

Comprehensive **ANNUAL** Financial Report

**Fiscal Year Ended
June 30, 2008**

Cochise County
Community College District
Douglas, Arizona



**COCHISE
COLLEGE**

Creating opportunities...changing lives

Comprehensive **ANNUAL** Financial Report

**Fiscal Year Ended
June 30, 2008**

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College District
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www.cochise.edu



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Cochise County Community College District
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2008

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INTRODUCTORY Section



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December 8, 2008

To the Citizens of Cochise County:



I am pleased to present to you the 2008 Comprehensive Annual Financial Report (CAFR) for the Cochise County Community College District. This report is a description of the financial operation of the district. It also provides you, the taxpayer, evidence that the college takes serious its fiduciary responsibility to be a responsible steward of the monies entrusted to us as we seek to fulfill Cochise College's mission and purposes.

Cochise College is committed to making a difference in the lives of our students and the well-being of the communities we serve by offering a wide array of educational and support programs. For almost a half-century, the college has provided accessible, affordable educational opportunities to thousands of students. During that period of time, the college has grown from a single campus (Douglas) to a second major campus (Sierra Vista), with additional centers located in Benson and Willcox. In addition, we offer classes at other sites throughout Cochise County, including Ft. Huachuca. The college, recognizing the needs of our students, has also developed an online campus providing instruction around the world.

The 2008 fiscal year was a period when we saw our enrollment increase more than 7 percent, serving 6,844 full time student equivalents in 2007 to over 7,300 in 2008. The district anticipates continued moderate enrollment growth.

Cochise College's current and prior administrations have placed a strong emphasis in balancing the cost of affordable education with providing a solid asset base to best position the college for a bright future. Because of this philosophy, Cochise College recently received an A3 rating from Moody's Investors Services. This rating enabled the district to price Revenue Bonds and Pledged Revenue Obligations totaling \$25M in June 2008. The proceeds from these issuances will be coupled with college reserves to renovate and replace aging and inadequate facilities and infrastructure across the district. Construction on a number of projects began in 2008. The District is very excited about being able to enhance the learning environment by providing better classrooms and service facilities to our students and communities.

As you read the Comprehensive Annual Financial Report, I hope you will agree that 2008 represented another year when Cochise College served its taxpayers well and used its resources wisely.

Sincerely,

Karen A. Nicodemus, Ph.D.
President



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December 8, 2008

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, 2008 (FY 2008).

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, 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 financial status and activities 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) and in conformance with standards of financial reporting as established by the Government Accounting Standards Board (GASB).

This CAFR is presented in three sections: Introductory, Financial and Statistical. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officers. The financial section includes the independent auditors' report, the Management's Discussion and Analysis (MD&A), the basic financial statements and supplemental financial information. The auditing firm of Miller, Allen & Co., P.C. has issued an unqualified opinion on the District's financial statements for the year ended June 30, 2008. 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 it. 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 relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be mis-

leading 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 entity. In accordance with GASB Statement No. 39, the financial activity of the Cochise County Community College District 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. As necessary, the District provides education at various sites throughout the county as part of its Extended Learning program.

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 and aviation maintenance programs and Arizona Department of Health Services/Emergency Medical Services certification for its paramedicine and emergency medical technology programs. The nursing program is accredited by the National League for Nursing Accrediting Commission and approved by the Arizona State Board of Nursing.

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. The District currently operates from two primary campuses and two centers, with additional programs delivered at various locations throughout Cochise County and through its Online Campus. The District also provides a growing instructional program to the citizens of neighboring Santa Cruz County through an arm's length intergovernmental agreement.

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 county seat. In 1929, the 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 mid-2007, was 137,200 according to estimates by the Arizona Department of Commerce (ADOC). ADOC projects the county's population will reach 151,258 in 2012, an average annual growth rate of 2.0%.

As the District receives a significant amount of its annual funding from local property taxes, valuations of existing properties and new construction rates in the county are important economic indicators. Recent increases in prices of existing homes coupled with rising interest rates and a growing inventory of new homes for sale have resulted in a slowing of new residential construction. New residential construction in Cochise County was down about 48% in 2007 from the prior year. In the first 5 months of 2008, permits were down about 8% compared to the same period a year ago. Existing home prices, which increased nearly 40% from 2004 to 2007, began to decline slightly in 2008. The median price of a home sold in Cochise County in the first half of 2008 was \$188,550, down 3.6% from \$195,681 in the first half of 2007.

According to ADOC estimates, the county's civilian labor force, which includes those persons 16 years old and older who are employed or actively seeking work (excluding active duty military), consisted of 57,275 actual or potential workers in 2007. Cochise County's unemployment rate in 2007 was 4.1%. By July of 2008, the county's unemployment rate had risen to 5.1%. In the 12 months ending in July 2008, the county lost 850 jobs. Most of the job losses occurred in trade, transportation, and utilities; construction; other services; and manufacturing industries. The only industries in the county to see positive job growth in the 12 months ending in July 2008 were government and leisure and hospitality.

According to ADOC estimates for 2007, the primary non-farm industry in Cochise County was government, which accounted for 32.1% of all non-farm employment. This was followed by trade, transportation, and utilities (18.3%); professional and business services (12.9%); educational and health services (11.0%); and leisure and hospitality (10.7%). The Fort Huachuca Army post was home to 5,680 active duty military personnel as of 2005, approximately 40% of whom were students temporarily at the fort for training.

Like many places across the United States, Cochise County's economy was impacted significantly by the general economic slowdown in late 2007 and the first half of 2008. The county's retail sales were down 2.8% in the first 5 months of 2008, after adjusting for inflation. Accommodation sales, which include hotel, motel, and other temporary lodging stays, were down 1.2% after inflation. Despite the decline in accommodation, the county's restaurant and bar industry performed well in the first 5 months of 2008, with inflation-adjusted sales up 4.4%. The District's Center for Economic Research projects growth will remain slow in 2008 and will begin to recover in early 2009.

LONG-TERM FINANCIAL PLANNING

The District engages in a five-year strategic planning cycle that involves all levels of the organization. This plan is updated as external environments or internal opportunities and needs dictate. The process provides a framework for structuring and adjusting the District's mission, vision, core values and goals to best meet the needs of students, faculty/staff and the community. A high-level 15-year financial projection model is also maintained, most recently in support of the Master Facilities Plan discussed below, which is based on actual results and updated periodically to reflect most recent performance.

MAJOR PROGRAM INITIATIVES

Master Facilities Plan

During FY 2008, the District began implementation of its revised Master Facilities Plan which focuses on upgrading classroom technology and learning environments as well as modernizing substandard facilities. The revised plan includes new construction, some renovation of existing buildings and limited site improvements at both the Douglas and Sierra Vista campuses. Architects and construction firms have been engaged for both campuses, revised plans have been completed and new building design is underway. The revised plan also includes a new Willcox Center located on Willcox Unified School District land; architects have been engaged for this project and an agreement with the Willcox Unified School District was completed in June of 2008.

Construction began in January of 2008 on a new Career Technical Education building and an addition to the Science building on the Sierra Vista campus. Both buildings were nearing completion as of June 30, 2008. Also, a new soccer field was constructed on the Douglas campus during FY 2008 and was placed into service at year-end.

Funding for the revised Master Facilities Plan comes from college reserves accumulated for this purpose, and non-tax-supported financing. In June of 2008 the college issued approximately \$10.3 million in Revenue Bonds and \$14.7 million in Pledged Revenue Obligations to support the Master Facility Plan projects and closed on these issues on July 2, 2008. This financing will appear in next year's financial statements.

Enrollment

During FY 2008, the District served 7,369 Full Time Student Equivalent (FTSE) at all locations with annual unduplicated headcount of 14,938. The District's ongoing partnership with and responsiveness to the county's largest employer, Fort Huachuca, continued to serve as a significant factor in the number of degrees awarded over the last few years; for the 2007-08 academic year, the District awarded a total of 990 degrees and 657 certificates.

Also during the year, the college engaged the services of a nationally-known enrollment management firm, SEM WORKS, to guide its efforts in the development of a comprehensive strategic enrollment management plan. The consultants provided a thorough audit of existing conditions and, as a result of their analysis, worked with college personnel to identify six major areas of opportunity for enhancing enrollments; these areas included integrated marketing, needs assessment, retention, recruitment, Hispanic-serving institutions, and external relations. During FY 2009, the consultants will finalize the plan and the college will prioritize recommendations and allocate resources accordingly.

Student Achievement

The District's students also continued to receive recognition for their academic and leadership achievements. Four students were named to the All-Arizona Academic Team; two were named to the First Team, one was named to the Second Team, and one was named to the Third Team. In addition, the men's baseball and women's basketball teams landed Academic All-American team honors while three members of the men's rodeo team were named Academic All-American individual recipients by the National Junior College Athletic Association (NJCAA).

PROGRAM DEVELOPMENT AND FUTURE INITIATIVES

Over the course of FY 2008, the Center for Southwest Studies and the Workforce Training and Community Education department were reorganized to create the Center for Lifelong Learning, which recently entered into a new partnership with the American Red Cross to provide non-credit, short-term training workshops to childcare and healthcare providers throughout southern Arizona. The Allied Health Department partnered with Fort Huachuca to provide over 329 student-soldiers with a First Responder course as part of its Advanced Non-Commissioned Officers Course training program. The partnership between the American Heart Association, Sierra Vista Regional Health Center and the District continued, providing required certification training on Advanced Cardiac Life Support and Pediatric Advanced Life Support to over 250 local medical and health care professionals. The District's nursing program was successful in receiving full re-accreditation for another eight years by the National League for Nursing Accrediting Commission (NLNAC), and during the coming year will be looking at various models to consider for possible program expansion.

Through its contract with the Department of Corrections, the District's Correctional Education Division (CED) continued to expand its Work Based Education programs and served 606 FTSE during FY 2008, the highest number of student-inmates served to date. The District hired its first pre-engineering full-time faculty member who began teaching in fall of 2008, one of several initiatives designed to address the critical need for expansion of Science, Technology, Engineering, and Math (STEM) graduates throughout the State of Arizona. Other initiatives include submission of a Title V (Hispanic-Serving Institution) STEM grant application in which a number of efforts, including the addition of a mechatronics program, are included as well as a grant application to the Science Foundation of Arizona. The Sierra Vista Campus developed a Running Start program in pre-engineering in January of 2008 that brings high school students onto the campus for coursework in that arena during the afternoon hours. A similar program focused on entrepreneurship is under development at the Douglas Campus.

The Online Campus continued to grow and generated 390 FTSE during FY 2008, representing a 27% increase in enrollment over the prior year. During the 2008-09 year, because of its significant growth over the last 2-3 years, the Online Campus will develop a comprehensive strategic plan to guide the future of that delivery vehicle. It is anticipated that student interest in the District's offerings that combine online and face-to-face delivery, i.e., 'blended' courses, will continue to increase in light of heightened fuel costs. Program reviews scheduled for the current year include seven instructional programs as well as two other educational service and support areas.

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 in the form of line item budgets and budget transfer restrictions by function and object. 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 statutes governing community colleges by issuing an annual budget expenditure limitation report that is examined by the Office of the Auditor General. The expenditure limitation calculation determines the maximum allowable expenditure level supported by state appropriations and property tax levies.

Cash Management

The District is governed by the Arizona Revised Statutes relating to the overall investment of idle public funds. The fiduciary responsibility of such investments is entrusted to the District Governing Board and orchestrated through the Vice President for Administration. The District invests idle funds in a prudent, conservative, and secure manner for the highest available yield as prescribed by Arizona Revised Statutes. The principal investment vehicles used during the fiscal year were a pooled investment with the County Treasurer as well as direct investments in a Local Government Investment Pool (LGIP) with the State Treasurer's office. These pools have provided the District with safe, high yielding liquid investments.

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 and state agencies, and financial institutions as well as others throughout the general public. Internal management reports are customized and provided to meet the information and decision-making needs at all levels of the organization 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 maintains a full complement of insurance coverage in accordance with Arizona Revised Statutes. Liability coverage is carried on a broad basis, including errors and omissions and “wrongful acts” coverage and is maintained with policy limits in excess of \$25,000,000. Property coverage is maintained on a replacement value basis in accordance with an agreed-upon schedule of values. Additional coverage includes auto fleet liability, crime and fidelity coverage, boiler and machinery insurance, professional liability, workers’ compensation and student accident coverage. District staffing includes positions dedicated to the risk management function with responsibilities that include minimization of risks through the implementation of safety and loss prevention procedures across the District.

INDEPENDENT AUDIT

The District utilizes the audit services of Miller, Allen & Co., P.C. to ensure compliance with Arizona Revised Statutes requiring an annual audit of the District’s financial statements. The Independent Auditor’s Report is included in the financial section of this CAFR. The District received an unqualified opinion for the fiscal year ended June 30, 2008.

GFOA CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Cochise County Community College District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2007. In order to be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The District believes that the current CAFR continues to meet the Certificate of Achievement Program’s requirements and will be submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The College would like to express its appreciation to our District 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 and the independent auditors 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,

Kevin S. Butler
Vice President for Administration

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cochise County
Community College District
Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

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



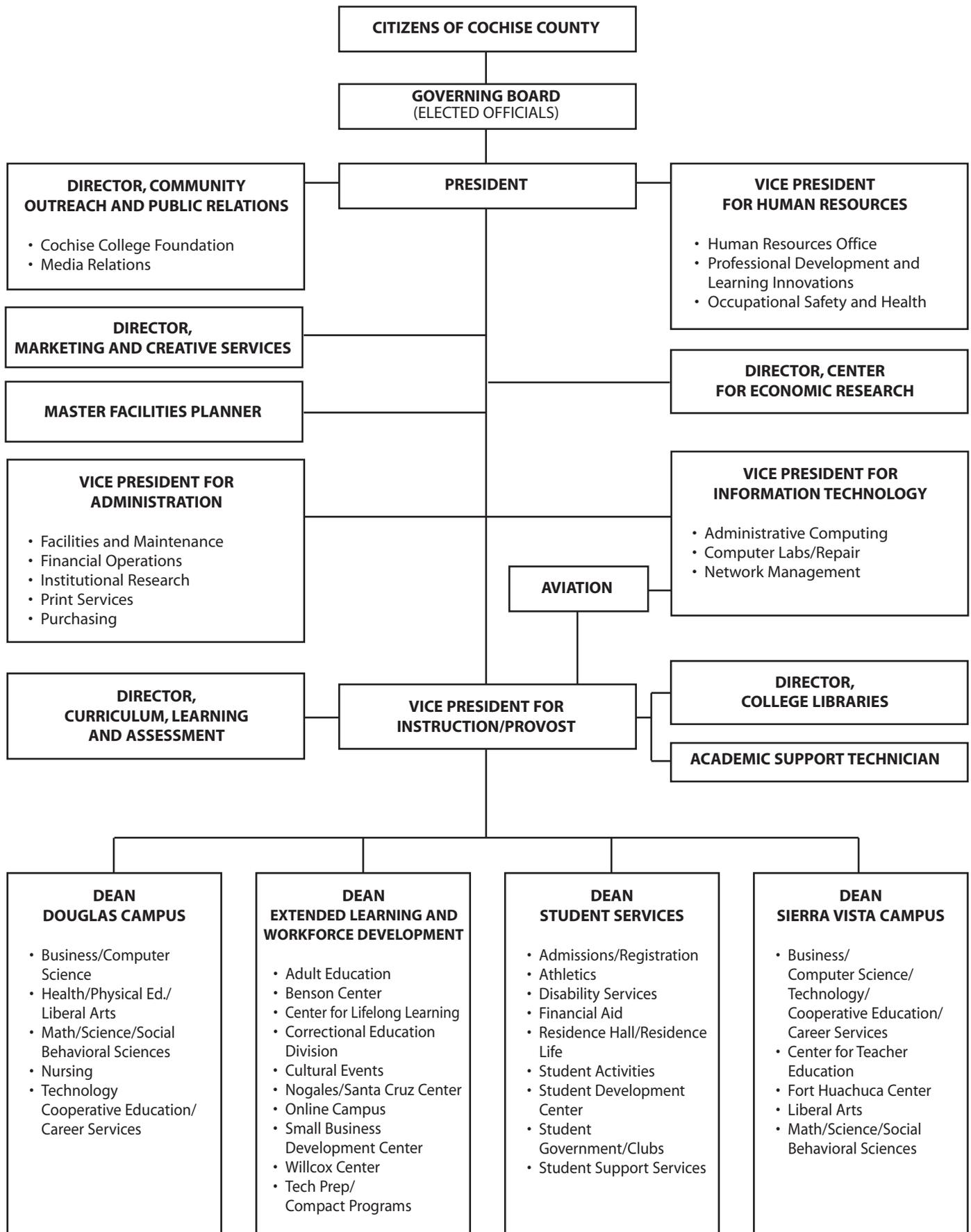
Charles S. Cox

President

Jeffrey R. Emer

Executive Director

COCHISE COLLEGE ORGANIZATIONAL CHART



COCHISE COUNTY COMMUNITY COLLEGE DISTRICT

PRINCIPAL OFFICERS

June 30, 2008

DISTRICT GOVERNING BOARD

Mrs. Jan Guy, *Chair, District 5*

Mrs. Jane C. Strain, *Secretary, District 3*

Dr. Michael J. Carter, *District 2*

Dr. John M. Eaton, *District 4*

Mr. David DiPeso, *District 1*

PRESIDENT

Dr. Karen A. Nicodemus

ADMINISTRATION

Dr. Joanna K. Michelich, *Vice President for Instruction/Provost*

Mr. Kevin Butler, *Vice President for Administration*

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

Mr. Robert Howell, *Vice President for Human Resources*

FINANCIAL Section



**COCHISE
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Independent Auditor's Report

The Auditor General of the State of Arizona

The Governing Board of
Cochise County Community College District

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of Cochise County Community College District as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors.

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

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of Cochise County Community College District as of June 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 50, *Pension Disclosures (an amendment of GASB*

Statements No. 25 and No. 27), for the year ended June 30, 2008, which represents a change in accounting principle.

The Management's Discussion and Analysis on pages 15 through 22 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

In accordance with *Government Auditing Standards*, we will also 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Miller, Allen & Co., P.C.

December 8, 2008

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008**

This discussion and analysis introduces the basic financial statements and provides an overview of the District's financial activities for the year ended June 30, 2008. It should be read in conjunction with the letter of transmittal, which precedes this section, and with the financial statements, which immediately follow.

Introduction

During FY 2008, the District continued to improve its already strong financial position as it built up additional reserves in anticipation of investment in facilities over the coming years. Both student headcount and Full Time Student Equivalency (FTSE) were up significantly versus the prior year and several new programs and initiatives were launched across the District. In addition, the District began implementation of the early phases of its Master Facilities Plan.

Basic Financial Statements

The basic financial statements consist of the Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Net Assets, and the Statement of Cash Flows. The Statement of Net Assets reflects the financial position of the District at June 30, 2008. It shows the various assets owned or controlled by the District, related liabilities and other obligations, and the various categories of net assets. Net assets is defined as total assets less total liabilities, 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 Assets reflects the results of operations and other changes for the year ended June 30, 2008. It shows the various revenues and expenses, both operating and non-operating, and reconciles the beginning net assets balance to the ending net assets balance shown on the Statement of Net Assets described above.

The Statement of Cash Flows reflects the inflows and outflows of cash and cash equivalents for the year ended June 30, 2008. 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 Assets described above. In addition, this statement reconciles cash flows used for operating activities to operating loss on the Statement of Revenues, Expenses, and Changes in Net Assets described above.

Although the primary focus of this document is on the results of activities for fiscal year 2007-08 (FY 2008), comparative data is also presented for the previous fiscal year 2006-07 (FY 2007). This Management's Discussion and Analysis (MD&A) 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, 2008**

**Condensed Financial Information
Statement of Net Assets**

	As of June 30, 2008	As of June 30, 2007
<u>Assets</u>		
Current assets	\$27,325,071	\$26,980,162
Noncurrent assets, other than capital assets	1,793,971	1,880,081
Capital assets, net	17,151,247	11,456,801
Total assets, net	46,270,289	40,317,044
 <u>Liabilities</u>		
Other liabilities	3,520,358	2,019,085
Long-term liabilities	1,593,559	1,514,889
Total liabilities	5,113,917	3,533,974
 <u>Net Assets</u>		
Invested in capital assets, net of related debt	16,861,247	10,896,801
Restricted	1,904,829	1,599,298
Unrestricted	22,390,296	24,286,971
Total net assets	\$41,156,372	\$36,783,070

The District's overall financial position again improved significantly in FY 2008. Total assets increased by \$6.0 million while Total liabilities increased by only \$1.6 million. Total net assets increased by \$4.4 million (11.8%), compared with an increase of \$4.9 million (15.4%) in FY 2007. The FY 2008 increase is largely a result of conservative spending and planned reserves. The unspent contingency was \$2.0 million for general operations.

For FY 2008, current assets decreased to 5.6 times the level of current liabilities, down from last fiscal year when the comparable ratio was 8.6. This decrease in the current ratio is due to a large increase in the accounts payable balance at year end resulting from the construction of new buildings on the Sierra Vista and Douglas campuses as part of the Master Facilities Plan.

Unrestricted net assets decreased by \$1.9 million in FY 2008, a decrease of 7.8 percent. Unrestricted net assets were 54.4 percent of total net assets, down from 66.0 percent in the prior fiscal year. This is due to the ongoing new construction which has increased the Investment in capital assets, net of related debt by \$6.0 million. The Investment in capital assets, net of related debt is now 40.9 percent of total net assets, increasing from 29.6 percent last year. Restricted net assets increased by \$0.3 million in the fiscal year, remaining at 4.6 percent of total net assets.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008**

Statement of Revenues, Expenses, and Changes in Net Assets

	Fiscal Year Ended June 30, 2008	Fiscal Year Ended June 30, 2007, as reclassified
<u>Operating Revenues</u>		
Tuition and fees (net of scholarship allowances)	\$4,698,520	\$4,471,602
Grants and contracts	620,393	579,140
Other operating revenues	1,050,070	1,197,743
Total operating revenues	<u>6,368,983</u>	<u>6,248,485</u>
Total operating expenses	<u>38,398,779</u>	<u>36,282,416</u>
Operating loss	<u>(32,029,796)</u>	<u>(30,033,931)</u>
<u>Nonoperating revenues (expenses)</u>		
Property taxes	14,036,854	13,012,950
State appropriations	13,071,100	12,206,400
Government grants and contracts	6,549,237	6,369,297
Other nonoperating revenues	1,034,869	1,044,129
Investment earnings	962,089	1,240,620
Interest on capital asset-related debt	(27,035)	(42,994)
Gain/ (Loss) on disposal of capital assets	(284,616)	33,435
Net nonoperating revenues	<u>35,342,498</u>	<u>33,863,837</u>
Excess before capital appropriations	<u>3,312,702</u>	<u>3,829,906</u>
Capital appropriations	1,060,600	1,052,300
Capital grants and gifts	<u>20,000</u>	<u>20,000</u>
Increase in net assets	4,373,302	4,902,206
Total net assets, beginning of year	36,783,070	31,880,864
Total net assets, end of year	<u>\$41,156,372</u>	<u>\$36,783,070</u>

In the table above, prior-year amounts have been adjusted to reclassify certain grant revenues from operating to nonoperating to conform to current-year presentation. In FY 2008, Total operating revenues increased by \$0.1 million as a result of a \$.2 million increase in Tuition and fees and a decrease of \$.1 million in Other operating revenues. The 5.1% increase in Tuition and fees is due to a 7.7% increase in student FTSE and a \$2 per credit hour increase (4.4%) in the tuition rate.

Nonoperating revenues increased \$1.5 million over the prior year. Property tax levy revenue increased \$1.0 million (7.9%) due to rising valuations of existing properties despite a decline in the tax rate. State appropriations (M&O plus equalization aid) increased by \$.9 million (7.1%) over the prior year, mostly due to Cochise County's assessed property valuations being significantly below the average of the State's rural counties. FY 2008 Net investment earnings were down from the prior year by \$0.3 million due to reduced interest rates and investment balances. There was a Loss on disposal of capital assets of \$.3 million resulting from a write down of depreciable assets.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008**

Operating expenses increased by \$2.1 million (5.8%) for the year ended June 30, 2008. The most significant elements of the overall increase were as follows:

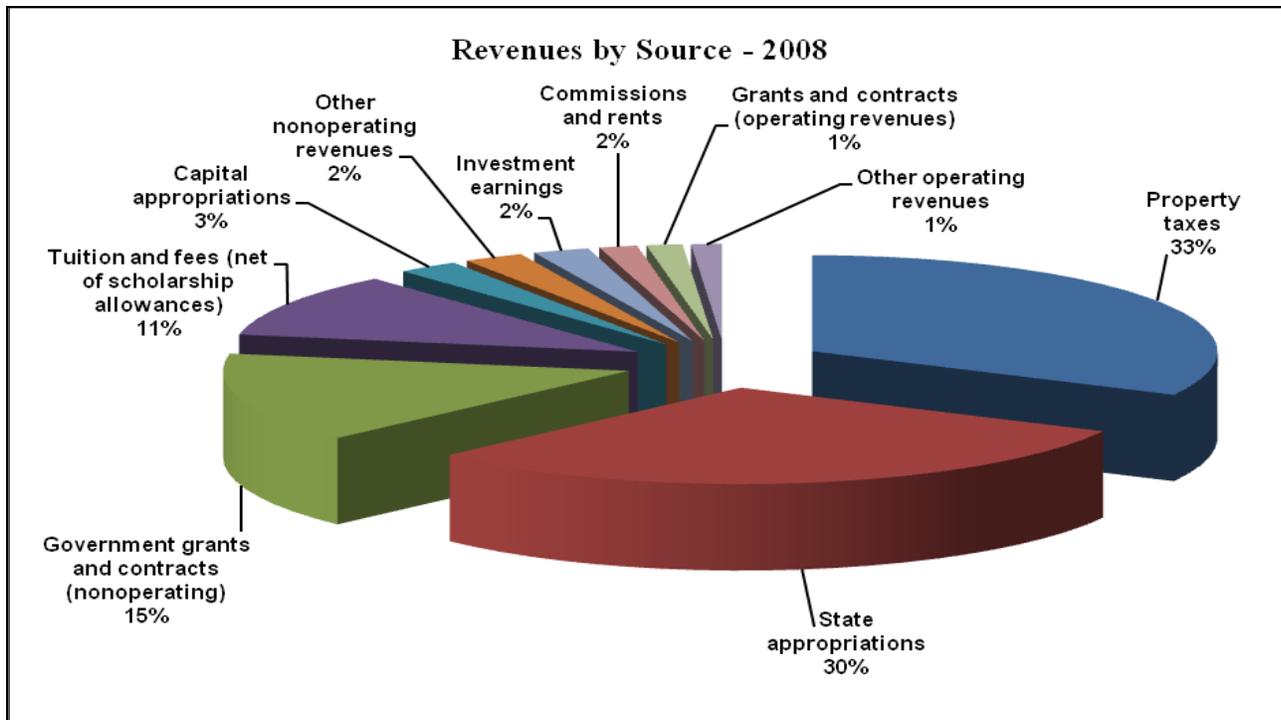
	Increase <u>(\$ 000)</u>	Increase <u>(%)</u>
Salaries and wages	\$1,417	7.3 %
Arizona state retirement contributions	197	12.4
Computers	204	41.8
Non-expendable items, A/V, furniture	<u>306</u>	172.3
	<u>\$2,124</u>	

Comparing FY 2008 to the prior year, salaries and wages rose overall by 7.3 percent primarily as a result of an average 6.0 percent salary increase across all employee groups. Operating expenses associated with Arizona state retirement contributions increased 12.4 percent due to increases in salaries and an increase in the District's contribution rate from 8.6 percent to 9.1 percent. The District has been replacing computers throughout the institution and is upgrading instructional technology in all classrooms resulting in a 41.8 percent increase in technology expenses. Upgrading classroom technology also resulted in a 172.3 percent increase in Non-expendable items, more specifically audio/visual equipment and peripherals as well as technology-integrated furniture.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008**

The following is a summary of revenues for fiscal years ended June 30, 2008 and June 30, 2007:

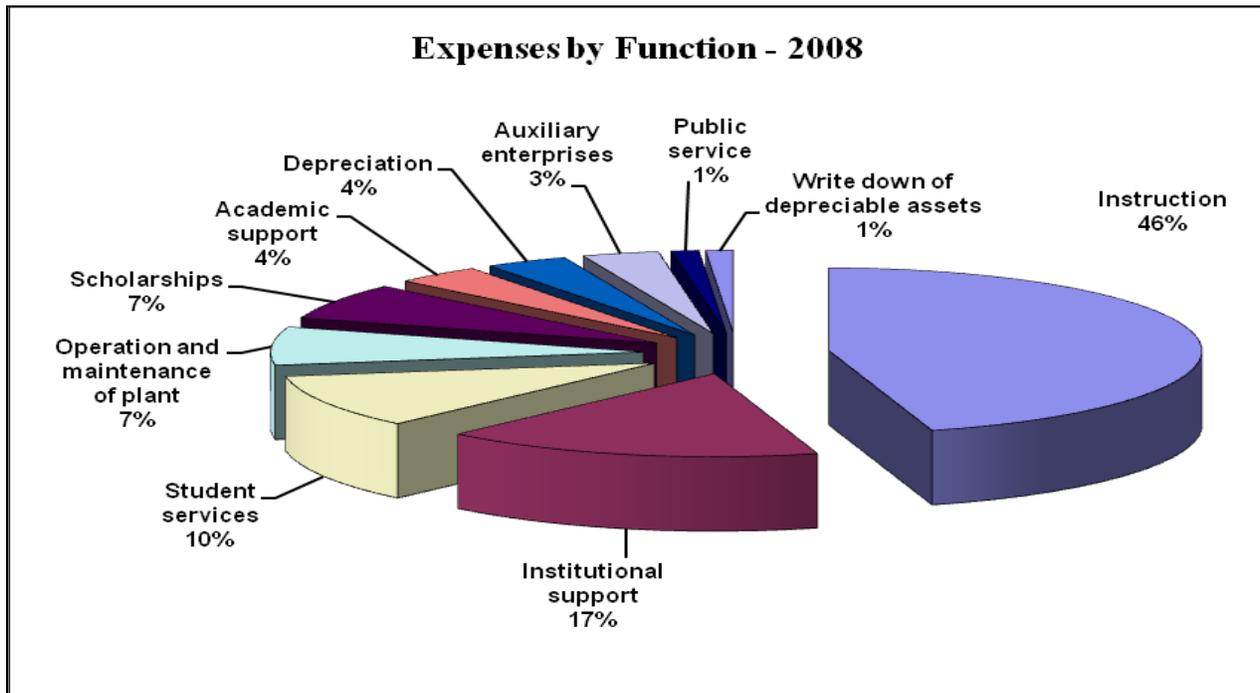
	Fiscal Year Ended June 30, 2008		Fiscal Year Ended June 30, 2007, as reclassified	
<u>Operating revenues</u>				
Tuition and fees (net of scholarship allowances)	\$ 4,698,520	11%	\$ 4,471,602	11%
Grants and contracts	620,393	1	579,140	1
Commissions and rents	656,414	2	667,850	2
Other operating revenues	393,656	1	529,893	1
Total operating revenues	<u>6,368,983</u>	<u>15</u>	<u>6,248,485</u>	<u>15</u>
<u>Nonoperating revenues</u>				
Property taxes	14,036,854	33	13,012,950	32
State appropriations	13,071,100	30	12,206,400	30
Government grants and contracts	6,549,237	15	6,369,297	16
Investment earnings	962,089	2	1,240,620	3
Other nonoperating revenues	1,034,869	2	1,044,129	2
Gain on disposal of assets			33,435	-
Total nonoperating revenues	<u>35,654,149</u>	<u>82</u>	<u>33,906,831</u>	<u>82</u>
Capital appropriations	1,060,600	3	1,052,300	2
Capital grants and gifts			20,000	-
Total revenues	<u>\$43,083,732</u>	<u>100%</u>	<u>\$41,227,616</u>	<u>100%</u>



**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008**

The following is a summary of expenses for fiscal years ended June 30, 2008 and June 30, 2007:

	<u>Fiscal Year Ended June 30, 2008</u>		<u>Fiscal Year Ended June 30, 2007</u>	
<u>Operating expenses</u>				
Education and general:				
Instruction	\$17,701,763	46%	\$15,380,470	43%
Public service	459,213	1	417,791	1
Academic support	1,450,899	4	1,608,960	5
Student services	4,045,079	10	3,713,085	10
Institutional support	6,407,377	17	6,032,729	17
Operation and maintenance of plant	2,896,466	7	3,403,605	9
Scholarships	2,763,227	7	2,674,499	7
Auxiliary enterprises	1,285,996	3	1,954,700	5
Depreciation	1,388,759	4	1,096,577	3
Total operating expenses	<u>38,398,779</u>	<u>99</u>	<u>36,282,416</u>	<u>100</u>
<u>Nonoperating expenses</u>				
Interest expense on debt	27,035	-	42,994	-
Write down of depreciable assets	284,616	1		
Total expenses	<u>\$38,710,430</u>	<u>100%</u>	<u>\$36,325,410</u>	<u>100%</u>



**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008**

Capital Assets

Below is a summary of the capital assets, net of depreciation, as of June 30, 2008 and June 30, 2007. See Note 3 for further details.

	As of <u>June 30, 2008</u>	As of <u>June 30, 2007</u>
Land	\$ 495,580	\$ 495,580
Construction in progress	7,071,198	99,210
Buildings	7,539,751	7,911,984
Equipment	741,813	1,159,482
Improvements other than buildings	967,305	1,456,775
Library books	304,250	301,320
Museum and art collection	31,350	32,450
Total	<u>\$17,151,247</u>	<u>\$11,456,801</u>

The increase in Capital Assets is due to the current construction associated with the Master Facilities Plan. No buildings had been put into service as of June 30, 2008, so all spending is being held in Construction in Progress. There was a write down of \$.3 million in assets in the Improvements other than buildings category.

Long-Term Debt

At June 30, 2008 and June 30, 2007, the District had one certificate of participation issue outstanding totaling \$0.3 million and \$.6 million, respectively. No new debt was issued during the fiscal year. See Note 4 for further details.

Current Economic Conditions

The population of Cochise County in mid-2007 was approximately 137,200, about 60% of whom reside in the county's seven incorporated areas; nearly half reside in Sierra Vista and Douglas, the county's two largest cities. About one-third of the county's workforce is employed by government, with the top public sector employers being Fort Huachuca, the U.S. Department of Homeland Security, the Arizona Department of Corrections, and the school districts and city governments. The private sector industry grouping that employs the largest number of workers is trade, transportation, and utilities, which employs 18.3% of the county's workers, followed by professional business services (12.9%), education and health services (11.0%) and leisure and hospitality (10.7%).

In 2007, the median household income countywide was \$44,499. In 2007, 11.2% of families in the county were below the poverty level, down from 13.5% in 1999. The median value of a home in Cochise County in 2007 was \$156,100, up 77% from \$88,200 in 2000. In 2007, the county's unemployment rate was 4.1%; this increased to 4.8% in the first 9 months of 2008.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008**

Current Factors Having Probable Future Financial Significance

The financial condition of the District as of June 30, 2008 remained strong, largely due to increases in assessed property valuations, stable state appropriations, and prudent expense management. During FY 2008, State appropriations to the District were increased by \$.9 million (including capital appropriations), or approximately 6.6 percent. Financial support from the State has been reduced in FY 2009 due to the State's budget crisis and further reductions are expected; the district is taking steps to address these reductions in FY 2009 and beyond. A 4.3 percent increase in tuition was implemented for in-state students in FY 2009 and consideration is being given to another increase for the upcoming fiscal year. The District is currently implementing a revised Master Facilities Plan to address the substandard and inadequate state of facilities in the District and to meet the future educational needs of the county.

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 Financial Operations, Cochise County Community College District, 4190 West Highway 80, Douglas, Arizona 85607.

**Cochise County Community College District
Statement of Net Assets - Primary Government
June 30, 2008**

	Business-Type Activities
<u>Assets</u>	
Current assets:	
Cash and cash equivalents	\$ 25,079,392
Receivables:	
Accounts (less allowances of \$429,766)	229,511
Property taxes (less allowances of \$329,872)	590,469
Government grants and contracts	322,957
Interest	9,606
Other	276,336
Inventories	499,855
Prepaid items	316,945
Total current assets	27,325,071
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	1,494,649
Cash and investments held by trustee	299,322
Capital assets, not being depreciated	7,566,778
Capital assets, being depreciated, net	9,584,469
Total noncurrent assets	18,945,218
Total assets	46,270,289
<u>Liabilities</u>	
Current liabilities:	
Accounts payable	2,205,582
Accrued payroll and employee benefits	794,560
Interest payable	9,603
Deposits held in custody for others	233,022
Deferred revenues	277,591
Current portion of compensated absences payable	1,058,481
Current portion of long-term debt	290,000
Total current liabilities	4,868,839
Noncurrent liabilities:	
Compensated absences payable	245,078
Total non-current liabilities	245,078
Total liabilities	5,113,917
<u>Net Assets</u>	
Invested in capital assets, net of related debt	16,861,247
Restricted for:	
Grants and contracts	1,904,829
Unrestricted	22,390,296
Total net assets	\$ 41,156,372

See accompanying notes to financial statements.

**Cochise County Community College District
Statement of Financial Position - Component Unit
June 30, 2008**

	<u>Cochise College Foundation</u>
<u>Assets</u>	
Current assets:	
Cash and cash equivalents	\$ 188,332
Note receivable	18,146
Bequest receivable	797,075
Current portion of long-term investments	154,986
Total current assets	<u>1,158,539</u>
Noncurrent assets:	
Long-term investments	760,935
Investments held for endowment purposes	2,405,215
Land held as an investment	22,111
Total noncurrent assets	<u>3,188,261</u>
Total assets	<u>\$ 4,346,800</u>
<u>Net Assets</u>	
Unrestricted	764,559
Temporarily restricted	2,002,441
Permanently restricted	1,579,800
Total net assets	<u>\$ 4,346,800</u>

See accompanying notes to financial statements.

Cochise County Community College District
Statement of Revenues, Expenses, and Change in Net Assets - Primary Government
For the Year Ended June 30, 2008

	<u>Business-Type Activities</u>
Operating revenues:	
Tuition and fees (net of scholarship allowances of \$1,626,087)	\$ 4,698,520
Government grants and contracts	616,293
Private grants and contracts	4,100
Bookstore income	165,000
Food service income	303,007
Dormitory rentals and fees	188,407
Other	393,656
Total operating revenues	<u>6,368,983</u>
Operating expenses:	
Educational and general:	
Instruction	17,701,763
Public service	459,213
Academic support	1,450,899
Student services	4,045,079
Institutional support	6,407,377
Operation and maintenance of plant	2,896,466
Scholarships	2,763,227
Auxiliary enterprises	1,285,996
Depreciation	1,388,759
Total operating expenses	<u>38,398,779</u>
Operating loss	<u>(32,029,796)</u>
Nonoperating revenues (expenses):	
Property taxes	14,036,854
State appropriations	13,071,100
Government grants and contracts	6,549,237
Share of state sales taxes	1,034,869
Investment earnings	962,089
Interest on capital asset-related debt	(27,035)
Loss on sale/disposal of capital assets	(284,616)
Net nonoperating revenues	<u>35,342,498</u>
Income before other revenues, expenses, gains, or losses	3,312,702
Capital appropriations	<u>1,060,600</u>
Increase in net assets	4,373,302
Total net assets, July 1, 2007	<u>36,783,070</u>
Total net assets, June 30, 2008	<u>\$ 41,156,372</u>

See accompanying notes to financial statements.

Cochise County Community College District
Statement of Activities - Component Unit
For the Year Ended June 30, 2008

	Cochise College Foundation			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Support and revenue:				
Contributions	\$ 869,573	\$ 944,047	\$ 19,819	\$ 1,833,439
Investment loss	(89,153)			(89,153)
Total support and revenue before net assets released from restriction	780,420	944,047	19,819	1,744,286
Net assets released from restriction	507,850	(507,850)		
Total support and revenue	1,288,270	436,197	19,819	1,744,286
Expenses:				
Program expenses:				
Scholarships	427,652			427,652
Special programs	87,422			87,422
Total program expenses	515,074			515,074
Supporting services:				
Salaries and wages	64,057			64,057
Other	40,497			40,497
Total supporting services	104,554			104,554
Total expenses	619,628			619,628
Change in net assets	668,642	436,197	19,819	1,124,658
Net assets, beginning of year, as reclassified	95,917	1,566,244	1,559,981	3,222,142
Net assets, end of year	\$ 764,559	\$ 2,002,441	\$ 1,579,800	\$ 4,346,800

See accompanying notes to financial statements.

**Cochise County Community College District
Statement of Cash Flows - Primary Government
For the Year Ended June 30, 2008**

	Business-Type Activities
Cash flows from operating activities:	
Tuition and fees	\$ 4,815,968
Grants and contracts	477,191
Bookstore receipts	165,000
Food services receipts	303,007
Dormitory rentals and fees	188,407
Other receipts	419,088
Payments to suppliers and providers of goods and services	(8,805,722)
Payments to employees	(25,258,295)
Payments for scholarships	(2,763,227)
Other payments	(267,913)
Net cash used for operating activities	(30,726,496)
Cash flows from noncapital financing activities:	
Property taxes	13,935,276
State appropriations	13,071,100
Government Grants	6,597,092
Share of state sales taxes	1,046,160
Federal family education loan receipts	1,989,660
Federal family education loan disbursements	(1,981,262)
Short-term loans received	2,681
Short-term loans disbursed	(2,611)
Deposits held in custody for others received	1,529,257
Deposits held in custody for others disbursed	(1,587,208)
Net cash provided by noncapital financing activities	34,600,145
Cash flows from capital and related financing activities:	
Capital appropriations	1,060,600
Principal paid on capital debt	(270,000)
Interest paid on capital debt	(34,865)
Proceeds from sale of capital asset	19,450
Purchases of capital assets	(5,710,391)
Net cash used for capital and related financing activities	(4,935,206)
Cash flows from investing activities:	
Proceeds from sales of investments	304,865
Purchases of investments	(586,817)
Interest received on investments	1,079,841
Net cash provided by investing activities	797,889
Net decrease in cash and cash equivalents	(263,668)
Cash and cash equivalents, July 1, 2007	26,837,709
Cash and cash equivalents, June 30, 2008	\$ 26,574,041

See accompanying notes to financial statements.

(Continued)

**Cochise County Community College District
Statement of Cash Flows - Primary Government
For the Year Ended June 30, 2008
(Concluded)**

	Business-Type Activities
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	\$ (32,029,796)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	1,388,759
Provision for uncollectable accounts	(9,863)
Changes in assets and liabilities:	
Increase in:	
Grants and contracts receivable	(143,202)
Inventories	(43,190)
Prepaid items	(191,062)
Accrued payroll and employee benefits	86,189
Compensated absences payable	348,670
Deferred revenues	89,729
Decrease in:	
Accounts receivable	37,582
Other receivables	25,432
Accounts payable	(285,744)
Net cash used for operating activities	\$ (30,726,496)

Noncash investing, noncapital financing, and capital and related financing transactions:
As of June 30, 2008 the District acquired \$1,676,879 of capital assets for which cash had not been paid.
These acquisitions were included in accounts payable at year end.

See accompanying notes to financial statements.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Cochise County Community College District (the District) 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).

For the year ended June 30, 2008, the District implemented the provisions of GASB Statement No. 50, *Pension Disclosures (an amendment of GASB Statements No. 25 and No. 27)*. GASB Statement No. 50 amends GASB Statements No. 25 and 27 to require government employers to present certain additional pension disclosures in the notes to the financial statements.

A. Reporting Entity

The District is a special-purpose government that is governed by a separately elected governing body. It is legally separate and fiscally independent of other state and local governments. The accompanying financial statements present the activities of the District (the primary government) and its discretely-presented component unit, the 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 respective counterpart financial statements of the District. For financial reporting purposes only the Foundation's statements of financial position and activities are included in the District's financial statements as required by GAAP for public colleges and universities. The Foundation has a June 30 fiscal year-end.

During the year ended June 30, 2008, the Foundation distributed \$509,346 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 85607-6190.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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

B. Basis of Presentation and Accounting

The financial statements include a statement of net assets; a statement of revenues, expenses, and changes in net assets; and a statement of cash flows. A statement of net assets provides information about the assets, liabilities, and net assets of the District at the end of the year. Assets and liabilities are classified as either current or non-current. Net assets are classified according to external donor restrictions or availability of assets to satisfy District obligations. Invested in capital assets, net of related debt represents the value of capital assets, net of accumulated depreciation, less any outstanding debt incurred to acquire or construct the assets. Expendable restricted net assets represent grants, contracts, gifts, and other resources that have been externally restricted for specific purposes. Unrestricted net assets include all other net assets, including those that have been designated by management to be used for other than general operating purposes.

A statement of revenues, expenses, and changes in net assets provides information about the District's financial activities during the year. Revenues and expenses are classified as either operating or nonoperating, and all changes in net assets are reported, including capital contributions and additions to endowments. Operating revenues and expenses generally result from exchange transactions. Accordingly, revenues such as tuition, bookstore, food service, and dormitory charges are considered to be operating revenues. Other revenues, such as property taxes, state appropriations and government grants, are not generated from exchange transactions and are considered to be nonoperating revenues. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Other expenses, such as interest expense on debt, are considered to be nonoperating expenses.

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

The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized in the year for which they are levied. State appropriations are recognized as revenue in the year in which the appropriation is first made available for use. Grants and donations are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. 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 assets are available.

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

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

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

C. Cash and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, investments in the State Treasurer's Local Government Investment Pool, and highly liquid investments. Investments are stated at fair value.

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 estimated fair value at the time received.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets for depreciation purposes reported in the financial statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	\$5,000	N/A	N/A
Improvements other than buildings	5,000	Straight line	15 years
Buildings	5,000	Straight line	40 years
Equipment	5,000	Straight line	5-30 years
Museum art collection	5,000	Straight line	60 years
Library books	1	Straight line	10 years

F. Investment Earnings

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

G. Compensated Absences

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

Employees may accumulate up to 176 hours of vacation depending on years of service. Any unused vacation hours in excess of the maximum amount at year-end are forfeited. Upon termination of employment, all unused and unforfeited vacation benefits are paid to employees. Accordingly, vacation benefits are accrued as a liability in the financial statements.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

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

Generally, sick leave benefits provide for ordinary sick pay and are cumulative but do not vest with employees. Therefore, a liability for sick leave benefits is not accrued in the financial statements. However, for employees 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, a portion of their sick leave benefits does vest. Those amounts are accrued as a liability in the financial statements.

H. Scholarship Allowances

A scholarship allowance is the difference between the stated charge for goods and services provided by the District and the amount that is paid by the student or third parties making payments on behalf of the student. Accordingly, some types of student financial aid such as Pell grants and scholarships awarded by the District are considered to be scholarship allowances. These allowances are netted against tuition and fees revenues in the statement of revenues, expenses, and changes in net assets.

NOTE 2 - DEPOSITS AND INVESTMENTS

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

At June 30, 2008, the District's deposits and investments consisted of the following:

	Reported on the Statement of Net Assets as:	
	Cash and Cash Equivalents	Cash and Investments Held by Trustee
Deposits:		
Cash on hand	\$ 10,672	\$
Cash in bank	1,937,184	
Investments at fair value:		
Investment in State Treasurer's investment pool	24,626,185	
Money market mutual fund – debt securities		299,322
Total	\$ 26,574,041	\$ 299,322

Deposits: 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. At June 30, 2008, the carrying amount of the District's cash in bank was \$1,937,184, and the bank balance was \$2,397,479, of which \$2,297,479 was exposed to custodial credit risk as it was uninsured and collateralized with securities held by the pledging financial institution.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 2 - DEPOSITS AND INVESTMENTS (Concl'd)

Investments: At June 30, 2008, the District's investments consisted of the following:

	Maturities	Fair Value
Money market mutual fund – debt securities	Less than one year	\$ 299,322
State Treasurer's investment pool 7	23.13 days average	24,626,185
Total		<u>\$24,925,507</u>

The State Board of Investment provides oversight for the State Treasurer's pools. The fair value of a participant's position in the pool approximates the value of that participant's pool shares and the participant's shares are not identified with specific investments.

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The District does not have a formal investment policy with respect to credit risk that would further limit its investment choices. The State Treasurer's investment pool and the investment in the money market mutual fund are not rated.

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 the possession of an outside party. The District currently does not have a formal investment policy for custodial credit risk. The District's cash and investments held by the trustee have a custodial credit risk exposure of \$299,322 because the related securities are uninsured, unregistered and held by the District's brokerage firm (counterparty) not in the District's name.

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land	\$ 495,580	\$	\$	\$ 495,580
Construction in Progress	99,210	6,971,988		7,071,198
Total capital assets not being depreciated	<u>594,790</u>	<u>6,971,988</u>		<u>7,566,778</u>
Capital assets being depreciated:				
Buildings	19,163,412			19,163,412
Equipment	6,410,919	320,138	(85,095)	6,645,962
Improvements other than buildings	4,676,889	34,558	(2,627,019)	2,084,428
Library books	1,251,808	60,587	(50,000)	1,262,395
Museum art collection	66,000			66,000
Total capital assets being depreciated	<u>31,569,028</u>	<u>415,283</u>	<u>(2,762,114)</u>	<u>29,222,197</u>
Less accumulated depreciation for:				
Buildings	(11,251,428)	(372,233)		(11,623,661)
Equipment	(5,251,437)	(734,405)	81,693	(5,904,149)
Improvements other than buildings	(3,220,114)	(223,364)	2,326,355	(1,117,123)
Library books	(950,488)	(57,657)	50,000	(958,145)
Museum art collection	(33,550)	(1,100)		(34,650)
Total accumulated depreciation	<u>(20,707,017)</u>	<u>(1,388,759)</u>	<u>2,458,048</u>	<u>(19,637,728)</u>
Total capital assets being depreciated, net	<u>10,862,011</u>	<u>(973,476)</u>	<u>(304,066)</u>	<u>9,584,469</u>
Capital assets, net	<u>\$11,456,801</u>	<u>\$ 5,998,512</u>	<u>\$ (304,066)</u>	<u>\$17,151,247</u>

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 3 - CAPITAL ASSETS (Concl'd)

The District had major contractual commitments at June 30, 2008, related to various capital investment projects for the construction of new buildings on the Sierra Vista and Douglas Campuses; these contractual commitments totaled \$3,037,827 as of that date. The investment projects are being financed with college reserves set aside over the last several years for this purpose and with the proceeds from the sale of revenue bonds and pledged revenue obligations, also issued for this purpose.

NOTE 4 – LONG-TERM LIABILITIES

The following schedule details the District's long-term liability and obligation activity for the year ended June 30, 2008:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Compensated absences payable	\$954,889	\$1,607,910	\$1,259,240	\$1,303,559	\$1,058,481
Certificates of participation payable	560,000		270,000	290,000	290,000
Total long-term liabilities	<u>\$1,514,889</u>	<u>\$1,607,910</u>	<u>\$1,529,240</u>	<u>\$1,593,559</u>	<u>\$1,348,481</u>

Certificates of Participation - The District has issued certificates of participation that were generally noncallable until 2004 when they became callable at a premium, with interest payable semiannually to fund a portion of the \$5,000,000 building expansion project on the Sierra Vista campus in 1993-94.

Certificates outstanding at June 30, 2008, were as follows:

Issue	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal
Series 1993	\$3,000,000	1/1/2009	6.25%	\$ 290,000

The following schedule details debt service requirements to maturity for the District's certificates of participation payable at June 30, 2008:

Year Ending June 30, 2009	Principal	Interest
Total	<u>\$290,000</u>	<u>\$9,063</u>
	<u>\$290,000</u>	<u>\$9,063</u>

NOTE 5 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all such risks of loss, including workers' compensation and accident insurance. In addition, the District carries specialized commercial insurance for the risks of loss associated with its aircraft program and nursing and emergency medical technician student program. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 6 – PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Plan descriptions - The District contributes to a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined benefit health care plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan, all of which are administered by the Arizona State Retirement System (System). The System (through its Retirement Fund) provides retirement (i.e., pension), death and survivor benefits; the Health Benefit Supplement Fund provides health insurance premium benefits (i.e., a monthly subsidy); and the Long-Term Disability Fund provides long-term disability benefits. Benefits are established by state statute. The System is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

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

Funding policy - The Arizona State Legislature establishes and may amend active plan members' and the District's contribution rates. For the year ended June 30, 2008, active plan members were each required by statute to contribute at the actuarially determined rate of 9.6 percent (9.1 percent for retirement and 0.5 percent for long-term disability) of the members' annual covered payroll and the District was required by statute to contribute at the actuarially determined rate of 9.6 percent (8.05 percent for retirement, 1.05 percent for health insurance premium, and 0.5 percent for long-term disability) of the members' annual covered payroll.

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

	<u>Retirement Fund</u>	<u>Health Benefit Supplement Fund</u>	<u>Long-Term Disability Fund</u>
Years ended June 30,			
2008	\$ 1,322,249	\$ 180,071	\$ 82,756
2007	1,164,179	161,869	77,061
2006	849,498	166,648	73,179

NOTE 7 - OPERATING EXPENSES

The District's operating expenses are presented by functional classification in the Statement of Revenues, Expenses, and Changes in Net Assets – Primary Government. The operating expenses can also be classified into the following:

Personnel services	\$ 25,693,154
Contract services	2,855,842
Supplies and other services	2,769,505
Rent and insurance	1,024,344
Communications and utilities	1,077,962
Travel	519,002
Scholarships	2,763,227
Depreciation	1,388,759
Other	306,984
Total	<u>\$ 38,398,779</u>

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 8 – SUBSEQUENT EVENTS

The District did not issue any bonds in the current year or prior years but did authorize \$10,595,000 in the current year that was issued July 2, 2008. Revenue bonds will be repaid from tuition and fees and dormitory rentals and fees. Portions of the bond proceeds will be used for construction of new student housing and a new science building on the Douglas Campus. The maturity dates on these bonds range from July 1, 2009 to July 1, 2028, and the corresponding interest rates range from 3.500% to 5.125%.

The District did not issue any pledged revenue obligations in the current year or prior years but did authorize \$15,000,000 in the current year that was issued July 2, 2008. The District has pledged tuition, fees, charges, admissions, and rentals chargeable to the occupants, students, faculty members and others to be sufficient to repay the obligations. Portions of the pledged revenue obligation proceeds will be used for construction of a new technical educational building, a new academic building, a new student union building and renovations to existing buildings on the Sierra Vista campus as well as renovations of existing buildings on the Douglas campus. The maturity dates on these obligations range from July 1, 2009 to July 1, 2021 and the corresponding interest rates range from 4.750% to 5.375%.

NOTE 9 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURE

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cochise College Foundation, Inc. (the Foundation) is an Arizona not-for-profit organization established to support the educational goals of the Cochise County Community College District primarily through the funding of scholarships. Foundation policy is provided and directed by a fifteen member Board of Directors composed of appointed individuals.

Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting. Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows.

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

Temporarily restricted net assets – net assets subject to donor-imposed restrictions that may or will be met either by actions of the Foundation and/or the passage of time.

Permanently restricted net assets – net assets subject to donor-imposed restrictions that must be maintained permanently by the Foundation.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 9 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURE (Cont'd)

Temporarily restricted net assets are those whose use by the Foundation has been limited by donors to a specific time period or purpose. When a donor restriction expires, either when the stipulated time restriction ends or the purpose restriction is accomplished, temporarily restricted net assets are classified as unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reported as restricted contributions and subsequently released from restriction in the accompanying financial statements.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restriction.

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Unconditional promises and other gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met.

Revenue and expenses are recorded on the accrual basis. Revenue received for future scholarships is deferred until the applicable year.

Expense Allocation

Directly identifiable expenses of the Foundation's programs are charged to scholarships and other programs. Supporting services expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

Use of Estimates

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

Cash and Cash Equivalents

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

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 9 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURE (Cont'd)

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position. Investment income or loss (including gains and losses on investments, interest, and dividends) is included in the statement of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law.

Concentrations of Credit and Market Risk

Financial instruments that potentially expose the Foundation to concentrations of credit and market risk consist primarily of cash equivalents and investments. Cash equivalents are maintained at high-quality financial institutions and credit exposure is limited to any one institution. The Foundation has not experienced any losses on its cash equivalents.

Donated Land and Equipment

Donated land and equipment are reflected as contributions in the accompanying financial statements at their estimated values at the date of receipt.

Income Tax Status

The Foundation is exempt from federal income tax as an organization other than a private foundation under Section 501(c) (3) of the Internal Revenue Code and from state income taxes under Arizona Revised Statutes. Accordingly, there are no income taxes reflected on the Statement of Financial Position or the Statement of Activities.

B. CASH AND INVESTMENTS

At June 30, 2008, the carrying amount of the Foundation's deposits was \$188,332, and the bank balance was \$219,571, which was entirely covered by Federal depository insurance or Securities Investor Protection Cooperation Coverage and Customer Asset Protection Company.

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-15	More than 15
Certificates of Deposit	\$ 70,759	\$ 24,972	\$ 45,787	\$	\$
Corporate Bonds	2,334,456	130,014	267,314	929,864	1,007,264
		<u>\$ 154,986</u>	<u>\$ 313,101</u>	<u>\$ 929,864</u>	<u>\$ 1,007,264</u>
Stocks	16,216				
Mutual Funds	899,705				
Total	<u>\$3,321,136</u>				

**COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 9 – DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURE (Concl'd)

Interest Rate Risk. The Foundation does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The Foundation has no investment policy that would further limit its investment choices. The Foundation's investments in corporate bonds were rated by Standard & Poor's as follows.

<u>Rating</u>	<u>Amount</u>
AAA	\$ 132,911
AA	504,048
A	1,236,469
BBB	346,487
BB	72,041
B	42,500
Total	<u>\$ 2,334,456</u>

Concentration of Credit Risk. The Foundation places no limit on the amount the Foundation may invest in any one issuer. The Foundation did not invest more than five percent of its total investments in any one issuer.

C. BEQUEST RECEIVABLE

During the fiscal year, the Foundation received notification of a bequest. On June 27, 2008, the trust was authorized to begin distribution of the estate.

D. RECLASSIFICATION OF NET ASSETS

Net asset classifications have been reclassified during the year to properly present the balances at year end; however, total net assets did not change from the prior year.



COCHISE COLLEGE

Creating opportunities...changing lives.

STATISTICAL Section



**COCHISE
COLLEGE**

Creating opportunities...changing lives

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 Cochise County Community College 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

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

These schedules contain service and 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 ASSETS by COMPONENT
Last Seven Fiscal Years (1)
Unaudited

	2007/08	2006/07	2005/06	2004/05	2003/04	2002/03	2001/02
Primary government							
Invested in capital assets, net of related debt	\$ 16,861,247	\$ 10,896,801	\$ 10,385,795	10,628,755	10,749,501	10,650,275	11,442,979
Restricted (2)	1,904,829	1,599,298	1,457,979	947,780	449,062	359,452	262,010
Unrestricted (2)	22,390,296	24,286,971	20,037,090	15,319,552	10,641,976	7,347,628	5,924,985
Total primary government net assets	\$ 41,156,372	\$ 36,783,070	\$ 31,880,864	\$ 26,896,087	\$ 21,840,539	\$ 18,357,355	\$ 17,629,974

Source: Annual reports on audited financial statements for the past seven fiscal years.

Note (1): Beginning in fiscal year 2001/02, the District implemented the reporting requirements of GASB statement No. 35. Since prior years financial information has not been restated, only the past seven fiscal years revenues are presented above.

Note (2): In FY 2006, Expendable Capital Projects Net Assets and Debt Service Net Assets were reclassified from Restricted Net Assets to Unrestricted Net Assets. Prior years' data have been restated for comparability.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
 CHANGES in NET ASSETS
 Last Seven Fiscal Years (1)
 Unaudited

	2007/2008	2006/2007	2005/06	2004/05	2003/04	2002/03	2001/02
Operating Revenues							
Tuition and fees	\$ 4,698,520	\$ 4,471,602	\$ 4,115,507	\$ 4,104,156	\$ 3,874,044	\$ 3,395,065	\$ 2,830,410
Bookstore sales	165,000	165,000	165,000	165,000	113,160	113,723	106,697
Food service sales	303,007	296,025	302,222	303,693	302,177	304,974	339,556
Dormitory rentals	188,407	206,825	199,604	210,085	193,778	229,280	250,054
Other sales and services	393,656	529,893	834,528	1,531,498	869,457	352,220	322,833
Grants and contracts	620,393	579,140	554,668	921,593	612,435	633,393	653,366
Total operating revenues	\$ 6,368,983	\$ 6,248,485	\$ 6,171,529	\$ 7,236,025	\$ 5,965,051	\$ 5,028,655	\$ 4,502,916
Operating Expenses							
Instruction	\$ 17,701,763	\$ 15,380,470	\$ 14,136,315	\$ 12,460,037	\$ 11,664,764	\$ 12,166,791	\$ 11,282,892
Public service	459,213	417,791	498,178	561,156	456,122	340,121	412,659
Academic support	1,450,899	1,608,960	1,136,549	1,051,477	903,969	861,049	829,502
Student services	4,045,079	3,713,085	3,431,102	2,887,048	2,726,816	2,849,238	2,463,364
Institutional support	6,407,377	6,032,729	5,824,808	5,005,656	4,317,051	4,555,534	4,270,073
Operation & maintenance of Plant	2,896,466	3,403,605	3,180,681	2,716,508	2,588,501	2,448,144	2,529,219
Scholarships	2,763,227	2,674,499	2,681,465	3,009,865	3,027,789	3,325,570	2,774,394
Depreciation	1,388,759	1,096,577	1,225,454	1,189,506	1,112,495	1,010,505	1,063,415
Auxiliary enterprises	1,285,996	1,954,700	2,074,570	2,604,560	1,601,063	1,336,144	1,693,613
Total operating expenses	\$ 38,398,779	\$ 36,282,416	\$ 34,189,122	\$ 31,485,813	\$ 28,398,570	\$ 28,893,096	\$ 27,319,131
Operating income (loss)	\$ (32,029,796)	\$ (30,033,931)	\$ (28,017,593)	\$ (24,249,788)	\$ (22,433,519)	\$ (23,864,441)	\$ (22,816,215)
Nonoperating Revenues/(Expenses)							
Property taxes	14,036,854	13,012,950	11,786,056	10,910,652	10,144,554	9,642,802	8,744,747
State appropriations	13,071,100	12,206,400	11,270,300	9,384,000	7,748,800	7,547,001	8,133,700
Government grants and contracts (3)	6,549,237	6,369,297	7,361,587	7,147,082	6,744,782	7,084,184	5,954,757
Share of state sales taxes	1,034,869	1,044,129	962,089	771,765	588,067	424,850	540,737
Investment earnings/(loss)	962,089	1,240,620	715,239	250,213	92,798	(204,595)	197,523
Miscellaneous	-	-	-	-	-	-	38,000
Interest on debt	(27,035)	(42,994)	(58,501)	(70,576)	(84,098)	(96,408)	(107,570)
Gain/(Loss) on sale/disposal of capital assets	(284,616)	33,435	-	-	-	-	-
Total nonoperating revenues/expenses	35,342,498	33,863,837	32,036,770	28,393,136	25,234,903	24,397,834	23,501,894
Income (loss) before other revenues, expenses, gains or losses	3,312,702	3,829,906	4,019,177	4,143,348	2,801,384	533,393	685,679
Capital appropriations	1,060,600	1,052,300	965,600	912,200	681,800	681,800	699,900
Capital grants and gifts	-	20,000	-	-	-	-	-
Change in Net Assets	\$ 4,373,302	\$ 4,902,206	\$ 4,984,777	\$ 5,055,548	\$ 3,483,184	\$ 1,215,193	\$ 1,385,579

Source: Annual reports on audited financial statements for the past seven fiscal years.

Note (1): Beginning in fiscal year 2001/02, the District implemented the reporting requirements of GASB Statement No. 35. Since prior years financial information has not been restated, only the past seven fiscal years are presented here.

Note (2): Total Net Assets for the year ended June 30, 2002 was adjusted due to the understating of capital assets and capital depreciation in the amount of \$487,812.

Note (3): Government grants and contracts have been reclassified for prior years to conform with current year presentation.

COSHISE COUNTY COMMUNITY COLLEGE DISTRICT
EXPENSES by FUNCTION
Last Seven Fiscal Years (1)
Unaudited

Function	2007/08	2006/07	2005/06	2004/05	2003/04	2002/03	2001/02
Instruction	\$ 17,701,763	\$ 15,380,470	\$ 14,136,315	\$ 12,460,037	\$ 11,664,764	\$ 12,166,791	\$ 11,282,892
Public service	459,213	417,791	498,178	561,156	456,122	340,121	412,659
Academic support	1,450,899	1,608,960	1,136,549	1,051,477	903,969	861,049	829,502
Student services	4,045,079	3,713,085	3,431,102	2,887,048	2,726,816	2,849,238	2,463,364
Institutional support	6,407,377	6,032,729	5,824,808	5,005,656	4,317,051	4,555,534	4,270,073
Operation & maintenance of plant	2,896,466	3,403,605	3,180,681	2,716,508	2,588,501	2,448,144	2,529,219
Scholarships	2,763,227	2,674,499	2,681,465	3,009,865	3,027,789	3,325,570	2,774,394
Depreciation	1,388,759	1,096,577	1,225,454	1,189,506	1,112,495	1,010,505	1,063,415
Interest on debt	27,035	42,994	58,501	70,576	84,098	96,408	107,570
Other nonoperating expenses	284,616	-	-	-	-	-	-
Auxiliary enterprises	1,285,996	1,954,700	2,074,570	2,604,560	1,601,063	1,336,144	1,693,613
Total Expenses	\$38,710,430	\$36,325,410	\$34,247,623	\$31,556,389	\$28,482,668	\$28,989,504	\$27,426,701

Source: Annual reports on audited financial statements for the past seven fiscal years.

Note (1): Beginning in fiscal year 2001/02, the District implemented the reporting requirements of GASB statement No. 35. Since prior years financial information has not been restated, only the past seven fiscal years expenses are presented above.

COSHISE COUNTY COMMUNITY COLLEGE DISTRICT
EXPENSES by USE
Last Seven Fiscal Years (1)
Unaudited

Function	2007/08	2006/07	2005/06	2004/05	2003/04	2002/03	2001/02
Salaries and benefits	\$ 25,693,154	\$ 23,925,848	\$ 22,388,383	\$ 19,714,317	\$ 18,523,979	\$ 18,217,369	\$ 18,089,293
Contract services	2,855,842	2,693,339	2,792,749	2,749,871	1,970,927	2,121,736	1,906,728
Supplies and materials	2,562,210	2,243,703	1,910,767	2,212,951	1,550,110	1,869,146	1,564,686
Subscriptions, dues, insurance, and rentals	1,024,344	875,562	875,245	711,074	444,806	635,841	545,764
Utilities and communication	1,077,962	1,064,695	913,088	889,455	885,605	863,847	887,341
Travel	519,002	462,069	468,778	419,345	395,312	362,474	280,232
Noncapitalized equipment	207,295	867,186	531,149	280,767	200,456	276,674	-
Scholarships	2,763,227	2,674,499	2,681,465	3,009,865	3,027,789	3,325,570	2,774,394
Depreciation	1,388,759	1,096,577	1,225,454	1,189,506	1,112,495	1,010,505	1,063,415
Other	306,984	378,938	402,044	308,662	287,091	209,934	207,278
Total operating expenses	38,398,779	36,282,416	34,189,122	31,485,813	28,398,570	28,893,096	27,319,131
Interest on debt	27,035	42,994	58,501	70,576	84,098	96,408	107,570
Other nonoperating expenses	284,616	-	-	-	-	-	-
Total nonoperating expenses	311,651	42,994	58,501	70,576	84,098	96,408	107,570
Total expenses	38,710,430	36,325,410	34,247,623	31,556,389	28,482,668	28,989,504	27,426,701

Source: Annual reports on audited financial statements for the past seven fiscal years.

Note (1): Beginning in fiscal year 2001/02, the District implemented the reporting requirements of GASB statement No. 35. Since prior years financial information has not been restated, only the past seven fiscal years expenses are presented above.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
REVENUES by SOURCE
Last Seven Fiscal Years (1)
Unaudited

Source of Revenue	2007/08	2006/07	2005/06	2004/05	2003/04	2002/03	2001/02
Property taxes	\$ 14,036,854	\$ 13,012,950	\$ 11,786,056	\$ 10,910,652	\$ 10,144,554	\$ 9,642,802	\$ 8,744,747
State appropriations	14,131,700	13,258,700	12,235,900	10,296,200	8,430,600	8,228,801	8,819,379
Grants and contracts	7,169,630	6,946,544	7,909,560	7,996,983	7,353,192	7,715,886	6,607,112
Tuition and fees	4,698,520	4,471,602	4,115,507	4,104,156	3,874,044	3,395,065	2,830,410
Investment income	962,089	1,240,620	715,239	250,213	92,798	(204,595)	197,523
Bookstore sales	165,000	165,000	165,000	165,000	113,160	113,723	106,697
Food services sales	303,007	296,025	302,222	303,693	302,177	304,974	339,556
Dormitory rentals	188,407	206,825	199,604	210,085	193,778	229,280	250,054
Other	1,428,525	1,629,350	1,803,312	2,374,955	1,461,549	778,761	902,581
Total Revenues	\$ 43,083,732	\$ 41,227,616	\$ 39,232,400	\$ 36,611,937	\$ 31,965,852	\$ 30,204,697	\$ 28,798,059

Source: Annual reports on audited financial statements for the past seven fiscal years.

Note (1): Beginning in fiscal year 2001/02, the District implemented the reporting requirements of GASB statement No. 35. Since prior years financial information has not been restated, only the past seven fiscal years revenues are presented above.

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

FISCAL YEAR	STATUTORY EXPENDITURE LIMITATION (1)	BUDGETED EXPENDITURES SUBJECT TO LIMITATION (2)	UNUSED LEGAL LIMIT
1998/99	19,000,727	16,075,334	2,925,393
1999/00	20,295,431	19,459,919	835,512
2000/01	19,189,074	19,094,305	94,769
2001/02	21,370,511	17,160,964	4,209,547
2002/03	22,544,097	16,833,821	5,710,276
2003/04	23,778,152	16,483,870	7,294,282
2004/05	30,719,685	19,043,923	11,675,762
2005/06	40,285,804	21,671,982	18,613,822
2006/07	45,302,970	24,274,057	21,028,913
2007/08	47,165,963	31,616,400	15,549,563

Source: Audited Reports on Audit of Annual Budgeted Expenditure Limitation.

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 CURRENT MARKET VALUE of ALL TAXABLE PROPERTY
 Last Ten Fiscal Years
 Unaudited

Fiscal Year/ Levy Type	Net Assessed Value	Full Cash Value	Percentage of Net Assessed to Full Cash Value
1998/99 primary	446,503,626	3,193,188,932	13.98%
1998/99 secondary	453,600,888	3,244,824,066	13.98%
1999/00 primary	457,578,184	3,335,394,089	13.72%
1999/00 secondary	466,985,024	3,398,094,759	13.74%
2000/01 primary	492,396,096	3,564,695,900	13.81%
2000/01 secondary	503,163,777	3,666,404,012	13.72%
2001/02 primary	504,130,498	3,709,879,002	13.59%
2001/02 secondary	517,193,490	3,824,151,522	13.52%
2002/03 primary	537,737,089	3,976,034,494	13.52%
2002/03 secondary	554,220,855	4,109,659,631	13.49%
2003/04 primary	570,409,342	4,316,623,673	13.21%
2003/04 secondary	586,985,389	4,457,391,244	13.17%
2004/05 primary	611,079,588	4,677,083,356	13.07%
2004/05 secondary	628,655,003	4,824,239,743	13.03%
2005/06 primary	664,734,679	5,135,195,057	12.94%
2005/06 secondary	682,367,252	5,301,085,759	12.87%
2006/07 primary	734,609,559	5,734,972,269	12.81%
2006/07 secondary	767,433,022	5,996,827,619	12.80%
2007/08 primary	812,722,290	6,477,280,505	12.55%
2007/08 secondary	872,912,337	6,991,051,279	12.49%

Source: Cochise County Assessor's Office.

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

Fiscal Year	Primary Assessed Valuation	Tax Rate	(1) Tax Levy	Secondary Assessed Valuation	Tax Rate	(2) Tax Levy
1998/99	446,503,626	1.7368	7,754,875	453,600,888	-	-
1999/00	457,578,184	1.7368	7,947,218	466,985,024	-	-
2000/01	492,396,096	1.7368	8,551,935	503,163,777	-	-
2001/02	504,130,498	1.7368	8,755,738	517,193,490	-	-
2002/03	537,737,089	1.7868	9,608,286	554,220,855	-	-
2003/04	570,409,342	1.7868	10,192,074	586,985,389	-	-
2004/05	611,079,588	1.7868	10,918,770	628,655,003	-	-
2005/06	664,734,679	1.7868	11,877,479	682,367,252	-	-
2006/07	734,609,559	1.7868	13,126,004	767,433,022	-	-
2007/08	812,722,290	1.7430	14,165,750	872,912,337	-	-

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

Note (1): Tax levy for primary property tax, net of adjustments to current or prior years' levy.

Note (2): Cochise College District does not currently have any secondary taxes levied.

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	(1) State of Arizona	Cochise County	Cities/Towns and Special Districts		School Districts	
					From	To	From	To
1998/99	Primary	1.7368	-	2.9873	0.0100	2.5399	0.0000	12.0203
	Secondary	-	-	0.4148	0.0947	3.0000	0.4458	2.9552
1999/00	Primary	1.7368	-	2.9873	0.0096	7.0288	0.0000	12.0203
	Secondary	-	-	0.4148	0.1000	2.7968	0.4305	2.9934
2000/01	Primary	1.7368	-	2.9373	0.0086	2.4774	0.0000	11.3559
	Secondary	-	-	0.4148	0.0100	2.9976	0.0000	2.9562
2001/02	Primary	1.7368	-	2.9373	0.0083	2.4774	1.1679	11.4960
	Secondary	-	-	0.4148	0.1000	3.0000	0.3416	2.5575
2002/03	Primary	1.7868	-	2.9373	0.0076	2.4556	1.2605	11.9069
	Secondary	-	-	0.4148	0.1000	2.9986	0.3111	2.3008
2003/04	Primary	1.7868	-	2.9373	0.1500	2.3675	1.5519	16.5502
	Secondary	-	-	0.4148	0.1000	3.0000	0.0000	2.5127
2004/05	Primary	1.7868	-	2.9373	0.1500	2.3817	0.0666	9.9236
	Secondary	-	-	0.4148	0.1000	2.9999	0.0000	2.5555
2005/06	Primary	1.7868	-	2.9373	0.1435	2.3609	1.0167	10.5605
	Secondary	-	-	0.4148	0.0896	2.9686	0.0000	2.5485
2006/07	Primary	1.7868	-	2.9160	0.1435	2.3798	0.3732	10.6949
	Secondary	-	-	0.4148	0.0919	3.1540	0.0000	2.3675
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

Source: Cochise County Assessors/Treasurer's Office.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
 PRINCIPAL TAXPAYERS
 Current Year and Seven Years Ago
 Unaudited

Taxpayer	2008			2001		
	2008 Primary Assessed Valuation	Rank	Percent of Cochise County's 2008 Primary Assessed Valuation	2001 Primary Assessed Valuation	Rank	Percent of Cochise County's 2001 Primary Assessed Valuation
Arizona Electric Power Coop Inc	\$ 28,967,871	1	3.56%	\$ 42,146,026	1	8.15%
Sulphur Springs Valley Electric Co-Op Inc	23,752,558	2	2.92%	14,930,341	2	2.89%
El Paso Natural Gas Company	17,368,093	3	2.14%	8,575,391	4	1.66%
Qwest Corporation/US West	10,027,527	4	1.23%	10,368,078	3	2.00%
Southwest Gas Corporation	9,227,111	5	1.14%	7,659,736	5	1.48%
Arizona Public Service Company	8,190,703	6	1.01%	6,297,186	6	1.22%
Valley Telephone Co-Op	6,531,782	7	0.80%	-	-	-
Wal-Mart Stores Inc	6,286,564	8	0.77%	-	-	-
Southwest Transmission	5,779,329	9	0.71%	-	-	-
S F P L.P.	3,589,219	10	0.44%	4,104,459	9	0.79%
Union Pacific Railroad	-	-	-	5,568,600	7	1.08%
Price Development Co.	-	-	-	4,187,539	8	0.81%
Tucson Electric Power Co.	-	-	-	3,164,423	10	0.61%

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

Note: Nine year prior information is not available. 2001 is the oldest year this information is available.

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

Fiscal Year	(1) Total Tax Levy	(2) Current Tax Collection	Percent of Current Tax Collections to Total Tax Levy	(2) Delinquent Tax Collections	(2) Total Tax Collections	Percent of Total Tax Collections to Total Tax Levy
1998/99	7,754,875	7,348,697	94.76%	402,298	7,750,995	99.95%
1999/00	7,947,218	7,553,817	95.05%	376,202	7,930,019	99.78%
2000/01	8,551,935	8,048,015	94.11%	492,796	8,540,811	99.87%
2001/02	8,755,738	8,312,788	94.94%	431,329	8,744,117	99.87%
2002/03	9,608,286	9,179,967	95.54%	412,394	9,592,361	99.83%
2003/04	10,192,074	9,657,550	94.76%	507,115	10,164,665	99.73%
2004/05	10,918,770	10,477,681	95.96%	422,250	10,899,931	99.83%
2005/06	11,877,479	11,464,243	96.52%	391,514	11,855,757	99.82%
2006/07	13,126,004	12,641,430	96.31%	439,757	13,081,187	99.66%
2007/08	14,165,750	13,625,618	96.19%	-	13,625,618	96.19%

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

Note 1: All amounts shown are for the General Fund only through fiscal year 2000-01. Thereafter, amounts are presented district-wide, in accordance with GASB Statement Number 35. In addition, amounts presented are the original levies, prior to any adjustments.

Note 2: Amounts collected are recorded on a cash basis.

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

Fiscal Year	Historic Headcount	Historic FTSE (1)	Annual Tuition and Fees		
			Rates (2)	Increase	
				Dollars	Percent
1998/99	9,950	3,572	\$ 810	\$ -	- %
1999/00	10,033	3,540	810	-	-
2000/01	9,865	3,528	960	150	18.52
2001/02	9,206	3,597	970	10	1.04
2002/03	10,367	4,344	1,050	80	8.25
2003/04	12,876	6,035	1,200	150	14.29
2004/05	13,608	6,577	1,350	150	12.50
2005/06	13,365	6,629	1,410	60	4.44
2006/07	13,632	6,844	1,470	60	4.26
2007/08	14,938	7,369	1,530	60	4.08

Source: State Board of Directors for Community Colleges of Arizona 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 plus the Registration and Technology fees for 2 semesters.

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

	For the Fiscal Year Ended June 30				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Other Debt					
Certificates of participation	\$ 290,000	\$ 560,000	\$ 815,000	\$ 1,055,000	\$ 1,280,000
Total outstanding debt	<u>\$ 290,000</u>	<u>\$ 560,000</u>	<u>\$ 815,000</u>	<u>\$ 1,055,000</u>	<u>\$ 1,280,000</u>
Per capita	\$ 2.15	\$ 4.15	\$ 6.38	\$ 8.36	\$ 10.34
Per student	\$ 19.41	\$ 41.08	\$ 60.98	\$ 77.53	\$ 99.41
Per FTSE	\$ 39.35	\$ 81.82	\$ 122.94	\$ 160.41	\$ 212.10

	For the Fiscal Year Ended June 30				
	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Other Debt					
Certificates of participation	\$ 1,495,000	\$ 1,700,000	\$ 1,890,000	\$ 2,075,000	\$ 2,250,000
Total outstanding debt	<u>\$ 1,495,000</u>	<u>\$ 1,700,000</u>	<u>\$ 1,890,000</u>	<u>\$ 2,075,000</u>	<u>\$ 2,250,000</u>
Per capita	\$ 12.29	\$ 14.16	\$ 15.91	\$ 17.58	\$ 19.31
Per student	\$ 144.21	\$ 184.66	\$ 191.59	\$ 206.82	\$ 226.13
Per FTSE	\$ 344.15	\$ 472.62	\$ 535.71	\$ 586.16	\$ 629.90

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

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
 CERTIFICATES OF PARTICIPATION COVERAGE
 Last Ten Fiscal Years
 Unaudited

Fiscal Year	Pledged Revenues (1)	Debt Service Requirements (2)			Percentage of Debt Service Requirements To Pledged Revenues
		Principal	Interest	Total	
1998/99	6,817,871	165,000	136,455	301,455	4.42%
1999/00	6,111,374	175,000	122,973	297,973	4.88%
2000/01	6,552,437	185,000	112,890	297,890	4.55%
2001/02	4,047,073	190,000	107,570	297,570	7.35%
2002/03	4,190,667	205,000	96,408	301,408	7.19%
2003/04	5,445,414	215,000	84,098	299,098	5.49%
2004/05	6,564,645	225,000	70,578	295,578	4.50%
2005/06	6,332,100	240,000	58,501	298,501	4.71%
2006/07	6,909,965	255,000	42,994	297,994	4.31%
2007/08	6,710,679	270,000	27,035	297,035	4.43%

Source: Annual 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. Beginning in fiscal year 2001-02, tuition and fees, food service sales, and dormitory rentals are reported net of scholarships and allowances per GASB Statement Number 35.

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

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
 COMPUTATION of LEGAL DEBT MARGIN
 June 30, 2008
 Unaudited

Secondary assessed value of real and personal property (1)	<u>\$ 872,912,337</u>
Debt limit = 15% of secondary assessed value	130,936,851
Amount of debt applicable to debt limit:	
General obligation bonded debt	_____ -
Legal debt margin, June 30, 2008	<u>\$ 130,936,851</u>

Source: Cochise County Assessor's Office and District records.

Note (1): Tax year 2008.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
 RATIO of ANNUAL DEBT SERVICE EXPENDITURES for CERTIFICATES OF PARTICIPATION to OPERATING
 EXPENSES/EXPENDITURES
 Last Ten Fiscal Years
 Unaudited

Fiscal Year	Principal	Interest	Total Debt Service	Total Operating Expenses/ Expenditures (1)	Percentage of Debt Service to Operating Expenses/ Expenditures
1998/99	165,000	136,455	301,455	26,320,650	1.15%
1999/00	175,000	122,973	297,973	27,867,255	1.07%
2000/01	185,000	112,890	297,890	27,939,256	1.07%
2001/02	190,000	107,570	297,570	27,426,701	1.08%
2002/03	205,000	96,408	301,408	28,989,504	1.04%
2003/04	215,000	84,098	299,098	28,482,668	1.05%
2004/05	225,000	70,578	295,578	31,556,389	0.94%
2005/06	240,000	58,501	298,501	34,189,122	0.87%
2006/07	255,000	42,994	297,994	36,282,416	0.82%
2007/08	270,000	27,035	297,035	38,398,779	0.77%

Source: Annual Audited Financial Statements and District records .

Note (1): Amounts shown for operating expenditures represent current funds operating expenditures prior to fiscal year 2001-02. Beginning with fiscal year 2001-02, operating expenses are presented using GASB Statement Number 35.

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

Year	County Population	County Personal Income (In Thousands)	County Income Per Capita	County Unemployment Rate June
2008	N/A	N/A	N/A	5.0%
2007	127,866	N/A	N/A	3.9%
2006	126,763	\$3,570,455	\$28,166	4.6%
2005	125,521	\$3,383,842	\$26,958	4.7%
2004	123,405	\$3,097,128	\$25,097	4.8%
2003	121,267	\$2,794,617	\$23,045	6.0%
2002	119,823	\$2,658,448	\$22,186	5.9%
2001	118,658	\$2,509,222	\$21,147	4.6%
2000	118,036	\$2,329,284	\$19,734	4.6%
1999	116,530	\$2,154,473	\$18,489	5.7%

Sources: U.S. Bureau of Economic Analysis, Arizona Department of Economic Security, Cochise College Center for Economic Research

Notes: N/A= Data not available. Census Bureau midyear population estimates. Per capita personal income was computed using Census Bureau midyear population estimates as of March 2007. Unemployment rate estimates are seasonally adjusted and prepared by the Arizona Department of Economic Security.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
 TOP 15 EMPLOYERS for COCHISE COUNTY
 Current Year and Nine Years Ago
 Unaudited

Major Employers	2007-2008		1998-1999	
	Employees	Rank	Employees	Rank
Fort Huachuca	8,456	1	10,632	1
Cochise County	1,021	2	870	2
Sierra Vista Unified School District No. 68	947	3	720	4
Walmart Stores	906	4	555	8
Northrop Grumman Corporation	776	5	-	
Arizona Department of Corrections	761	6	702	5
Sierra Vista Regional Health Center	680	7	480	11
Cochise College	570	8	615	7
Douglas Unified School District No. 27	546	9	650	6
City of Sierra Vista	428	10	473	12
Aegis Communications Group, Inc.	510	10	536	10
Southeastern AZ Behavioral Health Services, Inc. (SEABHS)	332	12	125	34
Arizona's G & T Cooperatives	316	13	-	
Newtec, LLC	311	14	-	
Safeway, Inc.	298	15	545	9
State of Arizona	-		770	3
KE&G Construction	-		348	13
U. S. Border Patrol	-		340	14
Arizona Electric Power Cooperative	-		300	15

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

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

	For the Fiscal Year Ended June 30				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Faculty					
Part-time	359	381	397	418	409
Full-time	132	121	112	106	100
Administrative & support staff	618	621	642	581	583
Total employees	1,109	1,123	1,151	1,105	1,092
Students per faculty member	30	27	26	26	25
Students per staff member	24	22	21	23	22

	For the Fiscal Year Ended June 30				
	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Faculty					
Part-time	385	391	405	426	405
Full-time	105	108	117	118	118
Administrative & support staff	598	634	611	619	660
Total employees	1088	1133	1133	1163	1183
Students per faculty member	21	18	19	18	19
Students per staff member	17	15	16	16	15

Source: District Records.

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

Fall Semester Fiscal Year	Attendance		Gender		Residency			
	Full-Time	Part-Time	Male	Female	Resident	Resident Unorganized County	Out of State	Foreign
1998/99	32.3%	67.7%	42.5%	57.5%	92.3%	0.4%	6.0%	1.3%
1999/00	28.1%	71.9%	42.6%	57.4%	93.5%	0.6%	5.0%	1.0%
2000/01	27.6%	72.4%	42.2%	57.8%	94.5%	0.3%	4.5%	0.6%
2001/02	28.6%	71.4%	41.6%	58.4%	92.7%	0.2%	6.5%	0.6%
2002/03	28.3%	71.7%	40.8%	59.2%	92.8%	0.5%	6.2%	0.6%
2003/04	28.8%	71.2%	39.0%	61.0%	92.6%	0.6%	6.0%	0.8%
2004/05	28.1%	71.9%	40.3%	59.7%	89.2%	4.7%	5.2%	0.9%
2005/06	28.2%	71.8%	39.5%	60.5%	87.3%	6.0%	5.0%	1.7%
2006/07	34.6%	65.4%	39.0%	61.0%	88.0%	5.9%	3.9%	2.2%
2007/08	35.8%	64.2%	41.5%	58.5%	84.8%	8.2%	4.3%	2.8%

Fall Semester Fiscal Year	Age		Ethnic Background					
	Median	Mean	American Indian	Asian American	Hispanic	African American	White	Other/Unknown
1998/99	27	30	1.0%	3.6%	26.5%	7.4%	56.6%	5.0%
1999/00	26	30	1.2%	3.7%	27.8%	6.6%	56.1%	4.6%
2000/01	26	30	1.0%	4.0%	27.9%	6.4%	56.4%	4.4%
2001/02	25	30	0.8%	3.8%	27.9%	6.5%	55.8%	5.2%
2002/03	25	30	1.1%	4.2%	27.0%	6.5%	55.2%	6.0%
2003/04	25	30	1.0%	3.9%	26.3%	6.8%	55.5%	6.3%
2004/05	25	29	0.9%	3.3%	29.5%	6.6%	54.4%	5.3%
2005/06	24	29	1.0%	3.4%	33.8%	6.0%	51.0%	4.8%
2006/07	23	29	1.0%	2.9%	35.8%	5.0%	51.2%	4.2%
2007/08	23	28	0.9%	2.5%	37.1%	5.2%	49.4%	5.0%

Source: District records.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
 SCHEDULE OF CAPITAL ASSET INFORMATION (1)
 Last Three Fiscal Years
 Unaudited

<u>Location</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Douglas Campus			
Total Building Square Footage	225,374	225,374	225,374
Total Campus Acreage	568.7	568.7	568.7
Sierra Vista Campus			
Total Building Square Footage	122,139	122,139	122,139
Total Campus Acreage	71.1	71.1	71.1
Benson Campus			
Total Building Square Footage	12,733	12,733	12,733
Total Campus Acreage	13.3	13.3	13.3
Wilcox Campus (2)			
Total Building Square Footage	7,200	7,200	7,200
<hr/>			
<u>Total District</u>			
Total Building Square Footage	367,446	367,446	367,446
Total Campus Acreage	653.1	653.1	653.1

Source: District Records.

Note (1): Information is displayed since the implementation of GASB 44 in FY 2005-06.
 Additional information for future years will be displayed as it becomes available.

Note (2): The Willcox Center is located on land leased from Willcox Unified School District.