2023.

Coconino County Community College District
Notes to Financial Statements
June 30, 2023

Note 9 - Discretely Presented Component Unit Disclosures (concluded)

Related Party Transactions

Coconino Community College contributes to the Foundation certain supporting services per a written agreement. Employees of the College perform the Foundation program, administrative and accounting duties. The amounts included in public contributions without donor restrictions for these services were \$242,267. An additional \$11,175 was contributed for facilities related expenses. In the opinion of management, such transactions were on substantially the same terms as those that would prevail with other unrelated persons and entities.

Subsequent Events

On July 26, 2023 the Foundation received a \$750,000 grant for the expansion of the construction technology management program.

On July 14, 2023 the Foundation received written notice from a private donor to fund a Flagstaff Unified School District to Coconino Community College pilot program. The donation would consist of \$1.0 million received in fiscal year 2024 and then \$1.0 million a year for three more years. The Foundation received the first installment on September 7, 2023.

Coconino County Community College District
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
June 30, 2023

Arizona State Retirement System	Reporting Fiscal Year (Measurement Date)			
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)
District's proportion of the net pension liability	0.081570%	0.087200%	0.088900%	0.088580%
District's proportionate share of the net pension liability	\$13,314,036	\$11,457,693	\$15,403,276	\$12,889,421
District's covered payroll	\$ 9,934,528	\$ 9,825,500	\$ 9,741,824	\$ 9,359,141
District's proportionate share of the net pension liability as a percentage of its covered payroll	134.02%	116.61%	158.11%	137.72%
Plan fiduciary net position as a percentage of the total pension liability	74.26%	78.58%	69.33%	73.24%

Arizona State Retirement System	Reporting Fiscal Year (Measurement Date)				
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
District's proportion of the net pension liability	0.089910%	0.078750%	0.072570%	0.074850%	0.079400%
District's proportionate share of the net pension liability	\$12,539,281	\$12,267,715	\$11,713,527	\$11,659,453	\$ 11,748,434
District's covered payroll	\$ 8,965,176	\$ 7,698,344	\$ 6,812,134	\$ 6,892,054	\$ 7,168,033
District's proportionate share of the net pension liability as a percentage of its covered payroll	139.87%	159.36%	171.95%	169.17%	163.90%
Plan fiduciary net position as a percentage of the total pension liability	73.40%	69.92%	67.06%	68.35%	69.49%

Information unavailable for year 2014.

See accompanying notes to pension plan schedules.

**Coconino County Community College District
Required Supplementary Information
Schedule of the District's Pension Contributions
June 30, 2023**

Arizona State Retirement System

	Reporting Fiscal Year				
	2023	2022	2021	2020	2019
Statutorily required contribution	\$ 1,286,603	\$ 1,166,507	\$ 1,141,426	\$ 1,112,584	\$ 1,044,822
District's contributions in relation to the statutorily required contribution	1,286,603	1,166,507	1,141,426	1,112,584	1,044,822
District's contribution deficiency (excess)	-	-	-	-	-
District's covered payroll	\$10,128,309	\$ 9,934,528	\$ 9,825,500	\$ 9,741,824	\$ 9,359,141
District's contributions as a percentage of covered payroll	12.70%	11.74%	11.62%	11.42%	11.16%

Arizona State Retirement System

	Reporting Fiscal Year				
	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 974,512	\$ 827,449	\$ 737,143	\$ 749,680	\$ 765,832
District's contributions in relation to the statutorily required contribution	974,512	827,449	737,143	749,680	765,832
District's contribution deficiency (excess)	-	-	-	-	-
District's covered payroll	\$ 8,965,176	\$ 7,698,344	\$ 6,812,134	\$ 6,892,054	\$ 7,168,033
District's contributions as a percentage of covered payroll	10.87%	10.75%	10.82%	10.88%	10.68%

See accompanying notes to pension plan schedules.

Coconino County Community College District
Required Supplementary Information
Notes to Pension Plan Schedules
June 30, 2023

Note 1 - Factors That Affect Trends

In FY2016 the College experienced significant turnover in executive leadership positions from retirements and resignations that resulted in higher than typical vacancy savings. The covered payroll for FY2017 increased compared to FY2016 as a result of having more positions filled. The College's concerted effort to hire more full time faculty resulted in a continued increase in covered payroll for FY2018 and again in FY2019 as additional vacancies were filled.

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

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



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

(dollars in thousands)

	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
Net investment in capital assets	\$ 18,348	\$ 19,295	\$ 19,614	\$ 20,624	\$ 20,642	\$ 19,125	\$ 18,041	\$ 17,183	\$ 16,067	\$ 15,243
Restricted - expendable	618	397	670	-	-	-	-	-	123	236
Unrestricted	<u>27,373</u>	<u>23,414</u>	<u>18,885</u>	<u>17,239</u>	<u>15,689</u>	<u>14,271</u>	<u>12,518</u>	<u>9,551</u>	<u>5,504</u>	<u>15,510</u>
Total primary government net position	<u>\$ 46,339</u>	<u>\$ 43,106</u>	<u>\$ 39,169</u>	<u>\$ 37,863</u>	<u>\$ 36,331</u>	<u>\$ 33,396</u>	<u>\$ 30,559</u>	<u>\$ 26,734</u>	<u>\$ 21,694</u>	<u>\$ 30,989</u>

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

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

(dollars in thousands)

	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
Tuition and fees (net of scholarship allowance)	\$ 5,367	\$ 5,667	\$ 5,641	\$ 6,252	\$ 6,215	\$ 6,310	\$ 6,500	\$ 6,434	\$ 5,999	\$ 5,825
Private contracts	479	229	362	1,111	219	218	175	158	172	230
Bookstore income	46	47	48	64	73	76	84	96	111	110
Auxiliary enterprises	59	7	1	18	23	21	25	25	23	32
Other operating revenues	269	218	191	209	227	224	198	211	202	173
Total operating revenues	<u>6,220</u>	<u>6,168</u>	<u>6,243</u>	<u>7,654</u>	<u>6,757</u>	<u>6,849</u>	<u>6,982</u>	<u>6,924</u>	<u>6,507</u>	<u>6,370</u>
Property taxes	10,915	9,018	8,958	8,722	10,749	10,160	9,872	9,347	9,147	8,822
State appropriations	3,007	3,905	2,096	3,106	2,165	2,140	2,174	2,194	2,203	1,988
Government grants and contracts	5,073	9,212	6,234	4,908	4,441	4,421	4,334	5,122	5,832	5,877
Share of state sales taxes	744	675	649	565	531	505	477	458	444	411
Smart and Safe AZ Fund	1,622 (2)	959 (2)	670 (2)	-	-	-	-	-	-	-
Investment earnings	767	158	228	467	456	304	218	210	152	157
Other nonoperating revenues		(3)	26	2	11 (1)	287	288	303	233	243
Total nonoperating revenues	<u>22,128</u>	<u>23,924</u>	<u>18,861</u>	<u>17,770</u>	<u>18,353</u>	<u>17,817</u>	<u>17,363</u>	<u>17,634</u>	<u>18,011</u>	<u>17,498</u>
Total revenues before other revenues and gains	<u>\$28,348</u>	<u>\$30,092</u>	<u>\$25,104</u>	<u>\$25,424</u>	<u>\$25,110</u>	<u>\$24,666</u>	<u>\$24,345</u>	<u>\$24,558</u>	<u>\$24,518</u>	<u>\$23,868</u>

(percent of total revenues)

	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
Tuition and fees (net of scholarship allowance)	18.9 %	18.8 %	22.5 %	24.6 %	24.7 %	25.6 %	26.7 %	26.2 %	24.5 %	24.4 %
Private contracts	1.7	0.8	1.4	4.4	0.9	0.9	0.7	0.6	0.7	1.0
Bookstore income	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.5	0.5
Auxiliary enterprises	0.2	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other operating revenues	1.0	0.7	0.8	0.8	0.9	0.9	0.8	0.9	0.8	0.7
Total operating revenues	<u>22.0</u>	<u>20.5</u>	<u>24.9</u>	<u>30.1</u>	<u>26.9</u>	<u>27.8</u>	<u>28.7</u>	<u>28.2</u>	<u>26.6</u>	<u>26.7</u>
Property taxes	38.5	30.0	35.7	34.3	42.6	41.2	40.6	38.1	37.3	37.0
State appropriations	10.6	13.0	8.3	12.2	8.6	8.7	8.9	8.9	9.0	8.3
Government grants and contracts	17.9	30.6	24.8	19.3	17.6	17.9	17.8	20.9	23.8	24.6
Share of state sales taxes	2.6	2.2	2.6	2.2	2.1	2.0	2.0	1.9	1.8	1.7
Smart and Safe AZ Fund	5.7 (2)	3.2 (2)	-	-	-	-	-	-	-	-
Investment earnings	2.7	0.5	0.9	1.8	1.8	1.2	0.9	0.8	0.6	0.7
Other nonoperating revenues		0.1	0.1	0.1	0.4	1.2	1.2	1.2	0.9	1.0
Total nonoperating revenues	<u>78.1</u>	<u>79.5</u>	<u>75.1</u>	<u>69.9</u>	<u>73.1</u>	<u>72.2</u>	<u>71.3</u>	<u>71.8</u>	<u>73.4</u>	<u>73.3</u>
Total revenues	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>

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

(1) In lieu and property excise taxes were reclassified to "property taxes," balance is gain on disposal of capital assets.

(2) Prop 207 approved by Arizona voters in November of 2020.

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

(dollars in thousands)

	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
Instruction	\$ 7,374	\$ 6,502	\$ 6,660	\$ 6,830	\$ 6,058	\$ 5,892	\$ 5,244	\$ 5,312	\$ 5,892	\$ 7,012
Public service	225	211	224	153	98	73	-	35	128	188
Academic support	3,641	3,772	3,514	3,538	3,724	3,575	2,980	2,834	2,748	2,133
Student services	3,849	3,579	3,656	3,831	3,029	2,833	2,642	2,461	2,433	2,297
Institutional support	4,435	4,935	4,181	4,262	4,370	4,091	4,230	3,386	4,054	4,594
Operation and maintenance of plant	2,432	1,956	1,979	1,737	1,689	1,610	1,666	1,600	1,818	1,610
Scholarships	1,524	3,776	2,323	2,282	2,013	2,336	2,302	2,375	2,598	2,826
Auxiliary enterprises	92	62	7	26	31	21	44	39	44	43
Depreciation	1,547	1,360	1,255	1,233	1,168	1,142	1,186	1,196	1,171	1,159
Total operating expenses	<u>25,119</u>	<u>26,153</u>	<u>23,799</u>	<u>23,892</u>	<u>22,180</u>	<u>21,573</u>	<u>20,294</u>	<u>19,238</u>	<u>20,886</u>	<u>21,862</u>
Interest expense on debt	-	-	-	-	89	169	224	280	332	473
Loss on disposal of capital assets	-	4	-	-	-	-	2	-	27	-
Total nonoperating expenses	<u>-</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>89</u>	<u>169</u>	<u>226</u>	<u>280</u>	<u>359</u>	<u>473</u>
Total expenses	<u>\$ 25,119</u>	<u>\$ 26,157</u>	<u>\$ 23,799</u>	<u>\$ 23,892</u>	<u>\$ 22,269</u>	<u>\$ 21,742</u>	<u>\$ 20,520</u>	<u>\$ 19,518</u>	<u>\$ 21,245</u>	<u>\$ 22,335</u>

(percent of total expenses)

	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
Instruction	29.3 %	24.9 %	28.0 %	28.6 %	27.2 %	27.1 %	25.6 %	27.2 %	27.7 %	31.4 %
Public service	0.9	0.8	0.9	0.6	0.4	0.3	-	0.2	0.6	0.8
Academic support	14.5	14.4	14.8	14.8	16.7	16.4	14.5	14.5	12.9	9.5
Student services	15.3	13.7	15.4	16.0	13.6	13.0	12.9	12.6	11.5	10.3
Institutional support	17.6	18.9	17.5	17.8	19.6	18.8	20.6	17.3	19.1	20.6
Operation and maintenance of plant	9.7	7.5	8.3	7.3	7.6	7.4	8.1	8.2	8.6	7.2
Scholarships	6.1	14.4	9.8	9.6	9.1	10.7	11.2	12.2	12.2	12.7
Auxiliary enterprises	0.4	0.2	0.0	0.1	0.1	0.1	0.2	0.2	0.2	0.2
Depreciation	6.2	5.2	5.3	5.2	5.3	5.3	5.8	6.1	5.5	5.2
Total operating expenses	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>99.6</u>	<u>99.2</u>	<u>98.9</u>	<u>98.6</u>	<u>98.3</u>	<u>97.9</u>
Interest expense on debt	-	-	-	-	0.4	0.8	1.1	1.4	1.6	2.1
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	0.1	-
Total nonoperating expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.4</u>	<u>0.8</u>	<u>1.1</u>	<u>1.4</u>	<u>1.7</u>	<u>2.1</u>
Total expenses	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>

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

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

(dollars in thousands)

	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
Compensation and benefits	\$ 17,550	\$ 15,490	\$ 16,813	\$ 16,828	\$ 14,898	\$ 14,442	\$ 12,391	\$ 11,586	\$ 12,652	\$ 13,145
Contract services	1,076	1,503	738	937	1,222	917	1,496	1,649	1,748	2,145
Supplies and other services	2,371	1,550	928	806	908	1,010	1,223	867	1,073	974
Annual fixed charges	**	1,570	1,148	1,089	1,134	937	876	803	781	798
Communication and utilities	542	535	527	455	533	526	533	524	540	508
Travel	**	131	42	187	270	232	229	207	209	180
Scholarships	1,524	3,776	2,323	2,282	2,013	2,336	2,319	2,376	2,607	2,849
Depreciation	1,547	1,361	1,255	1,233	1,168	1,142	1,186	1,196	1,171	1,159
Other	508	237	25	75	34	31	41	30	105	104
Total operating expenses	<u>25,118</u>	<u>26,153</u>	<u>23,799</u>	<u>23,892</u>	<u>22,180</u>	<u>21,573</u>	<u>20,294</u>	<u>19,238</u>	<u>20,886</u>	<u>21,862</u>
Interest expense on debt	-	-	-	-	89	169	224	280	332	473
Loss on disposal of capital assets	-	4	-	-	-	-	2	-	27	-
Total nonoperating expenses	<u>-</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>89</u>	<u>169</u>	<u>226</u>	<u>280</u>	<u>359</u>	<u>473</u>
Total expenses	<u>\$ 25,118</u>	<u>\$ 26,157</u>	<u>\$ 23,799</u>	<u>\$ 23,892</u>	<u>\$ 22,269</u>	<u>\$ 21,742</u>	<u>\$ 20,520</u>	<u>\$ 19,518</u>	<u>\$ 21,245</u>	<u>\$ 22,335</u>

(percent of total expenses)

	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
Compensation and benefits	69.9 %	59.2 %	70.6 %	70.4 %	66.9 %	66.4 %	60.4 %	59.4 %	59.5 %	58.8 %
Contract services	4.3	5.7	3.1	3.9	5.5	4.2	7.3	8.4	8.2	9.6
Supplies and other services	9.4	5.9	3.9	3.4	4.1	4.6	6.0	4.4	5.1	4.4
Annual fixed charges	**	6.0	4.8	4.6	5.1	4.3	4.3	4.1	3.7	3.6
Communication and utilities	2.2	2.0	2.2	1.9	2.4	2.4	2.6	2.7	2.5	2.3
Travel	**	0.5	0.2	0.8	1.2	1.1	1.1	1.1	1.0	0.8
Scholarships	6.1	14.4	9.8	9.6	9.0	10.7	11.3	12.2	12.3	12.7
Depreciation	6.1	5.2	5.3	5.2	5.2	5.3	5.8	6.1	5.5	5.2
Other	2.0	0.9	0.1	0.3	0.2	0.1	0.2	0.2	0.5	0.5
Total operating expenses	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>99.6</u>	<u>99.2</u>	<u>98.9</u>	<u>98.6</u>	<u>98.3</u>	<u>97.9</u>
Interest expense on debt	-	-	-	-	0.4	0.8	1.1	1.4	1.6	2.1
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	-	-
Total nonoperating expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.4</u>	<u>0.8</u>	<u>1.1</u>	<u>1.4</u>	<u>1.7</u>	<u>2.1</u>
Total expenses	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>

Source: **The District's operating expenses by natural classification was modified in FY2023 to be more consistent with similar institutions' classification.
Prior to FY2023 the source is the Annual Comprehensive Financial Report for the fiscal years presented.

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

(dollars in thousands)

	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
Income (loss) before other revenues, expenses, gains, or losses	<u>\$ 3,232</u>	<u>\$ 3,938</u>	<u>\$ 1,305</u>	<u>\$ 1,532</u>	<u>\$ 2,839</u>	<u>\$ 2,924</u>	<u>\$ 3,825</u>	<u>\$ 5,040</u>	<u>\$ 3,273</u>	<u>\$ 1,532</u>
Capital appropriations	-	-	-	-	-	-	-	-	-	-
Capital gifts	-	-	-	-	96	-	-	-	-	-
Total change in net position	<u><u>\$ 3,232</u></u>	<u><u>\$ 3,938</u></u>	<u><u>\$ 1,305</u></u>	<u><u>\$ 1,532</u></u>	<u><u>\$ 2,935</u></u>	<u><u>\$ 2,924</u></u>	<u><u>\$ 3,825</u></u>	<u><u>\$ 5,040</u></u>	<u><u>\$ 3,273</u></u>	<u><u>\$ 1,532</u></u>

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

**Coconino County Community College District
Higher Learning Commission Financial Ratios
Last Ten Fiscal Years**

	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u> (7)	<u>2017-18</u> (7)	<u>2016-17</u> (7)	<u>2015-16</u> (7)	<u>2014-15</u> (7)	<u>2013-14</u>
(1) Primary Reserve Ratio	(6)	1.28	1.38	0.74	0.78	0.68	0.63	0.51	0.29	0.70
(2) Net Operating Revenues	(6)	0.09	0.18	0.05	0.12	0.12	0.17	0.21	0.15	0.08
(3) Viability Ratio	(6)	-	-	-	-	-	5.09	2.24	0.95	1.92
(4) Return on Net Asset Ratio	(6)	0.08	0.13	0.02	0.12	0.10	0.14	0.22	0.17	0.05
(5) Composite Financial Index	(6)	8.37	9.25	6.07	7.69	7.20	7.60	6.20	4.30	4.60

- (1) The Primary reserve ratio is a measure of how long the institution could operate using its expendable reserves. The benchmark is 0.40
- (2) The Net Operating Revenue Ratio measures if operating activities provided a surplus or a deficit. The benchmark is 0.02
- (3) The Viability Ratio measures the availability of expendable net assets to pay off debt at any point in time. The benchmark is 1.25
- (4) The Return on Net Asset Ratio is a measure of the total return on investment of net assets for the year. The benchmark is 0.06
- (5) The Composite Financial Index is a weighted average score to determine the overall financial health of an organization. This score must be above 1.1 to avoid a potential HLC review. The benchmark is 3.0
- (6) Information not yet available
- (7) For FY15, FY16 and FY17, ratios are presented net of GASB 68 adjustments. For fiscal years beyond FY17, they are presented net of GASB 68 and GASB 75 adjustments.

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

Fiscal Year	Statutory Expenditure Limitation	(1)	Budgeted Expenditures Subject to the Limitation	(2)	Unused Legal Limit
2014	\$	14,735,451	\$	11,792,201	\$ 2,943,250
2015		14,596,198		14,596,197	1
2016		14,811,935		14,416,789	395,146
2017		14,828,763		14,828,763	-
2018		15,939,858		15,939,858	-
2019		16,541,299		16,541,299	-
2020		16,762,835		16,762,835	-
2021		16,774,852		16,774,852	-
2022		16,927,200		16,927,200	-
2023		16,739,344		16,739,344	-

Source: District records.

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

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

Fiscal Year	Total Tax Levy (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 8,927,528	\$ 8,755,919	98.08	\$ 161,080	\$ 8,916,999	99.88
2015	9,170,079	8,937,745	97.47	221,026	9,158,771	99.88
2016	9,383,696	9,187,297	97.91	184,164	9,371,461	99.87
2017	9,756,183	9,610,307	98.50	132,707	9,743,014	99.87
2018	10,104,274	9,979,002	98.76	110,918	10,089,920	99.86
2019	10,277,076	10,135,197	98.62	126,301	10,261,498	99.85
2020	8,358,318	8,176,825	97.83	168,542	8,345,367	99.85
2021	8,625,210	8,439,394	97.85	168,774	8,608,168	99.80
2022	8,719,890	8,563,295	98.20	141,775	8,705,070	99.83
2023	10,826,874	10,636,543	98.24	-	10,636,543	98.24

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

(1) Tax levy is based on the levy limits of the calendar year at June 30. Amounts represent adjusted tax levy for each year as of June 30, 2022.

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

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

Tax Year		Assessed Value						Enterprise Zone (2)	
		Utilities	Commercial	Vacant/ Agriculture	Residential	Railroads	Historic		
2013	Primary	\$ 226,361	\$ 353,390	\$ 284,788	\$ 792,746	\$ 19,977	\$ 1,543	-	-
2013	Secondary	226,361	355,756	292,369	798,200	20,143	1,547	-	-
2014	Primary	234,528	328,415	270,212	816,384	21,883	1,463	-	-
2014	Secondary	234,528	331,747	276,129	827,352	22,063	1,473	-	-
2015	Primary	231,359	327,798	267,556	856,645	20,898	1,310	-	-
2015	Secondary	231,359	336,561	279,644	901,974	21,222	1,321	-	-
2016	Primary	230,386	333,847	254,212	900,115	22,341	925	-	-
2016	Secondary	230,387	357,149	272,661	961,199	23,573	943	-	-
2017	Primary	233,731	350,717	258,957	950,609	26,413	973	-	-
2017	Secondary	233,731	380,229	279,182	1,060,388	29,832	996	-	-
2018	Primary	251,103	378,663	258,352	1,011,286	28,321	1,040	-	-
2018	Secondary	251,103	418,159	287,441	1,159,874	32,596	1,062	-	-
2019	Primary	253,652	401,467	259,951	1,087,342	28,472	1,116	-	-
2019	Secondary	253,652	444,503	294,093	1,267,071	33,359	1,141	-	-
2020	Primary	251,017	423,438	268,806	1,164,720	27,719	1,232	-	-
2020	Secondary	251,017	485,295	309,489	1,403,745	32,780	1,371	-	-
2021	Primary	251,353	457,281	276,550	1,220,453	27,719	855	-	-
2021	Secondary	251,353	535,492	322,206	1,456,793	32,780	976	-	-
2022	Primary	138,976	455,126	287,144	1,318,078	34,833	857	-	-
2022	Secondary	138,976	528,632	342,863	1,569,477	42,047	976	-	-
		Assessed Value						Total	
		Environmental Technology	Certain Improvements on Government Property	Total Assessed Value	Less: Exempt Property	Net Assessed Value	Total Direct Tax Rate	Total Value (1)	Net Assessed Value as a Percent of Total Value
2013	Primary	\$ 1,996	\$ 155	\$ 1,680,956	\$ 159,464	\$ 1,521,492	0.4636	\$ 12,899,534	11.79
2013	Secondary	2,008	159	1,680,972	166,194	1,514,778	0.1243	13,015,348	11.64
Total weighted direct tax rate							0.2943		
2014	Primary	1,956	165	1,675,006	163,285	1,511,721	0.4788	13,037,432	11.60
2014	Secondary	1,959	169	1,695,420	168,393	1,527,027	0.1268	13,203,352	11.57
Total weighted direct tax rate							0.3019		
2015	Primary	1,842	223	1,707,631	169,278	1,538,353	0.4864	13,486,314	11.41
2015	Secondary	1,849	231	1,774,161	173,903	1,600,258	0.1241	14,065,840	11.38
Total weighted direct tax rate							0.3017		
2016	Primary	1,882	229	1,743,937	165,516	1,578,421	0.4909	14,076,532	11.21
2016	Secondary	1,883	239	1,848,034	171,794	1,676,240	0.1305	14,949,977	11.21
Total weighted direct tax rate							0.3053		
2017	Primary	2,814	253	1,824,467	169,946	1,654,521	0.4816	14,766,066	11.20
2017	Secondary	2,814	261	1,824,475	176,394	1,648,081	0.1326	16,186,664	10.18
Total weighted direct tax rate							0.3074		
2018	Primary	2,754	309	1,931,829	199,666	1,732,163	0.4741	15,652,800	11.07
2018	Secondary	2,754	313	2,153,302	209,986	1,943,316	0.1218	17,583,390	11.05
Total weighted direct tax rate							0.2878		
2019	Primary	1,702	331	2,034,033	201,725	1,832,308	0.4592	16,537,154	11.08
2019	Secondary	1,702	339	2,295,861	215,169	2,080,692	-	18,835,093	11.05
Total weighted direct tax rate							0.2150		
2020	Primary	746	342	2,138,019	206,880	1,931,140	0.4490	17,454,429	11.06
2020	Secondary	842	360	2,484,898	225,362	2,259,536	-	20,499,802	11.02
Total weighted direct tax rate							0.2069		
2021	Primary	784	348	2,235,344	211,314	2,024,030	0.4394	18,236,692	11.10
2021	Secondary	862	357	2,600,819	232,695	2,368,124	-	21,377,566	11.08
Total weighted direct tax rate							0.2025		
2022	Primary	-	525	2,235,539	156,627	2,078,912	0.5209	18,784,125	11.07
2022	Secondary	-	531	2,623,503	182,824	2,440,679	-	22,140,698	11.02
Total weighted direct tax rate							0.2396		

Source: Coconino County Assessor's Office.

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

(1) Primary = Total Limited Property Value at abstract date.
Secondary = Total Full Cash Value at abstract date.

(2) Enterprise Zone sunset adopted per HB2001

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

Coconino County Community College District				Coconino County (1)	State Education Equalization	Cities or Fire Districts	School Districts	Joint Technology Districts
Tax Year	Primary Levy	Secondary Levy	Total					
2013	0.4636	0.1243	0.5879	1.1522	0.5123	0.35 - 3.25	2.13 - 11.95	0.05
2014	0.4788	0.1268	0.6056	1.1702	0.5089	0.40 - 3.25	2.11 - 13.08	0.05
2015	0.4864	0.1241	0.6105	1.1791	0.5054	0.60 - 3.25	2.10 - 13.32	0.05
2016	0.4909	0.1305	0.6214	1.1844	0.5010	0.60 - 3.25	2.22 - 13.40	0.05
2017	0.4816	0.1326	0.6142	1.1734	0.4875	0.60 - 3.495	2.47 - 13.37	0.05
2018	0.4741	0.1218	0.5959	1.1734	0.4741	0.60 - 3.495	2.42 - 13.28	0.05
2019	0.4592	-	0.4592	1.1469	0.4566	0.75 - 3.495	2.42 - 13.28	0.05
2020	0.4490	-	0.4490	1.1349	0.4426	1.0677 - 3.50	2.2892 - 13.1995	0.05
2021	0.4394	-	0.4394	1.1349	0.4263	1.0949 - 3.50	2.1891 - 12.5843	0.05
2022	0.5209	-	0.5209	1.1349	-	1.1280 - 3.50	1.9556 - 12.1331	0.05

2022 Tax Rates (Special Districts) (2)

Hospital Districts	1.14 - 1.30
Domestic Water Districts	1.82
Flood Control (3)	0.5
Williams Facilities District	0.37

Source: Coconino County Office of Planning and Budget.

- (1) Coconino County applies to the General Fund, Library District, Fire District Assistance Tax, and Public Health Services District Assistance Funds.
- (2) Special District boundaries lie within the total boundary of the Coconino Community College District, but are not district-wide.
- (3) Prior to FY19 Flood Control District applied to all property outside the cities of Flagstaff, Page and Fredonia.
As of FY19 Flood Control District includes Flagstaff, Page and Fredonia.

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

Taxpayer	Type of Business	2023			2014		
		Secondary Assessed Value	Rank	Percentage of District's Total Secondary Assessed Value	Secondary Assessed Value	Rank	Percentage of District's Total Secondary Assessed Value
Arizona Public Service Company	Utility	\$ 66,293,510	1	2.72%	\$ 76,655,879	1	4.36%
BNSF Railway Company	Railroad	26,527,241	2	1.09%	17,969,941	4	1.02%
Transwestern Pipeline Co	Utility	21,806,007	3	0.89%	35,790,722	2	2.03%
El Paso Natural Gas Co	Utility	20,581,914	4	0.84%	17,696,075	6	1.01%
W.L. Gore & Associates Inc.	Manufacturing	19,526,868	5	0.80%	18,368,047	3	1.04%
CCC-Flagstaff LLC	Student Housing	12,717,947	6	0.52%	*		
Unisource Energy Corporation	Utility	10,398,202	7	0.43%	17,762,840	5	1.01%
Nestle Purina Petcare Co	Manufacturing	10,251,098	8	0.42%	*		
Standard at Flagstaff LLC	Student Housing	9,617,689	9	0.39%	*		
CA Student Living Flagstaff Property Owner LLC	Student Housing	8,375,036	10	0.34%	*		
City of Los Angeles Dept. of Water & Power	Utility	*			16,770,357	7	0.95%
Nevada Power Company (T&D)	Utility	*			10,178,663	8	0.58%
Qwest Corporation	Utility	*			9,180,865	9	0.52%
Wal-Mart Stores, Inc.	Commercial	*			5,406,060	10	0.31%
Total Principal Taxpayers		<u>\$ 206,095,512</u>		<u>8.44%</u>	<u>\$ 225,779,449</u>		<u>12.83%</u>
Secondary Assessed Value		<u>\$ 2,440,679,060</u>		<u>100.00%</u>	<u>\$ 1,759,564,057</u>		<u>100.00%</u>

Source: Coconino County Assessor (2023) & District Records (2013).

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

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

District Historic Tuition (1)				
Fiscal Year	General Tuition Per Credit Hour (2)	Annual Cost Per Full-time Student	Increase (Decrease)	
			Dollars	Percent
2013-14	\$ 92	\$ 2,760	\$ 120	4.5
2014-15	94	2,820	60	2.2
2015-16	99	2,970	150	5.3
2016-17	102	3,060	90	3.0
2017-18	105	3,150	90	2.9
2018-19	109	3,270	120	3.8
2019-20	111	3,330	60	1.8
2020-21	113	3,390	60	1.8
2021-22	113	3,390	-	-
2022-23	113	3,390	-	-

National and Statewide Comparisons (Based on Full-time Enrollment for the Academic Year)						
Fiscal Year	Arizona Public 2-year Institution Average (3)		National Public 2-year Institution Average (3)		Arizona Universities Average (3)	
	Annual Cost	Percent Change	Annual Cost	Percent Change	Annual Cost	Percent Change
2013-14	\$ 2,288	28.4	\$ 3,264	29.9	\$ 10,301	20.8
2014-15	2,438	6.6	3,347	2.5	10,398	0.9
2015-16	2,480	1.7	3,435	2.6	10,650	2.4
2016-17	2,550	2.8	3,520	2.5	10,960	2.9
2017-18	2,610	2.4	3,570	1.4	11,220	2.4
2018-19	2,580	-1.1	3,660	2.5	11,540	2.9
2019-20	2,603	0.9	3,700	1.1	11,879	2.9
2020-21	2,284	-12.3	3,770	1.9	11,879	0.0
2021-22	2,591	13.4	3,800	0.8	11,816	-0.5
2022-23	2,600	0.3	3,860	1.6	12,183	3.1

(1) District records.

(2) Restated to include a technology fee per credit hour that was instituted in FY2009 and rolled into tuition in FY2017.

(3) trends.collegeboard.org (Fig. 5, Table 1 and Fig. 6)

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

	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
Secondary Assessed Value of Real and Personal Property	<u>\$ 2,440,679,060</u>	<u>\$ 2,368,124,453</u>	<u>\$ 2,259,536,172</u>	<u>\$ 2,080,691,733</u>	<u>\$ 1,943,315,850</u>
Debt Limit, 15% of Secondary Assessed Value	<u>\$ 366,101,859</u>	<u>\$ 355,218,668</u>	<u>\$ 338,930,426</u>	<u>\$ 312,103,760</u>	<u>\$ 291,497,378</u>
Amount of Debt Applicable to Debt Limit:					
General Obligation Bonded Debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Debt Applicable to the Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 366,101,859</u>	<u>\$ 355,218,668</u>	<u>\$ 338,930,426</u>	<u>\$ 312,103,760</u>	<u>\$ 291,497,378</u>

	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
Secondary Assessed Value of Real and Personal Property	<u>\$ 1,811,038,890</u>	<u>\$ 1,676,239,971</u>	<u>\$ 1,600,258,450</u>	<u>\$ 1,527,026,413</u>	<u>\$ 1,530,349,256</u>
Debt Limit, 15% of Secondary Assessed Value	<u>\$ 271,655,834</u>	<u>\$ 251,435,996</u>	<u>\$ 240,038,768</u>	<u>\$ 229,053,962</u>	<u>\$ 229,552,388</u>
Amount of Debt Applicable to Debt Limit:					
General Obligation Bonded Debt	<u>2,120,000</u>	<u>4,105,000</u>	<u>5,990,000</u>	<u>7,775,000</u>	<u>9,465,000</u>
Total Debt Applicable to the Limit	<u>2,120,000</u>	<u>4,105,000</u>	<u>5,990,000</u>	<u>7,775,000</u>	<u>9,465,000</u>
Legal Debt Margin	<u>\$ 269,535,834</u>	<u>\$ 247,330,996</u>	<u>\$ 234,048,768</u>	<u>\$ 221,278,962</u>	<u>\$ 220,087,388</u>

Source: District records.

**Coconino County Community College District
Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds
June 30, 2023**

Direct Debt:

Coconino County Community College District	\$ -
Net general obligation debt	-

Overlapping Debt:

City of Flagstaff	27,850,000
Flagstaff Unified School District #1	83,540,000
Page Unified School District #8	2,254,495
Sedona-Oak Creek Unified School District #9	20,205,000
Overlapping debt	133,849,495
Total direct general obligation and overlapping debt	\$ 133,849,495

Source: AZ Department of Administration: FY2023 Report of Outstanding indebtedness

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

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

Fiscal Year	Secondary Property Tax Revenues (cash basis)	Debt Service Requirements			Coverage Ratio
		Principal	Interest	Total	
2013-14	\$ 1,863,501	\$ 1,620,000	\$ 473,431	\$ 2,093,431	0.89
2014-15	1,922,564	1,690,000	331,951	2,021,951	0.95
2015-16	1,907,996	1,785,000	279,840	2,064,840	0.92
2016-17	2,069,337	1,885,000	224,120	2,109,120	0.98
2017-18	2,197,008	1,985,000	168,579	2,153,579	1.02
2018-19	2,110,949	2,120,000	89,236	2,209,236	0.96
2019-20	-	-	-	-	- (1)
2020-21	-	-	-	-	- (1)
2021-22	-	-	-	-	- (1)
2022-23	-	-	-	-	- (1)

Source: District records.

(1) Debt was paid off in 2018-19. Coverage ratio is no longer applicable.

Coconino County Community College District

Ratios of Outstanding Debt

Last Ten Fiscal Years

(dollars in thousands, except "per capita" and "per student")

	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
General Bonded Debt										
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,120	\$ 4,105	\$ 5,990	\$ 7,775	\$ 9,465
Total general bonded debt	-	-	-	-	-	2,120	4,105	5,990	7,775	9,465
Per capita	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15.06	\$ 29.13	\$ 43.06	\$ 56.47	\$ 69.32
Per student	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,060.53	\$ 2,005.34	\$ 2,984.55	\$ 3,764.22	\$ 4,524.81
As a percentage of personal income	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.07%	0.10%	0.14%	0.19%
As a percentage of secondary net assessed valuation	0.00%	0.00%	0.00%	0.00%	0.00%	0.12%	0.24%	0.37%	0.51%	0.62%
Other Debt										
Installment purchase contract	-	-	-	-	-	-	-	-	-	-
Capital lease	-	-	-	-	-	-	-	-	-	-
Total other debt	-	-	-	-	-	-	-	-	-	-
Total outstanding debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,120</u>	<u>\$ 4,105</u>	<u>\$ 5,990</u>	<u>\$ 7,775</u>	<u>\$ 9,465</u>
Per capita	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15.06	\$ 29.13	\$ 43.06	\$ 56.47	\$ 69.32
Per student	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,060.53	\$ 2,005.34	\$ 2,984.55	\$ 3,764.22	\$ 4,524.81
As a percentage of personal income	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.07%	0.10%	0.14%	0.19%
As a percentage of secondary net assessed valuation	0.00%	0.00%	0.00%	0.00%	0.00%	0.12%	0.24%	0.37%	0.51%	0.62%
Estimated County population (1)	144,060	146,335	145,382	140,217	142,854	140,776	140,908	139,097	137,682	136,539
Full Time Student Equivalent (2)	1,562	1,581	1,491	1,877	1,986	1,999	2,047	2,007	2,066	2,092
Personal Income (3)	(5)	(5)	\$ 7,556,660	\$ 7,057,376	\$ 6,748,504	\$ 6,513,074	\$ 5,926,168	\$ 5,705,476	\$ 5,399,899	\$ 4,906,294
Secondary Net Assessed Valuation (4)	\$ 2,440,679	\$ 2,368,124	\$ 2,259,536	\$ 2,080,692	\$ 1,943,316	\$ 1,811,039	\$ 1,676,240	\$ 1,600,258	\$ 1,527,026	\$ 1,530,349

(1) U.S.Census Bureau.

(2) District records.

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

(4) Coconino County Assessor.

(5) Not yet available.

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

Calendar Year	Population (1)	Personal Income (1) (dollars in thousands)	Personal Income per Capita (1)	Unemployment Rate (2)
2013	136,539	\$ 4,906,294	\$ 35,933	7.7
2014	137,682	5,399,899	39,220	7.2
2015	139,097	5,705,476	41,018	6.2
2016	140,908	5,926,168	42,057	5.8
2017	140,776	6,513,074	46,266	5.6
2018	140,217	6,748,504	48,129	5.1
2019	145,382	7,057,376	49,189	5.9
2020	145,697	7,556,660	53,036	13.2
2021	147,434	8,255,426	56,914	7.1
2022	144,060	(3)	(3)	4.8

(1) U.S.Census Bureau.

(2) Office of Economic Opportunity - Monthly Employment Report.

(3) Not yet available.

**Coconino County Community College District
Principal Employers - Coconino County
Current Year and Ten Years Ago**

Employer	2022 (1)			2013 (1)		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Northern Arizona University	2,571	1	3.41 %	2,487	1	3.45 %
Northern Arizona HealthCare	2,200	2	2.92	2,200	2	3.05
W.L. Gore	1,950	3	2.59	1,950	3	2.70
Flagstaff Unified School District	1,375	4	1.83	1,555	4	2.15
Coconino County	1,200	5	1.59	1,200	5	1.66
City of Flagstaff	657	6	0.87	708	6	0.98
Wal-Mart	630	7	0.84	570	7	0.79
Nestle Purina Pet Care	240	8	0.32	*		
Guidance Center	219	9	0.29	*		
US Forest Service	200	10	0.27	*		
Total Labor Force in Coconino County As of June 30 (2)	75,288			72,183		

(1) Coconino County CAFR 6/30/2022 (Flagstaff Chamber of Commerce)

(2) Arizona Commerce Authority, Local Area Unemployment Statistics, Coconino County CAFR 6/30/22

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

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

Fall Historic Headcount (1)

College/Center	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Flagstaff	1,799	1,424	759	2,187	2,247	2,789	2,948	2,941	3,038	3,587
Online only (3)	671	961	1,979	629	547					
Page	32	28	17	65	85	72	76	96	78	100
Tuba City	22	68	53	127	137	143	129	78	79	4
Williams	-	-	-	-	-	-	-	-	29	-
Fredonia	-	-	-	-	-	-	-	-	-	-
Grand Canyon	-	-	-	-	-	-	-	-	-	-
Off Site	10	31	16	31	-	-	-	-	-	-
NAU	1	417	465	549	710	514	461	426	388	7
Total	2,535	2,929	3,289	3,588	3,726	3,518	3,614	3,541	3,612	3,698

Historic FTSE (2)

Semester	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Fall/Spring Average	1,382	1,388	1,292	1,657	1,738	1,770	1,812	1,780	1,827	1,854
Summer	130	148	149	161	173	165	146	157	153	161
Short	32	34	41	45	62	47	77	63	72	58
Adult Basic Education	18	11	9	14	14	17	13	7	14	18
Total	1,562	1,581	1,491	1,877	1,987	1,999	2,048	2,007	2,065	2,091

Source: District records.

(1) Headcount is unduplicated as officially reported for Fall IPEDS.

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

(3) As of FY19 online classes have separate designation.

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

Fall Semester	Attendance (%)		Residency (%)			Gender (%)	
	FT	PT	County Resident	Out of County	Out of State	M	F
2013	27	73	77	11	12	42	58
2014	30	70	74	13	13	45	55
2015	31	69	64	22	14	48	52
2016	31	69	57	28	15	49	51
2017	28	72	58	28	14	47	53
2018	30	70	57	25	17	47	53
2019	29	71	61	22	17	47	53
2020	27	73	64	22	14	45	55
2021	30	70	59	27	15	46	54
2022	34	66	65	24	11	45	55

Fall Semester	Ethnic Background (%)						
	Mean Age	Native American	Asian	African American	Hispanic	Anglo	Other
2013	25	20	1	1	11	50	17
2014	25	18	1	2	16	56	7
2015	24	17	2	2	17	54	8
2016	24	19	1	3	18	52	7
2017	23	20	1	2	19	48	9
2018	23	19	1	1	20	47	10
2019	23	19	1	2	20	49	9
2020	22	20	1	2	21	47	9
2021	23	21	2	3	20	47	8
2022	24	22	1	2	19	45	11

Source: District records.

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

	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
Faculty										
Full-time faculty	43.0	38.0	41.0	40.0	38.0	37.0	34.0	30.0	35.0	40.9
Part-time faculty FTE (1)	<u>30.4</u>	<u>37.7</u>	<u>36.7</u>	<u>44.2</u>	<u>38.4</u>	<u>48.1</u>	<u>50.2</u>	<u>64.4</u>	<u>81.6</u>	<u>85.3</u>
Total faculty FTE	<u>73.4</u>	<u>75.7</u>	<u>77.7</u>	<u>84.2</u>	<u>76.4</u>	<u>85.1</u>	<u>84.2</u>	<u>94.4</u>	<u>116.6</u>	<u>126.2</u>
Administrative and support staff										
Full-time Admin and Support Staff	118.0	122.0	110.0	111.0	111.0	108.0	103.0	105.0	106.0	105.0
Part-time Staff FTE (2)	<u>9.7</u>	<u>10.7</u>	<u>10.7</u>	<u>15.0</u>	<u>16.3</u>	<u>20.0</u>	<u>21.2</u>	<u>16.0</u>	<u>16.3</u>	<u>22.0</u>
	<u>127.7</u>	<u>132.7</u>	<u>120.7</u>	<u>126.0</u>	<u>127.3</u>	<u>128.0</u>	<u>124.2</u>	<u>121.0</u>	<u>122.3</u>	<u>127.0</u>
Total employees	<u>201.1</u>	<u>208.4</u>	<u>198.4</u>	<u>210.2</u>	<u>203.7</u>	<u>213.1</u>	<u>208.4</u>	<u>215.4</u>	<u>238.9</u>	<u>253.2</u>
Average class size	18.6	18.3	17.7	20.5	21.1	19.9	20.8	19.4	19.0	18.6

Source: District records.

(1) PT Faculty FTE calculated by dividing the number of credits taught in the academic year by the full-time faculty load of 30 credits.

(2) PT Staff FTE is calculated by taking the part time staff total headcount and dividing by 3 or 1/3rd of headcount.

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

	2022-23		2021-22		2020-21		2019-20		2018-19		2017-18		2016-17		2015-16		2014-15		2013-14	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Ethnicity																				
Asian Pacific Islander	10	1.3 %	8	1.1 %	12	1.7 %	10	1.5 %	12	1.8 %	8	1.3 %	3	1.4 %	3	0.8 %	-	- %	4	1.4 %
African American	8	1.1	8	1.1	5	0.7	5	0.7	2	0.3	3	0.5	5	2.3	1	0.3	3	0.8	2	0.7
Hispanic	144	19.2	143	20.4	123	17.9	129	18.8	98	14.6	89	14.1	43	20.2	48	13.6	37	10.4	35	12.2
Native American	175	23.4	141	20.1	129	18.8	141	20.5	138	20.5	107	16.9	29	13.6	61	17.2	75	21.1	61	21.3
White	370	49.4	362	51.6	357	52.0	351	51.1	376	55.9	386	61.1	119	55.9	219	61.9	229	64.5	174	60.6
Other	42	5.6	40	5.7	61	8.9	51	7.4	47	7.0	39	6.2	14	6.6	22	6.2	11	3.1	11	3.8
Age																				
<20	32	4.3	37	5.3	40	5.7	28	4.0	28	4.2	1	0.2	1	0.5	2	0.6	4	1.1	5	1.7
20-24	391	52.2	355	50.6	300	42.7	341	48.5	319	47.4	348	55.1	118	55.4	147	41.5	133	37.5	101	35.2
25-29	125	16.7	132	18.8	142	20.2	124	17.6	121	18.0	117	18.5	39	18.3	95	26.8	79	22.3	73	25.4
30-39	139	18.6	123	17.5	137	19.5	154	21.9	150	22.3	112	17.7	33	15.5	58	16.4	77	21.7	68	23.7
40-49	46	6.1	39	5.6	44	6.3	43	6.1	42	6.2	31	4.9	14	6.6	34	9.6	30	8.5	21	7.3
50-59	13	1.7	14	2.0	20	2.8	8	1.1	8	1.2	19	3.0	3	1.4	16	4.5	26	7.3	16	5.6
>60	3	0.4	2	0.3	4	0.6	5	0.7	5	0.7	4	0.6	5	2.3	2	0.6	6	1.7	3	1.0
Average age	27		27		27		27		27		27		28		29		31		30	
High School Graduation Dates																				
September 2020 - current	112	15.0																		
September 2019 - August 2020	93	12.5	98	14.0																
September 2018 - August 2019	90	12.1	109	15.5	80	11.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
September 2017 - August 2018	57	7.7	75	10.7	89	13.0	59	7.8	-	-	-	-	-	-	-	-	-	-	-	-
September 2016 - August 2017	58	7.8	52	7.4	73	10.6	104	13.8	86	12.8	-	-	-	-	-	-	-	-	-	-
September 2015 - August 2016	32	4.3	49	7.0	46	6.7	85	11.3	68	10.1	70	11.1	-	-	-	-	-	-	-	-
September 2014 - August 2015	24	3.2	38	5.4	53	7.7	73	9.7	84	12.5	86	13.6	1	0.5	-	-	-	-	-	-
September 2013 - August 2014	35	4.7	27	3.8	29	4.2	72	9.5	62	9.2	93	14.7	24	11.3	21	5.9	-	-	-	-
September 2012 - August 2013	26	3.5	16	2.3	41	6.0	39	5.2	34	5.1	57	9.0	32	15.0	37	10.5	11	3.1	-	-
September 2011 - August 2012	9	1.2	27	3.8	24	3.5	37	4.9	30	4.5	45	7.1	30	14.1	37	10.5	27	7.6	14	4.9
September 2010 - August 2011	18	2.4	26	3.7	17	2.5	17	2.3	39	5.8	37	5.9	22	10.3	33	9.3	34	9.6	15	5.2
September 2009 - August 2010	21	2.8	12	1.7	14	2.0	16	2.1	23	3.4	18	2.8	16	7.5	27	7.6	35	9.9	32	11.1
September 2008 - August 2009	19	2.6	23	3.3	29	4.2	17	2.3	25	3.7	19	3.0	10	4.7	25	7.1	31	8.7	21	7.3
September 2007 - August 2008	16	2.1	14	2.0	26	3.8	20	2.7	12	1.8	23	3.6	9	4.2	21	5.9	25	7.0	30	10.5
September 2006 - August 2007	8	1.1	10	1.4	20	2.9	7	0.9	24	3.6	18	2.8	6	2.8	13	3.7	16	4.5	13	4.5
Prior to September 2006	121	16.2	115	16.4	137	19.9	205	27.2	179	26.6	154	24.4	60	28.2	135	38.1	174	49.0	162	56.4
Not Given	6	0.8	11	1.6	9	1.3	3	0.4	7	1.0	12	1.9	3	1.4	5	1.4	2	0.6	-	-
Sex																				
Female	448	59.8	398	56.7	428	62.3	403	58.7	421	62.6	349	55.2	110	51.6	201	56.8	210	59.2	179	62.4
Male	301	40.2	304	43.3	259	37.7	284	41.3	252	37.4	283	44.8	103	48.4	153	43.2	145	40.8	108	37.6
Degree Type																				
Advanced Certificate	9	2.0	6	0.9	3	0.4	1	0.1	1	0.1	1	0.2	1	0.5	2	0.6	1	0.3	1	0.4
Associate of Applied Science	104	23.0	115	16.4	120	17.5	111	16.2	115	17.1	137	21.7	39	18.3	114	32.2	87	24.5	95	33.8
Associate of Arts	161	35.6	187	26.6	144	21.0	229	33.3	194	28.8	224	35.4	110	51.6	179	50.6	197	55.5	154	54.8
Associate of Business	23	5.1	13	1.9	5	0.7	2	0.3	1	0.1	4	0.6	-	-	1	0.3	-	-	1	0.4
Associate of Fine Arts	1.0	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Associate of General Studies	-	-	-	-	-	-	1	0.1	5	0.7	7	1.1	35	16.4	13	3.7	30	8.5	9	3.2
Associate of Science	18	4.0	20	2.8	18	2.6	13	1.9	26	3.9	21	3.3	13	6.1	24	6.8	18	5.1	8	2.8
Basic Certificate	5	1.1	16	2.3	2	0.3	1	0.1	21	3.1	3	0.5	1	0.5	2	0.6	2	0.6	6	2.1
Certificate of Completion	104	23.0	330	47.0	375	54.7	315	45.9	303	45.0	233	36.9	14	6.6	18	5.1	16	4.5	6	2.1
Intermediate Certificate	27	6.0	15	2.1	18	2.6	14	2.0	7	1.0	2	0.3	-	-	1	0.3	4	1.1	1	0.4

Source: District records.

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

Square Footage:	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Academic areas:										
Laboratories - Lone Tree Campus	6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,840	6,840
Instructional - Lone Tree Campus	97,607	97,607	97,607	97,607	97,607	97,607	97,607	97,607	97,607	97,607
Instructional - 4th Street Campus	48,900	48,900	48,900	48,900	48,900	48,900	48,900	48,900	48,900	48,900
Instructional - Page Campus	19,325	19,325	19,325	19,325	19,325	19,325	19,325	19,325	19,325	19,325
Administrative areas:										
Lone Tree Campus	20,600	20,600	20,600	20,600	20,600	20,600	20,600	20,600	20,600	20,600
4th Street Campus	700	700	700	700	700	700	700	700	700	700
Page Campus	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080
Library	500	500	500	500	500	500	500	500	500	500
Dining	1,560	1,560	1,560	1,560	1,560	1,560	1,560	1,560	1,560	1,560
Bookstore	2,210	2,210	2,210	2,210	2,210	2,210	2,210	2,210	2,210	2,210
Total square footage	<u>199,322</u>	<u>199,322</u>	<u>199,322</u>	<u>199,322</u>	<u>199,322</u>	<u>199,322</u>	<u>199,322</u>	<u>199,322</u>	<u>199,322</u>	<u>199,322</u>
Library - number of volumes	140	140	229	229	229	360	360	360	360	360
Dining - seating capacity	40	40	40	40	40	40	40	40	40	40
Dining - average daily customers	120	120	120	120	120	120	120	120	130	145
Number of Vehicles:										
Street vehicles	7	7	7	7	5	5	5	5	5	5
Forklift	1	1	1	1	1	1	1	1	1	1
Bobcat loader	1	1	1	1	1	1	1	1	1	1
Tractor	1	1	1	1	1	1	1	1	1	1
Dump truck	-	-	-	-	-	1	1	1	1	1
Backhoe	1	1	1	1	1	1	1	1	1	1
Trailer	4	4	4	4	3	3	2	2	2	2
Parking Capacity:										
Lone Tree Campus	695	695	695	695	695	500	500	500	500	500
4th Street Campus	235	235	235	235	235	235	235	235	235	235
Page Campus	78	78	78	78	78	78	78	78	78	78
Total parking capacity	<u>1,008</u>	<u>1,008</u>	<u>1,008</u>	<u>1,008</u>	<u>1,008</u>	<u>813</u>	<u>813</u>	<u>813</u>	<u>813</u>	<u>813</u>

Source: District records.