

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT / PRESCOTT, ARIZONA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year
ended June 30, 2015

PRESCOTT • VERDE VALLEY • PRESCOTT VALLEY • CHINO VALLEY • SEDONA

Yavapai
COLLEGE

**Yavapai County Community College District
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2015**

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YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT / PRESCOTT, ARIZONA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Published and distributed by

The Office of Business Services

Yavapai College
1100 East Sheldon Street
Prescott, Arizona 86301
www.yc.edu

For the fiscal year
ended June 30, 2015

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT / PRESCOTT, ARIZONA

INTRODUCTORY SECTION

December 9, 2015

The District Governing Board of Yavapai County Community College District:

The Comprehensive Annual Financial Report (CAFR) of the Yavapai County Community College District (the "District"), Prescott, Arizona for the fiscal year ended June 30, 2015, is submitted herewith.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and 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 activities have been included. Please read the management's discussion and analysis in conjunction with the Vice President of Finance and Administrative Services and Director of Business Services/Controller's transmittal letter.

This report is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting as established by the Government Accounting Standards Board (GASB) using the guidelines as recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

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 Yavapai County, financial accountability over all activities related to public community college education in Yavapai County is exercised solely by the District. In accordance with GASB Statement No. 39, the financial reporting entity consists of a primary reporting entity and its component unit. 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 accompanying financial statements present the activities of the District and its component unit, the Yavapai College Foundation (Foundation). The Foundation is a legally separate, tax-exempt organization. Although the District does not control the timing or amount of receipts from the Foundation, the Foundation's restricted resources can only be used by, or for the benefit of, the District. Consequently, the Foundation is considered a component unit of the District and is discretely presented in the District's financial statements.

HISTORY

The District was established in 1966 under the Arizona Community College Law of 1966. During the first year of instruction, 1969-70, classes were held at various sites in Prescott. The first buildings were dedicated in February, 1970 on 100 acres in Prescott that were once part of historic Fort Whipple. To better serve the growing communities on the east side of Yavapai County, the Verde Valley Campus was established in 1975 on 120 acres in Clarkdale. Yavapai College education centers are located in Chino Valley, Prescott Valley, Sedona, and Cordes Junction, and include the Career & Technical Education Center, located near the Prescott Airport.

The District is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools and has been throughout its history. In March 2013, the District went through a full reaccreditation by the Higher Learning Commission and its status was reaffirmed with no recommendations reported. The next reaccreditation will be in 2023.

SERVICE AREA

Yavapai County, named for the Yavapai Native Americans ("Yavapai" means "The People of the Sun") is a land of extremes with a blend of the Old West and the contemporary. Yavapai County, one of the state's oldest counties, was among the original four counties created when Arizona was still a territory. The provisional seat of the Arizona territorial government was established at Fort Whipple on January 22, 1864. Yavapai County offers many local attractions ranging from natural to cultural to educational. Scenic pine forests provide year-round recreational opportunities. Museums, monuments, and rodeos reflect Arizona's tribal and territorial past.

The District serves a diverse student population in a rural area covering approximately 8,123 square miles (which is larger than the state of Massachusetts) with the 2014 estimated population (provided by the US Census Bureau) of 218,844 and a population density of 27 people per square mile.

ECONOMIC OUTLOOK

Yavapai County is located in the west central portion of the state. Its boundaries include the incorporated cities and towns of Camp Verde, Chino Valley, Clarkdale, Cottonwood, Dewey-Humboldt, Jerome, Prescott, Prescott Valley, and Sedona. The larger

unincorporated areas of the county include the communities of Ashfork, Bagdad, Black Canyon City, Congress, Crown King, Mayer, Paulden, Seligman, and Yarnell. Small business, light industry, service trades, ranching, mining, and tourism all contribute to the economy of Yavapai County. A growing retiree population will continue to produce population growth in Yavapai County over the next decade.

The state's revenue collections for fiscal year 2014-15 are approximately \$350 million greater than expected. It's believed that at least \$250 million is recurring and can be used to off-set the potential increased K-12 funding should the state lose the K-12 inflation litigation ruling. The consensus among Arizona economists continues to be for slow growth in regards to construction spending, population, and personal income which are all needed for the Arizona economy to grow. While Arizona may be better off than other states, economic growth remains well below previous recovery levels.

Yavapai County's economic condition is similar to the state. The county is experiencing continued growth, albeit slow, in construction spending, employment and population. Property taxes provide the majority of funding for the District. We expect the growth in total assessed values to increase modestly into next fiscal year and the primary property tax levy to increase moderately due to new construction. Continued improvement in the housing market is expected but at a slower rate than in the past.

The District's operating funding from the state has remained stable for the past few years and is currently less than 3% of the total operating budget. For fiscal year 2014-15 the District received an additional \$802,900 for STEM and Workforce Programs, and received a similar amount for fiscal year 2015-16.

MAJOR PROGRAM INITIATIVES

Yavapai College has made strides during the past year in the areas of capital improvements, enrollment, and student achievement.

Capital Improvement Projects/Planned Maintenance

The District completed the replacement of the Tennis Courts and Low Water Crossing on the Prescott campus. The existing tennis courts were nearly 40 years old and well beyond their useful life. The new courts were completed in the fall of 2014 and will provide students and community members many years of quality playtime. The Tennis Courts and Low Water Crossing projects were funded from a combination of private contributions and the District's Future Capital Projects Accumulation account.



The District is in the initial stages of implementing its long-range Capital Improvement Plan. A master site plan for each of the campuses/centers was developed which included facility, infrastructure and land development improvements to accommodate projected growth over the next ten to fifteen years. The District's Capital Improvement Plan is a living document which will evolve over time to continually align academic, strategic, and physical visions.

Three major projects that were substantially completed by the beginning of the fall 2015 semester included the renovations of Buildings 1 and 3 on the Prescott campus and the Career and Technical Education Center (CTEC) building. The renovations of Buildings 1 and 3 included the addition of the university transfer center, 100 seat classroom, complete fire sprinkler system, student life/activities areas and the expansion of the student learning center. At CTEC over 30,000 square



feet of space, mostly unimproved warehouse, was renovated for the purpose of carrying out Career and Technical Education programs. The projects were primarily funded with the District's Future Capital Projects Accumulation monies.

During the fiscal year the District completed a land-swap with the owner of the Sedona Cultural Park which was necessary to provide permanent parking adjacent to the Sedona Center for Arts & Technology facility. In addition to building a parking lot the District expended monies to construct an access road from Highway 89A to the Sedona Center for Arts & Technology. The projects were funded with the District's Future Capital Projects Accumulation monies.

Enrollment

Total enrollment for the fiscal year exceeded 15,000 students including both credit and non-credit classes. Individual programs with FTSE growth of 14% or greater include Agriculture Equine, Agricultural Science, American Sign Language, Computer Numerical Control, Electronics Technology, Health Information Management, Nutrition, and Viticulture and Enology.

Student Achievement

Student accomplishments continue to be our most important gauge of success. Four students were named to the 2015 All-Arizona Academic Team. All-Arizona Academic Team members receive tuition waivers to an Arizona University of their choice, courtesy of the Arizona Board of Regents. A total of 1,474 students earned degrees or certificates. Throughout the course of the academic year, 55 students received the Law Enforcement

and Corrections certificate, 112 students received an Emergency Medical Technician certificate, 141 students received the Nursing Assistant certificate, and 89 students completed all requirements of the Nursing Program. In addition, approximately 14 students completed studies and passed the exam to earn a high school equivalency diploma.

STRATEGIC PLANNING

The District is currently in the process of finalizing the 2015 – 2020 Strategic Plan. The District engages in strategic planning to assure that it's forward looking in meeting students and community needs. The strategic plan is a continuous process that guides the future direction of the institution and operationalizes the District Governing Board Ends, College Mission, Vision, and Values.

Strategic planning at the District is an inclusive and collaborative process that involves internal and external stakeholders and is grounded on evidence-based data and information. The District's strategic plan is the guiding document that drives and informs the academic master plan, campus master plan, and budgeting process.

FUTURE PROGRAM INITIATIVES

Beginning in the fall of 2015 the District began offering several new certificates including Advanced Bookkeeping, Bookkeeping, Basic Tax, Computed Tomography, Culinary Arts Fundamentals, Enology, Hotel and Restaurant Management, Integrated Systems Engineering Technician, Magnetic Resonance, Media Production and Media Writing and Producing. These new certificate programs will prepare students for various careers in these industries through a combination of lecture, group discussion and hands on skill building experiences. Academic program reviews will be performed in all instructional degree and certificate programs.

FINANCIAL INFORMATION

Effective management of these funds through internal controls, budgetary controls, cash management, and financial reporting fulfills the District's responsibilities for stewardship, safeguarding of assets, and accountability to resource providers.

Internal Controls

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, 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 detailed budgets and budget transfer restrictions by fund, department and account. On a monthly basis the District presents various financial reports to the District Governing Board including a report of revenues, expenditures and budgets by fund, a narrative discussing budget deviations by fund and a report comparing the current reserve levels to the District's required reserves. The objective of these budgetary controls is to ensure compliance with the annual budget and to fulfill the requirements of the District Governing Board's monitoring reports.

The District complies with state statutes requiring that a report of the District's adopted budget be published annually with the prescribed format as required by the State of Arizona, Office of the Auditor General. The District also demonstrates compliance by issuance of an annual budgeted expenditure limitation report that is examined by the Office of the Auditor General. The expenditure limitation calculation determines the maximum allowable expenditure 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 facilitated through the Vice President of Finance and Administrative Services.

The District invests idle funds in a prudent, conservative, and secure manner for the highest yield as prescribed by Arizona Revised Statutes. The principal investment vehicle used during the fiscal year has been the County Treasurer's investment pool and a collateralized savings account with Wells Fargo. Both have provided the District with safe liquid investments.

Financial Reporting

The Comprehensive Annual Financial Report (CAFR) for the District was formulated with data from several sources including District records and the Yavapai County Treasurer and Assessor Offices. These statements present information on the financial condition of the District and determine whether resources were adequate to cover the costs of providing services during the reporting period. The District's CAFR is distributed to the District Governing Board and executive management, 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 Comprehensive Annual Financial Report and should be read for a full understanding of the financial information presented within.

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 the policy limits in excess of \$50,000,000. 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, cyber liability, boiler and machinery insurance, workers’ compensation, and student accident coverage.

District Finance, Facilities and Human Resources are dedicated to the risk management function and are actively working to minimize the cost of funding risks through the implementation of safety and loss procedures.

INDEPENDENT AUDIT

The Office of the Auditor General for the State of Arizona conducts the annual financial audit for the District. Testing procedures determine whether the financial statements are free of material misstatement and ensure compliance with Arizona Revised Statutes that require an annual audit of the District’s financial statements. The Auditor General’s Independent Auditors’ Report is included in this document. For the fiscal year ending June 30, 2015, the District received an unmodified opinion.

GFOA CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Yavapai County Community College District for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the fifteenth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

The preparation of this report could not be accomplished without the efficient and dedicated efforts of the Business Office staff. We would like to express our appreciation to all those who assisted in, and contributed to, the preparation of this report.

Respectfully submitted,



Clint Ewell
Vice President of Finance and Administrative
Services



Frank D'Angelo
Director of Business Services/Controller



Government Finance Officers Association

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

Presented to

**Yavapai County
Community College District
Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT

PRINCIPAL OFFICERS

June 30, 2015

DISTRICT GOVERNING BOARD

Dr. Patricia McCarver, *Chair, District 4*

Mr. Steve Irwin, *Secretary, District 5*

Mr. Albert Filardo, *District 3*

Ms. Deb McCasland, *District 2*

Mr. Ray Sigafos, *District 1*

PRESIDENT

Dr. Penelope Wills

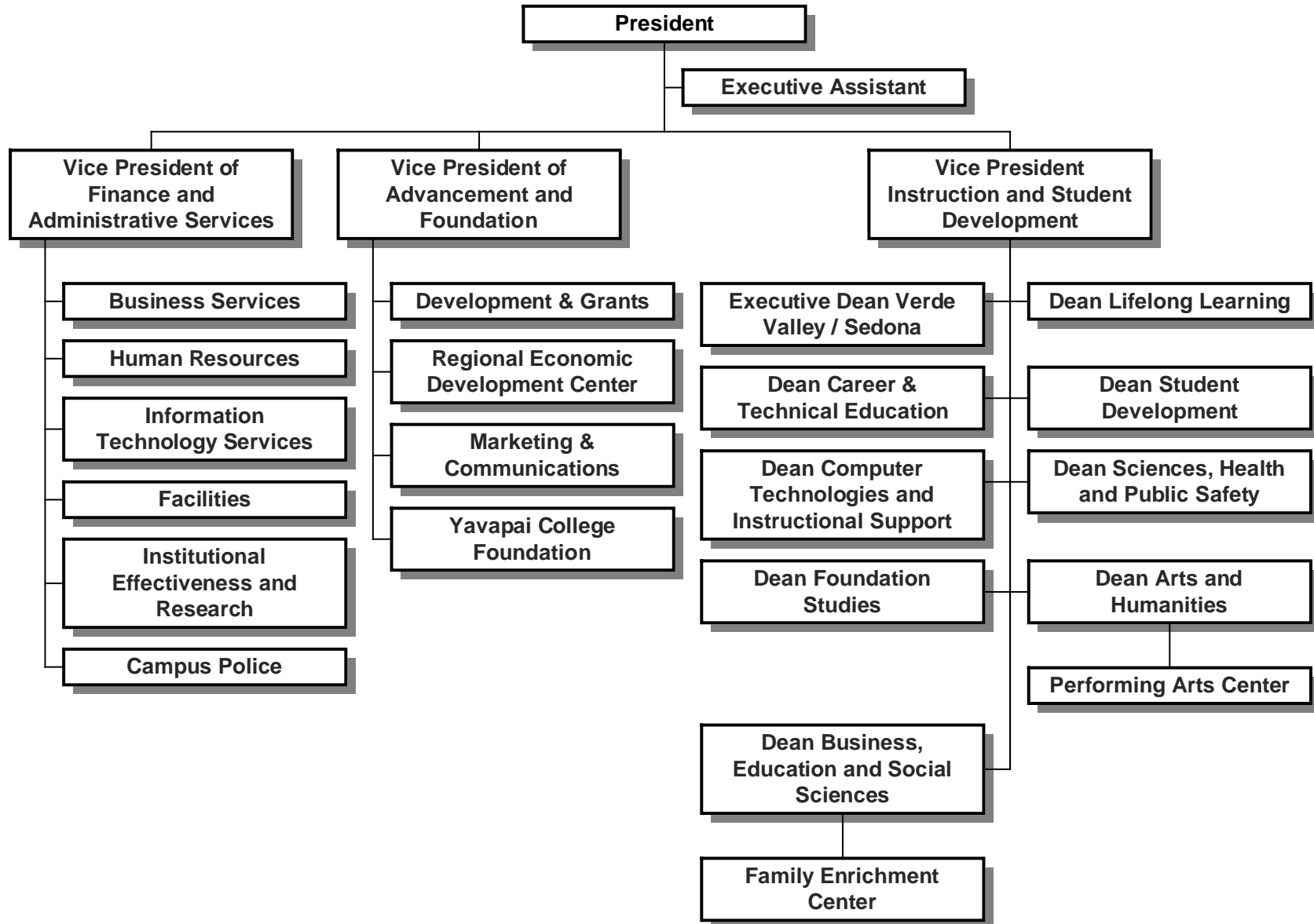
ADMINISTRATION

Scott Farnsworth, *Interim Vice President of Instruction and Student Support Services*
(Effective July 20, 2015)

Dr. Clint Ewell, *Vice President of Finance and Administrative Services*

Yavapai County Community College District

Organizational Chart as of June 30, 2015



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FINANCIAL SECTION



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent Auditors' Report

Members of the Arizona State Legislature

The Governing Board of
Yavapai County Community College District

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of the Yavapai County Community College District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the 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 from 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of Yavapai County Community College District as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in Note 1 to the financial statements, for the year ended June 30, 2015, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 16 through 24, Proportionate Share of Net Pension Liability on page 53, and Schedule of Pension Contributions on page 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will issue our report on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters at a future date. The purpose of that report is 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* in considering the District's internal control over financial reporting and compliance.

Debbie Davenport
Auditor General

December 9, 2015

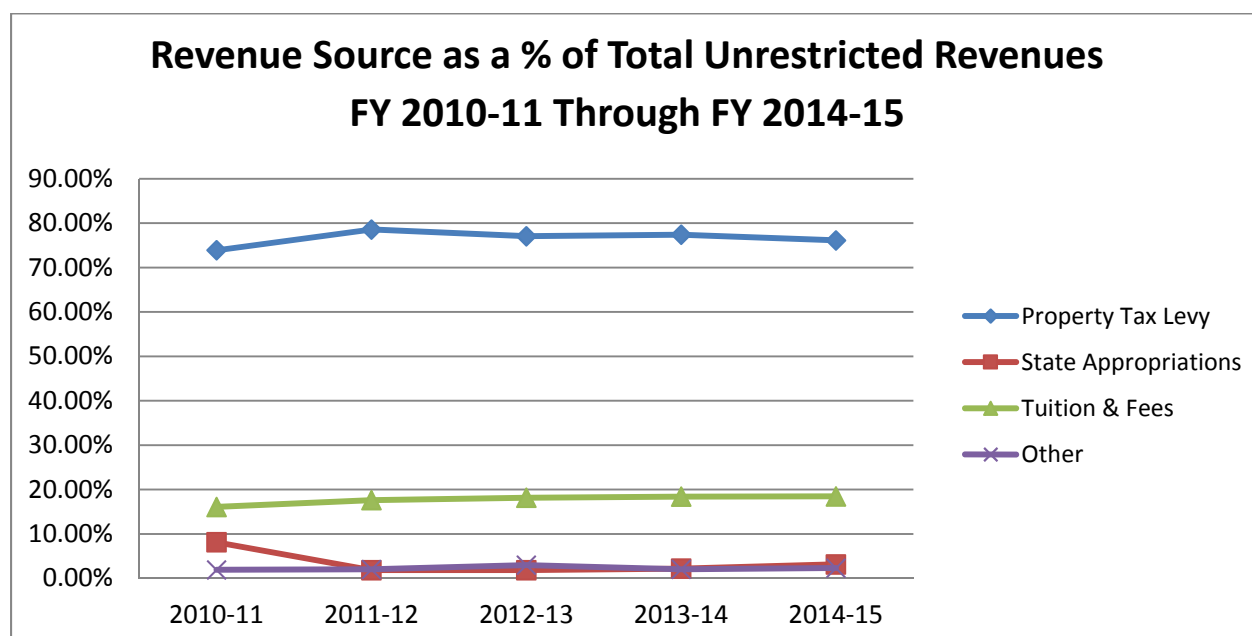
MANAGEMENT'S DISCUSSION and ANALYSIS

This section of the Yavapai County Community College District (the "District"), Comprehensive Annual Financial Report (CAFR) presents management's discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2015. This management's discussion and analysis is designed to focus on current activities, resulting change and current known facts. Please read it in conjunction with the Vice President of Finance and Administrative Services and Director of Business Services/Controller's letter of transmittal beginning on page 1 and the basic financial statements beginning on page 25.

The accompanying financial statements present the activities of the District and its component unit, the Yavapai College Foundation (Foundation). The Foundation is a legally separate, tax-exempt organization. Although the District does not control the timing or amount of receipts from the Foundation, the Foundation's restricted resources can only be used by, or for the benefit of, the District. Consequently, the Foundation is considered a component unit of the District and is discretely presented in the District's financial statements.

Financial Highlights

Consistent with its mission to provide effective learning environments, instruction is the primary function of the District. Major funding sources supporting all functions include property taxes and tuition and fees. The District exercises primary and secondary tax levy authority for generation of funds for operating, capital equipment and improvements, and debt retirement purposes. Total Unrestricted Revenues and the mix of funding sources have been fairly consistent over the last few years, subsequent to the state's significant appropriation reduction beginning in fiscal year 2011-12.



The assets of the District exceeded its liabilities at the close of the fiscal year by \$88,925,710. The most significant impact to net position for the District was the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The new GASB statements relate to accounting and financial reporting issues and how pension costs and obligations are measured and reported. The new guidance establishes a shift from a funding-based approach to an accounting-based approach. This shift was designed to improve pension information and increase the transparency, consistency, and comparability of pension information across public entities. For the District, this resulted in the reduction of net position of \$31,285,107 effective July 1, 2014. Under the new guidance the District reported a liability on its financial statement that is equivalent to its proportionate share of the net pension liability of all the employers who participate in the cost-sharing plan administered by the Arizona State Retirement System (ASRS). For additional information, please refer to the Change in Accounting Principle (Note 2) and Pension and Other Postemployment Benefits (Note 8), which directly follows the presentation of the basic financial statements.

The District's total net position decreased from the prior year by \$19,484,246. Net investment in capital assets increased by \$11,336,484 (13.1%). Restricted net position increased by \$36,766 (2.0%) and unrestricted net position decreased by \$30,857,496 (153.4%).

The condensed financial information that follows highlights the main categories of the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position.

Basic Financial Statements

The basic financial statements consist of the following:

The Statement of Net Position reflects the financial position of the District at June 30, 2015. It shows the various assets owned or controlled, deferred outflows of resources, related liabilities and other obligations, deferred inflows of resources, and the various categories of net position. Deferred outflows of resources represent consumption of net position that applies to a future reporting period(s) and so will not be recognized as outflows of resources (expense) until then. Deferred inflows of resources represent the acquisition of net position that applies to a future reporting period(s) and so will not be recognized as inflows of resources (revenue) until that time.

Net position is an accounting concept defined as the difference between 'assets and deferred outflows of resources' and 'liabilities and deferred inflows of resources'. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position reflects the results of operations for the fiscal year ended June 30, 2015. It shows the various revenues and expenses, both operating and nonoperating, reconciling the beginning net position amount to the ending net position amount. This is shown on the Statement of

Net Position described above.

The Statement of Cash Flows reflects the cash inflows and outflows of cash and cash equivalents for the year ended June 30, 2015. It shows the various cash activities by type, reconciling the beginning cash and cash equivalents amount to the ending cash and cash equivalent amount – which is shown on the Statement of Net Position described above. In addition, this statement reconciles cash flows from operating activities to operating loss on the Statement of Revenues, Expenses, and Changes in Net Position described above.

Condensed Financial Information

The condensed financial information below highlights the main categories of the Statement of Net Position. Assets are distinguished between capital and current or noncurrent assets and liabilities are distinguished between long-term liabilities and other liabilities. Net position is divided into three categories reflecting the institutional equity in assets by broad characteristics. In addition to the District's capital assets, the District holds resources that have been restricted by external parties for specific programs or purposes. The remaining portion of net position is unrestricted and dedicated to the primary mission of the District.

Condensed Statement of Net Position

	<u>6/30/2015 *</u>	<u>6/30/2014</u>
Assets:		
Current assets	\$ 28,084,395	\$ 31,418,367
Noncurrent assets, other than capital assets	275,148	262,573
Capital assets, net of depreciation	<u>144,928,363</u>	<u>134,918,140</u>
Total assets	<u>173,287,906</u>	<u>166,599,080</u>
Deferred Outflows of Resources	<u>4,974,461</u>	<u>1,685,875</u>
Liabilities:		
Other liabilities	8,130,973	7,714,546
Long-term liabilities	<u>75,789,192</u>	<u>52,160,453</u>
Total liabilities	<u>83,920,165</u>	<u>59,874,999</u>
Deferred Inflows of Resources	<u>5,416,492</u>	<u>-</u>
Net Position:		
Net investment in capital assets	97,808,266	86,471,782
Restricted net position	1,864,284	1,827,518
Unrestricted net position	<u>(10,746,840)</u>	<u>20,110,656</u>
Total net position	<u>\$88,925,710</u>	<u>\$108,409,956</u>
* The implementation of GASB No. 68 during fiscal year 2015 required the District to record a beginning net pension liability, and a restatement of deferred outflows of resources and beginning net position.		

Current assets decreased by \$3,333,972 primarily as a result of cash and cash equivalents used for capital renovations projects. The increase in capital assets, net of depreciation, was attributable to spending capital accumulation account monies and other funds budgeted for capital assets on construction in progress, building renovations and equipment, offset by depreciation.

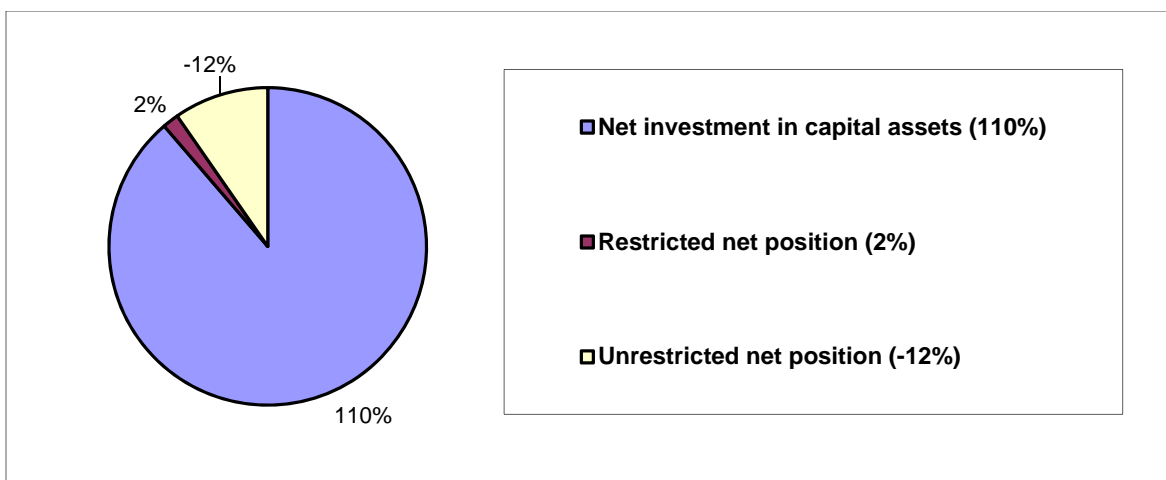
The deferred outflows of resources, after the restatement of the beginning balance, increased \$3,288,586 during the current fiscal year. The increase in deferred outflows of resources was due to the District's contributions to the Arizona State Retirement System (ASRS) after the pension liability measurement date. The measurement date used by the ASRS to calculate the District's net pension liability and related deferred outflow of resources was June 30, 2014.

The increase in other liabilities was accredited to an increase in accounts payable related to construction contracts and accrued payroll at year-end. Long-term liabilities increased \$23,628,739 due to recording the net pension liability, off-set by principal payments made on debt.

The deferred inflow of resources resulted from the implementation of GASB No. 68. The majority of the \$5,416,492 of deferred inflows of resources was the District's portion of the net difference between projected and actual earnings on pension plan investments.

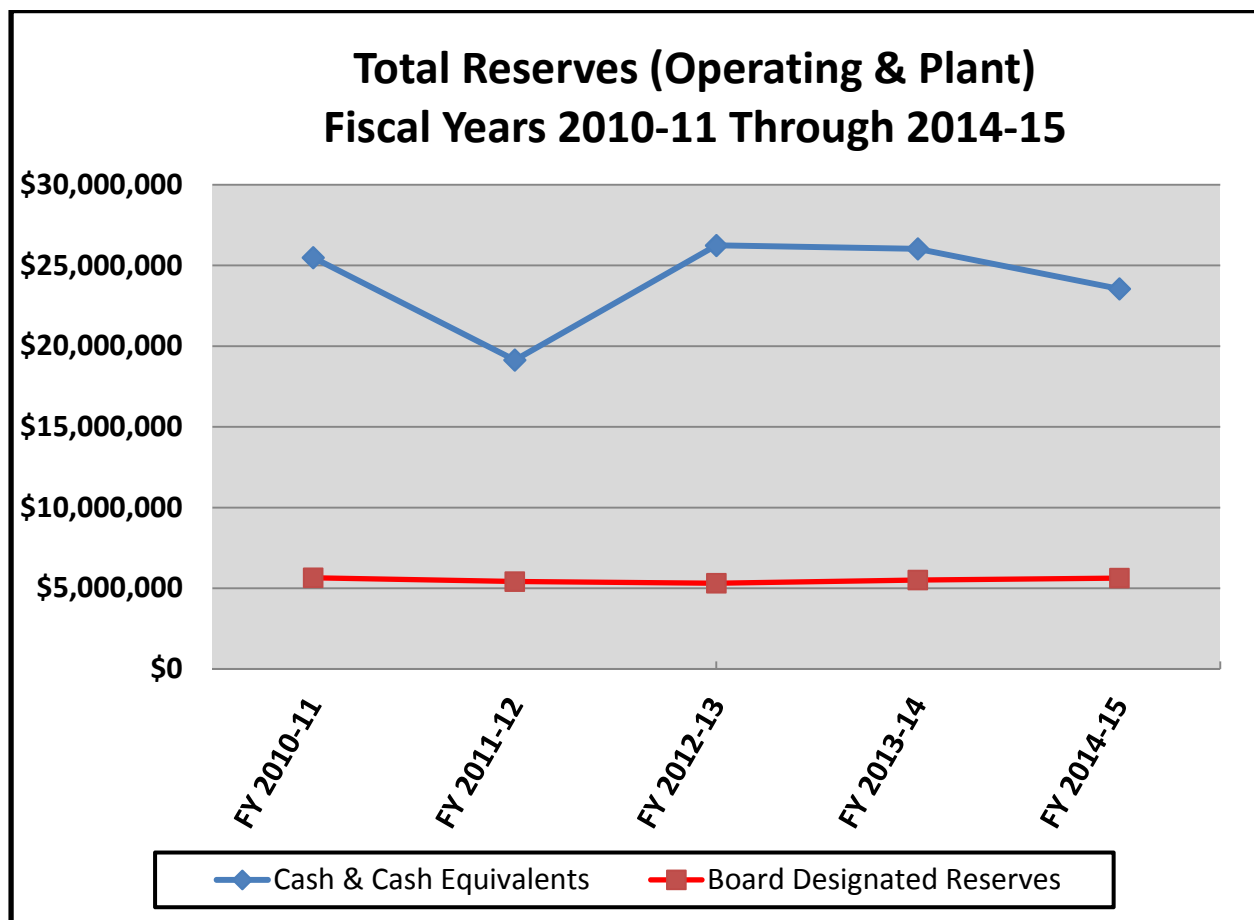
The District's net investment in capital assets increased by \$11,336,484 over the previous fiscal year. This increase was attributable to the addition of equity in the District's capital assets over the previous year and the reduction of debt acquired to pay for these assets. Restricted net position remained fairly flat from the prior year. The decrease in unrestricted net position of \$30,857,496 was primarily attributed to the implementation of GASB Statements Nos. 68 and 71 which changed the accounting for pensions, as discussed previously.

Net Position As of June 30, 2015



As noted earlier, net position reflects the financial position of the District. The largest portion of the District's net position (110 percent) reflects the investment in capital assets (e.g., land, buildings, improvements other than buildings, etc.), net of depreciation and less any related debt used to acquire those assets still outstanding. The District uses these assets to provide services to students; consequently, these assets are not available for future spending.

An additional portion of the District's net position (2 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position is in a deficit position and resulted from recording a \$29,124,740 net pension liability required by the implementation of GASB No. 68. Although the unrestricted net position is a deficit balance of (\$10,746,840) at June 30, 2015, the District's cash reserves, as seen in the following chart, were not affected by this accounting change and continue to be healthy.



The condensed financial information below highlights the main categories of the Statement of Revenues, Expenses, and Changes in Net Position.

Condensed Statement of Revenues, Expenses, and Changes in Net Position

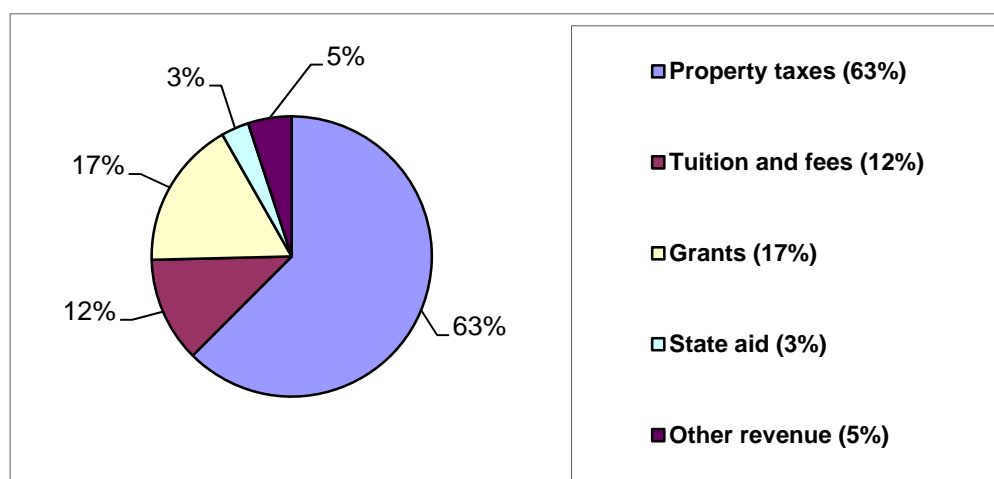
	<u>Year Ended</u>	
	<u>6/30/2015 *</u>	<u>6/30/2014</u>
Revenues		
Operating:		
Tuition and fees	\$ 8,930,193	\$ 8,799,116
Other	2,231,007	1,900,331
Nonoperating:		
Property taxes	45,967,654	45,571,425
Government grants	12,610,675	13,241,015
State aid	2,356,164	1,491,121
Private grants and gifts	1,056,495	761,844
Investment earnings	93,256	91,630
Gain on disposal of capital assets	10,766	8,389
Total revenues	<u>73,256,210</u>	<u>71,864,871</u>
Expenses		
Operating:		
Educational and general:		
Instruction	18,066,535	17,783,284
Public service	1,474,787	1,499,841
Academic support	4,268,016	4,211,551
Student services	6,116,857	5,886,627
Institutional support	8,670,047	8,759,934
Operation and maintenance of plant	6,527,970	6,177,478
Scholarships	7,611,455	8,180,284
Auxiliary enterprises	1,752,743	1,472,356
Depreciation	<u>5,731,591</u>	<u>5,780,151</u>
Total operating expenses	60,220,001	59,751,506
Nonoperating:		
Interest expense on debt	<u>1,544,711</u>	<u>1,695,668</u>
Total expenses	<u>61,764,712</u>	<u>61,447,174</u>
Income before other revenues, expenses, gains, or losses	11,491,498	10,417,697
Capital revenues	<u>309,363</u>	<u>724,370</u>
Increase in net position	11,800,861	11,142,067
Net position, restated, beginning of year	<u>77,124,849</u>	<u>97,267,889</u>
Net position, end of year	<u>\$ 88,925,710</u>	<u>\$108,409,956</u>
* Net position as of July 1, 2014, was restated as a result of the implementation of GASB Statement No. 68. See Notes to Financial Statements – Note 2 on page 35 for more information.		

Revenues are separated into two categories -- operating and nonoperating. For a description of the difference between operating and nonoperating, please refer to the Summary of Significant Accounting Policies (Note 1).

The District shows an operating loss reflective of the fact that three of the four main revenue sources -- property taxes, government grants and state aid -- are considered nonoperating revenues.

Overall revenues increased from the previous fiscal year by \$1,391,339. Tuition and fee revenues increased slightly by 1.5% due to a modest tuition rate increase being offset by lower enrollment and less aviation program revenue. Aviation program revenue decreased as a result of the Veterans Administration's decision to change how they apply the 85-15 rule from the program level to the major level, thus limiting our ability to enroll new students in the summer 2015 term. State aid increased by \$865,043 primarily due to the new Science, Technology, Engineering and Mathematics (STEM) and Workforce Program state appropriation. Private grants and gifts increased by \$294,651 as a result of increased donations from the Foundation for scholarships and other contributions made by private donors. Property taxes increased slightly due to new construction. These revenue increases were off-set by a decrease in government grants due to less federal Pell awards made to students. Lastly, capital revenues decreased by \$415,007 due to less capital donations and the discontinuance of the state capital outlay appropriation.

**Revenues by Source
Fiscal Year 2015**

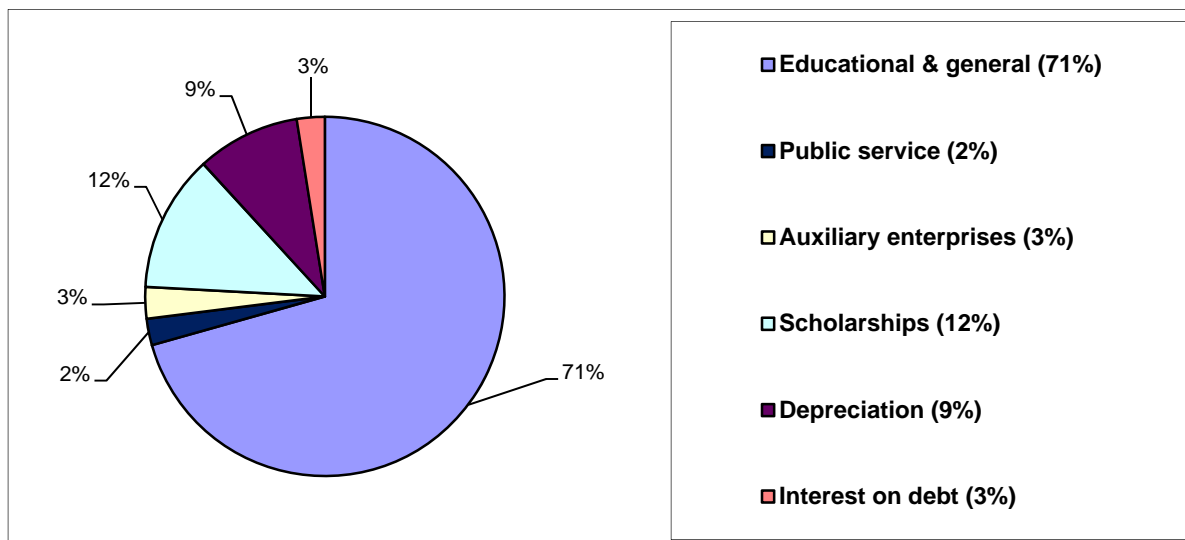


Depreciation expense is recorded in accordance with the adoption of the full accrual basis of accounting. The construction and acquisition of capital assets, although budgeted and tracked as an expenditure in the accounting system, is not reflected as an expense in these statements. Such transactions are reported as an asset with the systematic allocation of such costs expensed over the useful life of the asset constructed or acquired.

Overall, expenses increased slightly over the previous fiscal year by \$317,538. The majority of this increase was due to annual salary and related fringe increases being off-set by various cost reductions throughout the District and less Pell awards made to students. In addition to annual salary/fringe increases, Student Services experienced higher expenditures for travel and supplies and Operation and Maintenance spent

substantially more on non-capital equipment, repairs and maintenance. Lastly, Auxiliary Enterprises increased \$280,387 as a result of the Edventures Spain trip costing more than the previous fiscal year's international trip, increased room and board scholarships for resident assistants, and increased part-time wages related to conference services.

Expenses by Function Fiscal Year 2015



Capital Assets and Debt Management

The District had a few major capital projects in progress at the end of the fiscal year including the renovations of Buildings 1 and 3 on the Prescott campus and the Career and Technical Education Center (CTEC) building. All of the projects were completed by the beginning of the fall of 2015 semester. The projects were primarily funded with the District's Future Capital Projects Accumulation monies.

Equipment, along with all other capital assets (except land and construction in progress), is reported net of accumulated depreciation in accordance with the reporting standards issued by GASB. This has the effect of reducing the book value of capital assets. Depreciation totaled \$5,731,591 for the year and is shown as an operating expense on the Statement of Revenues, Expenses, and Changes in Net Position. Additional information on the District's capital assets can be found in Note 5 to the basic financial statements.

The District's general obligation (GO) bond debt issues are rated Aa2 by Moody's Investors Service and AA- by Standard & Poors. These high quality ratings were affirmed during the current fiscal year and are the result of the District's diverse tax base, solid financial policies, history of operating surpluses and a low debt burden. The District's pledged revenue obligations were upgraded from A2 to A1 by Moody's Investors Service partly attributed to the District's multi-year trend of strong operating performance and conservative expense management. Standard & Poors affirmed its A rating on the pledged revenue obligations.

During fiscal year 2014-15, the District reduced its outstanding long-term debt by \$5,540,743. Long-term debt outstanding at June 30, 2015, is as follows:

<u>Description</u>	<u>Original Amount</u>	<u>Maturity Ranges</u>	<u>Interest Rates</u>	<u>Outstanding Principal</u>
General obligation bonds				
GO Refunding 2011	9,640,000	7/1/16-21	3.00–5.00%	5,135,000
GO Refunding 2012	28,450,000	7/1/16-24	2.00–4.25%	23,465,000
Pledged revenue obligations				
Series 2011	14,000,000	7/1/16-25	4.00–5.00%	10,325,000
Revenue Bond				
Series 2013	5,000,000	7/1/16-28	2.45%	4,400,000

Additional information on the District's outstanding debt can be found in Note 6 to the basic financial statements.

Request for Information

This discussion and analysis is designed to provide a general overview of the finances for the Yavapai County Community College District to 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 Business Services, Yavapai College, 1100 East Sheldon Street, Prescott, AZ 86301.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Statement of Net Position - Primary Government
June 30, 2015

	Business Type Activities
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 24,133,032
Receivables (net of allowances for uncollectibles)	
Accounts	645,163
Property taxes	1,227,494
Government grants and contracts	501,288
Student loans, current portion	171,148
Other	393,343
Prepaid expenses	933,683
Prepaid insurance	79,244
Total current assets	28,084,395
Noncurrent assets:	
Restricted assets:	
Property taxes receivable (net of allowances for uncollectibles)	178,605
Student loans receivable	92,076
Other receivables	4,467
Capital assets, not being depreciated	16,517,854
Capital assets, being depreciated, net	128,410,509
Total noncurrent assets	145,203,511
Total assets	173,287,906
Deferred Outflows of Resources:	
Deferred charge on debt refunding	1,517,288
Deferred outflows related to pensions	3,457,173
Total deferred outflows of resources	4,974,461
LIABILITIES:	
Current liabilities:	
Accounts payable	4,388,371
Retainage payable	468,606
Accrued payroll and employee benefits	1,800,453
Deposits held in custody for others	193,019
Unearned revenues	1,216,024
Dormitory deposits	64,500
Current portion of compensated absences payable	137,265
Current portion of long-term debt	5,675,236
Current portion of other long-term liabilities	19,203
Total current liabilities	13,962,677
Noncurrent liabilities:	
Compensated absences payable	1,366,616
Long-term debt	39,394,670
Net pension liability	29,124,740
Other	71,462
Total noncurrent liabilities	69,957,488
Total liabilities	83,920,165
Deferred Inflows of Resources:	
Deferred inflows related to pensions	5,416,492
Total deferred inflows of resources	5,416,492
NET POSITION:	
Net Investment in capital assets	97,808,266
Restricted:	
Nonexpendable:	
Student loans	495,124
Expendable:	
Grants and contracts	476,990
Debt service	892,170
Unrestricted	(10,746,840)
Total net position	\$ 88,925,710

See accompanying notes to financial statements.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Statement of Financial Position - Component Unit
June 30, 2015

	Yavapai College Foundation
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 290,890
Restricted cash	71,628
Accounts receivable	9,038
Promises to give, current portion	62,779
Prepaid expenses	28,525
Total current assets	462,860
Promises to give, net of current portion	12,730
Property and equipment, net	238,524
Investments	12,083,298
Other assets	7,305
Beneficial interest in perpetual trust	407,384
Total assets	<u>\$ 13,212,101</u>
LIABILITIES AND NET ASSETS:	
Accounts payable	\$ 55,964
Due to Yavapai College	194,024
Scholarships payable	347,617
Deferred revenue	10,000
Total current liabilities	607,605
NET ASSETS	
Unrestricted:	
Undesignated	550,707
Designated	513,939
Total unrestricted	1,064,646
Temporarily restricted	2,894,350
Permanently restricted	8,645,500
Total net assets	12,604,496
Total liabilities and net assets	<u>\$ 13,212,101</u>

See accompanying notes to financial statements.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Statement of Revenues, Expenses, and Changes in Net Position - Primary Government
For the Fiscal Year Ended June 30, 2015

	Business Type Activities
Operating revenues:	
Tuition and fees (net of scholarship allowances of \$3,356,095)	\$ 8,930,193
Bookstore income	209,632
Dormitory rentals (net of scholarship allowances of \$296,705)	779,073
Other	1,242,302
Total operating revenues	11,161,200
Operating expenses:	
Educational and general:	
Instruction	18,066,535
Public service	1,474,787
Academic support	4,268,016
Student services	6,116,857
Institutional support	8,670,047
Operation and maintenance of plant	6,527,970
Scholarships	7,611,455
Auxiliary enterprises	1,752,743
Depreciation	5,731,591
Total operating expenses	60,220,001
Operating income (loss)	(49,058,801)
Nonoperating revenues (expenses):	
Property taxes	45,967,654
State appropriations	1,689,900
Government grants	12,610,675
Share of state sales taxes	666,264
Private grants and gifts	1,056,495
Investment earnings	93,256
Interest expense on debt	(1,544,711)
Gain on disposal of capital assets	10,766
Total nonoperating revenues (expenses)	60,550,299
Income before other revenues, expenses, gains or losses	11,491,498
Capital grants and gifts	309,363
Increase in net position	11,800,861
Net position, beginning of year, as restated	77,124,849
Net position, end of year	\$ 88,925,710

See accompanying notes to financial statements.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Statement of Activities - Component Unit
For the Fiscal Year Ended June 30, 2015**

	Yavapai College Foundation
Revenue and other support:	
Contributions and grants	\$ 1,537,674
Program service income	650
YCPAC events	605,766
Rental income	124,980
Investment return	336,829
Change in fair value of perpetual trust	17,651
Asset Impairment Loss	(11,195)
Gain on sale of property	17,000
	<u>2,629,355</u>
Special events:	
Revenues from special events	15,682
Costs of direct donor benefits	(4,810)
	<u>10,872</u>
Gross profit on special events	
Total revenue and other support	<u>2,640,227</u>
Operating expenses:	
Program expenses	
Grants and scholarships	391,467
YCPAC events	701,757
Osher Endowment for Osher Lifelong Learning Institute	99,871
Yavapai College tennis courts improvement project	29,415
Vineyard/winery project	274,550
Foundation Auxiliaries	42,392
Other programs	555,219
	<u>2,094,671</u>
Total program expenses	
Supporting expenses	
Administration	160,319
Fundraising	107,266
Depreciation of rental property	8,808
	<u>276,393</u>
Total supporting expenses	
Total operating expenses	<u>2,371,064</u>
Change in net assets	269,163
Net assets - beginning of year	12,335,333
Net assets - end of year	<u>\$ 12,604,496</u>

See accompanying notes to financial statements.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Statement of Cash Flows - Primary Government
For the Fiscal Year Ended June 30, 2015**

	Business Type Activities
CASH FLOWS FROM OPERATING ACTIVITIES:	
Tuition and fees	\$ 9,029,327
Bookstore receipts	208,918
Dormitory rentals	788,073
Collection of loans to students	39,779
Other receipts	1,187,872
Payments to suppliers and providers of goods and services	(12,089,208)
Payments for employee wages and benefits	(34,941,765)
Loans issued to students	(1,000)
Scholarship payments to students	(7,611,455)
Net cash used for operating activities	(43,389,459)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Property taxes	45,870,106
Grants	12,705,904
State appropriations	1,689,900
Share of state sales taxes	666,264
Private gifts	1,056,495
Federal direct lending receipts	6,447,421
Federal direct lending disbursements	(6,522,471)
Deposits held in custody for others received	526,853
Deposits held in custody for others disbursed	(542,627)
Net cash provided by noncapital financing activities	61,897,845
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Capital grants and gifts	305,604
Proceeds from sale of capital assets	10,766
Principal paid on capital debt	(5,340,505)
Interest paid on capital debt	(1,573,702)
Purchases of capital assets	(15,663,578)
Net cash used for capital and related financing activities	(22,261,415)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received on investments	93,256
Net cash provided by investing activities	93,256
Net increase in cash and cash equivalents	(3,659,773)
Cash and cash equivalents, beginning of year	27,792,805
Cash and cash equivalents, end of year	\$ 24,133,032
	(Continued)

See accompanying notes to financial statements.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Statement of Cash Flows - Primary Government
For the Fiscal Year Ended June 30, 2015
(Continued)**

Reconciliation of operating loss to net cash used for operating activities:	Business Type Activities
Operating loss	\$ (49,058,801)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation expense	5,731,591
Provision for uncollectible accounts	133,963
Changes in assets, deferred outflow of resources, liabilities and deferred inflows of resources:	
Increase in other receivables	(71,697)
Increase in prepaid expenses	(489,212)
Increase in deferred outflow of resources related to pensions	(1,558,650)
Increase in compensated absences	59,408
Increase in unearned revenues	53,902
Increase in accrued payroll and employee benefits	143,616
Increase in accounts payable	231,013
Increase in dormitory deposits	9,000
Increase in deferred inflow of resources related to pensions	5,416,492
Decrease in accounts receivables	44,694
Decrease in student loan receivables	38,778
Decrease in other liabilities (accrued retiree)	(14,666)
Decrease in net pension liability	(4,058,890)
Net cash used for operating activities	\$ (43,389,459)

Noncash investing, capital, and noncapital financing activities:

Amortization of prepaid bond insurance costs

The District amortized \$7,924 of prepaid bond insurance costs.

Gifts of depreciable assets

The District recorded the receipt of gifts of depreciable assets of \$3,759.

Amortization of premium on bonds and deferred charges

The District amortized \$187,905 of bond premiums, \$12,331 of pledged revenue obligation premiums and (\$168,588) of deferred charges.

See accompanying notes to financial statements.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Notes to Financial Statements
June 30, 2015**

Note 1 - Summary of Significant Accounting Policies

Yavapai County Community College District's accounting policies conform to Generally Accepted Accounting Principles (GAAP) applicable to public institutions engaged only in business-type activities adopted by the Governmental Accounting Standards Board (GASB).

For the year ended June 30, 2015, the District implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits.

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 Yavapai College Foundation.

The Yavapai College Foundation (the Foundation) is a legally separate, tax-exempt organization, formed in the State of Arizona in 1971. The Board of Directors for the Foundation is elected from the general membership at the annual meeting. The term of office for each board member is three years with overlapping terms. 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 capital contributions. Beginning in November 2006, the Foundation also began receiving revenue from and making specified payments for the District's Community Events Program which provides a variety of theatrical and musical productions for the community. Although the District does not control the timing or amount of receipts from the Foundation, the Foundation's restricted resources can be used only by or for the benefit of, the District or its constituents. Consequently, the Foundation is considered a component unit of the District and is discretely presented in the District's financial statements.

For financial reporting purposes, the Foundation follows the Financial Accounting Standards Board standards 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

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Notes to Financial Statements
June 30, 2015**

Foundation's financial information included in the District's financial report. Accordingly, those financial statements have been reported on separate pages following the District's respective counterpart financial statements. For financial reporting purposes, only the Foundation's statements of financial position and activities are included in the District's financial statements as required by GAAP for public colleges and universities. The Foundation has a June 30 year end.

During the year ended June 30, 2015, the Foundation gifted property and distributed funds in the amount of \$887,806 to or on behalf of the District for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from the Yavapai College Foundation, 1100 East Sheldon Street, Prescott, Arizona 86301.

Basis of Presentation and Accounting

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

A statement of net position provides information about the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at the end of the year. Assets and liabilities are classified as either current or noncurrent. Net position is classified according to external donor restrictions or availability of assets to satisfy the District's obligations. Net investment in capital assets represents the value of capital assets, net of accumulated depreciation, less any outstanding debt incurred to acquire or construct the assets. Nonexpendable restricted net position consists of federal contributions for the Federal Perkins Loan Program, the corpus of which cannot be expended. Expendable restricted net position represents grants, contracts, gifts, and other resources that have been externally restricted for specific purposes. Unrestricted net position consists of all other resources, including those that have been designated by management to be used for other than general operating purposes.

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

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Notes to Financial Statements
June 30, 2015

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

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

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Investments

For the statement of cash flows, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, cash and investments held by the County Treasurer, and only those highly liquid investments with a maturity of 3 months or less when purchased. All investments are stated at fair value.

Capital Assets

Capital assets are reported at actual cost. 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 reported in the financial statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	\$5,000	None	n/a
Buildings	5,000	Straight line	40 years
Improvements other than buildings	5,000	Straight line	15 years
Equipment	5,000	Straight line	5 years
Intangibles	5,000	Straight line	30 years
Library books	1	Straight line	10 years

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Notes to Financial Statements
June 30, 2015**

Deferred Outflows and Inflows of Resources

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

Pensions

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

Investment Earnings

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

Compensated Absences

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

Employees may accumulate up to twice their annual entitlement amount of vacation. The payroll system stops accruing vacation hours once an employee reaches their limit. Annual leave balances remaining when employees separate from service are paid and therefore are accrued as a liability in the financial statements.

Employees may accumulate a maximum of 560 sick leave hours. Generally, sick leave benefits provide for ordinary sick pay and are cumulative but employees forfeit them upon terminating employment. Because sick leave benefits do not vest with employees a liability for sick leave benefits is not accrued in the financial statements. However, for employees who have at least 15 years of service with the District, and are eligible for retirement under the standards set by the Arizona State Retirement System, sick leave benefits do vest, and they may receive payment for up to 70 days of accumulated sick leave at \$60 a day. Accordingly, these benefits are accrued as a liability in the financial statements.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Notes to Financial Statements
June 30, 2015

Scholarship Allowances

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

Note 2 – Change in Accounting Principle

Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

	<u>Business-Type Activities</u>
Net position as previously reported at June 30, 2014	\$108,409,956
Prior period adjustment-implementation of GASB 68:	
Net pension liability (measurement date as of June 30, 2013)	(33,183,630)
Deferred outflows-district contributions made during fiscal year 2014	<u>1,898,523</u>
Total prior period adjustment	<u>(31,285,107)</u>
Net position as restated, July 1, 2014	<u><u>\$ 77,124,849</u></u>

Note 3 - 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. Although not statutorily required, the District has chosen to deposit other public monies in its custody with the County Treasurer. A.R.S. requires collateral for deposits at 102 percent of all deposits not covered by federal deposit insurance. A.R.S. does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the District's investments.

Deposits – At June 30, 2015, the carrying amount of the District's deposits was \$6,050,155, and the District's bank balance was \$7,136,573. The District does not have a formal policy with respect to custodial credit risk for deposits.

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Investments – The District’s investments at June 30, 2015 were as follows:

<u>Investment Type</u>	<u>Amount</u>
County Treasurer’s investment pool	<u>\$18,078,427</u>
Total	<u>\$18,078,427</u>

The County Treasurer has a fiduciary responsibility to administer the District’s monies under the Treasurer’s stewardship. The County Treasurer’s investment pool is not registered with the Securities and Exchange Commission as an investment company, and there is no regulatory oversight of its operations. The pool’s structure does not provide for shares, and the County has not provided or obtained any legally binding guarantees to support the value of the participants’ investments.

Credit risk – The District does not have a formal policy with respect to credit risk. At June 30, 2015, credit risk for the District’s investments was as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Amount</u>
County Treasurer’s investment pool	Unrated	Not applicable	<u>\$18,078,427</u>
Total			<u>\$18,078,427</u>

Interest rate risk – The District does not have a formal policy with respect to interest rate risk. At June 30, 2015, the District had the following investments in debt securities:

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity (Months)</u>
County Treasurer’s investment pool	<u>\$18,078,427</u>	14.7
Total	<u>\$18,078,427</u>	

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

<u>Cash, Deposits, and Investments</u>	<u>Amount</u>	<u>Statement of Net Position</u>	<u>Amount</u>
Cash on hand	\$ 4,450	Cash and cash equivalents	<u>\$24,133,032</u>
Deposits	6,050,155	Total	<u>\$24,133,032</u>
Investments	<u>18,078,427</u>		
Total	<u>\$24,133,032</u>		

Note 4 – Receivables

A summary of receivables and the related allowances for uncollectibles follow:

<u>Account Name</u>	<u>Gross Receivable</u>	<u>Allowance for Uncollectibles</u>	<u>Net Receivable</u>
Accounts - current	\$ 1,160,619	\$ (515,456)	\$ 645,163
Government grants and contracts - current	501,288	-	501,288
Property taxes			
Current	1,382,605	(155,111)	1,227,494
Noncurrent	198,725	(20,120)	178,605

Property Taxes Receivable - The Yavapai County Treasurer is responsible for collecting property taxes for all governmental entities within the County. In August of each year, the County levies the property taxes due the District. Two equal installments, payable in October and March, become delinquent after the first business day in November and May. A lien assessed against real and personal property attaches on the first day of January preceding the assessment and levy. Delinquent taxes are subject to a penalty of 16% per annum.

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Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2015, was as follows:

	<u>Balance July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Reclassification</u>	<u>Balance June 30, 2015</u>
Capital assets not being depreciated:					
Land	\$ 5,415,888	\$ 1,221,536	\$1,008,898	\$ -	\$ 5,628,526
Construction in progress	<u>6,072,505</u>	<u>11,197,242</u>	-	<u>(6,380,419)</u>	<u>10,889,328</u>
Total capital assets not being depreciated	<u>11,488,393</u>	<u>12,418,778</u>	<u>1,008,898</u>	<u>(6,380,419)</u>	<u>16,517,854</u>
Capital assets being depreciated:					
Buildings	146,564,885	1,037,724	-	5,516,747	153,119,356
Improvements other than buildings	17,367,536	1,800,840	-	863,672	20,032,048
Equipment	12,570,131	1,397,566	75,061	-	13,892,636
Intangibles	273,587	-	-	-	273,587
Library books	<u>2,931,383</u>	<u>95,804</u>	<u>115,653</u>	<u>-</u>	<u>2,911,534</u>
Total capital assets being depreciated	<u>179,707,522</u>	<u>4,331,934</u>	<u>190,714</u>	<u>6,380,419</u>	<u>190,229,161</u>
Less accumulated depreciation for:					
Buildings	34,060,482	3,574,189	-	-	37,634,671
Improvements other than buildings	9,956,359	922,079	-	-	10,878,438
Equipment	10,058,745	1,080,223	75,061	-	11,063,907
Intangibles	36,478	9,120	-	-	45,598
Library books	<u>2,165,711</u>	<u>145,980</u>	<u>115,653</u>	<u>-</u>	<u>2,196,038</u>
Total accumulated depreciation	<u>56,277,775</u>	<u>5,731,591</u>	<u>190,714</u>	<u>-</u>	<u>61,818,652</u>
Total capital assets being depreciated, net	<u>123,429,747</u>	<u>(1,399,657)</u>	<u>-</u>	<u>6,380,419</u>	<u>128,410,509</u>
Capital assets, net	<u>\$ 134,918,140</u>	<u>\$11,019,121</u>	<u>\$1,008,898</u>	<u>\$ -</u>	<u>\$ 144,928,363</u>

The District has active construction projects as of June 30, 2015. At year end, the District's commitments with contractors are as follows:

<u>Project</u>	<u>Source of Payment</u>	<u>Costs-to-date Including Capitalized Interest</u>	<u>Remaining Commitment</u>
CTEC renovation	Capital Projects Accumulation Account	\$ 5,449,395	\$ 934,498
Building 1 renovation	Capital Projects Accumulation Account	1,913,200	219,475
Building 3 renovation	Capital Projects Accumulation Account	2,031,536	193,706
Performing Arts Center	Capital Projects Accumulation Account	1,053,031	286,194
Chino Valley parking	Capital Projects Accumulation Account	-	74,600
Other projects	Capital Projects Accumulation Account	105,562	82,756

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Note 6 - Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2015, was as follows:

	Balance July 1, 2014, as restated	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Long-term debt:					
General obligation bonds	\$ 32,670,000	\$ -	\$ 4,070,000	\$ 28,600,000	\$ 4,195,000
Premium on general obligation refunding	1,769,498	-	187,905	1,581,593	187,905
Pledged revenue obligations	11,270,000	-	945,000	10,325,000	985,000
Premium on pledged revenue obligations	135,646	-	12,333	123,313	12,331
Revenue bonds	4,725,000	-	285,000	4,440,000	295,000
Capital leases payable	40,505	-	40,505	-	-
Total long-term debt	<u>50,610,649</u>	<u>-</u>	<u>5,540,743</u>	<u>45,069,906</u>	<u>5,675,236</u>
Net pension liability	33,183,630	-	4,058,890	29,124,740	2,025,283
Compensated absences payable	1,444,473	807,757	748,349	1,503,881	137,265
Other	105,331	18,084	32,750	90,665	19,203
Total long-term liabilities	<u>\$ 85,344,083</u>	<u>\$ 825,841</u>	<u>\$10,380,732</u>	<u>\$ 75,789,192</u>	<u>\$ 7,856,987</u>

Bonds and Pledged Revenue Obligations – The District's debt consists of various issues of general obligation bonds, pledged revenue obligations and revenue bonds that are generally callable with interest payable semiannually. Debt proceeds primarily pay for acquiring or constructing capital facilities, remodeling existing facilities, furnishing buildings and facilities and purchasing land adjacent to existing facilities. The District repays general obligation bonds from voter-approved property taxes. Pledged revenue obligations and revenue bonds are repaid from tuition, fees, rentals, and other charges to students, faculty, and others. The original amounts of outstanding general obligation bonds, pledged revenue obligations and revenue bonds were \$38,090,000, \$14,000,000, and \$5,000,000, respectively.

In June 2012, the District issued \$28,450,000 of general obligation refunding bonds with an average interest rate of 2.06 percent to advance refund general obligation bonds. The general obligation refunding bonds of 2012 are subject to early redemption prior to their stated maturity dates. The net proceeds were placed in the Depository Trust Fund and will be held uninvested or used to acquire Government Obligations, the maturing principal of and interest income with respect to which are calculated to be sufficient to pay, when due, the principal of and interest on the bonds being refunded. As a result, the refunded debt liability as of June 30, 2015 for those refunded bonds is considered to be defeased and the liability for those bonds is not included in the financial statements. The principal amount of the defeased bonds outstanding at June 30, 2015 was \$26,850,000.

In February 2011, the District issued \$9,640,000 of general obligation refunding bonds to advance refund \$9,640,000 of general obligation bonds, Series 2001(A). The District defeased the Series 2001(A) bonds which were paid in full on July 1, 2011. The

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general obligation refunding bonds of 2011 are not subject to early redemption prior to their stated maturity dates.

The general obligation bond issues are subject to the federal tax code arbitrage requirements. Excess earnings resulting from arbitrage will be rebated to the federal government. The District's general obligation bond legal debt limit is 15% of the secondary assessed value of real and personal property within Yavapai County. The District's total general obligation bond debt capacity was \$383,020,974 as of June 30, 2015. Of this amount, the District has \$28,600,000 in general obligation bond debt applicable to the debt limit, leaving a legal debt margin of \$354,420,974.

In April 2011, the District issued \$14,000,000 of pledged revenue obligations of which \$4,564,513 was used to prepay a capital lease with SunTrust Bank. The remaining \$9,435,487 was used to construct the Prescott Chiller Water Plant and Clarkdale Central Plant. Obligations maturing on or before July 1, 2021, are not subject to early redemption. Obligations maturing on or after July 1, 2022, are subject to early redemption.

On June 13, 2013, the District issued \$5,000,000 of revenue bonds with a fixed interest rate of 2.45 percent to construct, renovate, furnish and equip the residence halls on the Prescott Campus and to make related site improvements. Obligations maturing on or before July 1, 2023, are not subject to early redemption. Obligations maturing on or after July 1, 2024, are subject to early redemption.

The District has pledged future tuition, fees, dormitory rentals, bookstore income and other charges to students, faculty and others to repay the April 2011 pledged revenue obligations and the June 2013 revenue bonds. The pledged revenue obligations and revenue bonds are payable solely from these revenue sources and are payable through 2025 and 2028, respectively. Annual principal and interest payments on the pledged revenue obligations and bonds are expected to require less than 16.4% of tuition, fees, dormitory rentals, bookstore, and other income. In the current year, total revenues of \$11,214,479 were pledged to cover the principal and interest paid of \$1,837,518.

Bonds and pledged revenue obligations outstanding at June 30, 2015, were as follows:

<u>Description</u>	<u>Original Amount Issued</u>	<u>Maturity Ranges</u>	<u>Interest Rates</u>	<u>Outstanding Principal</u>
General obligation bonds				
GO Refunding 2011	\$ 9,640,000	7/1/16-7/1/21	3.00-5.00%	\$ 5,135,000
GO Refunding 2012	28,450,000	7/1/16-7/1/24	2.00-4.25%	23,465,000
Pledged revenue obligations				
Series 2011	14,000,000	7/1/16-7/1/25	4.00-5.00%	10,325,000
Revenue bond				
Series 2013	5,000,000	7/1/16-7/1/28	2.45%	4,400,000

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The following schedule details debt service requirements to maturity for the District's bonds payable and pledged revenue obligations at June 30, 2015:

Year Ending June 30,	<u>General Obligation Bonds</u>		<u>Pledged Revenue Obligations</u>		<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 4,195,000	\$ 850,850	\$ 985,000	\$ 453,956	\$ 295,000	\$ 108,780
2017	4,295,000	756,750	1,025,000	414,556	300,000	101,553
2018	4,395,000	660,800	1,070,000	370,306	310,000	94,202
2019	4,545,000	500,600	1,110,000	327,506	315,000	86,608
2020	4,480,000	396,650	1,160,000	283,106	325,000	78,890
2021 – 25	6,690,000	617,275	4,975,000	668,888	1,740,000	271,460
2026 – 28	-	-	-	-	1,155,000	57,085
Total	<u>\$28,600,000</u>	<u>\$3,782,925</u>	<u>\$10,325,000</u>	<u>\$2,518,318</u>	<u>\$4,440,000</u>	<u>\$ 798,578</u>

Note 7 - Risk Management

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

In addition, the District purchases health care insurance from the Yavapai Combined Trust (Trust), a public entity risk pool formed to provide health care benefits to employees of participating governmental units. The Trust is funded by irrevocable contributions from the District for employee coverage and from the District and employees for dependent coverage. The District's contributions are reported as expenses in the financial statements. The Trust provides coverage for claims up to \$250,000 for each insured's health claims. The Trust purchases commercial insurance coverage for claims in excess of these limits. The commercial insurance is sufficient to cover the maximum plan limits so the District is not liable for claims in excess of coverage limits and the District cannot be assessed supplemental premiums. The Trust's assets are managed by a separate board of directors.

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Note 8 - Pension and Other Postemployment Benefits

District employees participate in the Arizona State Retirement System (ASRS) or one of three defined contribution plans which are described below. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its Web site at www.azasrs.gov.

Defined Benefit Plan

Plan description - The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS is a component unit of the State of Arizona.

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

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

*With actuarially reduced benefits.

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment

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

Contributions - In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2015, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.6 percent (11.48 percent for retirement and 0.12 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 11.6 percent (10.89 percent for retirement, 0.59 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members' annual covered payroll. In addition, the District was required by statute to contribute at the actuarially determined rate of 9.57 percent (9.31 percent for retirement, .20 percent for health insurance premium benefit, and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked for the District in positions that would typically be filled by an employee who contributes to the ASRS. The District's contributions to the pension plan for the year ended June 30, 2015, were \$1,976,968. The District's contributions for the current and 2 preceding years for OPEB, all of which were equal to the required contributions, were as follows:

<u>Years ended June 30,</u>	<u>Health Benefit Supplement Fund</u>	<u>Long-Term Disability Fund</u>
2015	\$107,123	\$21,257
2014	106,862	41,298
2013	115,147	41,721

Pension liability - At June 30, 2015, the District reported a liability of \$29,124,740 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The District's proportion measured as of June 30, 2014, was .1968 percent, which was a decrease of .0028 from its proportion measured as of June 30, 2013.

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Pension expense and deferred outflows/inflows of resources - For the year ended June 30, 2015, the District recognized pension expense for ASRS of \$1,775,920. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,480,205	\$ -
Net difference between projected and actual earnings on pension plan investments	-	5,093,018
Changes in proportion and differences between district contributions and proportionate share of contributions	-	323,474
District contributions subsequent to the measurement date	<u>1,976,968</u>	<u>-</u>
Total	<u>\$3,457,173</u>	<u>\$5,416,492</u>

The \$1,976,968 reported as deferred outflows of resources related to ASRS pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

<u>Years ended June 30,</u>	
2016	\$ (770,328)
2017	(770,328)
2018	(1,122,377)
2019	(1,273,254)

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

Actuarial valuation date	June 30, 2013
Actuarial roll forward date	June 30, 2014
Actuarial cost method	Entry age normal
Investment rate of return	8%
Projected salary increases	3–6.75%
Inflation	3%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

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Actuarial assumptions used in the June 30, 2013, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2012.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.79 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	63%	7.03%
Fixed income	25%	3.20%
Real estate	8%	4.75%
Commodities	4%	4.50%
Total	<u>100%</u>	

Discount rate - The discount rate used to measure the ASRS total pension liability was 8 percent, which is less than the long-term expected rate of return of 8.79 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the ASRS net pension liability to changes in the discount rate - The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 8 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7 percent) or 1 percentage point higher (9 percent) than the current rate:

	<u>1% Decrease (7%)</u>	<u>Current Discount Rate (8%)</u>	<u>1% Increase (9%)</u>
District's proportionate share of the net pension liability	\$36,812,177	\$29,124,740	\$24,953,919

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

Pension contributions payable - The District's accrued payroll and employee benefits included \$108,574 of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2015.

Defined Contribution Plans

Plan description - In accordance with A.R.S. §15-1451, defining the authority under which benefit terms are established or may be amended, District faculty, service professionals, and administrative staff have the option of participating in defined contribution pension plans instead of the Arizona State Retirement System. These plans are administered by independent insurance and annuity companies. Beginning in fiscal year 1998-99, the District offered defined contribution plans by Teachers Insurance Annuity Association/College Retirement Equities Fund (TIAA/CREF), Variable Annuity Life Insurance Company (VALIC), and VOYA Financial. Benefits under these plans depend solely on the contributed amounts and the returns earned on the investment of those contributions. Contributions made by employees vest immediately, and District contributions vest after three years of full-time employment. Employee and District contributions and associated returns earned on investments may be withdrawn starting upon termination of employment, death, or retirement. The distribution of employee and District contributions and associated investment earnings are made in accordance with the employee's contract with the applicable insurance and annuity companies.

Funding policy - The Arizona State Legislature allows the District to establish contribution rates each year that are at least as much as the ASRS contribution amounts. For the year ended June 30, 2015, the District and employees contributed at the rate of 11.54 percent of the member's annual covered payroll. Amounts collected from both employees and the District are remitted to the three plans on a bi-weekly basis.

Pension expense - For the year ended June 30, 2015, the District recognized pension expense for defined contribution plans of \$566,966. For the year ended June 30, 2015, forfeitures reduced the District's pension expense by \$28,387.

Pension contributions payable - The District's accrued payroll and employee benefits included \$31,949 of outstanding pension contribution amounts payable to TIAA/CREF, VALIC, and Voya Financial for the year ended June 30, 2015.

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Note 9 - Operating Expenses

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

Salaries and benefits	\$ 34,943,741
Contract services	2,992,206
Supplies and other services	2,239,457
Communications and utilities	2,266,590
Scholarships	7,611,455
Depreciation	5,731,591
Other	<u>4,434,961</u>
Total	<u>\$60,220,001</u>

A.R.S. §35-391, requires the disclosure of the amount of any reward, discount, incentive or other financial consideration received resulting from the use of credit card payments by governmental entities. During the current fiscal year, the District received \$34,168 in rebates from the use of credit cards.

Note 10 - Contingencies

A former employee has filed a lawsuit against the District seeking reimbursement, on behalf of the federal government, of tuition payments the District received from the Veteran's Administration. The employee claims that the District erroneously received payment in the millions of dollars. The District contests liability and intends to vigorously defend the lawsuit.

Note 11 - Discretely Presented Component Unit Disclosure

Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

The Yavapai College Foundation (the "Foundation") was formed in 1971 as an Arizona not-for-profit Corporation. The Foundation's mission and purpose is to support the programs and activities of Yavapai College (the "College"). The Foundation supports student scholarships, faculty development and programs that enrich both campus and community life.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
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The major activities of the Foundation include providing scholarships to College students, capital additions to the College, administrative and financial services to the Yavapai College Performing Arts Center ("YCPAC") program for the College and financial resources for many academic and career and technical programs offered at the College. Resources to fund these activities are provided mainly from investment income, contributions, grants and rents.

The bylaws of the Foundation allow for the creation of auxiliaries when a group of people demonstrate a need and desire to support the Foundation's mission in a particular area of interest. There are five auxiliaries as follows:

- FRIENDS of Yavapai College Art – The purpose of this group is to assist Yavapai College art department programs, including the art gallery functions and Sculpture Garden, as a cultural benefit to the students and to the community at large.
- FRIENDS of Yavapai College Music – The purpose of this group is to support Yavapai College music programs and students, including student scholarships, instrumental and choral needs.
- FRIENDS of the Yavapai College Library – The purpose of this group is to support the Yavapai College library, providing programs and services that connect the community to the library as a cultural and literary center.
- FRIENDS of the Family Enrichment Center – The purpose of this group is to support and raise funds for the Family Enrichment Center (FEC). The FEC offers quality learning experiences to a diverse group of children while providing invaluable hands-on teacher training to the College's early and elementary education students.
- FRIENDS of the Southwest Wine Center – The purpose of this group is to support the viticulture and enology program and raise capital funds for the development of the Southwest Wine Center.

In addition, program expenses include activities relating to the following fund:

- Performing Arts Center – The Performing Arts Charitable Endowment (PACE) through its annual disbursements makes it possible to continue to offer spectacular seasons of music, dance and theater in the Yavapai College Performing Arts Center.

Basis of Accounting and Financial Statement Presentation

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

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
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net assets and permanently restricted net assets. Temporarily restricted net assets are composed of assets that have been restricted by the donors and contain either time or purpose restrictions plus unspent accumulated investment income on the permanently restricted endowments.

Fair Value Measurements

A framework for measuring fair value has been established by Accounting Standards and provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under Accounting Standards are as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified contractual term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement, and usually reflect the Foundation's own assumptions that market participants would use in pricing the assets (i.e. real estate valuations, broker quotes).

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
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June 30, 2015

Investments

Investment income or loss (including realized and unrealized gains and losses) is included in the change in unrestricted net assets in the accompanying statement of activities, unless the income or loss is restricted by donor or law.

The Foundation invests most of the endowments in an investment pool which is managed by an investment advisor to the Foundation. Investment return and investment fees within the investment pool are allocated monthly to the individual funds based on the relationship of the market value of each fund to the total market value of the pool as adjusted for additions to or distributions from those funds.

Endowment Funds

The Foundation's endowment funds consist of approximately 131 funds established for a variety of purposes. The endowment funds include both donor-restricted endowment funds and funds designated by the Board of Directors as endowments. Net assets associated with these endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation follows Arizona's Management of Charitable Funds Act (MCFA) and its own governing documents. MCFA requires the preservation of endowment funds. When a donor's intent is not expressed, MCFA directs the Foundation to spend an amount that is prudent, consistent with the purposes of the fund, relevant economic factors and the donor's intent that the fund continue in perpetuity.

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

In accordance with MCFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) the Foundation's other resources, and (7) the Foundation's investment policies.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Notes to Financial Statements
June 30, 2015

Investment Return Objectives, Risk Parameters and Strategies. The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding for programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. The Foundation's primary objective is to obtain the best possible return on investments with the appropriate degree of risk and to meet the priorities of the Foundation and Yavapai College over time. Endowment assets are invested in a well-diversified asset mix that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 3.5%, while growing the funds if possible. Therefore, the Foundation expects its endowment assets, over time, to produce results that exceed the price and yield results of a custom index made up of approximately 60% equities and 40% fixed income. Actual returns may vary from year to year. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy. The Foundation appropriates for distribution each year up to 3.5% of its endowment funds' average fair value of the prior 28 quarters through December 31 for any funds that are above the historic dollar value. The Foundation may elect, on a case by case basis, to approve an allocation expenditure in excess of 3.5% but not exceeding 7% for selected funds. In establishing this practice, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation. The Foundation expects the current spending practice to allow its endowment funds to grow over time as described above.

Investments

The following is a summary of the value of investments at June 30, 2015:

Cash	\$ 66
Fixed income	4,835,468
Equity funds	4,332,025
International equity funds	2,827,437
Mutual funds - held with Arizona Community Foundation (ACF)	88,302
	<u>\$12,083,298</u>

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Notes to Financial Statements
June 30, 2015

The following schedule summarizes the investment return for the year ended June 30, 2015:

Interest and dividend income	\$ 278,210
Net realized gains	12,585
Net unrealized gains	56,608
Income distribution from perpetual trust	12,254
Investment fees	<u>(22,828)</u>
	<u>\$ 336,829</u>

Fair Value of Financial Instruments

Investments with readily determinable fair values are measured at fair value in the statement of financial position as determined by quoted market prices in active markets (Level 1) or measured based on prices for identical assets in non-active markets (Level 3). Investments in mutual funds held with Arizona Community Foundation (ACF) are valued based on the fair value and types of the underlying assets held by ACF and the Foundation's percentage interest in ACF's investments (Level 3).

The following is a summary of these fair values at June 30, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Measured at fair value on a recurring basis:				
Cash	\$ 66	\$ -	\$ -	\$ 66
Fixed income	4,835,468	-	-	4,835,468
Equity funds	4,332,025	-	-	4,332,025
International equity funds	2,827,437	-	-	2,827,437
Mutual funds - held by ACF	<u>-</u>	<u>-</u>	<u>88,302</u>	<u>88,302</u>
Total investments	11,994,996	-	88,302	12,083,298
Beneficial interest in perpetual trust	-	-	407,384	407,384
Other assets	<u>-</u>	<u>7,305</u>	<u>-</u>	<u>7,305</u>
	<u>\$11,994,996</u>	<u>\$ 7,305</u>	<u>\$ 495,686</u>	<u>\$12,497,987</u>

REQUIRED SUPPLEMENTARY INFORMATION SECTION

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
PROPORTIONATE SHARE OF NET PENSION LIABILITY
June 30, 2015

	Reporting Fiscal Year (Measurement Date)	
	2014/15 (2013/14)	2013/14 through 2005/06
District's proportion of the net pension liability	0.1968%	Information not available
District's proportionate share of the net pension liability	\$ 29,124,740	
District's covered-employee payroll	\$ 17,941,570	
District's proportion share of the net pension liability as a percentage of its covered-employee payroll	162.33%	
Plan fiduciary net position as a percentage of the total pension liability	69.49%	

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
Last Five Fiscal Years

	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10 through 2005/06
Contractually required contributions	\$ 1,976,968	\$ 1,905,579	\$ 1,816,850	\$ 1,824,631	\$ 1,580,602	Information not available
Contributions in relation to the contractually required contribution	(1,976,968)	(1,905,579)	(1,816,850)	(1,824,631)	(1,580,602)	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	
District's covered-employee payroll	\$ 18,258,682	\$ 17,941,570	\$ 17,883,995	\$ 18,148,403	\$ 16,956,379	
Contributions as a percentage of covered-employee payroll	10.83%	10.62%	10.16%	10.05%	9.32%	

STATISTICAL SECTION

STATISTICAL SECTION

This part of the Yavapai County Community College District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	56
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	59
These schedules contain trend information to help the reader assess the District's most significant revenue sources, property tax and tuition.	
Debt Capacity	65
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	71
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	75
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
NET POSITION BY COMPONENT
Last Ten Fiscal Years

	2014/15	2013/14 (2)	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07	2005/06 (1)
Net Investment in capital assets	\$ 97,808,266	\$ 86,471,782	\$ 78,147,428	\$ 67,896,379	\$ 52,993,496	\$ 47,354,377	\$ 44,715,778	\$ 40,432,861	\$ 33,700,448	\$ 30,615,411
Restricted - expendable	1,369,160	1,310,624	1,254,116	1,277,411	1,766,629	1,463,530	1,332,000	1,171,953	1,493,545	1,193,320
Restricted - nonexpendable	495,124	516,894	536,143	555,540	581,183	608,637	617,676	559,175	553,992	554,901
Unrestricted	(10,746,840)	(11,174,451)	18,010,422	15,980,102	21,245,920	15,862,969	11,571,245	9,529,847	6,863,655	5,728,035
Total net position	\$ 88,925,710	\$ 77,124,849	\$ 97,948,109	\$ 85,709,432	\$ 76,587,228	\$ 65,289,513	\$ 58,236,699	\$ 51,693,836	\$ 42,611,640	\$ 38,091,667

Source: Audited financial statements for the past ten fiscal years.

Note 1: FY2005/06 amounts were reclassified between net investment in capital assets, restricted - expendable and unrestricted to improve the classification of assets and liabilities within these categories.

Note 2: Balances prior to FY 2013/14 have not been adjusted for the implementation of GASB Statements No. 65, *Items Previously Reported as Assets and Liabilities* and No. 68, *Accounting and Financial Reporting for Pensions*.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
CHANGES IN NET POSITION
Last Ten Fiscal Years

	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10 (1)	2008/09	2007/08	2006/07	2005/06
Operating expenses:										
Educational and general:										
Instruction	\$ 18,066,535	\$ 17,783,284	\$ 17,655,723	\$ 17,698,239	\$ 18,775,348	\$ 18,706,094	\$ 17,525,630	\$ 16,216,739	\$ 15,175,652	\$ 14,063,388
Public service	1,474,787	1,499,841	1,319,994	468,221	417,983	422,084	445,716	482,123	469,694	427,283
Academic support	4,268,016	4,211,551	4,114,700	5,506,885	5,163,892	5,305,978	3,877,549	3,550,891	3,431,924	3,360,252
Student services	6,116,857	5,886,627	5,139,128	4,717,637	4,799,851	4,488,132	4,423,646	4,423,089	3,799,884	3,632,561
Institutional support	8,670,047	8,759,934	8,161,909	8,322,159	8,048,375	8,040,029	10,472,894	9,680,826	9,007,831	8,413,195
Operation and maintenance of plant	6,527,970	6,177,478	5,847,012	5,658,989	5,085,259	4,929,835	5,241,506	5,699,368	6,054,495	6,678,206
Scholarships	7,611,455	8,180,284	7,792,260	6,972,898	8,246,942	6,880,339	3,244,248	2,385,237	2,142,681	2,235,781
Auxiliary enterprises	1,752,743	1,472,356	2,795,291	2,958,145	3,272,931	3,156,306	3,149,945	4,087,342	5,735,654	5,928,988
Depreciation	5,731,591	5,780,151	5,113,014	4,964,260	4,747,968	4,667,983	4,251,835	4,009,537	3,524,995	2,648,059
Other	-	-	68,974	42,246	-	-	-	-	-	-
Total operating expenses	60,220,001	59,751,506	58,008,005	57,309,679	58,558,549	56,596,780	52,632,969	50,535,152	49,342,810	47,387,713
Operating revenues:										
Tuition and fees pledged as security for revenue bonds	8,930,193	8,799,116	8,610,225	7,749,248	7,453,699	6,853,199	5,395,124	6,402,070	7,063,707	6,543,317
Bookstore income	209,632	211,418	216,100	212,952	99,668	105,060	127,093	127,202	122,752	109,525
Food service sales pledged as security for revenue bonds	-	-	-	-	40,077	33,454	189,630	196,719	185,637	256,930
Dormitory rentals pledged as security for revenue bonds	779,073	619,166	609,362	661,380	706,427	615,223	311,967	308,994	253,497	289,668
Other	1,242,302	1,069,747	1,545,639	991,467	990,130	865,619	802,981	883,519	969,866	1,343,169
Total operating revenues	11,161,200	10,699,447	10,981,326	9,615,047	9,290,001	8,472,555	6,826,795	7,918,504	8,595,459	8,542,609
Operating loss	(49,058,801)	(49,052,059)	(47,026,679)	(47,694,632)	(49,268,548)	(48,124,225)	(45,806,174)	(42,616,648)	(40,747,351)	(38,845,104)
Nonoperating revenues (expenses):										
Property taxes	45,967,654	45,571,425	45,270,751	43,701,144	43,357,697	41,853,443	40,242,345	38,126,821	35,439,097	33,086,999
Government grants	12,610,675	13,241,015	13,332,275	11,892,501	12,132,545	9,945,752	7,764,046	5,567,413	4,965,960	4,705,133
State appropriations	1,689,900	893,900	957,600	899,200	4,196,000	4,196,000	4,523,974	4,820,400	4,738,700	4,738,700
Share of state sales taxes	666,264	597,221	533,514	524,433	504,545	525,705	575,637	645,345	661,207	527,127
Private grants and gifts	1,056,495	761,844	841,367	710,239	866,820	691,196	368,773	1,036,345	258,992	358,063
Investment earnings	93,256	91,630	61,214	100,030	96,181	85,984	327,532	726,726	958,016	817,166
Interest expense on debt	(1,544,711)	(1,695,668)	(1,737,933)	(1,533,223)	(2,388,920)	(2,442,999)	(2,554,248)	(2,726,727)	(2,475,647)	(2,539,812)
Settlement of litigation	-	-	-	-	1,800,000	-	-	-	-	-
Gain (loss) on disposal of capital assets	10,766	8,389	2,432	17,477	1,395	3,590	1,035,796	-	(2,911)	(6,007)
Total nonoperating revenues	60,550,299	59,469,756	59,261,220	56,311,801	60,566,263	54,858,671	52,283,855	48,196,323	44,543,414	41,687,369
Income before other revenues, expenses, gains or losses	11,491,498	10,417,697	12,234,541	8,617,169	11,297,715	6,734,446	6,477,681	5,579,675	3,796,063	2,842,265
Capital appropriations	-	248,600	-	-	-	-	-	703,900	678,500	686,900
Capital grants and gifts	309,363	475,770	4,136	505,035	-	318,368	65,182	2,798,621	45,410	-
Increase in net position	\$ 11,800,861	\$ 11,142,067	\$ 12,238,677	\$ 9,122,204	\$ 11,297,715	\$ 7,052,814	\$ 6,542,863	\$ 9,082,196	\$ 4,519,973	\$ 3,529,165

Source: Audited financial statements for the past ten fiscal years.

Note 1: The increases in instruction and academic support expenses and decrease in institutional support expenses from FY2008/09 to FY2009/10 were due to functional category changes made when the District set up the new chart of accounts in the new finance system.

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

FISCAL YEAR	STATUTORY EXPENDITURE LIMITATION (1)	BUDGETED EXPENDITURES SUBJECT TO LIMITATION (2)	UNUSED LEGAL LIMIT
2005/06	29,756,503	29,756,502	1
2006/07	31,866,200	31,866,199	1
2007/08	35,640,999	35,640,998	1
2008/09	37,614,068	37,614,067	1
2009/10	40,285,827	40,285,826	1
2010/11	40,776,721	40,776,720	1
2011/12	47,208,739	47,208,738	1
2012/13	43,278,034	43,278,033	1
2013/14	43,747,725	43,747,724	1
2014/15	42,036,867	42,036,866	1

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.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Original Tax Levy	Adjustments	Adjusted Levy	Collections Initial Tax Year	Percentage of Original Tax Levy	Collections in Subsequent Years	Total Collections To Date	Percent of Total Tax Collections to Adjusted Levy
2005/06	\$ 33,156,877	\$ (169,162)	\$ 32,987,715	\$ 32,138,159	96.93%	\$ 838,804	\$ 32,976,963	99.97%
2006/07	35,540,928	(168,620)	35,372,308	34,480,667	97.02%	881,336	35,362,003	99.97%
2007/08	38,296,828	(193,788)	38,103,040	36,874,670	96.29%	1,212,788	38,087,458	99.96%
2008/09	40,572,257	(114,138)	40,458,119	38,855,855	95.77%	1,577,294	40,433,149	99.94%
2009/10	42,031,687	(117,680)	41,914,007	40,105,227	95.42%	1,777,663	41,882,890	99.93%
2010/11	43,495,629	(228,881)	43,266,748	41,545,863	95.52%	1,688,931	43,234,794	99.93%
2011/12	43,804,957	(214,552)	43,590,405	41,965,795	95.80%	1,586,907	43,552,702	99.91%
2012/13	45,420,203	(330,129)	45,090,074	43,997,586	96.87%	1,039,227	45,036,813	99.88%
2013/14	45,703,933	(236,973)	45,466,960	44,576,740	97.53%	783,929	45,360,669	99.77%
2014/15	46,090,787	(84,307)	46,006,480	44,829,589	97.26%	-	44,829,589	97.44%

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

Note 1: Includes both primary and secondary taxes.

Note 2: Amounts collected are on a cash basis.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 Last Ten Fiscal Years

Fiscal Year	Primary Assessed Value				Total Direct Tax Rate (2)	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
	Residential and Vacant Property	Commercial Property	Unattached Personal Property	Total Taxable Assessed Value			
2005/06	\$ 1,322,060,791	\$ 506,417,682	\$ 49,368,952	\$ 1,877,847,425	1.7514	\$ 15,045,533,581	12.48%
2006/07	1,511,362,543	566,635,332	47,712,332	2,125,710,207	1.6573	17,098,083,909	12.43%
2007/08	1,754,125,017	664,163,807	51,977,047	2,470,265,871	1.5225	20,111,624,109	12.28%
2008/09	2,094,798,703	803,911,861	55,888,168	2,954,598,732	1.3394	23,973,791,761	12.32%
2009/10	2,373,124,327	841,667,070	59,286,950	3,274,078,347	1.2617	26,993,826,530	12.13%
2010/11	2,357,527,484	767,441,706	62,608,487	3,187,577,677	1.3609	26,602,931,420	11.98%
2011/12	2,007,011,632	623,434,540	81,731,709	2,712,177,881	1.6175	22,580,984,308	12.01%
2012/13	1,748,825,220	573,976,929	82,671,574	2,405,473,723	1.8875	20,142,814,909	11.94%
2013/14	1,819,990,776	325,100,587	87,538,236	2,232,629,599	2.0468	19,088,929,991	11.70%
2014/15	1,840,982,742	295,068,513	81,221,556	2,217,272,811	2.0837	19,418,863,184	11.42%

Source: Yavapai County Assessor's Office.

Note 1: Property in the County is reassessed each year. Tax rates are per \$100 of assessed value.

Note 2: Includes both primary and secondary tax rates. See Property Tax Rates, Direct and Overlapping Governments schedule.

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

Fiscal Year	Yavapai College			Overlapping Rates (2)						
	Primary Levy	Secondary Levy	Total	Yavapai County	Cities and Towns From	To	Fire and Special Districts From	To	School Districts From	To
2005/06	1.4900	0.2614	1.7514	2.1042	0.5658	1.1134	0.1894	3.4285	1.8496	10.4246
2006/07	1.4308	0.2265	1.6573	2.0450	0.5275	1.1281	0.2523	3.4491	1.8190	9.4606
2007/08	1.3397	0.1828	1.5225	1.8860	0.4973	0.8977	0.2130	3.4108	1.3621	9.4004
2008/09	1.1989	0.1405	1.3394	1.7148	0.4235	0.7600	0.0711	3.4200	1.2310	8.4913
2009/10	1.1250	0.1367	1.2617	1.9627	0.3697	0.9120	0.0401	7.3600	1.1824	8.1837
2010/11	1.2046	0.1563	1.3609	2.1083	0.0109	1.4401	0.0492	9.6600	0.2436	7.7525
2011/12	1.4274	0.1901	1.6175	2.3431	0.0142	1.4400	0.0642	11.4000	1.2605	7.9313
2012/13	1.6725	0.2150	1.8875	2.6766	0.4083	1.4400	0.0437	13.6892	1.2727	7.2224
2013/14	1.8241	0.2227	2.0468	2.9084	0.3351	1.6000	0.0622	16.2403	1.1401	7.8940
2014/15	1.8606	0.2231	2.0837	2.9305	0.3149	1.5739	0.0627	16.5100	2.4776	7.7759

Source: Yavapai County Assessor's Office.

Note 1: Overlapping rates are those of local and county governments that apply to property owners within the District. Not all overlapping rates apply to all District property owners (e.g., the rates for fire districts apply only to the proportion of the District's owners whose property is located within the geographic boundaries of the fire district).

Note 2: Rates include primary and secondary.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
 ASSESSED VALUATION, TAX RATE AND LEVY HISTORY
 Last Ten Fiscal Years

Fiscal Year	Primary			Secondary		
	Assessed Valuation	Tax Rate	Tax Levy	Assessed Valuation	Tax Rate	Tax Levy
2005/06	\$ 1,877,847,425	1.4900	\$ 27,979,927	\$ 2,020,575,209	.2614	\$ 5,281,784
2006/07	2,125,710,207	1.4308	30,414,662	2,302,712,940	.2265	5,215,645
2007/08	2,470,265,871	1.3397	33,094,152	2,853,059,731	.1828	5,215,393
2008/09	2,954,598,732	1.1989	35,422,684	3,746,625,208	.1405	5,264,008
2009/10	3,274,078,347	1.1250	36,833,381	3,824,935,514	.1367	5,228,687
2010/11	3,187,577,677	1.2046	38,397,561	3,350,111,921	.1563	5,236,225
2011/12	2,712,177,881	1.4274	38,713,627	2,753,690,772	.1901	5,234,766
2012/13	2,405,473,723	1.6725	40,231,548	2,414,825,073	.2150	5,191,874
2013/14	2,232,629,599	1.8241	40,725,397	2,279,676,521	.2227	5,076,840
2014/15	2,217,272,811	1.8606	41,254,578	2,267,389,484	.2231	5,058,546

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

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Taxpayer	2014 Primary Assessed Valuation	Rank	Percent of Yavapai County's 2014/15 Primary Assessed Valuation	2005 Primary Assessed Valuation	Rank	Percent of Yavapai County's 2005/06 Primary Assessed Valuation
Phelps Dodge Bagdad Copper Company	\$ 105,831,088	1	4.77%	\$ 26,681,234	2	1.42%
Arizona Public Service	87,864,730	2	3.96%	59,285,991	1	3.16%
Transwestern Pipeline Company	23,358,318	3	1.05%	6,460,392	9	0.34%
Phoenix Cement Co. / Salt River Materials	23,220,413	4	1.05%	-	-	-
Unisource Energy Corporation	15,424,834	5	0.70%	11,589,889	5	0.62%
Burlington Northern Santa Fe Railroad	11,970,497	6	0.54%	10,378,881	6	0.55%
Drake Cement	10,577,856	7	0.48%	-	-	-
Kinder Morgan	8,070,754	8	0.36%	-	-	-
Qwest	7,805,694	9	0.35%	21,841,674	3	1.16%
Sturm Ruger & Co. Inc.	5,483,546	10	0.25%	-	-	-
Salt River Pima-Maricopa Indian Community	-	-	-	21,617,377	4	1.15%
El Paso Natural Gas Company	-	-	-	9,593,756	7	0.51%
TWC II - Prescott Mall LLC	-	-	-	8,210,401	8	0.44%
New Enchantment LP	-	-	-	6,022,671	10	0.32%
Total Top Ten	<u>\$ 299,607,730</u>		<u>13.51%</u>	<u>\$ 181,682,266</u>		<u>9.67%</u>

Source: Yavapai County Assessor.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
TUITION SCHEDULE
Last Ten Fiscal Years

Fiscal Year	Annual Tuition Rates (1)	Tuition per Credit Hour
2005/06	\$ 1,320	\$ 44
2006/07	1,350	45
2007/08	1,470	49
2008/09	1,560	52
2009/10	1,740	58
2010/11	1,860	62
2011/12	2,010	67
2012/13	2,100	70
2013/14	2,100	70
2014/15	2,160	72

Source: District records.

Note 1: Tuition based on one year of full-time equivalent credit for in-state students at District's base tuition rate. Beginning fiscal year 2012-13, the District implemented a differentiated tuition model. For FY 2014-15, tier 1 classes were \$83 per credit hour and tier 2 classes were \$92 per credit hour.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds (1)	Revenue Bonds (1)	Pledged Revenue Obligations (1)	Capital Lease Obligations	Total Outstanding Debt	Percentage of Personal Income (2)	Per Capita (2)
2005/06	\$ 59,235,000	\$ 1,280,000	-	\$ 2,148,280	\$ 62,663,280	1.19%	\$ 321
2006/07	56,425,000	1,125,000	-	8,089,092	65,639,092	1.13%	322
2007/08	53,510,000	965,000	-	10,952,114	65,427,114	1.03%	313
2008/09	50,470,000	795,000	-	9,140,549	60,405,549	0.91%	286
2009/10	47,310,000	615,000	-	7,912,310	55,837,310	0.93%	264
2010/11	46,329,967	420,000	14,082,639	1,787,090	62,619,696	1.04%	297
2011/12	42,615,307	-	13,225,308	260,918	56,101,533	0.90%	265
2012/13	38,567,403	5,000,000	12,332,977	118,471	56,018,851	0.90%	263
2013/14	34,439,498	4,725,000	11,405,646	40,505	50,610,649	0.75%	235
2014/15	30,181,593	4,440,000	10,448,313	-	45,069,906	0.64%	206

Source: District Records, Bureau of Economic Analysis and Arizona Department of Economic Security.

Note 1: Presented net of original issuance discounts and premiums.

Note 2: See the Population and Personal Income Schedule for Yavapai County on page 74 for data.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
LEGAL DEBT MARGIN
Last Ten Fiscal Years

	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07	2005/06
Secondary Assessed Value	\$ 2,553,473,159	\$ 2,279,676,521	\$ 2,414,825,073	\$ 2,753,690,772	\$ 3,350,111,921	\$ 3,824,935,514	\$ 3,746,625,208	\$ 2,853,059,731	\$ 2,302,712,940	\$ 2,020,575,209
Legal Debt Margin										
Debt limit - 15% of secondary assessed value	383,020,974	341,951,478	362,223,761	413,053,616	502,516,788	573,740,327	561,993,781	427,958,960	345,406,941	303,086,281
Amount of debt applicable to debt limit:										
General obligation bonded debt	(28,600,000)	(32,670,000)	(36,610,000)	(40,470,000)	(43,935,000)	(47,310,000)	(50,470,000)	(53,510,000)	(56,425,000)	(59,235,000)
Legal debt margin	\$ 354,420,974	\$ 309,281,478	\$ 325,613,761	\$ 372,583,616	\$ 458,581,788	\$ 526,430,327	\$ 511,523,781	\$ 374,448,960	\$ 288,981,941	\$ 243,851,281
Total general obligation bonded debt as a percentage of legal debt limit	7.47%	9.55%	10.11%	9.80%	8.74%	8.25%	8.98%	12.50%	16.34%	19.54%

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

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO
ASSESSED VALUE AND NET GENERAL BONDED DEBT PER CAPITA
Last Ten Fiscal Years

Fiscal Year	Estimated Population (Yavapai County) (1)	Secondary Assessed Value of Real Estate	General Obligation Bonds (2)	Amount Available For Retirement of General Obligation Bond Debt	Net Bonded Debt	Percentage of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2005/06	195,424	\$ 2,020,575,209	\$ 59,235,000	\$ 583,290	\$ 58,651,710	2.90%	\$ 300.13
2006/07	204,082	2,302,712,940	56,425,000	664,470	55,760,530	2.42%	273.23
2007/08	208,773	2,853,059,731	53,510,000	907,674	52,602,326	1.84%	251.96
2008/09	211,211	3,746,625,208	50,470,000	929,506	49,540,494	1.32%	234.55
2009/10	211,172	3,824,935,514	47,310,000	948,903	46,361,097	1.21%	219.54
2010/11	211,144	3,350,111,921	46,329,967	1,171,570	45,158,397	1.35%	213.87
2011/12	211,888	2,753,690,772	42,615,307	945,695	41,669,612	1.51%	196.66
2012/13	212,637	2,414,825,073	38,567,403	947,064	37,620,339	1.56%	176.92
2013/14	215,133	2,279,676,521	34,439,498	964,317	33,475,181	1.47%	155.60
2014/15	218,844	2,267,389,484	30,181,593	892,170	29,289,423	1.29%	133.84

Source: District Records, Yavapai County Assessor's Office, and Arizona Department of Economic Security.

Note 1: See the Population and Personal Income Schedule for Yavapai County on page 74 for data.

Note 2: Presented net of original issuance discounts and premiums.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO OPERATING
EXPENSES/EXPENDITURES
Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total Operating Expenses/ Expenditures	Percentage of Debt Service to Operating Expenses/ Expenditures
2005/06	\$ 2,490,000	\$ 2,697,539	\$ 5,187,539	\$ 47,387,713	10.95%
2006/07	2,810,000	2,404,983	5,214,983	49,342,810	10.57%
2007/08	2,915,000	2,299,651	5,214,651	50,535,152	10.32%
2008/09	3,040,000	2,187,883	5,227,883	52,632,969	9.93%
2009/10	3,160,000	2,067,833	5,227,833	56,596,780	9.24%
2010/11	3,375,000	1,859,646	5,234,646	58,558,549	8.94%
2011/12	3,465,000	1,183,518	4,648,518	57,309,679	8.11%
2012/13	3,860,000	1,328,668	5,188,668	58,008,005	8.94%
2013/14	3,940,000	1,109,600	5,049,600	59,759,430	8.45%
2014/15	4,070,000	965,400	5,035,400	60,220,001	8.36%

Source: District records.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
GENERAL OBLIGATION BONDS
June 30, 2015

Jurisdiction	<u>Debt Outstanding</u>
<u>Direct Debt(1):</u>	
Yavapai County Community College District GO Bonds	\$ 30,181,593
Total direct debt	<u>30,181,593</u>
<u>Overlapping Debt(2):</u>	
School Districts	118,920,048
City of Prescott	355,000
Fire Districts	<u>17,383,400</u>
Total overlapping debt	<u>136,658,448</u>
Total direct and overlapping debt	<u>\$ 166,840,041</u>

Source: Yavapai County Treasurer's Office and City of Prescott.

Note 1: Net of original issuance discounts and premiums.

Note 2: Excludes improvement districts.

Note 3: All jurisdictions are within the boundaries of the District.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
REVENUE BOND AND PLEDGED REVENUE OBLIGATIONS COVERAGE
Last Ten Fiscal Years

Fiscal Year	Pledged Revenues (1)	Debt Service Requirements (2)		Total	Coverage
		Principal	Interest		
2005/06	\$ 8,942,844	\$ 145,000	\$ 80,418	\$ 225,418	39.67
2006/07	9,137,014	155,000	71,755	226,755	40.29
2007/08	8,092,973	160,000	62,580	222,580	36.36
2008/09	7,025,586	170,000	52,800	222,800	31.53
2009/10	8,521,468	180,000	42,300	222,300	38.33
2010/11	9,290,001	285,000	158,529	443,529	20.95
2011/12	9,644,951	1,265,000	613,256	1,878,256	5.14
2012/13	10,864,393	880,000	560,406	1,440,406	7.54
2013/14	10,751,131	1,190,000	656,981	1,846,981	5.82
2014/15	11,214,479	1,230,000	607,518	1,837,518	6.10

Source: District records.

Note 1: Pledged revenues include tuition and fees, bookstore revenues, food service sales, dormitory rentals, and other income and are reported net of scholarships and allowances per GASB Statement Number 35.

Note 2: Pledged revenue obligations issued April 16, 2011 and revenue bond issued June 13, 2013.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
ECONOMIC INDICATORS FOR YAVAPAI COUNTY
June 30, 2015

Employment by Sector	Employees
Trade, Transportation and Utilities	13,100
Education and Health Services	11,700
Government	10,200
Leisure and Hospitality	8,400
Mining and Construction	4,600
Manufacturing	3,500
Professional and Business Services	3,500
Other Services	3,200
Financial Activities	1,800
Information	600

Employment by Occupation	Percent of Total
Office and Administrative	15.9%
Sales and Related	11.8%
Food Preparation and Serving Related	11.2%
Education, Training, and Library	6.9%
Transportation and Material Moving	6.5%
Other	6.0%
Healthcare Practitioners and Technical	5.9%
Construction and Extraction	5.6%
Installation, Maintenance, and Repair	4.6%
Building, Grounds and Maintenance	4.3%
Management	4.2%
Production	4.2%
Personal Care and Service	3.6%
Protective Service	3.5%
Healthcare Support	3.3%
Business and Financial Operations	2.4%

Unemployment Rate	5.7%
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Labor Force	98,751
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Source: Arizona Department of Commerce and United States
Department of Labor.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
PRINCIPAL EMPLOYERS IN YAVAPAI COUNTY
Current Year and Nine Years Ago

Major Employers	FY 2014/15			FY 2005/2006		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
Yavapai County	1,462	1	1.48%	1,739	1	2.03%
Yavapai Regional Medical Center	1,405	2	1.42%	1,599	2	1.87%
Veterans Medical Center	1,128	3	1.14%	682	7	0.80%
Cyprus Bagdad Copper Mine	870	4	0.88%	720	6	0.84%
Walmart	840	5	0.85%	1,035	3	1.21%
Verde Valley Medical Center	825	6	0.84%	655	8	0.77%
Humboldt Unified School District	750	7	0.76%	-	-	-
Sturm Ruger & Company	630	8	0.64%	-	-	-
State of Arizona	583	9	0.59%	440	10	0.51%
Yavapai College (1)	564	10	0.57%	732	5	0.86%
Prescott Unified School District	-	-	-	808	4	0.94%
City of Prescott	-	-	-	587	9	0.69%
Total	9,057		9.17%	8,997		10.52%

Source: District and the listed employers records.

Note 1: For FY 2005-06 the District reported the number of employees on a head-count basis and for FY 2014-15 the District reported the number of employees on a full-time equivalent basis.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
MISCELLANEOUS STATISTICS
June 30, 2015

Established	July 1, 1966
Geographical Location	West Central portion of Arizona
County Seat	Prescott

Population	2000	2010	2014
Yavapai County	167,517	211,144	218,844
State of Arizona	5,130,632	6,392,017	6,731,484

Age Distribution*	% of Total
0-14	15.2%
15-24	10.3%
25-44	18.2%
45-64	30.9%
65+	25.4%

Population Composition *	% of Total
<u>RACE</u>	
White	79.5%
Hispanic	14.2%
African American	0.9%
Native American	2.1%
Asian or Pacific Islander	1.1%
Other	2.2%
TOTAL	<u>100.0%</u>

Source: US Census Bureau and Arizona Department of Economic Security.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
POPULATION AND PERSONAL INCOME FOR YAVAPAI COUNTY
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (amounts expressed in thousands)	Per Capita Personal Income (1)
2005/06	195,424	\$ 5,278,898	\$ 27,013
2006/07	204,082	5,816,674	28,502
2007/08	208,773	6,332,616	30,333
2008/09	211,211	6,627,607	31,379
2009/10	211,172	6,034,069	28,574
2010/11	211,144	6,015,150	28,488
2011/12	211,888	6,248,490	29,490
2012/13	212,637	6,227,459	29,287
2013/14	215,133	6,759,031	31,418
2014/15	218,844	7,070,663	32,309

Source: Bureau of Economic Analysis and US Census Bureau.

Note 1: Personal Income and Per Capita Personal Income were not available for fiscal year 2014/15. Amounts were estimated based upon the prior 5 year average net change.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
STUDENT ENROLLMENT, DEGREE AND DEMOGRAPHIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	Attendance		Gender		Residency			
	Full-Time	Part-Time	Male	Female	Resident	Out of County	Out of State	Foreign
2005/06	17.8%	82.2%	38.1%	61.9%	82.5%	4.5%	12.6%	0.4%
2006/07	15.3%	84.7%	38.9%	61.1%	82.9%	4.2%	12.5%	0.4%
2007/08	16.3%	83.7%	39.0%	61.0%	90.2%	4.3%	5.0%	0.5%
2008/09	17.7%	82.3%	40.2%	59.8%	82.4%	4.4%	12.8%	0.4%
2009/10	23.2%	76.8%	40.7%	59.3%	90.4%	4.9%	4.7%	0.0%
2010/11	22.9%	77.1%	42.9%	57.1%	87.5%	6.9%	5.5%	0.1%
2011/12	26.9%	73.1%	43.0%	57.0%	86.4%	6.9%	6.6%	0.1%
2012/13	21.0%	79.0%	43.7%	56.3%	85.9%	11.5%	2.5%	0.1%
2013/14	20.0%	80.0%	44.0%	56.0%	85.9%	11.4%	2.6%	0.1%
2014/15	22.0%	78.0%	43.0%	57.0%	85.6%	11.6%	2.7%	0.1%

Fiscal Year	Degrees Awarded	Certificates Awarded
2005/06	340	210
2006/07	344	183
2007/08	404	307
2008/09	423	399
2009/10	458	594
2010/11	454	623
2011/12	518	608
2012/13	486	823
2013/14	536	933
2014/15	535	939

Fiscal Year	Age		Ethnic Background					
	Median	Mean	American Indian	Asian American	Hispanic	African American	White	Other/ Unknown
2005/06	35	39	2.7%	1.0%	5.9%	0.8%	76.2%	13.4%
2006/07	36	39	2.5%	1.2%	6.6%	0.8%	74.4%	14.5%
2007/08	31	37	2.5%	1.5%	6.9%	1.1%	81.7%	6.3%
2008/09	30	36	3.0%	1.4%	8.2%	1.0%	80.4%	6.0%
2009/10	30	36	2.2%	1.2%	6.5%	0.9%	76.5%	12.7%
2010/11	26	33	2.6%	0.9%	8.9%	0.9%	65.5%	21.2%
2011/12	27	33	2.2%	0.9%	10.2%	0.9%	62.7%	23.1%
2012/13	26	32	2.1%	1.1%	11.4%	0.8%	57.4%	27.2%
2013/14	25	33	2.0%	0.9%	12.4%	0.9%	53.3%	30.5%
2014/15	26	33	2.0%	0.9%	12.4%	0.9%	53.2%	30.6%

Source: District records.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
HISTORIC ENROLLMENT
Last Ten Fiscal Years

	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07	2005/06
Headcount	10,970	11,518	11,764	11,616	12,973	13,493	14,139	15,582	16,312	15,936

FTSE by Campus	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07	2005/06
Prescott	1,357	1,446	1,479	1,605	1,894	2,396	2,317	2,137	2,096	1,942
Verde	271	278	289	337	453	652	690	658	685	687
Sedona	1	21	42	25	40	90	102	107	135	129
Prescott Valley	135	208	175	198	220	265	330	307	316	260
Chino Valley	85	79	101	106	120	108	114	113	117	120
Elderhostel (1)	-	-	-	-	-	-	-	-	72	112
CTEC (2)	298	305	250	196	152	138	137	111	-	-
Online (3)	1,183	1,162	1,143	1,095	915	-	-	-	-	-
Dual enrollment	323	331	321	245	200	140	170	167	125	33
Other (4)	153	173	184	167	212	131	25	90	71	69
Total District	3,806	4,003	3,984	3,974	4,206	3,920	3,885	3,690	3,617	3,352

Source: District records.

Note 1: The Elderhostel program was terminated in 2006/07.

Note 2: The Career Technology Education Center began operations in 2007/08.

Note 3: Beginning in Fiscal Year 2010-11 FTSE from online classes is being counted as a separate campus. In previous years online courses were credited to the campus that originated the course.

Note 4: Other primarily includes courses held at non-campus locations.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
FACULTY AND STAFF STATISTICS
Last Ten Fiscal Years

	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07	2005/06
Faculty										
Regular	104	106	111	111	107	104	104	101	102	97
Adjunct (1)	96	99	97	405	394	448	476	523	474	330
Staff										
Regular	300	297	298	295	303	334	329	318	317	284
Temporary (1)	64	58	58	119	119	160	182	180	177	188

Source: District records.

Note 1: Beginning FY 2012-13 Adjunct and Temporary are calculated on a full-time equivalent basis.
The FTE for Adjuncts is based upon a full-time teaching load of 30 credit hours per year.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
CAPITAL ASSET INFORMATION
Last Ten Fiscal Years

Asset Type	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07	2005/06
Computers and Peripherals	\$ 1,233,762	\$ 1,196,160	\$ 1,238,803	\$ 1,279,780	\$ 1,316,755	\$ 1,316,755	\$ 1,225,045	\$ 1,452,005	\$ 1,161,346	\$ 1,173,513
Network Equipment	2,677,376	2,359,675	2,255,702	1,979,635	1,568,339	1,056,006	754,356	1,127,448	1,118,033	1,155,303
Audio Visual Equipment	1,225,266	831,455	755,579	624,112	503,250	396,971	175,567	480,767	481,299	506,007
Office Equipment & Furniture	4,904,479	4,435,695	4,397,372	4,216,286	4,163,415	3,680,275	3,773,462	3,652,534	2,876,657	2,638,552
Software	2,149,148	2,149,148	2,149,148	2,149,148	2,149,148	2,022,682	1,918,654	1,286,076	-	-
Vehicles	1,702,607	1,597,998	1,383,983	1,220,435	1,295,120	1,224,785	1,182,290	1,214,607	1,136,409	1,094,994
Intangibles	273,587	273,587	273,587	273,587	273,587	273,587	-	-	-	-
Library Books	2,911,534	2,931,383	3,038,624	3,087,336	3,116,031	3,055,742	2,981,169	2,916,756	2,762,515	2,647,200
Buildings	153,119,356	146,564,885	137,801,065	108,127,652	103,095,447	102,836,523	98,435,112	98,123,350	93,591,763	78,882,085
Construction in Progress	10,889,328	6,072,505	3,515,542	22,042,850	4,427,807	613,644	2,927,638	834,346	12,239	7,779,699
Site Improvements	20,032,047	17,367,536	16,836,358	16,573,720	15,973,540	15,630,928	14,981,222	14,607,058	14,231,150	12,710,508
Land	5,628,526	5,415,888	5,415,888	5,415,888	5,015,888	5,015,888	5,015,888	3,597,041	1,975,535	1,975,535
	\$ 206,747,016	\$ 191,195,915	\$ 179,061,651	\$ 166,990,429	\$ 142,898,327	\$ 137,123,786	\$ 133,370,403	\$ 129,291,988	\$ 119,346,946	\$ 110,563,396

Source: District records.