

COCHISE COLLEGE



# Comprehensive Annual Financial Report

FISCAL YEAR ENDED JUNE 30, 2017

Cochise County Community College District | Douglas, Arizona



**COCHISE COLLEGE**

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# Comprehensive Annual Financial Report

FISCAL YEAR ENDED JUNE 30, 2017

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**COCHISE COLLEGE**

**Cochise County Community College District**  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2017**

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**COCHISE  
COLLEGE**

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# Comprehensive Annual Financial Report

## INTRODUCTORY SECTION



**COCHISE COLLEGE**



## COCHISE COLLEGE

901 North Colombo Avenue • Sierra Vista, AZ 85635-2317 • 520-515-0500 • [www.cochise.edu](http://www.cochise.edu)

January 30, 2018



To the Citizens of Cochise County:

I am pleased to present to you the FY2017 Comprehensive Annual Financial Report (CAFR) for the Cochise County Community College District (the District). This report describes the financial operations of the District. It also provides you, the taxpayer, evidence that the District, as a responsible steward of public dollars, takes its fiduciary charge very seriously. We strive to fulfill the College's mission of providing accessible educational opportunities that lead to constructive citizenship, meaningful careers, and lifelong learning. We are committed to making a difference in the lives of our students and in the communities we serve.

Since the District's founding in 1962, Cochise College has provided accessible and affordable educational opportunities to thousands of students. From its humble beginnings with a single campus in Douglas, Arizona, the District has grown into a comprehensive community college, with two full-service campuses and multiple outreach and educational centers across Cochise County. Today, nearly all Cochise County residents are within an easy commute to college services and resources, ensuring that access to higher education is readily available. In addition, the District operates a Virtual Campus providing students learning opportunities beyond the boundaries of time and place. Through an intergovernmental agreement with the Santa Cruz County Provisional Community College District, Cochise College services are available to the citizens of Santa Cruz County. We continue to provide access to affordable educational opportunities, which has been at the core of the District's mission from its inception.

In fiscal year 2017, the District served 11,916 students at our campuses and extended learning centers. Student success and degree completion has been a major focus for Cochise College. To that end, 1,394 Associate degrees were conferred this academic year. Additionally, 307 certificates of completion were awarded in a wide variety of career and technical areas. In our Adult Education Program 30 students successfully passed their High School Equivalency Test and were awarded their diplomas. Despite reduced support from state appropriations, the District continues to provide high quality programs and services at a reasonable cost for the citizens of Cochise County. In fact, Cochise College continues to be recognized nationally as a top tier community college.

The District places a strong emphasis on balancing the educational needs of today while providing a solid asset base and plan for the future. The District's sound financial management practices have earned an A2 rating from Moody's Investors Services, a rating that provides financial flexibility as we move forward. With this philosophy in mind, we continue to prepare students for today and plan for the future. New opportunities abound, and we are well positioned to address any and all challenges.

As you read this Comprehensive Annual Financial Report, I hope you will agree that, once again, Cochise County Community College District has served its taxpayers well and used its resources wisely.

Sincerely,

J.D. Rottweiler, Ph.D.  
President



## **COCHISE COLLEGE**

901 North Colombo Avenue • Sierra Vista, AZ 85635-2317 • 520-515-0500 • www.cochise.edu

January 30, 2018

To the Citizens and District Governing Board of the Cochise County Community College District:

We are pleased to provide you with the Comprehensive Annual Financial Report (CAFR) of the Cochise County Community College District (the District), Douglas, Arizona, for the fiscal year ended June 30, 2017 (FY2017).

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

District 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 are compiled to allow for the preparation of financial statements in conformance with generally accepted accounting principles (GAAP) as established by the Government Accounting Standards Board (GASB).

This CAFR is presented in three sections: Introductory, Financial and Statistical. The introductory section includes the President's welcome, this transmittal letter, the District's organizational chart and a list of principal officers. The financial section includes the independent auditors' report, Management's Discussion and Analysis (MD&A), the basic financial statements and other required supplementary financial information. The State of Arizona, Office of the Auditor General has issued an unmodified opinion on the District's financial statements for the year ended June 30, 2017. The MD&A, which provides a narrative overview and analysis of the basic financial statements, complements this transmittal letter and should be read in conjunction with them. Finally, the statistical section includes selected unaudited financial and demographic information, generally presented on a multi-year basis.

### **THE REPORTING ENTITY**

The District is an independent reporting entity within the criteria established by GAAP and the GASB. Although the District shares the same geographic boundaries with Cochise County, financial accountability over all activities related to public community college education in Cochise County is exercised solely by the District. According to GASB Statement No. 14, the financial reporting entity consists of the primary government organization for which the primary government is financially accountable as well as other organizations for which the nature and significance of their relationships with the primary government are such that exclusion would cause the reporting entity's financial

statements to be misleading or incomplete. The District is a primary government because it is a special purpose political subdivision that has a separately-elected governing body, is legally separate, and is fiscally independent of other state and local governments. The District is not included in any other governmental financial reporting entities. In accordance with GASB Statement No. 39, the financial activity of the Cochise College Foundation, Inc. (the Foundation) is discretely presented as a component unit of the District.

## **History**

The Cochise County Community College District was organized in 1961. Ground was broken for the Douglas Campus in 1962 and the District opened its doors to the first students in September of 1964. Having also served students in Sierra Vista and at Fort Huachuca since the mid-1960s, the District opened the Sierra Vista Campus in 1978.

With a constituency base that encompasses more than 6,200 square miles, the District has extended its reach into some of the more rural parts of Cochise County. The Willcox Center opened in 1988 for residents in that part of the county and the expansion continued in 2000 with the opening of the Benson Center to better serve the educational needs of residents in Benson, St. David, and surrounding communities. During FY2015, the District converted an existing automobile dealership into a vehicle service-training center. The District has also recently opened a new educational center in downtown Sierra Vista to accommodate its nursing and allied health, culinary and other programs. As necessary, the District provides education at various other sites in southeastern Arizona.

The District is accredited by the Higher Learning Commission of the North Central Association. The District also holds Federal Aviation Administration certification for its professional pilot program and Arizona Department of Health Services/Emergency Medical Services certification for its paramedicine and emergency medical technology programs. The Paramedicine Program is nationally accredited by the Committee on Accreditation of Educational Programs for Emergency Medical Services Professions (COAEMSP). The nursing program is accredited by the Accreditation Commission for Education in Nursing (ACEN) and approved by the Arizona State Board of Nursing. The Respiratory Therapy program is nationally accredited by the Commission on Accreditation for Respiratory Therapy Care (CoARC).

## **Organization and Administration**

As a political subdivision of the State of Arizona, the Cochise County Community College District is subject to the oversight of the District's Governing 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 District's Governing Board is granted full authority by the Arizona Revised Statutes to manage the business and educational needs of the District. The administrative staff of the District, led by the president, is responsible for the operation and administration of all District functions. As indicated above, the District currently operates from two primary campuses and four centers, with additional programs delivered at various locations throughout Cochise County and through its online campus. The District will be concluding its provision of instructional programs to the citizens of neighboring Santa Cruz County through an intergovernmental agreement with the Santa Cruz County Provisional Community College District. Beginning in FY2018 the District will enter into a new intergovernmental agreement to provide a teach-out program for currently enrolled students over the next 18 months concluding in December of 2018.

## **Service Area**

Cochise County, named for the famed chief of the Chiricahua Apaches and established on February 1, 1881, is located in the southeast corner of Arizona, sharing a border with Mexico to the south and New

Mexico to the east. The county was formed out of eastern Pima County with Tombstone being designated as the original county seat. In 1929, the county seat was moved to Bisbee, a former hub of copper mining. The county's location makes it a unique crossroads of cultural, natural, and historical attractions.

The historic Old West towns of Tombstone, Bisbee, Douglas, Willcox, and Benson are located within the county, and Sierra Vista – the county's primary population center – is home to Fort Huachuca, the U.S. Army's intelligence training center. Cochise County's mountain ranges and desert grasslands make it an important destination for migratory birds. The county's temperate climate, open spaces, and proximity to the international border with Mexico make it one of the most culturally, historically and geographically diverse areas in the American Southwest.

### **LOCAL ECONOMIC OUTLOOK**

The population of Cochise County as of 2016 was 128,343, down 0.6% from 2015, according to estimates by Arizona's Office of Economic Opportunity (OEO). OEO projects the countywide population will reach 132,547 in 2020.

Because the District receives a significant amount of its funding from local property taxes, new construction rates and valuations of existing properties are important economic indicators. New residential construction in Cochise County was up 2.2% in 2016 with 139 new home permits issued (up from a record low of 136 the year prior, with records back to 1990). In the first seven months of 2017, new home permits were up 10.5% from the same period of 2016. A large volume of foreclosed homes, which places upward pressure on existing home sales volume and downward pressure on prices, will continue to dampen demand for new residential construction countywide through the remainder of 2017 and into 2018. In 2016, foreclosures accounted for 16.7% of home sales in Cochise County, down from 19.2% in 2015. Despite steady declines since 2011, foreclosures remain very high from a historical perspective. In the years leading up to the housing market crash of 2008-2009, foreclosures countywide accounted for about 2% of sales. The median home price in Cochise County in 2016 was \$125,000 (up 1.2% from 2015). The year 2016 was the second consecutive year of home price increases following seven straight years of decline. In the second quarter 2017, the median home price countywide was \$138,500 (up 10.8% from the second quarter 2016).

According to OEO estimates, the county's civilian labor force consisted of 50,182 actual or potential workers in 2016. The unemployment rate as of August 2017 was 5.3%, down from 6.0% in August 2016. The drop in unemployment, however, has been related to a decline in the labor force, not job growth. Cochise County lost 300 nonfarm jobs in 2016 for a job growth rate of -0.9%, with the loss of 200 private-sector jobs (-0.9%) and 100 government jobs (-0.9%). Employment data from late 2016 and the first eight months of 2017 suggests Cochise County's labor market hit bottom during 2016. In the 14 months from July 2016 through August 2017, Cochise County saw year-over-year job declines in six months, gains in four months, and stabilization in four months. That followed persistent job losses over the previous seven and a half years. Looking forward, continued modest improvement in the regional labor market seems likely through the remainder of 2017 and into 2018.

The primary non-farm industry in Cochise County is government, followed by trade, transportation, and utilities; educational and health services; professional and business services; and leisure and hospitality. The county's largest employer is Fort Huachuca. As of September 2016, approximately 2,300 active duty military personnel were assigned to Fort Huachuca. There are also approximately 2,600 trainees (students) temporarily assigned to the fort for training on any given day (with more than 8,000 trained on site each year). Fort Huachuca directly employs approximately 3,000 civilian workers with an additional 400 civilians employed by other agencies operating on the installation,

including U.S. Department of Homeland Security, Fort Huachuca Accommodation Schools, Army & Air Force Exchange Service, and others. The fort also contracts with numerous area firms including General Dynamics, Northrup Grumman, ManTech International, Raytheon, TASC, Booz Allen Hamilton, and others employing more than 3,300 workers.

The largest threat to labor market improvement in Cochise County in recent years has come from defense budget cuts impacting Fort Huachuca as the result of winding down wars in Iraq and Afghanistan. While the rest of the state and nation suffered through severe effects of The Great Recession in 2008 and 2009, Cochise County was buffered from the worst of it due primarily to increased defense spending on the fort and its missions, which peaked in 2011 and has declined each year since. While defense cuts have had a dampening effect on the regional labor market, the current administration's stated interest in increasing defense spending suggests an easing of constraints from recent years. An increased emphasis on defense spending is likely to impact military intelligence, unmanned aerial systems, and cybersecurity missions at Fort Huachuca, which have long been three of the fastest-growing missions in the Army and Department of Defense.

The most significant opportunity for long-term labor market improvement in Cochise County is the 28,000-home, master-planned 'The Villages at Vigneto' development in Benson. Developers anticipate achieving and maintaining an ambitious 2,000-residential-unit annual absorption rate until fully built out (approximately two decades). The development is projected to support 16,355 jobs at peak construction (including construction activity and spending by new residents). Once all construction is complete, spending by new residents is projected to support 8,780 jobs countywide, sustained indefinitely into the future. Infrastructure improvements are expected to commence in 2018 with vertical construction beginning in late 2018 (subject to reinstatement of the Clean Water Act, Section 404 permit by U.S. Army Corp of Engineers and pending litigation against the ACOE challenging the permit).

Cochise County's GDP increased 0.3% in 2016—the first year of growth following five years of economic recession. Cochise County's economy fell 1.1% in 2011, followed by declines of 6.2%, 7.0%, 4.9%, and 0.8% in 2012, 2013, 2014, and 2015, respectively, easily meeting most economists' definition of an economic depression. Despite modest, overall GDP growth in 2016, countywide retail sales were down 4.7% for the year and 1.8% for the first six months of 2017. Cochise County's restaurant and bar sales were up 2.3% in 2016 but were down 2.9% in the first half of 2017, while hotel/motel receipts were down 0.1% in 2016 but were up 14.9% from January through June 2017.

## **LONG-TERM FINANCIAL PLANNING**

The District engages in short and long term strategic planning. The short-term (3-year) cycle involves all levels of the organization. This plan is updated as external environments or internal opportunities and needs require. The process provides a framework for structuring and adjusting the District's goals in order to support its mission, vision, and values. A high-level 15-year financial projection model is maintained and based on actual results as well as reasonable estimates. It is updated periodically to reflect most recent performance for both short- and long-term planning purposes.

## **MAJOR PROGRAM INITIATIVES**

### **District Infrastructure**

Facility and equipment upgrades were provided during FY2017 to support a critical and increasingly popular cybersecurity program. In addition to some classroom/lab remodeling, new equipment and

popular cybersecurity program. In addition to some classroom/lab remodeling, new equipment and dual monitors were purchased to enhance instructional capabilities including new content in areas like virtualization. A cyber lab workspace was added to support open lab efforts to work with switches, routers and the like, and to support credit training for both college and high school students preparing for competitions related to cybersecurity.

The District completed the final remodeling touches to the former Sierra Vista Regional Medical Center donated from the Legacy Foundation. Planned programs, departments, and organizations moved into the repurposed Downtown Center in the fall of 2016 including:

- The District's Nursing, Certified Nursing Assistant (CNA), Emergency Medical Technician (EMT), Paramedicine, Respiratory Therapy, and Culinary Arts Programs;
- The Center for Lifelong Learning, the Small Business Development Center, and the Center for Economic Research departments; and
- The Disabled American Veterans (DAV), the Sierra Vista Volunteer Interfaith Caregiver Program (VICaP), and the Workforce Investment and Opportunity Act organizations.

Two programs were also added to the facility roster later in the process including Electronics and Unmanned Aerial Vehicles.

## **Enrollment**

During FY2017, the District served a total of 6,353 Full Time Student Equivalents (FTSE) at all locations, a 2.6% increase from FY2016, with an annual unduplicated headcount of 11,916. During this time, the District awarded a total of 1,394 associate degrees and 307 college-level certificates of completion in a wide variety of career and technical studies. These awards represent a 2.7% increase and a 45.6% decrease from FY2016, respectively. Additionally, 30 students earned their GED during FY2017. The District has undertaken and continues to explore public-private joint ventures to draw students into Aviation, Automotive, and Allied Health Programs.

The District's strong partnership with the county's largest employer, Fort Huachuca, remained a significant factor in both the number of students served and in the number of degrees conferred. This partnership has had its downsides in the past several years as the District has experienced enrollment declines associated with the fort as the military draw down has continued, but numbers have held somewhat steady through FY2017. Other factors that have influenced enrollment declines have been closely related to the overall county's population. Cochise County was again one of the highest in the country in the loss of residents during FY2017. The District has been proactive in reacting to these previous year enrollment trends, by reaching out to perspective new and returning students. In FY2017, those efforts have paid off, because the college experienced its first increase in enrollment numbers in 4 years.

## **Student Achievement**

District students continue to receive recognition for leadership and academic achievements. Six students were named to the All-Arizona Academic Team, three to the second team and three to the third team. Cochise district students were the top three participants in the 2017 state Skills USA Welding Championship.

District athletic teams continued to experience success. The rodeo teams (Men and Women) did extremely well again this year. The men's team won the Grand Canyon Regional Championship and sent six members to the national finals. The women's rodeo team finished third in regionals and sent one team member to nationals. The women's basketball team won the most games in the history of

the college team and won their first national tournament game in the history of the program. The men's basketball team was undefeated at home and made it to the regional championship game. The baseball team was the Arizona Community College Athletic Conference Champions. Between all athletic teams, 20 students received athletic scholarship opportunities across the country.

## **PROGRAM DEVELOPMENT AND FUTURE INITIATIVES**

New programs have been developed to provide additional degree and certificate options preparing students for employment opportunities. In FY2017, the District approved degrees in Agronomy (AAS), LPN to Professional Nurse (AAS), and Residential Construction Technology (AAS). Approval was also given for certificates in Practical Nursing and Residential Construction Technology.

The district is planning to focus the upcoming year on improving student success by implementing features of a program call Guided Pathways. This is an effort to reduce unnecessary confusion and choices and provide options that are easier to understand and plan and faster to complete. Some of this is accomplished through more predictable scheduling and by grouping related programs together to allow students to make some changes in focus without losing as many credits. In addition, advisors and faculty work more closely together to make sure that students who are at risk can be assisted before they face critical consequences.

## **FINANCIAL INFORMATION**

Effective management of the District's funds through internal control, budgetary controls, cash management, and financial reporting comprises the District's responsibilities for stewardship, safeguarding of assets, and accountability to resource providers. Additional information relating to the District's financial management can be found in the statistical section at the back of this report.

### **Internal Control**

In developing and evaluating the District's accounting system, consideration is given to the adequacy of internal controls. Internal controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from that control element, and that the evaluation of costs and benefits requires estimates and judgments from management. All internal control evaluations occur within the above framework. We believe that the District's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### **Budgetary Controls**

The District maintains budgetary controls and budget transfer restrictions by function and major account category. The objective of these budgetary controls is to ensure compliance with the annual budget adopted by the District Governing Board. The District complies with state statutes requiring that a report of the District's adopted budget be published annually within the prescribed format as required by the State of Arizona, Office of the Auditor General. The District also complies with Arizona Revised Statutes governing community colleges by issuing an annual budget expenditure limitation report that is examined by the Office of the Auditor General.

## **Cash Management**

The District is governed by the Arizona Revised Statutes relating to the overall investment of idle public funds. The fiduciary responsibility for such investments is entrusted to the District Governing Board and is orchestrated through the Vice President for Administration. The District invests idle funds in a prudent, conservative, and secure manner for the highest available yield, given cash flow constraints, as prescribed by Arizona Revised Statutes. The principal investment vehicles used during the fiscal year were a pooled investment with the County Treasurer, direct investment in a Local Government Investment Pool (LGIP) with the State Treasurer's office, and direct investment in eligible U.S. Treasury and U.S. Government Agency securities and money market mutual funds.

The District constantly revisits its changing liquidity needs, and adjusts the structure of its idle funds to properly address these needs. In FY2017, the District continued to monitor targeted proportions of its idle funds in various maturity ranges, matching conservative projections of cash flow needs. These maturity range targets are adjusted periodically, as cash flow needs evolve. Most importantly, this approach continually prioritizes the District's primary objectives of maintaining safe, liquid investments, then, after those objectives are met, seeking to maximize yield.

## **Financial Reporting**

This CAFR for the District was formulated with data from various sources including District and Foundation records, the Cochise County Treasurer's Office and the Cochise County Assessor's Office. The statements present information on the financial condition of the District and whether resources were adequate to cover the costs of providing services during the reporting period. The District's CAFR will be distributed to the District Governing Board and executive administration; federal, state and county 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 and to aid management in the allocation of resources. The Notes to the Financial Statements are an integral part of this CAFR and should be read in conjunction with the Financial Statements for a full understanding of the information presented therein.

## **RISK MANAGEMENT**

The District staffs a Safety Officer who is dedicated to the risk management function of the District and is tasked with responsibilities that include minimization of risks through the implementation of insurance and safety and loss prevention procedures across the District. Safety training and calendared drills are, in part, a portion of our loss prevention activities. The District maintains a full complement of insurance requirements in accordance with Arizona Revised Statutes. Liability coverage is carried on a broad basis, including error and omissions and "wrongful acts" coverage. Property coverage is maintained on a replacement value basis in accordance with an agreed-upon schedule of values. Additional coverages includes non-employee or student events and vehicle fleet liability, crime and fidelity coverage, boiler and machinery insurance, professional liability, workers' compensation, aircraft and airport liability, international travel and student athlete accident coverage.

## **INDEPENDENT AUDIT**

The District utilizes the audit services of State of Arizona, Office of the Auditor General to determine that the financial statements are free of material misstatements and ensure compliance with Arizona

Revised Statutes requiring an annual audit of the District's financial statements. The Independent Auditors' Report is included in the financial section of this CAFR. The District received an unmodified opinion for the fiscal year ended June 30, 2017.

### **ACKNOWLEDGEMENTS**

The College would like to express its appreciation to the District's Governing Board members, who volunteer their time and expertise on a regular basis to provide vision and guidance to the District. The District's mission could not be achieved without the president's continuing leadership through the strategic plan. The District would also like to express its appreciation to the Office of the Auditor General for timely completion of the audit. Finally, this report could not have been developed without the efficient and dedicated efforts of the District Financial Operations staff, others within the District community, and the Cochise County Assessor's and Treasurer's offices, all of whom contributed to its preparation.

Respectfully submitted,

LaMont Schiers  
Vice President for Administration



Government Finance Officers Association

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for Excellence  
in Financial  
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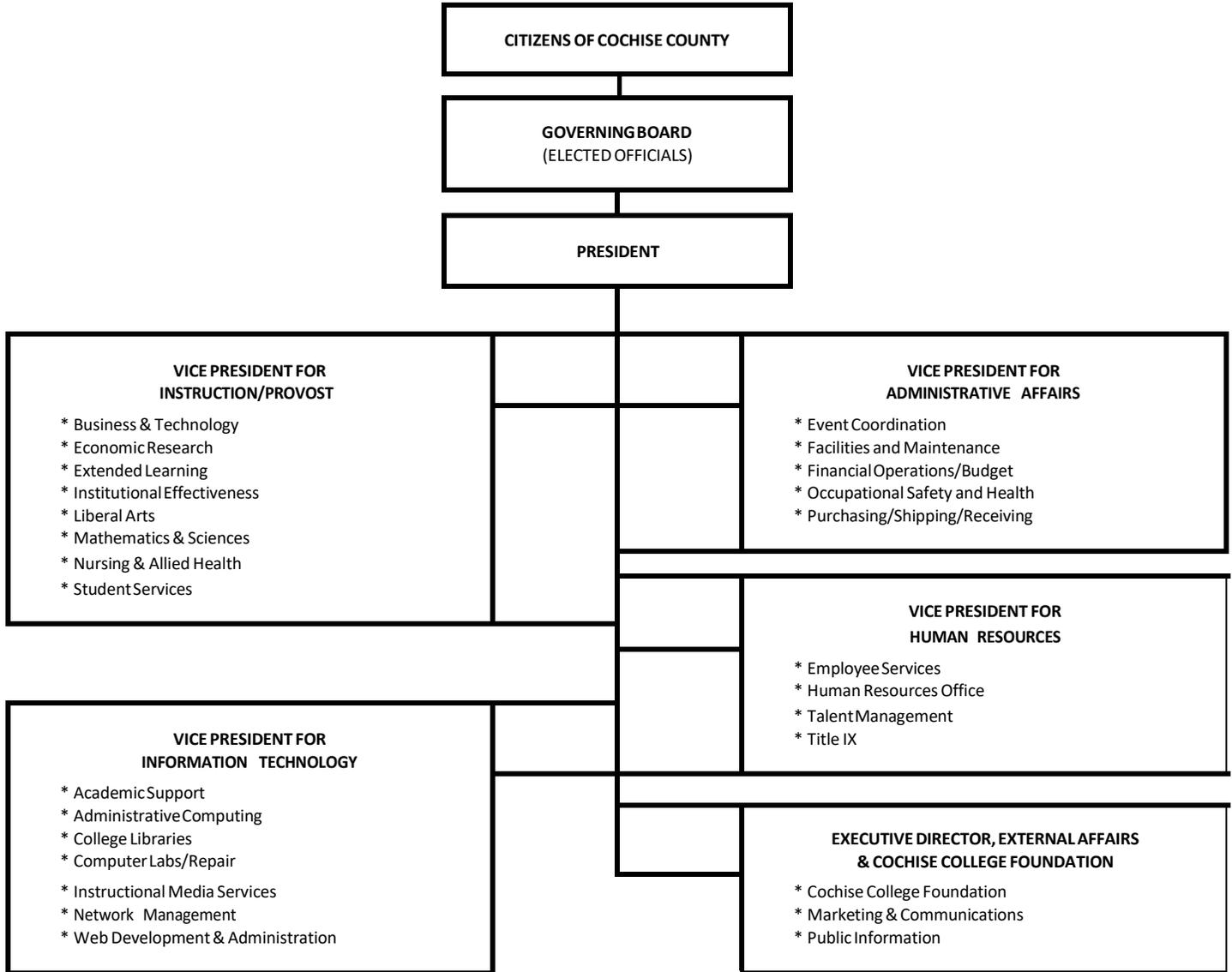
**Cochise County  
Community College District  
Arizona**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO

# COCHISE COUNTY COMMUNITY COLLEGE DISTRICT ORGANIZATIONAL CHART



# COCHISE COUNTY COMMUNITY COLLEGE DISTRICT

## PRINCIPAL OFFICERS

June 30, 2017

### DISTRICT GOVERNING BOARD

Mr. Dennis Nelson, *Chair, Precinct 5*

Mr. David DiPeso, *Secretary, Precinct 1*

Mr. Daniel Ortega, *Precinct 2*

Mrs. Jane C. Strain, *Precinct 3*

Mr. Tim Quinn, *Precinct 4*

### PRESIDENT

Dr. J.D. Rottweiler

### ADMINISTRATION

Dr. Verlyn Fick, *Vice President for Instruction/Provost*

Mr. LaMont Schiers, *Vice President for Administrative Affairs*

Mr. Carlos Cartagena, *Vice President for Information Technology*

Dr. Wendy Davis, *Vice President for Human Resources*



**COCHISE  
COLLEGE**

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# Comprehensive Annual Financial Report

FINANCIAL SECTION



**COCHISE COLLEGE**



**DEBRA K. DAVENPORT, CPA**  
AUDITOR GENERAL

**STATE OF ARIZONA**  
OFFICE OF THE  
**AUDITOR GENERAL**

**MELANIE M. CHESNEY**  
DEPUTY AUDITOR GENERAL

## **Independent auditors' report**

Members of the Arizona State Legislature

The Governing Board of  
Cochise County Community College District

### **Report on the financial statements**

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of the Cochise County Community College District as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### ***Management's responsibility for the financial statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes 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.

#### ***Auditors' responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit. Those 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. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The other auditors did not audit the discretely presented component unit's financial statements in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the District's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of Cochise County Community College District as of June 30, 2017, 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.

## **Other matters**

### *Required supplementary information*

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3 through 10, schedule of the District's proportionate share of the net pension liability on page 41, and schedule of district pension contributions on page 42 be presented to supplement the basic financial statements. Such information, 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*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

## **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.

Debbie Davenport  
Auditor General

January 30, 2018

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2017**

**Introduction**

This Management's Discussion and Analysis introduces the basic financial statements and provides an overview of the District's financial activities for the year ended June 30, 2017. It should be read in conjunction with the letter of transmittal, which precedes this section, and with the financial statements and their accompanying notes, which immediately follow.

**Basic Financial Statements**

The basic financial statements consist of the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. The Statement of Net Position reflects the financial position of the District at June 30, 2017. It shows the various assets owned or controlled by the District, deferred outflows and inflows of resources, liabilities and the various categories of net position. Net position is 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.

The Statement of Revenues, Expenses, and Changes in Net Position reflects the results of operations and other activities for the year ended June 30, 2017. It shows the various revenues and expenses, both operating and non-operating, and reconciles the beginning net position balance to the ending net position balance shown on the Statement of Net Position described above.

The Statement of Cash Flows reflects the inflows and outflows of cash and cash equivalents for the year ended June 30, 2017. It indicates the various cash activities by type and reconciles the beginning cash and cash equivalents balance to the ending cash and cash equivalents balance shown on the Statement of Net Position first described above. In addition, this statement reconciles cash flows used for operating activities to the operating loss on the Statement of Revenues, Expenses, and Changes in Net Position described immediately above.

Although the primary focus of this document is on the results of activities for fiscal year 2016-17 (FY2017), comparative data is also presented for the previous fiscal year 2015-16 (FY2016). This discussion and analysis uses the prior fiscal year as a reference point in illustrating issues and trends when assessing the institution's financial health.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2017**

**Condensed Financial Information  
Net Position**

	<u>As of June 30, 2017</u>	<u>As of June 30, 2016</u>
<u>Assets</u>		
Current assets	\$ 22,763,810	\$ 25,291,191
Noncurrent assets, other than capital assets	2,071,666	1,529,338
Capital assets, net	<u>74,156,015</u>	<u>74,081,362</u>
Total assets, net	<u>98,991,491</u>	<u>100,901,891</u>
<u>Deferred Outflows of Resources</u>	7,866,574	4,863,901
<u>Liabilities</u>		
Other liabilities	3,960,697	4,197,000
Long-term liabilities	<u>63,628,860</u>	<u>63,581,462</u>
Total liabilities	<u>67,589,557</u>	<u>67,778,462</u>
<u>Deferred Inflows of Resources</u>	4,169,432	2,824,191
<u>Net Position</u>		
Net investment in capital assets	46,442,365	44,944,760
Restricted for:		
Grants and contracts	1,566,709	1,770,429
Debt service	1,510,000	1,100,000
Unrestricted	<u>(14,419,998)</u>	<u>(12,652,050)</u>
Total net position	<u>\$ 35,099,076</u>	<u>\$ 35,163,139</u>

Total assets decreased by \$1.9 million in FY2017 as a result of a \$2.5 million decrease in current assets associated with the District's completion of new construction for the renovation of the new downtown educational center. Total liabilities were generally even with FY2016 as new capital development slowed following the opening of the new downtown center, a former hospital donated to the District in FY2015. The net pension liability also remained stable. Deferred outflows of resources increased \$3.0 million as a result of the current year effect of the difference between projected and actual investment earnings related to pensions. Deferred inflows of resources increased by \$1.3 million due to increases in the difference between expected and actual experience, and changes in assumptions or other inputs related to the net pension liability. For the above reasons, total net position remained stable at \$35.1 million in FY2017.

During FY2017, the current ratio decreased to 3.8 from 4.4 last fiscal year with total current assets decreasing by \$2.5 million and total current liabilities increasing by \$0.2 million. The decrease in current assets was primarily due to a decrease of \$3.0 million in investments while the increase in

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2017**

current liabilities was the result of a variety of factors, including a decrease of \$0.5 million in accounts payable liabilities and an increase of \$0.4 million in the current portion of long-term debt.

Unrestricted net position decreased by \$1.8 million in FY2017, primarily due to the \$1.5 million net pension liability increase. The net investment in capital assets increased by \$1.5 million in FY2017 as a result of the completion of the downtown center. The net investment in capital assets is now 132.3% of total net position, up from 127.8% last year.

**Revenues, Expenses, and Changes in Net Position**

	Fiscal Year Ended <u>June 30, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>
<u>Operating revenues</u>		
Tuition and fees (net of scholarship allowances)	\$ 6,068,885	\$ 5,905,314
Contracts	1,088,283	1,045,303
Other operating revenues	998,670	865,224
Total operating revenues	<u>8,155,838</u>	<u>7,815,841</u>
Total operating expenses	<u>47,766,303</u>	<u>46,097,977</u>
Operating loss	<u>(39,610,465)</u>	<u>(38,282,136)</u>
<u>Nonoperating revenues (expenses)</u>		
Property taxes	20,706,947	19,877,619
State appropriations	10,556,600	10,812,665
Government grants	8,019,470	8,626,294
Share of State sale taxes	1,062,446	1,009,459
Private gifts	17,726	-
Investment earnings	50,106	231,402
Interest on capital asset-related debt	(917,380)	(802,704)
Gain/(Loss) on disposal of capital assets	23,104	163,389
Other nonoperating revenues	27,383	-
Net nonoperating revenues	<u>39,546,402</u>	<u>39,918,124</u>
Increase (decrease) in net position	(64,063)	1,635,988
Total net position, beginning of year	<u>35,163,139</u>	<u>33,527,151</u>
Total net position, end of year	<u>\$ 35,099,076</u>	<u>\$ 35,163,139</u>

Total operating revenues increased \$0.3 million in FY2017 versus the prior year with small increases in all areas (tuition and fees, contracts and other operating revenues). The slight increase in tuition and fees, which resulted from an increase in the tuition rate offset by a slightly lower scholarship allowance, was complemented by a slight increase in contractual revenue.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2017**

Overall, nonoperating revenues remained essentially unchanged compared to the prior year. Component movements included an increase in collected property taxes of \$0.8 million from a 2% levy increase, an increase in state equalization aid (a portion of state appropriations) of \$0.3 million as a result of a decrease in average assessed property valuations across the rural counties, a decrease of \$0.6 million in government grants resulting from the completion of various projects at the Douglas campus airfield, and a decrease in the gain on sale of assets of \$0.1 million compared to the prior year. Operating expenses increased by \$1.7 million for the year ended June 30, 2017.

The most significant elements of the overall increase in operating expenses were as follows:

**Operating Expenses Comparison  
(Dollars in thousands)**

	Fiscal Year Ended <u>June 30, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>	Increase (Decrease)	Increase (Decrease) (%)
Salaries and wages	\$ 23,235	\$ 23,439	\$ (204)	(0.9)
Employee benefits	6,917	6,010	\$ 907	15.1
Contractual services	3,779	3,698	\$ 81	2.2
Supplies and other services	3,109	2,429	\$ 680	28.0
Scholarships	3,755	4,203	\$ (448)	(10.7)
Depreciation	3,171	2,992	\$ 179	6.0
Other Expenses	3,800	3,327	\$ 473	14.2
Total	<u>\$ 47,766</u>	<u>\$ 46,098</u>	\$ 1,668	3.6

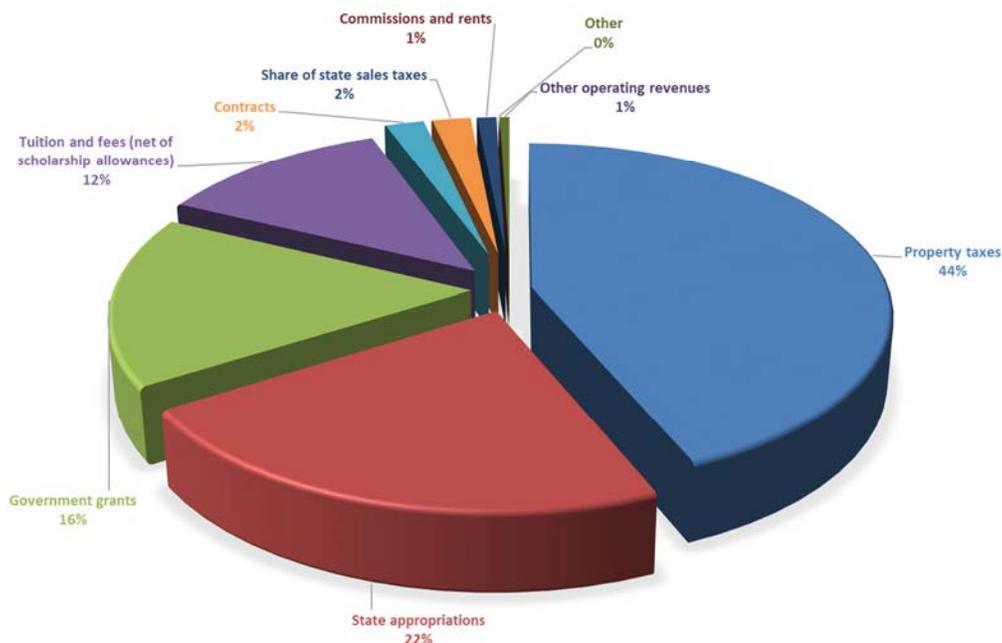
Comparing FY2017 to the prior year, the largest percentage increase in operating expenses was in supplies and other services that increased 28.0% as a result of ongoing support costs for the opening of the newly renovated Downtown Center in preparation for the opening of Fall Semester. Additional IT contracts for consulting services were acquired to address districtwide computer software upgrade requirements and hardware infrastructure support. The second highest increase was 15.1% in employee benefits. Pell grant award funds represented the largest decrease versus a year ago, down 10.7% as a result of declining enrollment.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2017**

The following is a summary of revenues for fiscal years ended June 30, 2017, and June 30, 2016:

	<u>Fiscal Year Ended June 30, 2017</u>		<u>Fiscal Year Ended June 30, 2016</u>	
<u>Operating revenues</u>				
Tuition and fees (net of scholarship allowances)	\$ 6,068,885	12 %	\$ 5,905,314	12 %
Contracts	1,088,283	2	1,045,303	2
Commissions and rents	726,981	1	645,801	1
Other operating revenues	271,689	1	219,424	1
Total operating revenues	<u>8,155,838</u>	<u>16</u>	<u>7,815,842</u>	<u>16</u>
<u>Nonoperating revenues</u>				
Property taxes	20,706,947	44	19,877,619	41
State appropriations	10,556,600	22	10,812,665	22
Government grants	8,019,470	16	8,626,294	18
Share of state sales taxes	1,062,446	2	1,009,459	2
Private gifts	17,726	0	-	0
Investment earnings	50,106	0	231,402	1
Gain on disposal of capital assets	23,104	0	163,389	0
Other nonoperating revenues	27,383	0	-	0
Total nonoperating revenues	<u>40,463,782</u>	<u>84</u>	<u>40,720,828</u>	<u>84</u>
 Total revenues	 <u>\$ 48,619,620</u>	 <u>100 %</u>	 <u>\$ 48,536,670</u>	 <u>100 %</u>

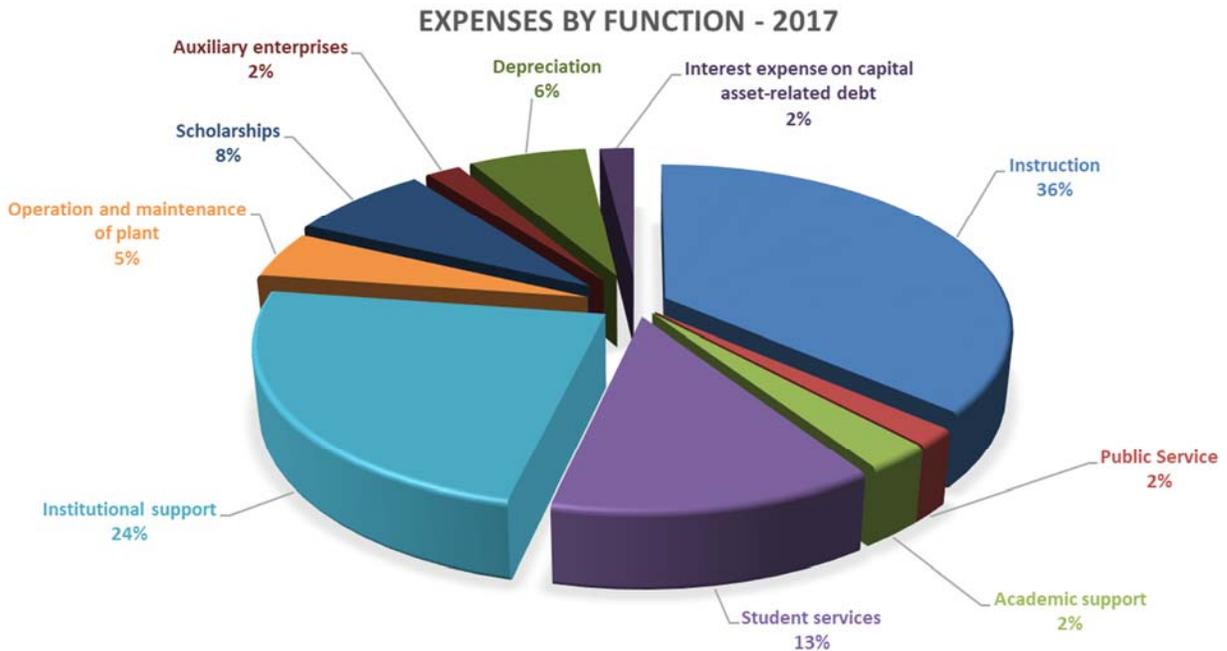
**REVENUES BY SOURCE - 2017**



**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2017**

The following is a summary of expenses for fiscal years ended June 30, 2017, and June 30, 2016:

	<u>Fiscal Year Ended June 30, 2017</u>		<u>Fiscal Year Ended June 30, 2016</u>	
<u>Operating expenses</u>				
Educational and general:				
Instruction	\$ 17,692,489	36 %	\$ 18,025,593	38 %
Public service	843,231	2	737,123	2
Academic support	1,275,601	2	1,238,435	3
Student services	6,280,632	13	6,004,145	13
Institutional support	11,550,687	24	7,946,543	17
Operation and maintenance of plant	2,274,967	5	4,219,197	9
Scholarships	3,755,498	8	4,202,770	9
Auxiliary enterprises	921,943	2	731,877	1
Depreciation	3,171,255	6	2,992,295	6
Total operating expenses	<u>47,766,303</u>	<u>98</u>	<u>46,097,978</u>	<u>98</u>
<u>Nonoperating expenses</u>				
Interest expense on capital asset-related debt	<u>917,380</u>	<u>2</u>	<u>802,704</u>	<u>2</u>
Total expenses	<u>\$ 48,683,683</u>	<u>100 %</u>	<u>\$ 46,900,682</u>	<u>100 %</u>



**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2017**

**Capital Assets and Debt Administration**

Below is a summary of capital assets, net of accumulated depreciation, as of June 30, 2017 and June 30, 2016. See Note 3 for further details.

	Balance June 30, 2017	Balance June 30, 2016
Capital assets (net of depreciation)		
Land	\$ 1,993,038	\$ 1,993,038
Museum art collection	66,000	66,000
Construction in progress	28,580	12,648,089
Buildings and improvements	59,676,480	46,916,024
Improvements other than buildings	8,725,256	9,075,747
Equipment	3,414,129	3,101,949
Library books	252,532	280,515
Total capital assets (net of depreciation)	<u>74,156,015</u>	<u>74,081,362</u>

The increase in capital assets in recent years has been principally due to the investment in renovation of the downtown educational facility.

During FY2017, principal payments were \$125,000 on the Series 2008 Revenue Bonds and \$975,000 on the Series 2008 Pledged Revenue Obligations (PROs). At June 30, 2017, the District had an outstanding principal balance due of \$255,000 for the 2008 revenue bonds, \$7,310,000 for the 2016A revenue bonds, \$14,675,000 for the 2016B revenue refunding bonds, and \$2,070,000 for the 2008 PROs. Note 4 to the basic financial statements provides details on all bond issues and long-term obligations.

**Current Factors Having Probable Future Financial Significance**

Although the State of Arizona has recently shown signs of economic recovery, Cochise County has continued to struggle, although most economic indicators are now reflecting greater optimism. New factors are now coming into play that will have financial bearing on the District.

The first factor is the 2016 passing of the Fair Wages and Healthy Families Initiative for the State of Arizona, also known as Proposition 206, which increased minimum wage requirements in the state to \$10 an hour beginning in January of 2017 and which will then gradually increase this rate to \$12 by 2020. This will result in additional financial commitments for the District related to part-time and student work-study labor costs. The increase in the minimum wage will affect the amount of work-study hours the District will be able to support.

Another significant development that will have continuing future impacts is the recent donation of the regional hospital building and surrounding property, gifted to the District in June of 2015.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2017**

During FY2016, significant construction activity occurred to completely renovate this property, producing a state-of-the-art educational facility. This new Downtown Center was opened on August 19, 2016, to provide state-of-the-art instructional facilities for students in the Nursing and Allied Health programs. Additional programs now located in this new facility include Culinary Arts, Electronics, Distance Learning, the Small Business Development Center, the Center for Life Long Learning and a number of community service organizations. To fund the renovation of this major facility expansion, the District successfully issued \$7.3 million in new revenue bonds in FY2016 and drew upon \$7 million of reserves.

Finally, continuing declines in enrollment in recent years appear to be stabilizing and slowly reversing trends, which will have a financial impact on how the District considers its financial picture. Full-time student equivalents (FTSE) have dropped steadily since FY2011, reducing the District's allocation of state maintenance and operations funding. In FY2017, the District's state aid allocation (a portion of state appropriations) decreased by \$536,000 and in FY2018 it will decrease by another \$80,400. The primary factors behind the enrollment declines are the continuing but stabilizing local economic recession that began in 2011 and the recent drawdown of the military and civilian workforce at Fort Huachuca, located in Sierra Vista, which is a major source of students for the District. In light of these economic challenges, the District continues to focus on investment opportunities in specific educational programs with growth opportunities such as Aviation, Nursing and Allied Health, Culinary Arts, Automotive Technology and Cybersecurity.

To help counter the effects of these reductions in state aid allocation, the District will continue to consider adjustments to tuition and property taxes, and to explore public-private partnerships and additional cost saving measures. Despite these economic pressures, the District is committed to fulfilling its mission of providing educational opportunities that lead to constructive citizenship, meaningful careers and lifelong learning.

**Requests for Information**

This discussion and analysis is designed to provide a general overview of the Cochise County Community College District's finances for all those with an interest in such matters. Questions concerning any of the information provided in this Comprehensive Annual Financial Report or requests for additional financial information should be addressed to the Office of the Director of Finance and Administration, Cochise County Community College District, 901 North Colombo Avenue, Sierra Vista, Arizona 85635.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT**  
**STATEMENT OF NET POSITION - PRIMARY GOVERNMENT**  
**JUNE 30, 2017**

<u>Assets</u>	<u>Business-Type Activities</u>
Current assets:	
Cash and cash equivalents	\$ 3,274,367
Investments	15,469,660
Receivables:	
Accounts (less allowances of \$635,556)	364,836
Property taxes (less allowances of \$266,794)	1,439,568
Government grants and contracts	745,068
Interest	26,745
Other	581,719
Inventories	619,678
Prepaid items	242,169
Total current assets	22,763,810
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents held by trustee	2,071,666
Capital assets, not being depreciated	2,087,618
Capital assets, being depreciated, net	72,068,397
Total noncurrent assets	76,227,681
Total assets	98,991,491
<b><u>Deferred Outflows of Resources</u></b>	
Deferred outflows related to pensions	6,579,558
Deferred charge on debt refunding	1,287,016
Total deferred outflows of resources	7,866,574
<b><u>Liabilities</u></b>	
Current liabilities:	
Accounts payable	909,122
Accrued payroll and employee benefits	1,883,329
Interest payable	561,666
Deposits held in custody for others	227,617
Unearned revenues	378,963
Current portion of compensated absences payable	171,692
Current portion of long-term debt	1,832,952
Total current liabilities	5,965,341
Noncurrent liabilities:	
Compensated absences payable	1,277,098
Net other postemployment benefits obligation (OPEB)	342,722
Long-term debt	25,880,698
Net pension liability	34,123,698
Total noncurrent liabilities	61,624,216
Total liabilities	67,589,557
<b><u>Deferred Inflows of Resources</u></b>	
Deferred inflows related to pensions	4,169,432
Total deferred inflows of resources	4,169,432
<b><u>Net Position</u></b>	
Net investment in capital assets	46,442,365
Restricted:	
Expendable:	
Grants and contracts	1,566,709
Debt service	1,510,000
Unrestricted (deficit)	(14,419,998)
Total net position	\$ 35,099,076

See accompanying notes to financial statements.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
STATEMENT OF FINANCIAL POSITION - COMPONENT UNIT  
JUNE 30, 2017**

		Cochise College Foundation
<b><u>Assets</u></b>		
Cash and cash equivalents	\$	165,774
Investments		10,513,588
Land held as an investment		19,825
Assets restricted to investment in property and equipment		1,590,408
 Total assets	 \$	 <u><u>12,289,595</u></u>
<b><u>Liabilities</u></b>		
Deposits held on behalf of others	\$	14,722
Liability under split-interest agreement		278,365
Total current liabilities		293,087
<b><u>Net Assets</u></b>		
Unrestricted net assets:		
Undesignated, available for operations		222,613
Designated funds		625,911
Total unrestricted net assets		848,524
Temporarily restricted		8,194,294
Permanently restricted		2,953,690
Total net assets		11,996,508
 Total liabilities and net assets	 \$	 <u><u>12,289,595</u></u>

See accompanying notes to financial statements.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PRIMARY GOVERNMENT**  
**YEAR ENDED JUNE 30, 2017**

	Business-Type Activities
Operating revenues:	
Tuition and fees (net of scholarship allowances of \$3,188,194)	\$ 6,068,885
Government contracts	943,568
Private contracts	144,715
Bookstore income	108,800
Food service income	599,211
Dormitory rentals and fees	18,970
Other	271,689
Total operating revenues	8,155,838
Operating expenses:	
Educational and general:	
Instruction	17,692,489
Public service	843,231
Academic support	1,275,601
Student services	6,280,632
Institutional support	11,550,687
Operation and maintenance of plant	2,274,967
Scholarships	3,755,498
Auxiliary enterprises	921,943
Depreciation	3,171,255
Total operating expenses	47,766,303
Operating loss	(39,610,465)
Nonoperating revenues (expenses):	
Property taxes	20,706,947
State appropriations	10,556,600
Government grants	8,019,470
Share of state sales taxes	1,062,446
Private gifts	17,726
Investment earnings	50,106
Interest expense on capital asset-related debt	(917,380)
Gain on disposal of capital assets	23,104
Other nonoperating revenues	27,383
Net nonoperating revenues	39,546,402
Decrease in net position	(64,063)
Net position, July 1, 2016	35,163,139
Net position, June 30, 2017	\$ 35,099,076

See accompanying notes to financial statements.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
STATEMENT OF ACTIVITIES - COMPONENT UNIT  
YEAR ENDED JUNE 30, 2017**

	Cochise College Foundation			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Support and revenue:				
Contributions	\$ 201,595	\$ 355,588	\$ -	\$ 557,183
Investment income	79,808	917,797	-	997,605
Total support and revenue	<u>281,403</u>	<u>1,273,385</u>	<u>-</u>	<u>1,554,788</u>
Net assets released from restriction:				
Satisfaction of donor restrictions	365,667	(365,667)	-	-
	<u>647,070</u>	<u>907,718</u>	<u>-</u>	<u>1,554,788</u>
Expenses:				
Program services:				
Scholarships	167,695	-	-	167,695
Special programs	184,639	-	-	184,639
Total program services	<u>352,334</u>	<u>-</u>	<u>-</u>	<u>352,334</u>
Supporting services:				
Salaries and wages	180,825	-	-	180,825
Other	46,412	-	-	46,412
Total supporting services	<u>227,237</u>	<u>-</u>	<u>-</u>	<u>227,237</u>
Fundraising services:				
Fundraising	33,608	-	-	33,608
Total fundraising services	<u>33,608</u>	<u>-</u>	<u>-</u>	<u>33,608</u>
Total expenses	<u>613,179</u>	<u>-</u>	<u>-</u>	<u>613,179</u>
Change in net assets	33,891	907,718	-	941,609
Net assets, beginning of year	<u>814,633</u>	<u>7,286,576</u>	<u>2,953,690</u>	<u>11,054,899</u>
Net assets, end of year	<u>\$ 848,524</u>	<u>\$ 8,194,294</u>	<u>\$ 2,953,690</u>	<u>\$ 11,996,508</u>

See accompanying notes to financial statements.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT  
YEAR END JUNE 30, 2017**

	Business-Type Activities
Cash flows from operating activities:	
Tuition and fees	\$ 6,369,666
Government and private contracts	1,094,090
Bookstore receipts	107,450
Food services receipts	599,211
Dormitory rentals and fees	18,970
Other receipts	(46,958)
Payments to suppliers and providers of goods and services	(10,562,255)
Payments for employee wages and benefits	(30,376,736)
Payments for scholarships	(3,755,498)
Other payments	55,821
Net cash used for operating activities	(36,496,239)
Cash flows from noncapital financing activities:	
Property taxes	20,591,119
State appropriations	10,556,600
Government grants	7,769,249
Share of state sales taxes	1,052,457
Direct loans received	1,622,712
Direct loans disbursed	(1,622,712)
Deposits held in custody for others received	847,147
Deposits held in custody for others disbursed	(787,474)
Net cash provided by noncapital financing activities	40,029,098
Cash flows from capital and related financing activities:	
Principal paid on capital debt	(1,100,000)
Interest paid on capital debt	(941,054)
Proceeds from sale of capital assets	56,897
Purchases of capital assets	(4,101,545)
Net cash used for capital and related financing activities	(6,085,702)
Cash flows from investing activities:	
Net purchases of investments	3,005,106
Interest received on investments	55,134
Net cash provided by investing activities	3,060,240
Net decrease in cash and cash equivalents	507,397
Cash and cash equivalents, July 1, 2016	4,838,636
Cash and cash equivalents, June 30, 2017	\$ 5,346,033

(Continued)

**See accompanying notes to financial statements.**

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT  
YEAR END JUNE 30, 2015  
(CONCLUDED)**

	Business-Type Activities
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	\$ (39,610,465)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	3,171,255
Provision for uncollectable accounts	64,438
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Increase in:	
Accounts receivable	(102,364)
Other receivables	(271,320)
Inventories	(58,530)
Deferred outflows of resources related to pensions	(3,119,675)
Accounts payable	190,168
Accrued payroll and employee benefits	78,653
Compensated absences payable	33,405
Unearned revenues	241,264
Deferred inflows of resources related to pensions	1,345,241
Decrease in:	
Government grants and contracts receivable	14,796
Prepaid items	89,951
Net OPEB obligation	(93,535)
Net pension liability	1,530,479
Net cash used for operating activities	\$ (36,496,239)

Noncash investing, noncapital financing, and capital and related financing activities:

The District amortized \$11,330 for premiums received on revenue bonds issued in 2008, \$20,441 for premiums received on pledged revenue obligations issued in 2008, \$56,300 for premiums received on revenue bonds issued in 2016, and \$234,880 for premiums received on revenue refunding bonds issued in 2016.

The District is amortizing its OPEB obligation for employee/retiree health benefits over 30 years. The current year net obligation is \$342,722, which is recorded as a long-term liability.

**See accompanying notes to financial statements.**

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting entity**

The District is a special-purpose government that 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 Cochise College Foundation, Inc. (the Foundation).

The 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 other District operations. Although the District does not control the timing or amount of the receipts from the Foundation, the Foundation's restricted resources can only be used by or for the benefit of the District or its constituents. Consequently, the Foundation is considered a component unit of the District and is discretely presented in the District's financial statements.

For financial reporting purposes, the Foundation follows the Financial Accounting Standards Board (FASB) 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 GAAP for public colleges and universities. The Foundation has a June 30 year-end.

During the year ended June 30, 2017, the Foundation distributed \$352,334 to and on behalf of the District for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from the Cochise College Foundation, 4190 West Highway 80, Douglas, Arizona 85607-6100.

**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.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

Assets and liabilities are classified as either current or noncurrent. Net position is classified according to external donor restrictions or availability of assets to satisfy District obligations. Net investment in capital assets represents the value of capital assets, net of accumulated depreciation, 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. Operating revenues and expenses generally result from exchange transactions. Accordingly, revenues, such as tuition and bookstore, food service, and dormitory charges 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 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.

The District eliminates all internal activity.

It is the District's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position 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, demand deposits, cash and investments held by the County Treasurer, investments in the State Treasurer's Local Government Investment Pool, and only those highly liquid investments with a maturity of 3 months or less when purchased. All investments are stated at fair value.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENT  
JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**D. Inventories**

Inventories are stated at the lower of cost (first-in, first-out method) or market.

**E. Capital assets**

Capital assets are reported at actual cost (or estimated historical cost if historical records are not available). Donated assets are reported at acquisition value.

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	\$5,000	N/A	N/A
Museum art collection	5,000	N/A	N/A
Buildings	5,000	Straight line	5-40 years
Improvements other than buildings	5,000	Straight line	5-40 years
Equipment	5,000	Straight line	3-20 years
Library books	All	Straight line	10 years

**F. Deferred outflows and inflows of resources**

The statement of net position includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense in future periods. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will be recognized as a revenue in future periods.

**G. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concl'd)**

**H. Investment earnings**

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

**I. 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 party 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.

**J. Compensated absences**

Compensated absences payable consists of vacation leave and a calculated amount of sick leave employees earned based on services already rendered.

Employees may accumulate up to 180 hours of vacation depending on years of service, but they forfeit any unused vacation hours in excess of the maximum amount at fiscal year-end. Upon terminating employment, the District pays all unused and unforfeited vacation benefits to employees. Accordingly, vacation benefits are accrued as a liability in the financial statements.

Employees may accumulate up to 876 hours of sick leave. Generally, sick leave benefits provide for ordinary sick pay and are cumulative, but employees forfeit them upon terminating employment. Terminating employees fall into one of three categories based upon the sick leave policy in place on the date of their hire: 1) Employees hired before July 1, 2014, who are at least 55 years of age or have met the necessary points for full retirement with the Arizona State Retirement System and have been employed by the District for at least 10 years are eligible to receive a portion of their sick leave benefits. 2) Sick leave for employees hired before July 1, 2014, who do not meet the additional age, time in service and Arizona State Retirement System requirements do not vest. 3) Employees hired after June 30, 2014, who have accrued a minimum of 40 hours and have provided a minimum of two weeks' notice of separation, are also eligible to receive a portion of their sick leave benefits. Because sick leave benefits in 2) above do not vest with employees, a liability for sick leave benefits is not accrued in the financial statements. However, sick leave benefits for employees in categories 1) and 3) do vest, and, therefore, are accrued as a liability in the financial statements.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2017**

**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, 2017, the carrying amount of the District’s deposits was \$2,378,674, and the bank balance was \$2,791,116. For deposits, custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to the District. The District currently does not have a deposit policy for custodial credit risk.

**Investments**

The District’s investments at June 30, 2017, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

	Amount	Fair value measurement using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Investments by fair value level</b>				
U.S. Treasury securities	\$ 5,784,001	\$ 5,784,001	\$ -	\$ -
Money market mutual fund	2,071,666	-	2,071,666	-
U.S. agency securities	9,685,659	-	9,685,659	-
Total investments by fair value level	<u>\$ 17,541,326</u>	<u>\$ 5,784,001</u>	<u>\$ 11,757,325</u>	<u>\$ -</u>
<b>External investment pools measured at fair value</b>				
State Treasurer's investment pool 7	\$ 244,325			
County Treasurer's investment pool	<u>647,271</u>			
Total external investment pools measured at fair value	<u>\$ 891,596</u>			
Total investments measured at fair value	<u>\$ 18,432,922</u>			

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENT  
JUNE 30, 2017**

**NOTE 2 – DEPOSITS AND INVESTMENTS (Cont'd)**

Investments categorized as Level 1 are valued using prices quoted in active markets for those investments. Investments categorized as Level 2 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. 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.

**Credit Risk**

Through its investment policy, the District manages its credit risk by limiting the maturity of any one investment to 5 years and by limiting the type of investments that the District utilizes to U.S. Treasury securities and U.S. Government backed securities.

At June 30, 2017, the District had the following investments in debt securities:

<b>Investment Type</b>	<b>Rating</b>	<b>Rating agency</b>	<b>Amount</b>
State Treasurer's investment pool 7	Unrated	Not applicable	\$ 244,325
County Treasurer's investment pool	Unrated	Not applicable	647,271
U.S. agency securities	Aaa	Moody's	9,685,659
Money market mutual fund	Aaa-mf	Moody's	2,071,666
			<u>\$ 12,648,921</u>

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of a counterparty's failure, the District will not be able to recover the value of its investments or collateral securities that are in an outside party's possession. The District currently does not have a formal investment policy for custodial credit risk.

**Concentration of Credit Risk**

The District does not have a formal policy regarding concentration of credit risk. The District had investments at June 30, 2017, of 5% or more in Federal Home Loan Banks, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation. These investments were 29.19%, 13.96%, and 6.57%, respectively, of the District's total investments.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENT  
JUNE 30, 2017**

**NOTE 2 – DEPOSITS AND INVESTMENTS (Concl'd)**

**Interest Rate Risk**

Through its investment policy, the District manages its exposure to fair value losses arising from increasing interest rates by limiting the maturity of any one investment to 5 years.

At June 30, 2017, the District had the following investments in debt securities:

<b>Investment type</b>	<b>Investment Maturities</b>		<b>Fair Value</b>
	<b>Less than 1 Year</b>	<b>1-5 Years</b>	
State Treasurer's investment pool 7	\$ 244,325	\$ -	\$ 244,325
County Treasurer's investment pool	647,271	-	647,271
Money market mutual fund	2,071,666	-	2,071,666
U.S. Treasury Securities	2,010,179	3,773,822	5,784,001
U.S. Agency Securities	5,490,214	4,195,445	9,685,659
	<u>\$ 10,463,655</u>	<u>\$ 7,969,267</u>	<u>\$ 18,432,922</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	\$ 4,097	Cash and cash equivalents	\$ 3,274,367
Amount of deposits	2,378,674	Current investments	15,469,660
Amount of investments	18,432,922	Restricted assets:	
		Cash and cash equivalents	2,071,666
	<u>\$ 20,815,693</u>		<u>\$ 20,815,693</u>

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2017**

**NOTE 3 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2017, was as follows:

	Balance July 1, 2016	Increases	Transfers and Reclasses	Decreases	Balance June 30, 2017
Capital assets not being depreciated:					
Land	\$ 1,993,038	\$ -	\$ -	\$ -	\$ 1,993,038
Museum art collection	66,000	-	-	-	66,000
Construction in progress	12,648,089	28,580	(12,514,292)	(133,797)	28,580
Total capital assets not being depreciated	<u>14,707,127</u>	<u>28,580</u>	<u>(12,514,292)</u>	<u>(133,797)</u>	<u>2,087,618</u>
Capital assets being depreciated:					
Buildings and improvements	71,582,159	2,258,030	12,328,080	(47,201)	86,121,068
Equipment	9,776,442	977,909	-	(7,552)	10,746,799
Improvements other than buildings	13,206,337	121,024	186,212	-	13,513,573
Library books	575,159	27,955	-	(59,521)	543,593
Total capital assets being depreciated	<u>95,140,097</u>	<u>3,384,918</u>	<u>12,514,292</u>	<u>(114,274)</u>	<u>110,925,033</u>
Less accumulated depreciation for:					
Buildings and improvements	(24,666,135)	(1,791,861)	-	13,408	(26,444,588)
Equipment	(6,674,493)	(665,729)	-	7,552	(7,332,670)
Improvements other than buildings	(4,130,590)	(657,727)	-	-	(4,788,317)
Library books	(294,644)	(55,938)	-	59,521	(291,061)
Total accumulated depreciation	<u>(35,765,862)</u>	<u>(3,171,255)</u>	<u>-</u>	<u>80,481</u>	<u>(38,856,636)</u>
Total capital assets being depreciated, net	<u>59,374,235</u>	<u>213,663</u>	<u>12,514,292</u>	<u>(33,793)</u>	<u>72,068,397</u>
Capital assets, net	<u>\$ 74,081,362</u>	<u>\$ 242,243</u>	<u>\$ -</u>	<u>\$ (167,590)</u>	<u>\$ 74,156,015</u>

**NOTE 4 – LONG-TERM LIABILITIES**

The following schedule details the District's long-term liability and obligation activity for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Due within one year
Bonds payable and pledged revenue obligations (PROs):					
Revenue bonds	\$ 7,690,000	\$ -	\$ 125,000	\$ 7,565,000	\$ 495,000
Revenue refunding bonds	14,675,000	-	-	14,675,000	-
PROs	3,045,000	-	975,000	2,070,000	1,015,000
Premiums	3,726,601	-	322,951	3,403,650	322,952
Total bonds payable and PROs	<u>29,136,601</u>	<u>-</u>	<u>1,422,951</u>	<u>27,713,650</u>	<u>1,832,952</u>
Net Pension Liability	32,593,219	1,530,479	-	34,123,698	-
Compensated absences	1,415,385	1,079,907	1,046,502	1,448,790	171,692
Net OPEB obligation	436,257	-	93,535	342,722	-
Total long-term liabilities	<u>\$ 63,581,462</u>	<u>\$ 2,610,386</u>	<u>\$ 2,562,988</u>	<u>\$ 63,628,860</u>	<u>\$ 2,004,644</u>

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2017**

**NOTE 4 – LONG-TERM LIABILITIES (Cont’d)**

**Bonds and PROs**

The District’s bonded debt consists of various issues of revenue bonds and one issue of pledged revenue obligations (PROs). The 2008 Revenue Bonds and PROs are noncallable with interest payable semiannually. The 2016A Revenue Bonds and 2016B Revenue Refunding Bonds have interest payable semiannually and only those bonds that mature on or after July 1, 2026, are callable prior to maturity. Bond and PRO proceeds were primarily used for improving, acquiring, or constructing capital facilities. The 2016B bonds were issued to advance-refund previously issued 2008 bonds. Bonds are repaid from tuition, fees, rentals, and other charges to students, faculty, and others. Federal arbitrage regulations are applicable to all of the District’s bond issues.

The following bonds and PROs were outstanding at June 30, 2017:

<u>Description</u>	<u>Original Amount Issued</u>	<u>Maturity Ranges</u>	<u>Interest Rates</u>	<u>Outstanding Principal</u>
Revenue Bonds				
Series 2008	\$ 10,595,000	7/1/2016-18	4.00-4.125%	\$ 255,000
Series 2016A	7,310,000	7/1/2017-31	2.00-5.00%	7,310,000
Revenue Refunding Bonds				
Series 2016B	14,675,000	7/1/2019-28	5.00%	14,675,000
Pledged Revenue Obligations				
Series 2008	15,000,000	7/1/2016-18	4.00-4.125%	2,070,000
				<u>\$ 24,310,000</u>

The following schedule details debt service requirements to maturity for the District’s bonds and PROs at June 30, 2017:

Year Ending June 30:	Revenue Bonds Series 2008		Pledged Revenue Obligations Series 2008		Revenue Bonds Series 2016A		Revenue Bonds Series 2016B		Total Debt Service Requirements
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2018	\$125,000	\$ 5,362	\$ 1,015,000	\$ 43,519	\$ 370,000	\$ 287,700	\$ -	\$ 733,750	\$ 2,580,331
2019	130,000	-	1,055,000	-	375,000	280,200	-	733,750	2,573,950
2020	-	-	-	-	385,000	260,950	1,165,000	675,500	2,486,450
2021	-	-	-	-	405,000	240,700	1,230,000	614,000	2,489,700
2022	-	-	-	-	425,000	219,450	1,285,000	549,750	2,479,200
2023-2027	-	-	-	-	2,400,000	821,650	7,465,000	1,665,250	12,351,900
2028-2032	-	-	-	-	2,950,000	245,550	3,530,000	90,500	6,816,050
Totals	<u>\$255,000</u>	<u>\$ 5,362</u>	<u>\$ 2,070,000</u>	<u>\$ 43,519</u>	<u>\$ 7,310,000</u>	<u>\$ 2,356,200</u>	<u>\$ 14,675,000</u>	<u>\$ 5,062,500</u>	<u>\$ 31,777,581</u>

**Revenue Refunding Bonds**

In prior years, the District defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for these defeased bonds are not included

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENT  
JUNE 30, 2017**

**NOTE 4 – LONG-TERM LIABILITIES (Concl'd)**

in the District’s financial statements. At June 30, 2017, the following outstanding bonds were considered defeased:

<u>Description</u>	<u>Amount</u>
Revenue Bond Series 2008	\$ 9,480,000
Pledged Revenue Obligation Series 2008	6,115,000

**Revenues Pledged**

The District has pledged future revenue streams from tuition, fees, rentals, and other payments from students, faculty, and others to make debt service payments on all revenue bonds, revenue refunding bonds, and PROs outstanding at June 30, 2017. Annual principal and interest payments on the debt issuances, payable solely from these revenues through 2032, are expected to require less than 32% of the annual pledged gross revenues. For FY2017 principal and interest and total pledged gross revenues were \$2,223,331 and \$7,117,661 respectively. Total principal and interest remaining to be paid is \$31,777,581.

**NOTE 5 – RISK MANAGEMENT**

The District is exposed to various risks of loss including, but not limited to, torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and third parties; and natural disasters. The District participates with other Arizona community college districts and school districts in the Arizona School Risk Retention Trust, Inc. (Trust), a public entity risk pool. The Trust insures the District for its property, general, professional and automobile liability, commercial crime, and cyber coverages. The coverage limit for property insurance is \$120 million with a \$1,000 deductible. The general, professional and automobile liability coverage limit is \$50 million with no deductible. The commercial crime coverage limit is \$1.5 million with a \$100 deductible. The cyber liability coverage limit is \$1 million with a \$5,000 deductible.

The Trust’s operating agreement includes a provision for the member to be charged an additional pro-rata assessment in the event that total claims paid by the Trust exceed the members’ contributions and reserves in any one year. The District will be charged for any such assessment in the following year. The District has never been charged such an assessment.

The District also carries commercial insurance for other exposure to loss, including workers’ compensation and employers’ liability, aviation and airport liability, coverage for damage to owned aircraft, international travel, accidental death and dismemberment, liability for students and employees, accident coverage for students participating in sports programs, and professional liability for students participating in allied health training. Settled claims have not exceeded commercial insurance coverage in the past 3 fiscal years. There were no uninsured losses in the year ended June 30, 2017.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENT  
JUNE 30, 2017**

**NOTE 5 – RISK MANAGEMENT (Concl'd)**

The District provides health, prescription, dental, life, and short-term disability benefits to its employees and their dependents through the Cochise Combined Trust ("CCT") currently composed of two member entities: Cochise College and Cochise County. CCT provides the benefits through a self-funding agreement with its participants and has contracted with a third party to administer the program. The District is responsible for paying the premium for employee coverage and employees can enroll eligible dependents, with dependent coverage the responsibility of the employee. During the fiscal year, employees were not required to contribute a portion of the employee premium, but may be required to in the future. If the District withdraws from CCT, it is responsible for a proportional share of any claims runout costs, including administrative costs that exceed trust fund reserves. If CCT were to terminate, the District would be responsible for its proportional share of any trust deficit.

**NOTE 6 – PENSION AND OTHER POSTEMPLOYMENT BENEFITS**

**A. 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, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. 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](http://www.azasrs.gov).

**Benefits Provided** – The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	<b>Retirement</b>	
	<b>Initial membership date:</b>	
	<b>Before July 1, 2011</b>	<b>On or after July 1, 2011</b>
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.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENT  
JUNE 30, 2017**

**NOTE 6 – PENSION AND OTHER POSTEMPLOYMENT BENEFITS (Cont'd)**

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 earning. 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 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 benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability.

For the year ended June 30, 2017, statute required active ASRS members to contribute at the actuarially determined rate of 11.48 percent (11.34 percent for retirement and 0.14 percent for long-term disability) of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 11.48 percent (10.78 percent for retirement, 0.56 percent for health insurance premium benefit, and 0.14 percent for long-term disability) of the active members' annual covered payroll. In addition, the District was required by statute to contribute at the actuarially determined rate of 9.47 percent (9.17 percent for retirement, 0.21 percent for health insurance premium benefit, and 0.09 percent for long-term disability) 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, 2017, were \$2,200,634. The District's OPEB contributions for the current and 2 preceding years, all of which were equal to the required contributions, were as follows:

	<b>Health Benefit Supplement Fund</b>	<b>Long-Term Disability Fund</b>
<b>Years ended June 30</b>		
2017	\$ 113,113	\$ 28,464
2016	97,264	23,527
2015	111,731	22,825

**Pension liability** – At June 30, 2017, the District reported a liability of \$34,123,698 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2015, to the measurement date of June 30, 2016. The total pension liability as of June 30, 2016, reflects a change in actuarial assumption for a decrease in loads for future potential permanent benefit increases.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENT  
JUNE 30, 2017**

**NOTE 6 – PENSION AND OTHER POSTEMPLOYMENT (Cont'd)**

The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The District's proportion measured as of June 30, 2016, was 0.21141 percent, which was an increase of 0.00216 from its proportion measured as of June 30, 2015.

**Pension expense and deferred outflows/inflows of resources** – For the year ended June 30, 2017, the District recognized pension expense for ASRS of \$1,953,554. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 207,367	\$ 2,347,461
Changes of assumption or other inputs	-	1,805,416
Net difference between projected and actual earnings on pension plan investments	3,697,873	-
Changes in proportion and differences between district contributions and proportionate share of contributions	473,684	16,555
District contributions subsequent to the measurement date	2,200,634	-
<b>Total</b>	<b>\$ 6,579,558</b>	<b>\$ 4,169,432</b>

The \$2,200,634 reported as deferred outflows of resources related to ASRS pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year ending June 30	
2018	\$ (1,320,234)
2019	(1,036,129)
2020	1,528,982
2021	1,036,873

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENT  
JUNE 30, 2017**

**NOTE 6 – PENSION AND OTHER POSTEMPLOYMENT (Cont'd)**

**Actuarial assumptions** – The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2015
Actuarial roll forward date	June 30, 2016
Actuarial cost method	Entry age normal
Investment rate of return	8%
Projected salary increases	3-6.75%
Inflation	3%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

Actuarial assumptions used in the June 30, 2015, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2012.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.75 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Equity	58%	6.73%
Fixed income	25%	3.70%
Real estate	10%	4.25%
Multi-asset	5%	3.41%
Commodities	2%	3.84%
Total	<u>100%</u>	

**Discount rate** – The discount rate used to measure the ASRS total pension liability was 8 percent, which is less than the long-term expected rate of return of 8.75 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.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENT  
JUNE 30, 2017**

**NOTE 6 – PENSION AND OTHER POSTEMPLOYMENT (Concl'd)**

**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 8 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 (7 percent) or 1 percentage point higher (9 percent) than the current rate:

	<b>1% Decrease (7%)</b>	<b>Current discount rate (8%)</b>	<b>1% Increase (9%)</b>
District's proportionate share of the net pension liability	\$ 43,510,306	\$ 34,123,698	\$ 26,597,690

**Pension plan fiduciary net position** – Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report.

**Pension contributions payable** – The District’s accrued payroll and employee benefits included \$72,127 of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2017.

**NOTE 7 – OPERATING EXPENSE**

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:

Personnel Services	\$ 30,151,304
Contract Services	3,778,831
Supplies and Other Services	3,108,796
Rent and Insurance	1,460,493
Communication and Utilities	1,555,204
Travel	614,862
Scholarships	3,755,498
Depreciation	3,171,255
Other	170,060
	\$ 47,766,303

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2017**

**NOTE 8 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES**

**A. Nature of Activities and Summary of Significant Accounting Policies**

*Nature of Activities* – The Cochise College Foundation, Inc. (the Foundation) is an Arizona not-for-profit organization incorporated under the laws of the state of Arizona on March 20, 1967. The Foundation’s mission is to promote student success, facilities development and program support for Cochise College. The Foundation funds its activities primarily through contributions and investment income. The governing board of the Foundation consists of 15 appointed individuals who collectively serve as the Board of Trustees.

*Basis of Accounting* – The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles as related to nonprofit foundations.

*Basis of Presentation* – The accompanying financial statements are presented in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958-205, Not-for-Profit Entities - Presentation of Financial Statements. Under FASB ASC 958-205, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

*Estimates* – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Cash and Cash Equivalents* – Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

*Investments* – The Foundation accounts for its investments in accordance with FASB ASC 958-320, Not-for-Profit Entities - Investments - Debt and Equity Securities. Under FASB ASC 958-320, the Foundation is required to report investments in equity securities that have readily determinable fair values and all investments in debt securities, at fair value. The fair values of investments in debt and marketable equity securities are based on quoted market prices. Certificates of deposit held as investments in the accompanying statement of financial position are carried at amortized cost, which approximates fair value.

Investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect account balances and the amounts reported in the accompanying financial statements.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2017**

**NOTE 8 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (Cont'd)**

*Land Held as an Investment* – The Foundation accounts for land held as an investment in accordance with FASB ASC 958-325, Not-for-Profit Entities - Investments - Other. Under FASB ASC 958-325, the Foundation reports land held as an investment at its original value at the time of gift. There have been no identified events or changes in circumstances that may have a significant adverse effect on the fair value of the investment. Therefore, the fair value of land held as an investment was not estimated.

*Fair Value Measurements* – FASB ASC 820, Fair Value Measurements, establishes a common definition for fair value to be applied to accounting principles generally accepted in the United States of America requiring use of fair value, establishes a framework for measuring fair value, and expands disclosures about such fair value measurements. FASB ASC 820 also establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values by requiring that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

- Level 1: Unadjusted quoted market prices in active markets for identical assets or liabilities.
  
- Level 2: Unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability. Assets reported at net asset value (NAV) using the practical expedient provisions are considered Level 2 when the Foundation has the ability to redeem its investment at net asset value or its equivalent at the measurement date or within a reasonably short period of time subsequent to the measurement date.
  
- Level 3: Unobservable inputs for the asset or liability. Assets reported at NAV using the practical expedient provisions are considered level 3 when investments will never have the ability to be redeemed at the net asset value or the redemption period is long term in nature.

A description of the valuation methodologies used for assets measured at fair value is:

*Equity securities* - Equity securities are measured using the quoted market prices for each security from major stock exchanges or other electronic quotation systems.

*Mutual funds and money market funds* - Mutual funds are valued at the NAV of shares held by the Foundation at year-end based on readily determinable fair values, which are published daily and are the basis for current transactions.

*Bonds* - Bonds are valued using propriety valuation models incorporating live data from active market makers and inter-dealer brokers as reported on electronic communication networks.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2017**

**NOTE 8 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (Cont'd)**

The valuation models incorporate benchmark yields, reported trades, broker/dealer quotes, bids, offers and other data.

*Unit trusts* - Unit trusts are valued at the NAV of shares held by the Foundation at year-end based on readily determinable fair values, which are published daily and are the basis for current transactions.

*Limited partnerships* - Limited partnerships are measured using the quoted market prices for each security from major stock exchanges or other electronic quotation systems.

*Real Estate Investment Trusts (“REITs”)* - REITs are valued at the NAV of shares held by the Foundation at year-end which approximates the value of transactions for identical holdings in markets that are not active.

*Deposits Held on Behalf of Others* – Deposits held on behalf of others consist of donated amounts designated by third parties to specific scholarship recipients that have yet to be awarded. At June 30, 2017, deposits held on behalf of others totaled \$14,722 and is held within investments on the accompanying statement of financial position.

*Functional Expenses* – The costs of providing various program and supporting services have been summarized on a functional basis in the statement of activities. Expenses are charged to the various expense categories based on direct expenditures incurred. Any expenditure not directly chargeable to a functional expense category is charged to the supporting services category.

*Conditional Promise to Give* - During fiscal year 2013, the Foundation was notified that a donor named the Foundation as the sole beneficiary of his estate. The assets of the donor’s estate, which had an estimated value of \$3,500,000 at the date of the notification, are held within a revocable trust. Since the trust is revocable, this contribution is considered a conditional promise to give. The contribution will be recognized in the period in which the trust becomes irrevocable.

*Assets Restricted to Investment in Property and Equipment* - Assets restricted to investment in property and equipment consist of investments and cash and cash equivalents that are restricted by a donor to support capital construction and campus enhancements on the Cochise College, Sierra Vista campus. These assets were recorded as contributions at their estimated fair value at the date of donation. The assets thereafter will continue to be carried at fair value. The fair value of the assets restricted to investment in property and equipment totaled \$1,590,408 as of June 30, 2017. The Foundation intends to raise additional funds prior to commencing any construction activities. There were no costs incurred related to building construction during the fiscal year 2017.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2017**

**NOTE 8 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (Cont'd)**

***Income Taxes*** – Income taxes are not provided for in the financial statements since The Cochise College Foundation, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under A.R.S. 43-1201(4). Furthermore, the Foundation has been classified by the Internal Revenue Service as a publicly supported foundation, and not as a private foundation.

***Contributions*** – Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All contributions are considered available for unrestricted use unless specifically restricted by the donor or subject to other legal restrictions. Contributions are recorded as income in the period received. Unconditional promises to give are recognized when the “promise” is received or made, not when the gift is transferred. Conditional promises to give or receive are recognized when the specified future and uncertain event occurs or when the conditions outlined by the donor are substantially met.

Support and investment income that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the reporting period in which the revenue is recognized. All other donor-restricted support and investment income are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily or permanently restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose or time of usage. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as temporarily restricted contributions. 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 as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time.

***Management’s Review*** – Management has evaluated all of the Foundation’s events or transactions for subsequent events that would require disclosure in the financial statements through the financial issuance date of September 19, 2017.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2017**

**NOTE 8 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (Cont'd)**

**B. Investments**

Investments consist of:

Equity securities	\$ 4,220,860
Preferred Stock	1,132,406
Mutual funds:	
Large growth	1,546,257
High Yield Corporate Bonds	682,490
Large blend	161,398
Fixed income	149,358
Large Value	28,159
Bonds:	
Corporate	2,500,100
Municipal	858,066
Cash and cash equivalents	602,630
Unit trusts	112,124
Limited partnership	107,900
Money market funds	<u>2,249</u>
 Total investments	 <u><u>\$ 12,103,996</u></u>

Net investment income consists of:

Dividends and interest income	\$ 437,479
Realized/unrealized investment gains/ (losses)	<u>560,126</u>
Investment income	<u><u>\$ 997,605</u></u>

The Foundation paid investment broker fees of \$5,651 in 2017, which were charged against investment income.

**C. Split-Interest Agreement**

In 2004, the Foundation was named the remainder beneficiary and trustee of a charitable remainder unitrust. The unitrust beneficiaries will be paid 100% of the investment earnings annually for the rest of their natural lives. At the end of the Trust's term, the remaining assets are available for the Foundation's use. Assets held in the charitable remainder unitrust are reported at fair value and at June 30, 2017, totaled \$580,922 (consisting of cash and marketable securities of \$2,350 and \$583,272, respectively). Fair value measurements at the reporting date are determined using quoted prices in active markets (Level 1 fair value hierarchy).

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENT  
JUNE 30, 2017**

**NOTE 8 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (Cont'd)**

**D. Fair Value Measurements**

The following table summarizes the valuation of the Foundation's assets and liabilities subject to fair value measurement by the above FASB ASC 820 categories as of June 30, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Equity securities	\$ 4,220,860	\$ -	\$ 4,220,860
Preferred Stock	1,132,406	-	1,132,406
Mutual funds:			
Large growth	1,546,257	-	1,546,257
High Yield Corporate Bonds	682,490	-	682,490
Large blend	161,398	-	161,398
Fixed Income	149,358	-	149,358
Large value	28,159	-	28,159
Bonds:			
Corporate	-	2,500,100	2,500,100
Municipal	-	858,066	858,066
Cash	602,630	-	602,630
Unit trusts	112,124	-	112,124
Limited partnership	107,900	-	107,900
Money market funds	2,249	-	2,249
Total	<u>\$ 8,745,829</u>	<u>\$ 3,358,166</u>	<u>\$ 12,103,996</u>

**E. Endowments**

As of June 30, 2017, the Board of Directors has designated \$625,911 of unrestricted net assets as a general endowment fund to support the mission of the Foundation. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as unrestricted net assets.

The Foundation's endowments consist of both donor-restricted contributions and funds designated by the Board to function as endowments. Additionally the Foundation's Board of Directors has designated certain gifts as quasi-endowments, which are classified as temporarily restricted net assets based upon the original gift purpose. As required by 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.

In September 2008, the State of Arizona enacted ARS§10-11801 et. seq. Management of Charitable Funds Act (MCFA). The Board of Directors of the Foundation has interpreted MCFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a)

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2017**

**NOTE 8 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (Cont'd)**

the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by MCFA.

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

1. The duration and preservation of the fund
2. The purposes of the Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation

The endowment net asset composition by type of fund as of June 30, 2017 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (5,979)	\$ 4,967,378	\$ 2,953,690	\$ 7,915,089
Quasi-endowments	-	531,116	-	531,116
Board-designated endowment funds	625,911	-	-	625,911
Total	<u>\$ 619,932</u>	<u>\$ 5,498,494</u>	<u>\$ 2,953,690</u>	<u>\$ 9,072,116</u>

The changes in endowment net assets for the year ended June 30, 2017 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 604,678	\$ 4,971,462	\$ 2,953,690	\$ 8,529,830
Contributions	-	30,378	-	30,378
Investment returns:				
Net appreciation, realized & unrealized	23,894	381,168	-	405,062
Interest and dividend income	30,411	341,940	-	372,351
Appropriation of endowment assets for expenditure	(39,051)	(226,454)	-	(265,505)
Endowment net assets, end of year	<u>\$ 619,932</u>	<u>\$ 5,498,494</u>	<u>\$ 2,953,690</u>	<u>\$ 9,072,116</u>

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2017**

**NOTE 8 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (Concl'd)**

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 MCFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets and totaled \$5,979 at June 30, 2017.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, up to two-thirds of the endowment assets are invested in fixed income securities, and up to one-third of the endowment assets are invested in equity securities.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that consists of equity-securities, corporate bonds, and government securities.

The Foundation has a policy of appropriating for distribution each year an amount up to the realized income from the endowment. 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.

**F. Related Party Transactions**

Cochise College provides data processing and certain other administrative support services and office space used by the Foundation at no charge. In addition, Cochise College pays certain salaries and administrative expenses for the Foundation. The estimated fair value of these services was \$190,454 for the year ended June 30, 2017 and is included within contributions on the accompanying statement of activities. Donated materials and services are recognized as revenue in the accompanying statement of activities as contributions and have been charged to the appropriate expenses to which they relate.

Required  
Supplementary  
Information

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE DISTRICT'S  
 PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 JUNE 30, 2017**

Arizona State Retirement System	Reporting fiscal year (Measurement date)			2014 through 2008
	2017 (2016)	2016 (2015)	2015 (2014)	
District's proportion of the net pension liability	0.211410 %	0.209250 %	0.205556 %	Information unavailable
District's proportionate share of the net pension liability	\$ 34,123,698	\$ 32,593,219	\$ 30,415,328	
District's covered payroll	\$ 19,922,523	\$ 19,367,663	\$ 18,643,023	
District's proportionate share of the net pension liability as a percentage of its covered payroll	171.28 %	168.29 %	163.15 %	
Plan fiduciary net position as a percentage of the total pension liability	67.06 %	68.35 %	69.49 %	

\* Fiscal year 2015 was the 1<sup>st</sup> year of implementation; therefore, only three years are shown.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS  
 JUNE 30, 2017**

Arizona State Retirement System	Reporting Fiscal Year				2013 through 2008  Information unavailable
	2017	2016	2015	2014	
Statutorily required contribution	\$ 2,200,634	\$ 2,150,931	\$ 2,098,856	\$ 1,982,651	
District's contributions in relation to the statutorily required contribution	<u>(2,200,634)</u>	<u>(2,150,931)</u>	<u>(2,098,856)</u>	<u>(1,982,651)</u>	
District's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
District's covered payroll	\$ 20,481,634	\$ 19,922,523	\$ 19,367,663	\$ 18,643,023	
District's contributions as a percentage of covered payroll	10.74%	10.80%	10.84%	10.63%	

COCHISE COLLEGE



# Comprehensive Annual Financial Report

## STATISTICAL SECTION



**COCHISE COLLEGE**

## Statistical Section

The Cochise County Community College District (the District) implemented the provisions of Governmental Accounting Standards Board Statement No. 44, *Economic Condition Reporting: The Statistical Section*.

This section of the District's Comprehensive Annual Financial Report presents detailed information as a context for further understanding of the information in the financial statements, note disclosures, and supplementary information.

### **Financial Trends (Pp. 44-47)**

These schedules contain trend information to help the reader understand how the District's financial performance has changed over time.

### **Revenue Capacity (Pp. 48-55)**

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

### **Debt Capacity (Pp. 56-59)**

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 (Pp. 60-62)**

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 (Pp. 63-64)**

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

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT**  
**NET POSITION by COMPONENT**  
**Last Ten Fiscal Years**  
**Unaudited**

	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08
<b>Primary government</b>										
Net investment in capital assets	\$ 46,442,365	\$ 44,944,760	\$ 41,984,840	\$ 35,925,323	\$ 36,415,925	\$ 34,554,781	\$ 34,051,711	\$ 31,548,105	\$ 15,508,518	\$ 16,861,247
Restricted	3,076,709	2,870,429	2,526,468	2,228,846	1,997,386	4,082,474	2,603,068	2,520,295	10,193,018	1,904,829
Unrestricted (1)	(14,419,998)	(12,652,050)	(10,984,157)	20,660,174	18,757,710	16,989,965	16,325,657	14,745,324	18,053,024	22,390,296
<b>Total primary government net position</b>	<b>\$ 35,099,076</b>	<b>\$ 35,163,139</b>	<b>\$ 33,527,151</b>	<b>\$ 58,814,343</b>	<b>\$ 57,171,021</b>	<b>\$ 55,627,220</b>	<b>\$ 52,980,436</b>	<b>\$ 48,813,724</b>	<b>\$ 43,754,560</b>	<b>\$ 41,156,372</b>

Source: Annual reports on audited financial statements.

Note (1):  
 In FY 2015, GASB 68, Accounting and Financial Reporting for Pensions, was implemented requiring restatement of the July 1, 2014 Unrestricted Net Position.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT**  
**CHANGES in NET POSITION**  
**Last Ten Fiscal Years**  
**Unaudited**

	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08
<b>Operating Revenues</b>										
Tuition and fees	\$6,068,885	\$5,905,314	\$ 5,818,553	\$ 5,451,854	\$ 4,145,645	\$ 5,895,640	\$ 5,697,196	\$ 5,062,696	\$ 4,641,758	\$ 4,698,520
Bookstore sales	108,800	107,857	122,657	125,890	139,493	145,643	166,818	166,036	165,000	165,000
Food service sales	599,211	526,802	543,160	517,284	436,794	441,992	530,212	410,869	355,009	303,007
Dormitory rentals	18,970	11,142	34,803	34,815	43,526	45,852	49,646	169,018	130,599	188,407
Other sales and services	271,689	219,424	495,859	449,497	744,533	656,049	784,654	314,220	378,493	393,656
Contracts	1,088,283	1,045,303	1,154,562	1,241,933	375,176	348,206	427,620	380,659	702,115	620,393
<b>Total operating revenues</b>	<b>\$8,155,838</b>	<b>\$7,815,842</b>	<b>8,169,594</b>	<b>7,821,273</b>	<b>5,885,167</b>	<b>7,533,382</b>	<b>7,656,146</b>	<b>6,503,498</b>	<b>6,372,974</b>	<b>6,368,983</b>
<b>Operating Expenses</b>										
Instruction	17,692,489	18,025,593	19,475,217	17,953,714	16,995,134	16,943,608	17,762,911	17,313,386	17,223,291	17,701,763
Public service	843,231	737,123	728,049	680,951	712,767	707,786	755,106	645,728	545,869	459,213
Academic support	1,275,601	1,238,435	1,292,307	1,275,203	1,303,798	1,336,388	1,379,655	1,381,213	1,373,347	1,450,899
Student services	6,280,632	6,004,145	5,763,778	5,504,157	5,344,397	5,366,567	4,980,131	4,761,273	4,373,637	4,045,079
Institutional support	11,550,687	7,946,543	6,990,661	6,606,802	7,653,628	7,965,076	6,987,892	6,933,163	8,208,375	6,407,377
Operation & maintenance of plant	2,274,967	4,219,197	2,773,621	3,979,099	4,390,045	4,230,372	4,304,833	3,771,919	3,407,441	2,896,466
Scholarships	3,755,498	4,202,770	4,325,915	3,625,679	1,966,611	4,026,671	5,245,819	4,983,370	3,173,812	2,763,227
Depreciation	3,171,255	2,992,295	3,286,484	3,431,707	3,215,175	3,062,231	2,510,400	1,561,969	1,217,122	1,388,759
Auxiliary enterprises	921,943	731,877	922,570	904,655	1,053,205	1,045,291	1,123,718	1,042,744	1,186,629	1,285,996
<b>Total operating expenses</b>	<b>47,766,303</b>	<b>46,097,978</b>	<b>45,558,602</b>	<b>43,961,967</b>	<b>42,634,760</b>	<b>44,683,990</b>	<b>45,050,465</b>	<b>42,394,765</b>	<b>40,709,523</b>	<b>38,398,779</b>
<b>Operating income (loss)</b>	<b>(39,610,465)</b>	<b>(38,282,136)</b>	<b>(37,389,008)</b>	<b>(36,140,694)</b>	<b>(36,749,593)</b>	<b>(37,150,608)</b>	<b>(37,394,319)</b>	<b>(35,891,267)</b>	<b>(34,336,549)</b>	<b>(32,029,796)</b>
<b>Nonoperating Revenues/(Expenses)</b>										
Property taxes	20,706,947	19,877,619	19,291,883	18,653,023	17,900,838	17,320,483	16,558,225	15,833,368	14,960,185	14,036,854
State appropriations	10,556,600	10,812,665	10,326,735	10,422,500	11,399,300	13,620,900	15,330,500	15,330,500	13,494,004	13,071,100
Government grants (1)	8,019,470	8,626,294	9,982,425	8,018,017	8,945,661	8,710,077	9,835,411	10,122,113	8,305,737	6,549,237
Share of state sales taxes	1,062,446	1,009,459	1,059,998	1,091,200	982,761	961,059	866,461	832,908	924,881	1,034,869
Investment earnings/(loss)	50,106	231,402	180,431	154,161	81,374	202,428	91,903	152,839	449,061	962,089
Interest on debt	(917,380)	(802,704)	(936,821)	(977,421)	(1,016,422)	(1,085,531)	(1,121,469)	(1,161,306)	(1,199,131)	(27,035)
Gain(Loss) on sale/disposal of capital assets	68,213	163,389	43,502	(27,864)	(118)	67,976	-	(159,991)	-	(284,616)
<b>Total nonoperating revenues/expenses</b>	<b>39,546,402</b>	<b>39,918,124</b>	<b>39,948,153</b>	<b>37,333,616</b>	<b>38,293,394</b>	<b>39,797,392</b>	<b>41,561,031</b>	<b>40,950,431</b>	<b>36,934,737</b>	<b>35,342,498</b>
<b>Income (loss) before other revenues, expenses, gains or losses</b>	<b>(64,063)</b>	<b>1,635,988</b>	<b>2,559,145</b>	<b>1,192,922</b>	<b>1,543,801</b>	<b>2,646,784</b>	<b>4,166,712</b>	<b>5,059,164</b>	<b>2,598,188</b>	<b>3,312,702</b>
Capital appropriations	-	-	-	450,400	-	-	-	-	-	1,060,600
Capital grants and gifts	-	-	4,522,500	-	-	-	-	-	-	-
<b>Change in net position</b>	<b>\$ (64,063)</b>	<b>\$ 1,635,988</b>	<b>\$ 7,081,645</b>	<b>\$ 1,643,322</b>	<b>\$ 1,543,801</b>	<b>\$ 2,646,784</b>	<b>\$ 4,166,712</b>	<b>\$ 5,059,164</b>	<b>\$ 2,598,188</b>	<b>\$ 4,373,302</b>

Source: Annual reports on audited financial statements.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
EXPENSES by FUNCTION  
Last Ten Fiscal Years  
Unaudited**

Function	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08
Instruction	\$17,692,489	\$18,025,593	\$ 19,475,217	\$ 17,953,714	\$ 16,995,134	\$ 16,943,608	\$ 17,762,911	\$ 17,313,386	\$ 17,223,291	\$ 17,701,763
Public service	843,231	737,123	728,049	680,951	712,767	707,786	755,106	645,728	545,869	459,213
Academic support	1,275,601	1,238,435	1,292,307	1,275,203	1,303,798	1,336,388	1,379,655	1,381,213	1,373,347	1,450,899
Student services	6,280,632	6,004,145	5,763,778	5,504,157	5,344,397	5,366,567	4,980,131	4,761,273	4,373,637	4,045,079
Institutional support	11,550,687	7,946,543	6,990,661	6,606,802	7,653,628	7,965,076	6,987,892	6,933,163	8,208,375	6,407,377
Operation & maintenance of plant	2,274,967	4,219,197	2,773,621	3,979,099	4,390,045	4,230,372	4,304,833	3,771,919	3,407,441	2,896,466
Scholarships	3,755,498	4,202,770	4,325,915	3,625,679	1,966,611	4,026,671	5,245,819	4,983,370	3,173,812	2,763,227
Depreciation	3,171,255	2,992,295	3,286,484	3,431,707	3,215,175	3,062,231	2,510,400	1,561,969	1,217,122	1,388,759
Interest on debt	917,380	802,704	936,821	977,421	1,016,422	1,085,531	1,121,469	1,161,306	1,199,131	27,035
Other nonoperating expenses	-	-	-	27,864	118	-	-	159,991	-	284,616
Auxiliary enterprises	921,943	731,877	922,570	904,655	1,053,205	1,045,291	1,123,718	1,042,744	1,186,629	1,285,996
<b>Total expenses</b>	<b>\$48,683,683</b>	<b>\$46,900,682</b>	<b>\$46,495,423</b>	<b>\$44,967,252</b>	<b>\$43,651,300</b>	<b>\$45,769,521</b>	<b>\$46,171,934</b>	<b>\$43,716,062</b>	<b>\$41,908,654</b>	<b>\$38,710,430</b>

Source: Annual reports on audited financial statements.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT**  
**EXPENSES by USE**  
**Last Ten Fiscal Years**  
**Unaudited**

<b>USE</b>	<b>2016/17</b>	<b>2015/16</b>	<b>2014/15</b>	<b>2013/14</b>	<b>2012/13</b>	<b>2011/12</b>	<b>2010/11</b>	<b>2009/10</b>	<b>2008/09</b>	<b>2007/08</b>
Salaries and benefits	\$ 30,151,304	\$ 29,449,109	\$ 28,673,880	\$ 28,269,494	\$ 28,149,135	\$ 28,405,143	\$ 28,222,002	\$ 27,659,796	\$ 26,798,469	\$ 25,693,154
Contract services	3,778,831	3,697,971	3,342,740	3,270,501	3,209,859	3,337,706	2,985,146	2,582,219	3,890,058	2,855,842
Supplies and materials	2,762,909	2,429,072	2,649,771	2,193,815	2,311,373	2,457,485	2,849,171	2,603,551	2,392,886	2,562,210
Subscriptions, dues, insurance and rentals	1,460,493	1,231,946	1,292,948	1,122,839	1,354,753	1,445,978	1,232,396	1,211,054	1,296,725	1,024,344
Utilities and communication	1,555,204	1,353,332	1,300,323	1,312,654	1,395,966	1,369,180	1,324,946	1,221,728	1,127,915	1,077,962
Travel	614,862	565,770	466,194	477,412	446,182	409,499	393,920	379,702	381,690	519,002
Noncapitalized equipment	345,887	169,008	124,381	248,463	557,150	115,656	138,172	58,030	229,881	207,295
Scholarships	3,755,498	4,202,770	4,325,915	3,625,679	1,966,611	4,026,671	5,245,819	4,983,370	3,173,812	2,763,227
Depreciation	3,171,255	2,992,295	3,286,484	3,431,707	3,215,175	3,062,231	2,510,400	1,561,969	1,217,122	1,388,759
Other	170,060	6,705	95,966	9,403	28,556	54,441	148,493	133,346	200,965	306,984
<b>Total operating expenses</b>	<b>47,766,303</b>	<b>46,097,978</b>	<b>45,558,602</b>	<b>43,961,967</b>	<b>42,634,760</b>	<b>44,683,990</b>	<b>45,050,465</b>	<b>42,394,765</b>	<b>40,709,523</b>	<b>38,398,779</b>
Interest on debt	917,380	802,704	936,821	977,421	1,016,422	1,085,531	1,121,469	1,161,306	1,199,131	27,035
Other nonoperating expenses	-	-	-	27,864	118	-	-	159,991	-	284,616
<b>Total nonoperating expenses</b>	<b>917,380</b>	<b>802,704</b>	<b>936,821</b>	<b>1,005,285</b>	<b>1,016,540</b>	<b>1,085,531</b>	<b>1,121,469</b>	<b>1,321,297</b>	<b>1,199,131</b>	<b>311,651</b>
<b>Total expenses</b>	<b>\$ 48,683,683</b>	<b>\$ 46,900,682</b>	<b>\$ 46,495,423</b>	<b>\$ 44,967,252</b>	<b>\$ 43,651,300</b>	<b>\$ 45,769,521</b>	<b>\$ 46,171,934</b>	<b>\$ 43,716,062</b>	<b>\$ 41,908,654</b>	<b>\$ 38,710,430</b>

Source: Annual reports on audited financial statements.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT**  
**REVENUE by SOURCE**  
**Last Ten Fiscal Years**  
**Unaudited**

Source of Revenue	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08
Property taxes	\$ 20,706,947	\$ 19,877,619	\$ 19,291,883	\$ 18,653,023	\$ 17,900,838	\$ 17,320,483	\$ 16,558,225	\$ 15,833,368	\$ 14,960,185	\$ 14,036,854
State appropriations	10,556,600	10,812,665	10,326,735	10,422,500	11,399,300	13,620,900	15,330,500	15,330,500	13,494,004	14,131,700
Grants and contracts	9,107,753	9,671,597	11,136,987	9,259,950	9,320,837	9,058,283	10,263,031	10,502,772	9,007,852	7,169,630
Tuition and fees	\$6,068,885	\$5,905,314	5,818,553	5,451,854	4,145,645	5,895,640	5,697,196	5,062,696	4,641,758	4,698,520
Investment income	50,106	231,402	180,431	154,161	81,374	202,428	91,903	152,839	449,061	962,089
Bookstore sales	108,800	107,857	122,657	125,890	139,493	145,643	166,818	166,036	165,000	165,000
Food services sales	599,211	526,802	543,160	517,284	436,794	441,992	530,212	410,869	355,009	303,007
Dormitory rentals	18,970	11,142	34,803	34,815	43,526	45,852	49,646	169,018	130,599	188,407
Other	1,402,348	1,392,272	1,599,359	1,540,697	1,727,294	1,685,084	1,651,115	1,147,128	1,303,374	1,428,525
<b>Total Revenues</b>	<b>\$ 48,619,620</b>	<b>\$ 48,536,670</b>	<b>\$ 49,054,568</b>	<b>\$ 46,160,174</b>	<b>\$ 45,195,101</b>	<b>\$ 48,416,305</b>	<b>\$ 50,338,646</b>	<b>\$ 48,775,226</b>	<b>\$ 44,506,842</b>	<b>\$ 43,083,732</b>

Source: Annual reports on audited financial statements.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
EXPENDITURE LIMITATION  
STATUTORY LIMIT TO BUDGETED EXPENDITURES  
Last Ten Fiscal Years  
Unaudited**

<b>FISCAL YEAR</b>	<b>STATUTORY EXPENDITURE LIMITATION (1)</b>	<b>BUDGETED EXPENDITURES SUBJECT TO LIMITATION (2)</b>	<b>UNUSED LEGAL LIMIT</b>
2007/08	47,165,963	31,616,400	15,549,563
2008/09	50,550,255	33,612,389	16,937,866
2009/10	56,193,413	36,546,032	19,647,381
2010/11	61,030,092	30,744,862	30,285,230
2011/12	70,584,273	30,213,535	40,370,738
2012/13	78,573,112	30,997,697	47,575,415
2013/14	71,911,314	29,920,485	41,990,829
2014/15	62,525,638	26,821,028	35,704,610
2015/16	50,816,985	30,031,966	20,785,019
2016/17	54,065,834	34,234,628	19,831,206

Source: <https://www.azdor.gov/ReportsResearch/EconomicEstimatesCommission.aspx>

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

Note (2): Budgeted expenditures are net of allowable exclusions.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT**  
**ASSESSED VALUE and FULL CASH VALUE of ALL TAXABLE PROPERTY**  
**Last Ten Fiscal Years**  
**Unaudited**

Fiscal Year/ Levy Type	Net Assessed Value (1)	Full Cash Value	Percentage of Net Assessed to Full Cash Value
2007/08 primary	812,722,290	6,477,280,505	12.55%
2007/08 secondary	872,912,337	6,991,051,279	12.49%
2008/09 primary	903,521,761	7,310,606,108	12.36%
2008/09 secondary	1,018,740,280	8,314,559,327	12.25%
2009/10 primary	986,677,834	8,079,032,213	12.21%
2009/10 secondary	1,060,241,909	8,674,971,385	12.22%
2010/11 primary	1,049,525,230	8,630,036,695	12.16%
2010/11 secondary	1,111,756,015	9,170,232,226	12.12%
2011/12 primary	1,049,827,355	8,869,023,621	11.84%
2011/12 secondary	1,092,081,033	9,214,115,159	11.85%
2012/13 primary	1,038,327,080	8,850,763,191	11.73%
2012/13 secondary	1,060,199,126	9,043,935,353	11.72%
2013/14 primary	1,006,475,403	8,676,916,370	11.60%
2013/14 secondary	1,011,138,917	8,726,898,700	11.59%
2014/15 primary	955,783,522	8,280,926,389	11.54%
2014/15 secondary	959,542,199	8,316,032,735	11.54%
2015/16 primary	920,583,366	8,124,910,795	11.33%
2015/16 secondary	924,708,480	8,162,151,023	11.33%
2016/17 primary	909,774,049	8,147,810,573	11.17%
2016/17 secondary	916,090,192	8,201,817,835	11.17%

Source: Cochise County Assessor's Office, Arizona Department of Revenue

Note (1): The full cash value of taxable property by class of real and personal property is not currently available.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
 ASSESSED VALUATION, TAX RATE and LEVY HISTORY  
 Last Ten Fiscal Years  
 Unaudited**

Fiscal Year	Primary			Secondary (1)		
	Assessed Valuation	Tax Rate	Tax Levy	Assessed Valuation	Tax Rate	Tax Levy
2007/08	812,722,290	1.7430	14,165,750	872,912,337	-	-
2008/09	903,521,761	1.6604	15,002,075	1,018,740,280	-	-
2009/10	986,677,834	1.6075	15,860,846	1,060,241,909	-	-
2010/11	1,042,041,186	1.5984	16,655,987	1,111,756,015	-	-
2011/12	1,049,827,355	1.6657	17,486,975	1,092,081,033	-	-
2012/13	1,038,327,080	1.7329	17,993,171	1,060,199,126	-	-
2013/14	1,006,475,403	1.8508	18,627,847	1,011,138,917	-	-
2014/15	955,783,522	2.0329	19,430,123	959,542,199	-	-
2015/16	920,583,366	2.1756	20,028,212	924,708,480	-	-
2016/17	909,774,049	2.2860	20,797,435	916,090,192	-	-

Source: Cochise County Assessor's/Treasurer's Offices, District records, and Arizona Dept of Revenue

Note (1): Cochise County Community College District does not currently have any secondary taxes levied. As of tax year 2015 secondary assessed values are no longer calculated for local taxation.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
PROPERTY TAX RATES, DIRECT and OVERLAPPING GOVERNMENTS  
Last Ten Fiscal Years (Per \$100 of Assessed Value)  
Unaudited**

Fiscal Year		Cochise College	Cochise County	Cities/Towns and Special Districts		School Districts	
				From	To	From	To
2007/08	Primary	1.7430	2.8653	0.1319	2.3026	0.0000	11.7345
	Secondary	-	0.4048	0.0000	3.1749	0.0000	2.4684
2008/09	Primary	1.6604	2.6759	0.1258	2.2212	1.2381	12.1619
	Secondary	-	0.4048	0.0000	5.2156	0.0000	2.2953
2009/10	Primary	1.6075	2.6425	0.1139	2.1446	0.9613	12.1334
	Secondary	-	0.4048	0.0000	3.1570	0.0000	1.7989
2010/11	Primary	1.5984	2.6276	0.0000	2.0817	0.0000	11.1018
	Secondary	-	0.4048	0.0000	2.6551	0.0000	2.0982
2011/12	Primary	1.6657	2.6276	0.0000	2.0363	0.0000	11.1018
	Secondary	-	0.4048	0.0000	2.9500	0.0000	1.7461
2012/13	Primary	1.7329	2.6276	0.0000	2.1577	0.0000	11.1018
	Secondary	-	0.4048	0.0000	8.3577	0.0000	1.9239
2013/14	Primary	1.8508	2.6276	0.0000	2.2019	0.0000	11.1018
	Secondary	-	0.4048	0.0000	4.0900	0.0000	2.7933
2014/15	Primary	2.0329	2.6276	0.0000	2.3120	0.0000	11.1018
	Secondary	-	0.4048	0.0000	4.6742	0.0000	2.3184
2015/16	Primary	2.1756	2.6276	0.0000	2.4845	0.0000	11.1018
	Secondary	-	0.4048	0.0000	7.5466	0.0000	2.4150
2016/17	Primary	2.2860	2.6276	0.1136	2.5873	2.0793	11.1018
	Secondary	-	0.4048	0.0000	7.5466	0.0000	3.0979

Source: Cochise County Treasurer's Office website:  
<https://www.cochise.az.gov/treasurer/property-tax-rates>

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
PRINCIPAL TAXPAYERS  
Fiscal Year 2017 and Nine Years Ago  
Unaudited**

Taxpayer	2017			2008		
	2017 Primary Assessed Valuation	Rank	Percent of Cochise County's 2008 Primary Assessed Valuation	2008 Primary Assessed Valuation	Rank	Percent of Cochise County's 2008 Primary Assessed Valuation
Arizona Electric Power Coop Inc	\$ 22,500,000	1	2.47%	\$ 28,967,871	1	3.56%
Sulphur Springs Valley Electric Co-Op Inc	19,882,846	2	2.19%	23,752,558	2	2.92%
Kinder Morgan-El Paso Natural Gas Company	16,343,379	3	1.66%			
Canyon Vista Medical Center (formerly Sierra Vista Regional Health Center Inc.)	11,250,697	4	1.24%			
Southwest Gas Corporation	10,193,966	5	1.12%	9,227,111	5	1.14%
Arizona Public Service Company	9,494,238	6	1.04%	8,190,703	6	1.01%
Union Pacific Railroad	8,000,120	7	0.87%			
Red Horse Wind 2 Holdings	7,799,760	8	0.86%			
Wal-Mart Stores Inc	6,076,121	9	0.67%	6,286,564	8	0.77%
Southwest Transmission	4,395,210	10	0.48%	5,779,329	9	0.71%

Source: Cochise County Assessor's Office and Arizona Department of Revenue

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
PROPERTY TAX LEVIES and COLLECTIONS  
Last Ten Fiscal Years  
Unaudited**

<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections (1)</b>	<b>Percent of Current Tax Collections to Total Tax Levy</b>	<b>Collections in Subsequent Years (1)</b>	<b>Total Tax Collections (1)</b>	<b>Percent of Total Tax Collections to Total Tax Levy</b>
2007/08	14,165,750	13,625,618	96.19%	524,182	14,149,800	99.89%
2008/09	15,002,075	14,286,998	95.23%	677,989	14,964,987	99.75%
2009/10	15,860,846	15,020,601	94.70%	792,227	15,812,828	99.70%
2010/11	16,655,987	15,662,682	94.04%	861,261	16,523,943	99.21%
2011/12	17,486,975	16,563,455	94.72%	742,802	17,306,257	98.97%
2012/13	17,993,171	16,971,410	94.32%	842,308	17,813,718	99.00%
2013/14	18,627,847	17,441,345	93.63%	932,575	18,373,920	98.64%
2014/15	19,430,123	18,348,654	94.43%	935,819	19,284,473	99.25%
2015/16	20,028,212	19,034,162	95.04%	742,464	19,776,626	98.74%
2016/17	20,797,435	19,764,347	95.03%	532,872	20,297,219	97.59%

Source: Cochise County Assessors/Treasurer's Office and District records.

Note (1): All tax collections are recorded on a cash basis.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
HISTORIC ENROLLMENT AND TUITION AND FEES  
Last Ten Fiscal Years  
Unaudited**

Fiscal Year	Annual Unduplicated Headcount	Annual Audited FTSE (1)	Annual Tuition and Fees (2)		
			Cost	Increase	
			Dollars	Dollars	Percent
2007/08	14,938	7,369	1,470	60	4.26%
2008/09	15,137	7,671	1,540	70	4.76%
2009/10	14,982	8,586	1,630	90	5.84%
2010/11	16,520	9,788	1,690	60	3.68%
2011/12	15,504	9,468	1,970	280	16.57%
2012/13	13,783	7,982	2,100	130	6.60%
2013/14	13,503	7,474	2,190	90	4.29%
2014/15	12,662	6,557	2,250	60	2.74%
2015/16	11,491	6,514	2,310	60	2.67%
2016/17	11,800*	6,651	2,370	60	2.60%

**Source:** Arizona County Community College Districts and Colleges of Qualifying Indian Tribes Full-Time Equivalent Student Enrollment Report and District records.

**Note (1):** Full Time Student Equivalent (30 Credit Hours).

**Note (2):** Tuition based on in-state rate for one year of full-time equivalent credit. For years 2006/07 through 2011/12, Tuition based on in-state rate for one year of full-time equivalent credit plus the Registration and Technology fees for two semesters.

\* Estimate

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF RATIOS OF OUTSTANDING DEBT**  
**Last Ten Fiscal Years**  
**Unaudited**

	For the Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Other Debt:</b>					
Revenue Bonds	\$ 7,565,000	\$ 7,690,000	\$ 9,975,000	\$ 10,090,000	\$ 10,195,000
Revenue Refunding Bonds	14,675,000	14,675,000	-	-	-
Certificates of participation	-	-	-	-	-
Pledged Revenue Obligations	2,070,000	3,045,000	10,100,000	11,000,000	11,870,000
Premiums	3,403,650	3,726,601	310,212	341,984	373,575
<b>Total outstanding debt</b>	<b>\$ 27,713,650</b>	<b>\$ 29,136,601</b>	<b>\$ 20,385,212</b>	<b>\$ 21,431,984</b>	<b>\$ 22,438,575</b>
<b>Per capita</b>	\$ 215.87	\$ 231.67	\$ 157.89	\$ 165.33	\$ 171.41
<b>Per student</b>	\$ 2,348.61	\$ 2,535.60	\$ 1,609.95	\$ 1,587.20	\$ 1,627.99
<b>Per FTSE</b>	\$ 4,166.84	\$ 4,472.92	\$ 3,108.92	\$ 2,867.54	\$ 2,811.15

	For the Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Other Debt:</b>					
Revenue Bonds	\$ 10,300,000	\$ 10,405,000	\$ 10,505,000	\$ 10,595,000	
Revenue Refunding Bonds	-	-	-	-	
Certificates of participation	-	-	-	-	\$ 290,000
Pledged Revenue Obligations	12,705,000	13,505,000	14,270,000	15,000,000	-
Premiums	405,529	437,302	469,074	500,847	-
<b>Total outstanding debt</b>	<b>\$ 23,410,529</b>	<b>\$ 24,347,302</b>	<b>\$ 25,244,074</b>	<b>\$ 26,095,847</b>	<b>\$ 290,000</b>
<b>Per capita</b>	\$ 179.05	\$ 186.52	\$ 192.06	\$ 200.28	\$ 2.22
<b>Per student</b>	\$ 1,509.97	\$ 1,473.81	\$ 1,653.65	\$ 1,690.89	\$ 19.41
<b>Per FTSE</b>	\$ 2,472.59	\$ 2,487.46	\$ 2,885.51	\$ 3,336.59	\$ 39.35

Source: Arizona Department of Economic Security, Cochise College Center for Economic Research and District Records.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
COMPUTATION of LEGAL DEBT MARGIN  
Last Ten Fiscal Years  
Unaudited**

	For the Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt Limit	\$ 137,413,529	\$ 138,706,272	\$ 143,931,330	\$ 151,670,838	\$ 159,029,869
Total net debt applicable to the limit	-	-	-	-	-
Legal debt margin	\$ 137,413,529    \$ 138,706,272    \$ 143,931,330    \$ 151,670,838    \$ 159,029,869				
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

Fiscal Year	For the Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Debt Limit	\$ 163,812,155	\$ 166,763,402	\$ 159,036,286	\$ 152,811,042	\$ 130,936,851
Total net debt applicable to the limit	-	-	-	-	-
Legal debt margin	\$ 163,812,155    \$ 166,763,402    \$ 159,036,286    \$ 152,811,042    \$ 130,936,851				
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

**Legal Debt Margin Calculation for Fiscal Year 2017**

Secondary assessed value of real and personal property (1) [\\$ 916,090,192](#)

Debt limit = 15% of secondary assessed value    137,413,529

Amount of debt applicable to debt limit:

**General obligation bonded debt** \_\_\_\_\_ -

**Legal debt margin, June 30, 2017**    \$ 137,413,529

Source: Cochise County Assessor's Office, District records, and Arizona Dept of Revenue.

Note (1): Tax year 2016.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT**  
**DEBT SERVICE COVERAGE**  
**Last Ten Fiscal Years**  
**Unaudited**

Fiscal Year	Pledged Revenues (1)	Certificates of Participation Debt Service Requirements (2)			Percentage of Debt Service Requirements To Pledged Revenues
		Principal	Interest	Total	
2007/08	6,710,679	270,000	27,035	297,035	4.43%
2008/09	6,119,920	290,000	-	290,000	4.74%

Fiscal Year	Pledged Revenues (1)	Revenue Bonds and Pledged Revenue Obligations Debt Service Requirements (3)			Percentage of Debt Service Requirements To Pledged Revenues
		Principal	Interest	Total	
2008/09	\$ 6,119,920	\$ -	\$ 1,199,131	\$ 1,199,131	19.59%
2009/10	6,275,678	820,000	1,161,306	1,981,306	31.57%
2010/11	7,320,429	865,000	1,121,469	1,986,469	27.14%
2011/12	7,387,604	905,000	1,085,531	1,990,531	26.94%
2012/13	5,591,365	940,000	1,048,194	1,988,194	35.56%
2013/14	6,733,501	975,000	1,009,194	1,984,194	29.47%
2014/15	7,195,463	1,015,000	968,594	1,983,594	27.57%
2015/16	7,001,941	1,055,000	892,535	1,947,535	27.81%
2016/17	7,117,661	1,100,000	1,123,331	2,223,331	31.24%

Source: Annual reports on audited financial statements and District records.

Note (1): Pledged revenues include tuition and fees, bookstore revenues, food service sales, dormitory rentals, investment and other income.

Note (2): Certificates of Participation were first issued December 16, 1993, with the first interest payment due on July 1, 1994.

Note (3): Revenue Bonds and Pledged Revenue Obligations were first issued July 2, 2008, with the first interest payment due on July 1, 2009.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT**  
**RATIO of ANNUAL DEBT SERVICE EXPENSES to OPERATING EXPENSES**  
**Last Ten Fiscal Years**  
**Unaudited**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Total Operating Expenses</b>	<b>Percentage of Debt Service to Operating Expenses</b>
2007/08	270,000	27,035	297,035	38,398,779	0.77%
2008/09	290,000	1,199,131	1,489,131	40,709,523	3.66%
2009/10	820,000	1,161,306	1,981,306	42,394,765	4.67%
2010/11	865,000	1,121,469	1,986,469	45,050,465	4.41%
2011/12	905,000	1,085,531	1,990,531	44,683,990	4.45%
2012/13	940,000	1,048,194	1,988,194	42,634,760	4.66%
2013/14	975,000	1,009,194	1,984,194	43,961,967	4.51%
2014/15	1,015,000	968,594	1,983,594	45,558,602	4.35%
2015/16	1,055,000	892,535	1,947,535	46,097,978	4.22%
2016/17	1,100,000	1,123,331	2,223,331	47,766,302	4.65%

Source: Annual reports on audited financial statements and District records.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF DEMOGRAPHIC AND ECONOMIC STATISTICS  
Last Ten Fiscal Years  
Unaudited**

<b>Fiscal Year</b>	<b>County Population</b>	<b>County Personal Income (In Thousands)</b>	<b>County Income Per Capita</b>	<b>County Unemployment Rate June</b>
2008	130,567	\$ 4,337,464	\$ 33,220	5.7%
2009	130,296	\$ 4,470,308	\$ 34,309	7.9%
2010	131,436	\$ 4,688,309	\$ 35,670	8.8%
2011	130,537	\$ 4,763,499	\$ 36,492	8.8%
2012	130,752	\$ 4,837,759	\$ 37,000	8.2%
2013	130,906	\$ 4,740,219	\$ 36,211	8.4%
2014	129,628	\$ 4,679,941	\$ 36,103	8.3%
2015	129,112	\$ 4,821,097	\$ 37,340	7.1%
2016	125,770	\$ 4,900,244	\$ 38,962	6.1%
2017	N/A	\$ N/A	\$ -	5.5%

Sources: U. S. Census Bureau, U.S. Bureau of Economic Analysis, Arizona Office of Economic Opportunity, Cochise College Center for Economic Research

Notes: N/A= Data not available. Population estimates are from U.S. Census Bureau midyear estimates as of November 2017. Unemployment rate estimates are seasonally adjusted and prepared by the Arizona Office of Economic Opportunity.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
PRINCIPAL EMPLOYERS for COCHISE COUNTY  
Current Year and Nine Years Ago  
Unaudited**

Principal Industries	2017			2008		
	Employees	%	Rank	Employees	%	Rank
Goods Producing Industries						
Manufacturing	600	2%	10	800	2%	10
Natural Resources and Construction	1,300	4%	7	2,100	6%	7
Service Providing Industries						
Private Service Providing						
Trade, Transportation and Utilities	6,000	17%	1	6,800	18%	2
Information	400	1%	11	500	1%	11
Financial Activities	1,200	3%	8	1,100	3%	8
Professional and Business Services	3,500	10%	6	6,100	16%	3
Education and Health Services	5,600	16%	3	4,300	11%	5
Leisure and Hospitality	3,700	11%	5	4,100	11%	6
Other Services (except Public Administration)	900	3%	9	900	2%	9
Government						
Federal	4,800	14%	4	4,900	13%	4
State and Local	5,900	17%	2	7,700	20%	1

Source: <https://laborstats.az.gov/sites/default/files/documents/files/Emp-Report-June2017.pdf>

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
STUDENT ENROLLMENT/DEMOGRAPHIC STATISTICS  
Last Ten Fiscal Years  
Unaudited**

Fall Semester Fiscal Year	Attendance *		Gender *		Completions **	
	Full-Time	Part-Time	Male	Female	Degrees Awarded	Certificates Awarded
2007/08	35.8%	64.2%	41.5%	58.5%	990	657
2008/09	25.4%	74.6%	41.7%	58.3%	995	952
2009/10	26.5%	73.5%	41.2%	58.8%	1065	691
2010/11	32.4%	67.6%	44.7%	55.3%	1189	1467
2011/12	33.2%	66.8%	44.9%	55.1%	1404	1819
2012/13	32.8%	67.2%	45.5%	54.5%	1775	1774
2013/14	36.5%	63.5%	46.7%	53.3%	1394	849
2014/15	39.8%	60.2%	46.0%	54.0%	1441	691
2015/16	39.6%	60.4%	47.4%	52.6%	1356	600
2016/17	39.3%	60.7%	46.5%	53.5%	1394	534

Fall Semester Fiscal Year	Age *		Residency *			
	Median	Mean	Resident	Resident Unorganized County	Out of State	Foreign
2007/08	23	28	84.8%	8.2%	4.3%	2.8%
2008/09	23	28	84.7%	8.7%	4.1%	1.8%
2009/10	23	28	85.0%	10.4%	3.6%	1.1%
2010/11	24	28	81.5%	11.3%	6.2%	1.0%
2011/12	24	28	81.8%	10.7%	6.7%	0.9%
2012/13	24	28	80.8%	9.3%	9.2%	0.7%
2013/14	23	28	81.3%	9.1%	8.2%	1.4%
2014/15	23	28	77.3%	11.6%	9.2%	2.0%
2015/16	23	28	76.1%	12.0%	9.9%	1.7%
2016/17	23	28	75.1%	11.6%	12.1%	1.3%

Fall Semester Fiscal Year	Ethnic Background *					
	American Indian	Asian American	Hispanic	African American	White	Other/Unknown
2007/08	0.9%	2.5%	37.1%	5.2%	49.4%	5.0%
2008/09	0.6%	3.1%	35.2%	4.6%	49.8%	6.8%
2009/10	0.9%	2.6%	40.2%	4.4%	45.5%	6.4%
2010/11	0.8%	2.3%	39.7%	5.5%	45.9%	5.8%
2011/12	0.7%	2.0%	39.9%	5.2%	46.1%	6.0%
2012/13	0.9%	1.9%	40.1%	5.5%	45.5%	6.1%
2013/14	0.7%	1.7%	41.9%	5.1%	43.7%	6.9%
2014/15	0.7%	1.3%	44.1%	4.5%	42.9%	6.6%
2015/16	0.7%	1.8%	45.7%	5.2%	40.0%	6.5%
2016/17	0.7%	1.8%	46.4%	4.6%	39.7%	6.8%

Sources: \* IPEDS Fall Enrollment 2016-17, total student headcount regardless of IPEDS inclusion  
\*\* IPEDS Completions 2016-17

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT  
EMPLOYEE STATISTICS  
(Headcount)  
Last Ten Fiscal Years  
Unaudited**

Nov. 1 Fiscal Year Snapshot	Faculty *		Admin & Support Staff **	Total Employees	Students per faculty member †	Students per staff member †
	Full-time	Part-time				
2007/08	103	258	471	832	41	32
2008/09	100	253	489	842	43	31
2009/10	108	292	515	915	37	29
2010/11	106	313	524	943	39	32
2011/12	103	296	503	902	39	31
2012/13	98	264	523	885	38	26
2013/14	98	261	481	840	38	28
2014/15	101	302	486	889	31	26
2015/16	102	311	439	852	28	26
2016/17	99	223	347	669	13	12

Sources: *IPEDS Human Resources 2016-17 (employment on Nov. 1st)*  
 \* *Part C - Summary of Full-time Staff*  
 \*\* *Part F - Summary of Part-time Staff*  
*IPEDS Fall Enrollment 2016-17*  
 † *Total student headcount regardless of IPEDS inclusion*

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF CAPITAL ASSET INFORMATION**  
**Last Ten Fiscal Years**  
**Unaudited**

Location	Fiscal Year									
	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08
<b>Douglas Campus</b>										
<b>Total Square Footage</b>	291,261	295,069	295,069	295,069	295,069	295,069	295,069	295,069	235,177	225,374
<b>Total Acreage</b>	518.3	518.3	518.3	518.3	518.3	518.3	518.3	518.3	518.3	518.3
<b>Sierra Vista Campus</b>										
<b>Total Square Footage</b>	205,273	188,867	188,867	188,867	188,867	188,867	188,867	188,867	159,613	122,139
<b>Total Acreage</b>	80.1	80.1	80.1	76.6	76.6	76.6	76.6	73.6	73.6	73.6
<b>Benson Center</b>										
<b>Total Square Footage</b>	12,733	12,733	12,733	12,733	12,733	12,733	12,733	12,733	12,733	12,733
<b>Total Acreage</b>	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
<b>Willcox Center (1)</b>										
<b>Total Square Footage</b>	7,727	9,340	9,340	9,340	9,340	9,340	9,340	9,340	7,200	7,200
<b>Downtown Center</b>										
<b>Total Square Footage</b>	100,792	100,792	117,151							
<b>Total Acreage</b>	7.7	7.7	7.7							
<b>Total District</b>										
<b>Total Square Footage</b>	617,786	606,801	623,160	506,009	506,009	506,009	506,009	506,009	414,723	367,446
<b>Total Acreage</b>	619.1	619.1	619.1	607.9	607.9	607.9	607.9	604.9	604.9	604.9

Source: District records.

Note (1): The Willcox Center is located on land leased from Willcox Unified School District.