Yavapai College FY2021-22 Budget

Fiscal Year Ending June 30, 2022

You Can!

Yavapai COLLEGE

DRAFT APRIL, 2021

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Principal Officials

District Governing Board

District	Name	Position	Term Ends
District 1	Ray Sigafoos	Board Secretary	December 31, 2024
District 2	Deb McCasland	Board Chair	December 31, 2022
District 3	Paul Chevalier	Board Member	December 31, 2024
District 4	Chris Kuknyo	Board Member	December 31, 2027
District 5	Mitch Padilla	Board Member	December 31, 2027

Executive Leadership Team

Dr. Lisa Rhine, President

Dr. Clint Ewell, Vice President of Finance & Administrative Services

Rodney Jenkins, Vice President of Community Relations & Student Development

Dr. Diane Ryan, Vice President of Instruction

Dr. Emily Weinacker, Chief Human Resources Officer

Mission, Vision, Values, Ends

MISSION

The mission of the College is to provide quality higher learning and cultural resources for the diverse populations of Yavapai County.

VISION

Yavapai College makes our Community a premier place to learn, work, and live.

VALUES

Learning- Yavapai College values learning and an environment where students are engaged in their educational endeavors. We take pride in our campuses and centers throughout Yavapai County. Our facilities provide a safe and supportive environment where students can learn, and our community can share in the benefit of a cultural center within reach.

Scholarship- Yavapai College values scholarship. We value an educated and experienced faculty and staff who foster and encourage the spirit of inquiry and expression. We value education not merely as a means to an end but as a lifelong joy and endeavor.

Stewardship- Yavapai College values responsible resource management and affordable learning opportunities. We appreciate our obligation to budget and allocate fiscal and human resources in the best interest of our students and community.

Diversity- Yavapai College values the diversity within our community and the rich cultures of Yavapai County.

ENDS

Yavapai College exists so communities within Yavapai County have access to and are equipped with the knowledge and skills to improve quality of life. The College will achieve these results at a justifiable cost:

1. Students achieve their educational goals at an affordable price:
    a. Job seekers
    b. Transfer students
    c. Lifelong learners
2. Support Economic Development throughout our county.
3. Enrich our Community by providing a variety of social and cultural opportunities.

Message from the President

April 13, 2021

Members of the District Governing Board and Citizens of Yavapai County:

When selected as Yavapai College's tenth president in February of 2019, I was humbled and proud to lead such a wonderful institution focused on meeting the educational, economic, and social & cultural needs of Yavapai County. In March 2020, only a year in as president, COVID-19 hit the nation, impacting the health, economic security and way of life for all of us and our educational model was severely disrupted. The traditional model for delivering much of our instruction and services was simply at odds with the reality and limitations imposed by the pandemic. Yavapai College reacted instantaneously ensuring minimal disruption in our delivery of courses and services to ensure that we continued to meet the needs of our communities.

As we slowly move out of the pandemic and incrementally return to face-to-face interactions, we are proud to say that we adjusted operations during the pandemic in a manner that built College capacity for meeting the changing needs of the post-COVID world.

We recognize that the pandemic and resulting economic downturn has made the need for short-term training options more urgent and apparent. Our three-fold focus on affordability, flexible education delivery and connections to our regional economies, positions YC to provide our region with access to an expanding array of educational options that prepare students to work in living wage jobs.

We see ourselves as an engine of recovery for our local economy and have worked diligently to reallocate existing resources to allow us to begin to address these challenges in FY22. This year's budget includes expanded career and technical programs throughout the county such as plumbing, electrical, heating and air-conditioning and advanced manufacturing in the Verde Valley, while adding innovative programs like the country's first 3D Construction program.

Recognizing the pandemic's impact on our community, we proposed to not increase the property tax levy or tuition rates. We are proud to be able to say that YC has some of the lowest tuition and property tax rates in the country.

As a learning-centered community, Yavapai College is dedicated to providing educational opportunities by promoting excellence in teaching and learning. We celebrate our excellence in learning, service and relationships. Most of all, we honor the trust placed in us by the public and uphold it though quality programs, integrity of actions and efficient use of our resources. To those who so carefully and thoughtfully contributed to the preparation of this budget, thank you.

Lisa B. Rhine, Ph.D.

President

Message from the VP of Finance & Administrative Services

April 13, 2021

TO: The District Governing Board
Citizens of Yavapai County

FROM: Clint Ewell, Ed.D.
Vice President, Finance & Administrative Services

This year's Budget presented many challenges.

Community college enrollments have declined since the depth of the Great Recession of 2011. Typically, as the unemployment rises, displaced workers seek out community colleges to upskill, causing an increase in enrollments. Recently, this trend has begun to be compounded by a shrinking demographic of traditional 18-22 year old, due to a decline in birthrates during the Great Recession. The pandemic displaced many workers, but it also forced colleges to move to online delivery of courses. Not all students were willing or able to make this transition. So even though we hit record highs in unemployment, Fall enrollments declined by 9%.

In Arizona, the decline in enrollments reduces how much public money (eg. property taxes) the College is allowed to spend according to Arizona Constitutional Expenditure Limits.

With the advent of the approved vaccines this Spring, YC believes enrollments will rebound this Fall; however, the College has begun making plans should further reductions in spending become necessary.

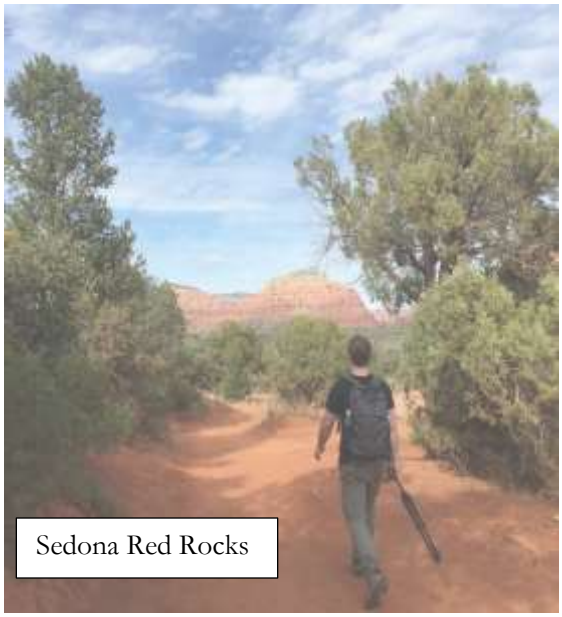
A second challenge has to do with increasing competition. The advent of technology has created more online competitors, both non-profit and for-profit. The pandemic forced virtually all colleges and universities online this past year, further accelerating this trend.

Finally, our Strategic Planning process identified several ways in which student and employer needs and wants have been changing. The College is creating new initiatives needed to address these changes and allow YC to remain relevant in the education marketplace.

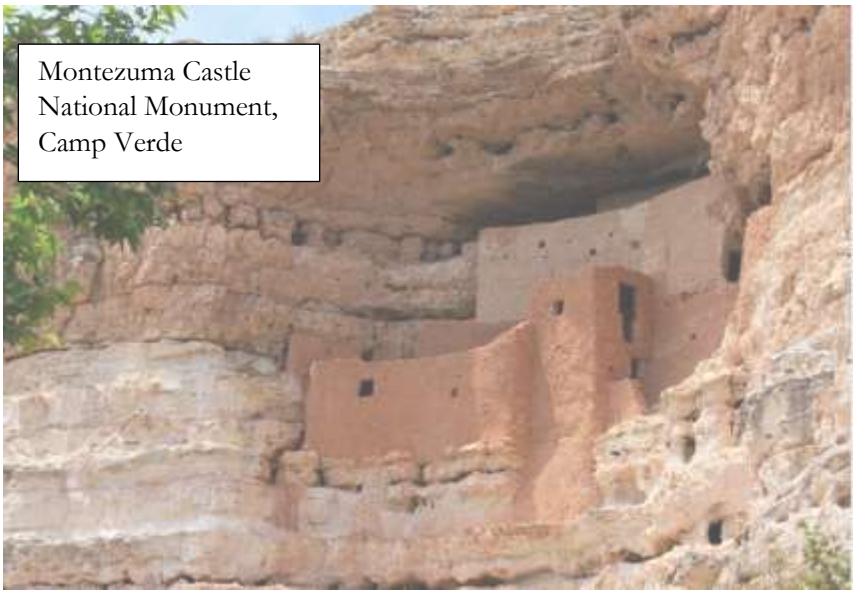
I am pleased to present this balanced budget which not only addresses these challenges, but does so in a manner that adds to fund reserves, while addressing compensation and other inflationary items.

The preparation of this budget document would not be possible without the countless hours of effort from the Controller & Budget Director, the budget managers throughout the College, and the President's Cabinet. Thanks to their efforts, Yavapai College continues to be in a fiscally sound position.

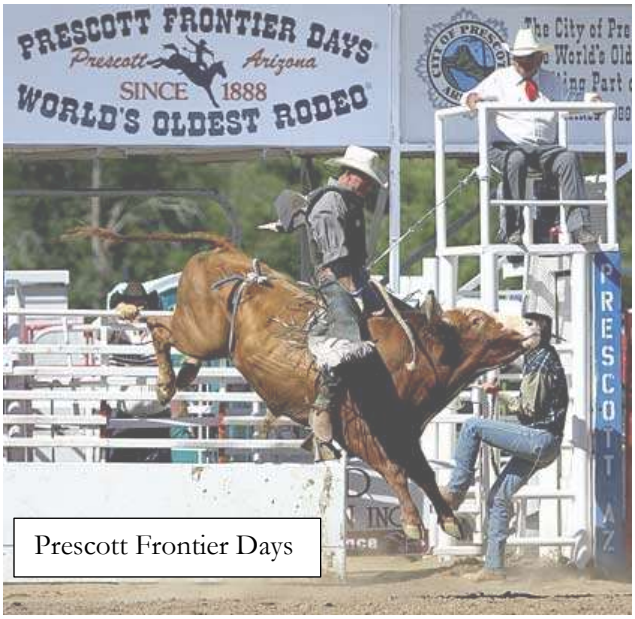
Caduceus Cellars, Jerome



Sedona Red Rocks



Montezuma Castle National Monument, Camp Verde



Prescott Frontier Days

Prescott Valley Entertainment District

Service District
Yavapai County

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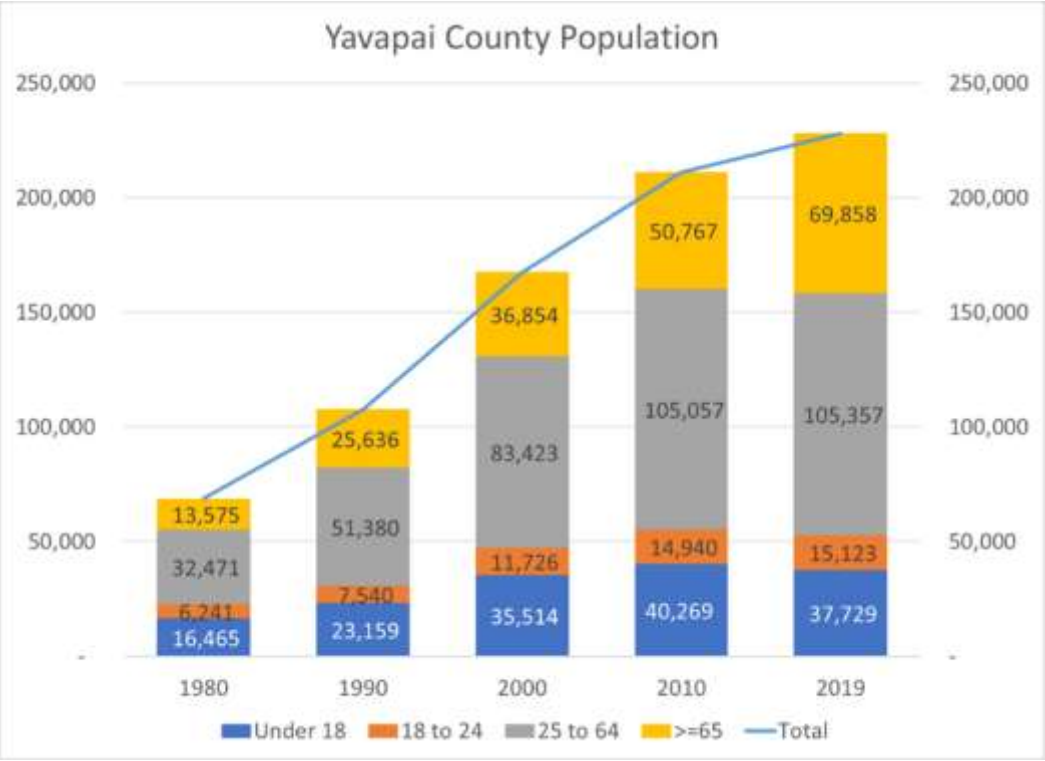
Yavapai County

Yavapai College (YC) primarily serves the 238,000 residents of Yavapai County in north-central Arizona. The county encompasses 8123 square miles (larger than RI, DE, or CT). Incorporated cities and towns within the county include Camp Verde, Chino Valley, Clarkdale, Cottonwood, Dewey-Humboldt, Jerome, Prescott, Prescott Valley, and Sedona. There are many unincorporated areas of the county to serve as well, including the Yavapai-Prescott Indian Tribe and the Yavapai-Apache Nation.

The historic downtown shopping district of Prescott, the Red Rocks of Sedona, the Wine Trail of the Verde Valley, combined with sunny skies and mild temperatures, make Yavapai County a favorite destination for residents of Arizona and beyond. Surrounded with natural scenic beauty ranging from the Prescott National Forest to the high desert, outdoor activities such as hiking, biking, and rock climbing are hugely popular. Dozens of miles of groomed trails and picturesque locales afford stunning views year-round.

Yavapai County has a rich history, and its past is maintained in various forms by local museums, including Sharlot Hall Museum, Smoki Museum, and the Camp Verde Archeology Center. Art galleries and boutiques abound throughout our communities. Local theater is alive and well, and music—from bar bands to jazz quartets and chamber orchestras—is abundantly available. Recurring annual events include the Sedona International Film Festival, the Camp Verde Pecan & Wine Festival, the World's Oldest Rodeo, and the Acker Musical Showcase. The area offers something for everyone.

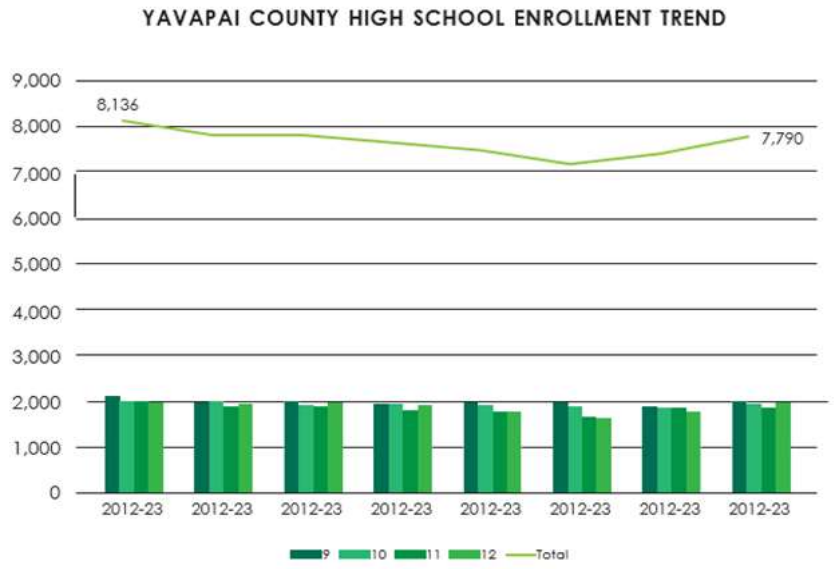
Yavapai County has somewhat unique demographics with roughly twice the national average proportion of people 65 and older—this area has become a popular retirement destination. While these residents may not need traditional credit classes, many look to the College either to provide other programming which they can enjoy or to train tomorrow's health care workers, business professionals, and other providers of services that retirees need.



Source: US Census

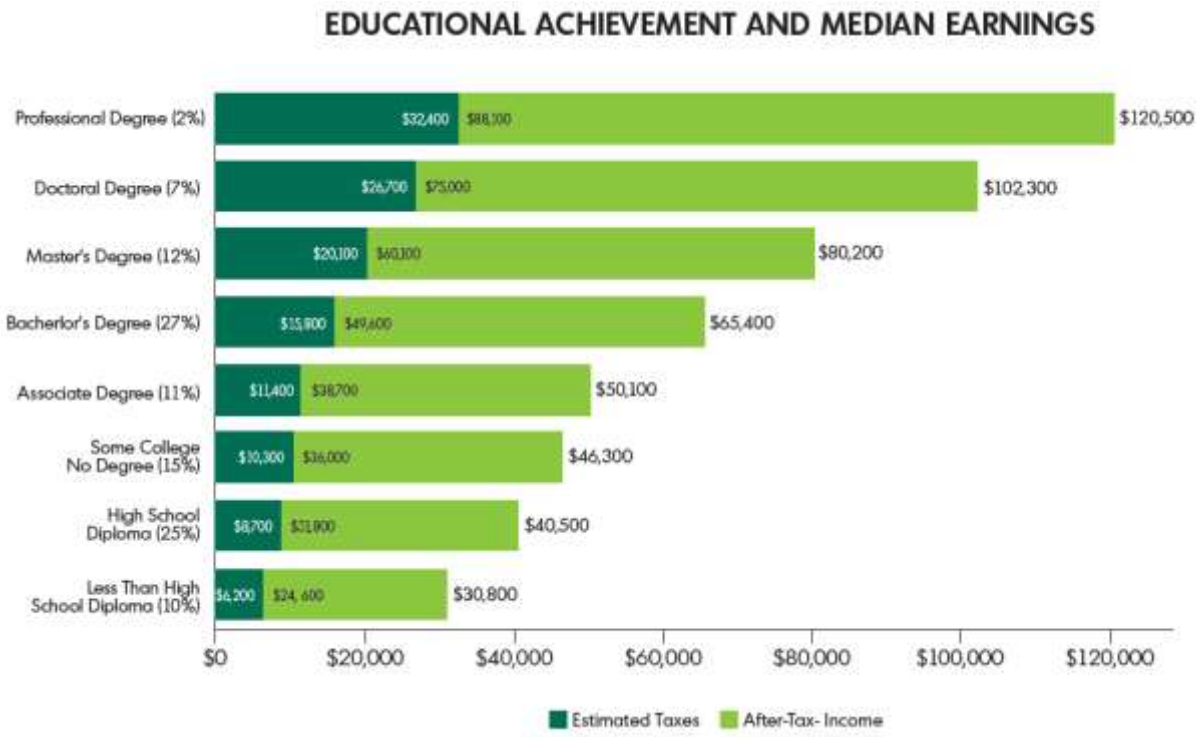
Roughly 14% of the county self-identifies as Hispanic. This segment of our population is significantly younger than the county average. Because they have a higher proportion of working-age people (25-64), the College has recently expanded its outreach efforts to better engage with that population, advocating for the financial benefits of earning a college certificate or degree (see below).

In addition to the influx of retirees, the county is experiencing the same demographic shifts as the nation, with fewer high school-aged people due to lower birthrates during the last recession.



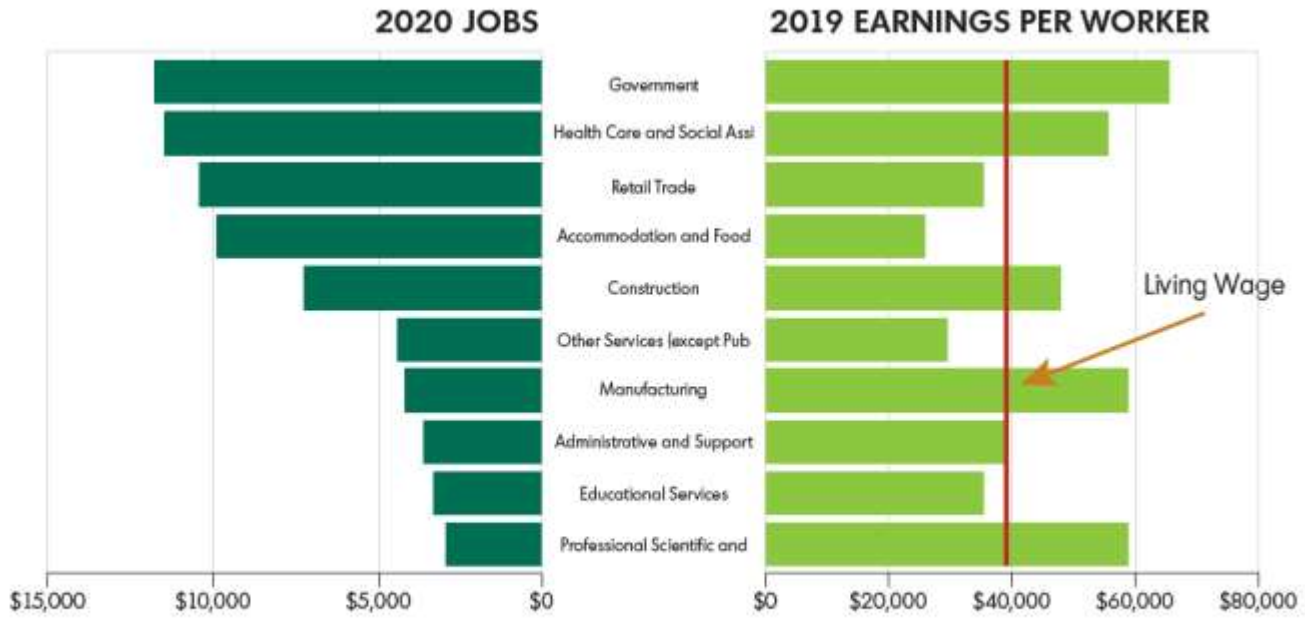
Source: AZ Department of Education

Including retirees, the county education level somewhat mirrors national achievement levels of Associate and Bachelor degree completion; however, the education level lags when focusing only on the workforce age population – there are roughly 75,000 people in the Yavapai County workforce who would likely benefit from a college certificate or degree. The following graph the positive relationship between educational achievement and median earnings.



Source: Collegeboard Trends in Higher Education Pricing

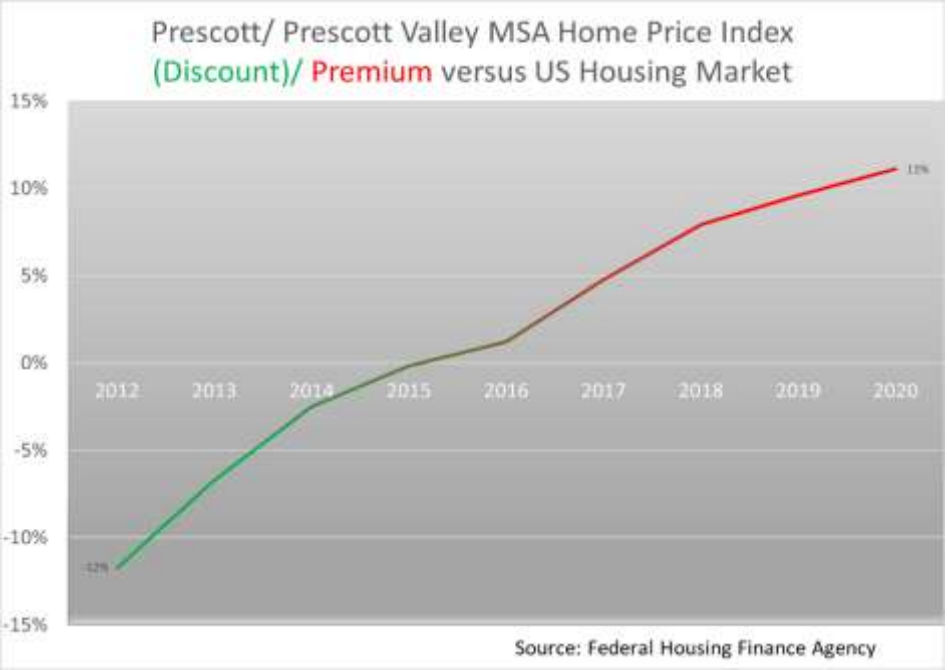
The median income in Yavapai County is 18% below the national average, and as you might expect, the poverty level is somewhat higher than the national average. Nearly 1 in 4 people earns 150% of the poverty rate or less. This is driven by the mix of our local economy. 5 of top 10 employment sectors in Yavapai County do not pay aliving wage as estimated by the Economic Policy Institute. These sectors include Hospitality and Retail, which have become important parts of the local tourist /retiree economy.



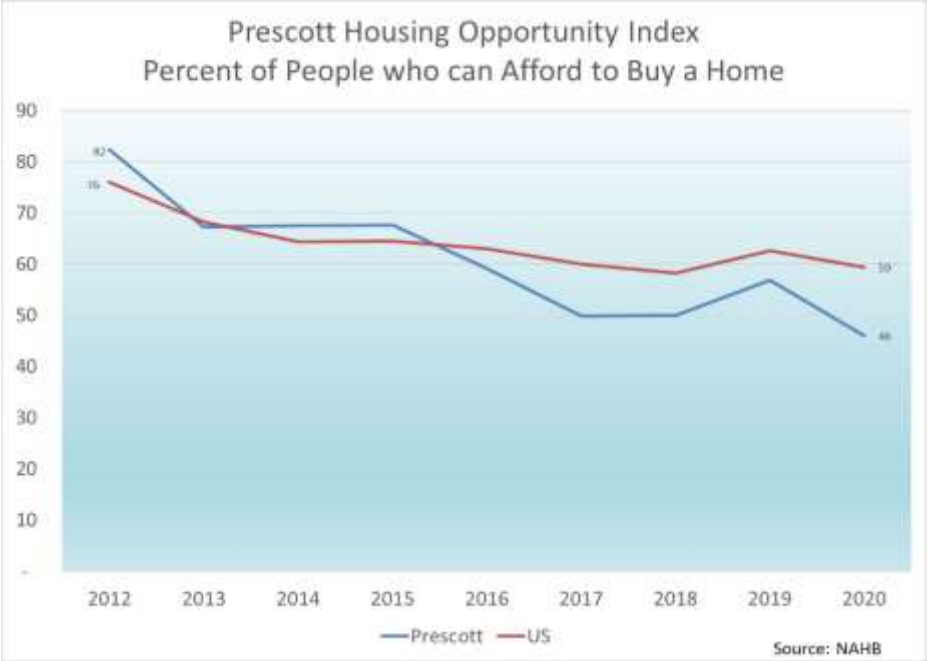
Source: EMSI, Quarter 3, 2020: 5 of County's top 10 industry sectors average earnings per worker below the living wage as calculated by the Economic Policy Institute.

Low income, combined with an increasing cost of living, creates financial hardship for, and potentially emigration of our workforce—some people cannot afford to live here. The most recent report from the Council for Community and Economic Research indicates that our county's cost of living is now 4% above the national average, and is being driven primarily by the skyrocketing cost of housing.

Per the Federal Housing Finance Agency, there has been a dramatic increase in the Prescott Metropolitan Statistical Area home price over the past decade. Eight years ago Prescott area homes were below the national average; today, they are well above the national average.



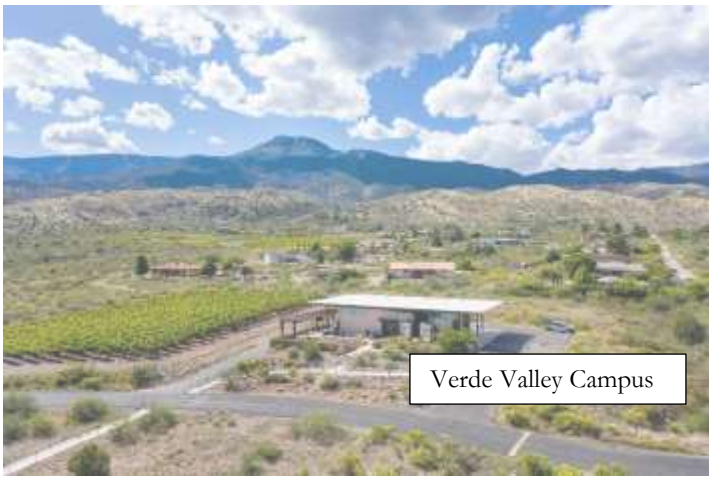
Because the increase in median county income was lower than the increase in home prices, fewer people can afford to buy a home in Yavapai County today, as is shown by the following Home Opportunity Index which is published by the National Association of Home Builders (NAHB):



According to the same data from the NAHB, Prescott has some of the most expensive housing in the country, 231st out of 268 ranked Metropolitan Statistical Areas. Only 37 places were more expensive, including 24 cities in California and 2 in Hawaii.

The College is trying to address these issues in two ways. First, we offer workforce training programs that lead to living-wage jobs in our community such as Business, Healthcare, Computer Technology, and Trades. Secondly, the College has made a major investment in a new application of an existing 3D printing technology: concrete printing. We are proud to be the country's first academic program to train students in 3D Construction which will help create affordable housing in Yavapai County, Arizona, and beyond-- we believe this technology has the potential to cut housing costs in half. YC is partnering with a local builder to work through the various roadblocks needed to apply this technology in the real world. We are working with ASU to develop greener geopolymer alternatives for the next generation of this technology.

Prescott Campus



Verde Valley Campus

Prescott Valley Center

Sedona Center

Chino Valley Center

Career & Technical Education Center

Yavapai College

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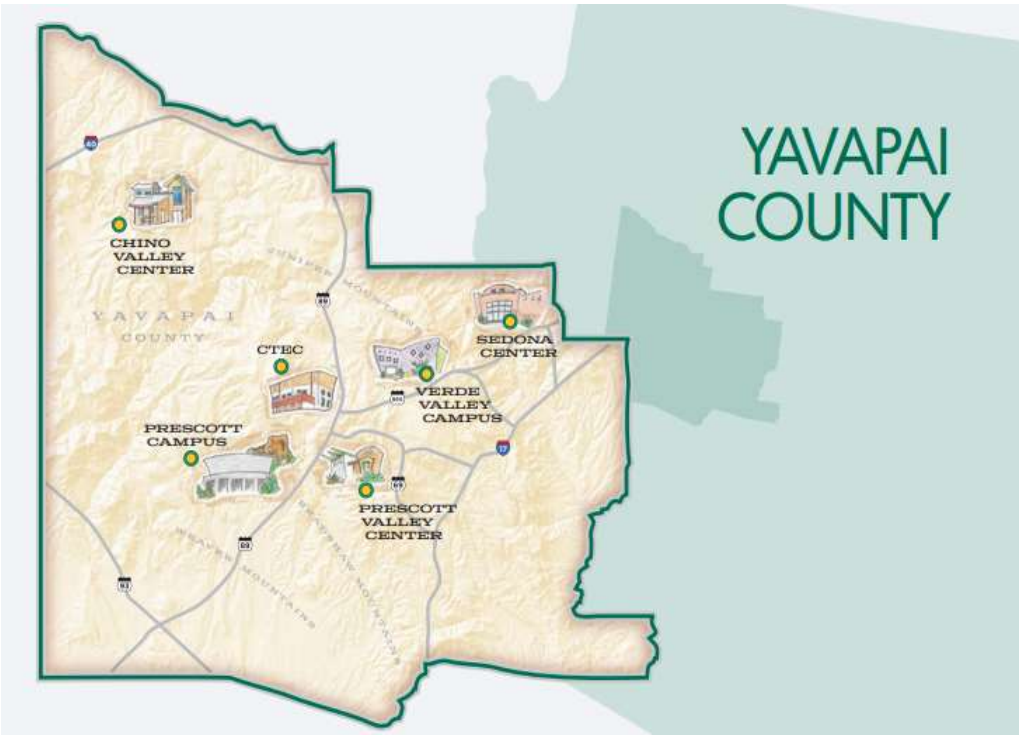
College Profile

Yavapai College (YC) is governed by a locally elected five-member District Governing Board. Per the District Governing Board, YC exists to provide quality educational opportunities at an affordable price **(what students pay to YC)**, to support economic development, and to enhance cultural opportunities for our communities. YC will achieve these at a justifiable cost **(what YC pays to suppliers and employees).**

To fulfill this charge, YC offers 7 Associate degrees and 75 certificates in over 60 disciplines, including several career & technical fields which train students to enter the workforce directly. YC operates 2 full service campuses, one in Clarkdale and one in Prescott, in addition to four Centers in Chino Valley, Prescott Valley, Sedona, and a Career Technical Education Center by the Prescott airport. In addition to classes, the two campuses offer a variety of support services to help students be successful. These include Admissions, Advising, Computer Commons, Disability Resources, Financial Aid, Libraries and Tutoring.

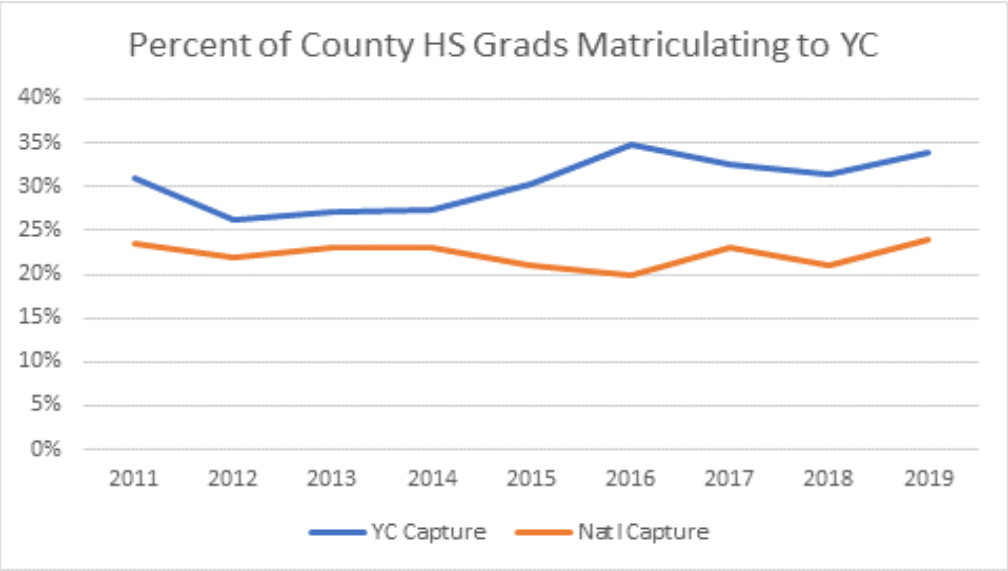


Yavapai College is a comprehensive Community College, providing Adult Basic Education for students who did not finish high school allowing them to earn a diploma, Dual/ Concurrent courses to high school students who are ready for college-level classes, Developmental Education courses for high school graduates not ready for college level courses, General Education coursework, Career Technical Education courses, and Continuing Education non-credit classes.

General education classes (core transfer subjects like math, English, science, social sciences & humanities that serve as building blocks for future learning) are offered at each location. These transfer to many four-year colleges and universities, allowing students to complete their Freshman and Sophomore years at a much more affordable price. In addition, every College location offers a variety of career and technical education (CTE) programs to meet local workforce needs. A summary of what CTE programs by location is shown in the following table. A handful of those academic programs go beyond local workforce training needs attracting students from across the state and beyond such as 3D Construction, Aviation, Gunsmithing, Police Academy, the Sedona Culinary Institute, and the Southwest Wine Center.

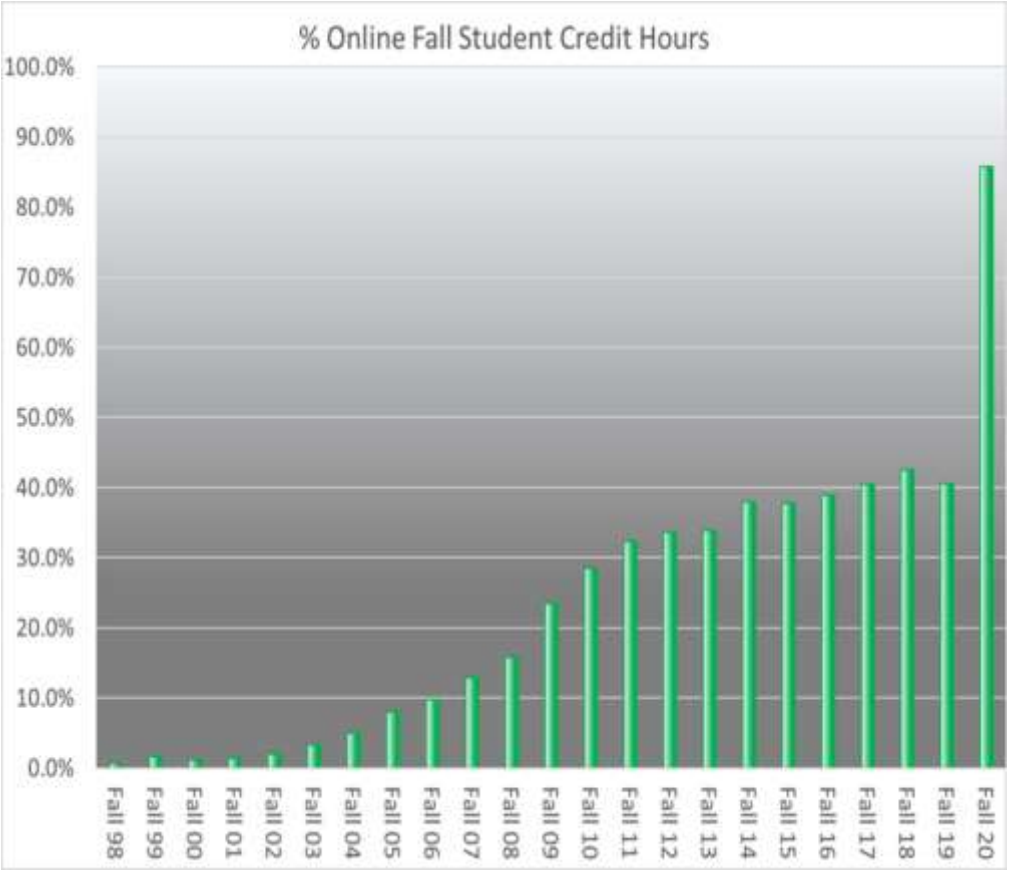
CTE Programs	Prescott Campus	Verde Valley Campus	Chino Valley	CTEC	Prescott Valley	Sedona	Online
3d Modeling and Animation							X
3D Construction			Fall 21				
Administration of Justice	X				X		X
Advanced Manufacturing		X					
Agriculture Technology Management			X				
Animal Care and Management			X				
Applied Pre-Engineering		X		X			
Automotive Technology				X			
Aviation Technology				X			
Business	X						X
Canine Care and Handling			X				
Carpentry			X				
Commercial Driver Training			X				
Computed Tomography					X		
Computer Networking Technology	X	X					
Computer Numerical Controlled (CNC) Machining				X			
Computer Systems and Applications	X						
Construction		Fall 21					
Culinary						X	
Cybersecurity	X						
Diesel Technician				X			
Early Childhood Education	X	X					
Electrical and Instrumentation Technology		Fall 21	X	X			
Electronics				X			
Emergency Medical	X	X					
Enology		X					
Equine Care and Management			X				
Film and Media		X					X
Fire Science		X		X			
Graphic Design	X						
Gunsmithing				X			
Horticulture		X	X				
HVAC		Fall 21					
Industrial Maintenance Mechanic				X			
Integrated Systems Engineering Technician				X			
Law Enforcement and Corrections							X
Legal Office Clerk							X
Magnetic Resonance					X		
Manufacturing Technology				X			
Medical Assistant					X		
NARTA Polcie Academy	X						
Nursing	X	X			X		
Paralegal Studies	X						X
Paramedicine	X						
Phlebotomy		X			X		
Plumbing		Fall 21					
Radiologic Technology					X		
Video Game Developer							X
Viticulture		X					
Welding		X		X			

In addition to delivering courses through college facilities, YC has developed strong relationships with area high schools and the Career Technical Education Districts. YC offers Dual Credit courses, where high school students take college courses taught by high school teachers at the high school. Similarly, YC offers Concurrent Credit courses, where high school students take College courses typically taught by College professors at College facilities. **These programs allow students to earn high school and college credits at the same time, saving the students and their families over $1.3M per year.** Over time, these partnerships have grown high school student enrollments to roughly 15% of total College enrollments. Moreover, these partnerships have encouraged more high school graduates to transfer to YC, with matriculation rates well above the national average.

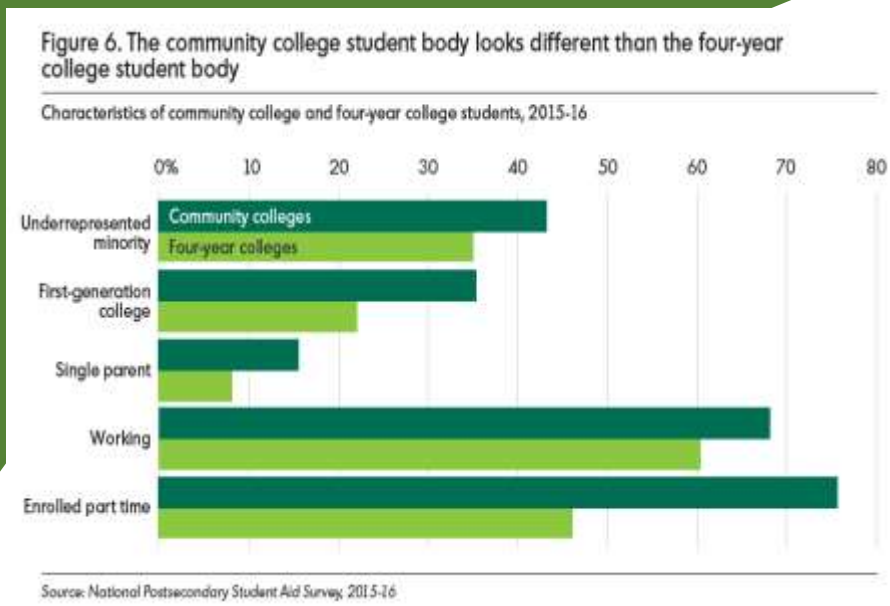


Source: AZ Dept of Ed and National Student Clearinghouse

Online courses and programs have become an important delivery mechanism to YC and its students. YC was an early adopter of online technologies, beginning in Fiscal year 2000. Over the years, YC has invested in technology, software and support services to improve the quality of our online offerings. Most of our students are part-time adult learners, attending classes amidst other priorities including family and jobs. Online classes increases accessibility for these busy people. Prior to COVID (where YC had to move most courses online), online enrollments had grown to over 40%.



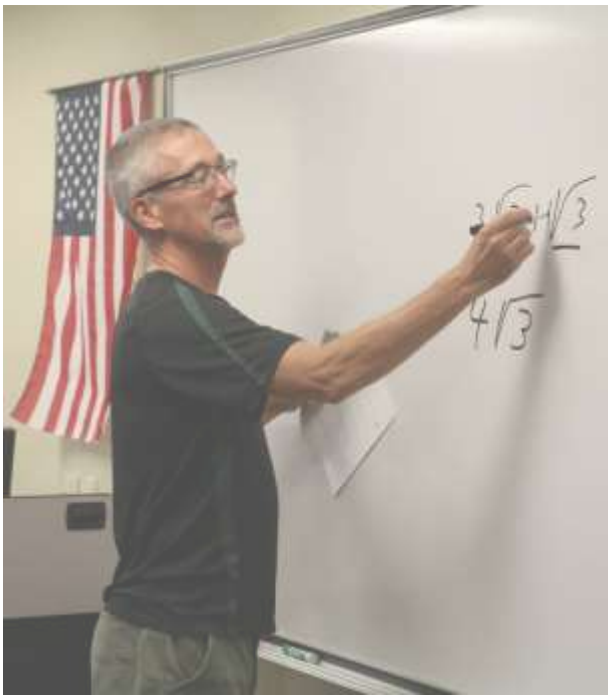
Source: YC Institutional Effectiveness & Research



In addition to the workforce training programs, YC provides a variety of services to strengthen the economy through the Regional Economic Development Center. Services include research studies for a variety of cities, towns, and chambers, as well as support services through the SBDC for entrepreneurs looking to start or grow their business.

Finally, the College provides a variety of opportunities to engage in cultural activities. While this is primarily through the hundreds of different credit courses YC offers each year, YC provides affordable non-credit programming for people of all ages. The Osher Lifelong Learning Institute (OLLI) provides retirement-aged people the opportunity to explore new ideas and socialize with others. YC engages with grade school students through a variety of programming including the Curtain Up! performing arts series, and the College For Kids Summer Camps. YC fields several intercollegiate sports teams, providing some geographic diversity for our student body, as well as a sense of spirit both on campus and in the community. Throughout the year, YC sponsors award winning authors to come speak at our free Southwest Literary Series and we bring touring performers to perform in our Yavapai College Performing Arts Center as well as other venues throughout the county.

Yavapai College is a great asset for the residents of Yavapai County and beyond, offering high-quality instruction in state-of-the-art facilities. The primary way YC ensures quality is by meeting the standards provided in the Higher Learning Commission's Criteria for Accreditation. Accreditation is an essential form of quality assurance for colleges and universities, ensuring that the courses and programs meet agreed upon industry standards so that credits earned by students at one institution may be confidently accepted by other accredited institutions. Accreditation also demonstrates the schools' legitimacy, thereby allowing students to have access to federal grants and loans.



YAVAPAI COLLEGE

Organization

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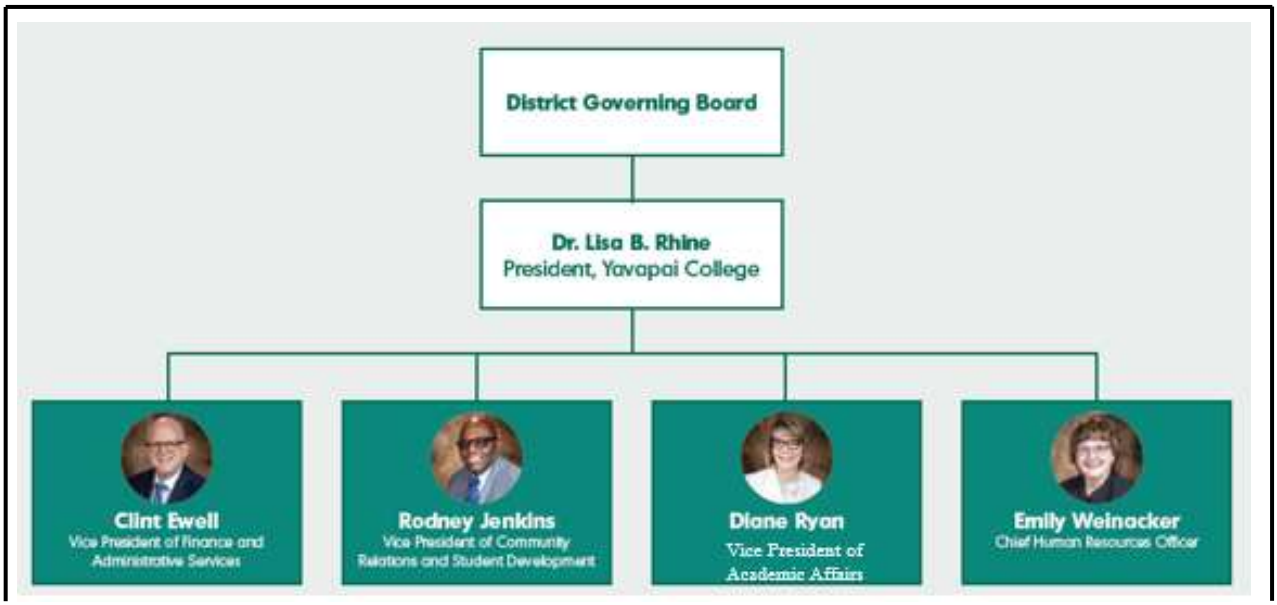
Yavapai College Organization



The District Governing Board has one employee: the President. Dr. Lisa Rhine has built a team with four main Divisions including Academic Affairs, Community Relations & Student Development, Finance & Administrative Services, and Human Resources. Each of these areas are described in more detail as follows:

DIVISION: Academic Affairs

The Vice President, Academic Affairs, is responsible for the planning, coordination, and oversight of instruction at Yavapai College. This area leads the Academic Schools and Instructional Support Services, but also includes the site locations as well as the Yavapai College Performing Arts Center.

Leadership Team

Dr. Diane Ryan, VP of Academic Affairs

Direct Reports

Scott Farnsworth, Associate Vice President, Student Success & Dean Schools of HEWE and SCEN
Dr. Joan Fisher, Dean, Schools of BUCS, ARHU, SOSC
Stacey Hilton, Dean, Instructional Support
Dean Holbrook, Director, Scheduling & Early College Partnerships
John Morgan, Dean, Career & Technical Education
Billie Norris, Coordinator
Dr. Craig Ralston, Associate Dean, Performing Arts & YCPAC Programming & Development
Dr. Tina Redd, Dean, Verde Valley Campus
Helen Stephenson, Director, YCPAC Operations & FMA Program

Major Business Units

Schools of Professional Programs and Visual Arts.
The School offers Cyber-security, Computer Networking, Business Administration, Computer Systems, Accounting, Video Game Development, and Computer Programming. In addition this area is responsible for Visual Arts along with the Art Gallery on each campus. The School offers Administration of Justice, Early Childhood Education, and Education, as well as the Family Enrichment Center (an educational lab school).

Schools of Health & Wellness (HEWE) and Science & Engineering (SCEN)
The Schools of Health and Wellness offers Allied Health, Phlebotomy, Care Giver, Nursing Assistant, Medical Assisting, Rad Tech, Nursing, and Physical Education. The School of Science and Engineering provides Biology, Geology, Chemistry, Physics, and Math) . This area also provides Adult Basic Education (ABE), which helps students without a high school diploma to earn a General Equivalency Diploma.

School of Career & Technical Education
The School of Career and Technical Education provides hands-on education and training for technical careers that lead to high wage, high demand jobs in aviation, agriculture, culinary, EMT, viticulture, machining, welding, 3D printing, manufacturing, the animal industry, commercial truck driving, residential construction, and the electrical and electronics industries.

Instructional Support
The Instructional Support Office oversees academic processes, including curriculum, articulation, assessment, program review, distance education, and the College catalog. Instructional Support also manages the Computer Commons, two Libraries, and the Teaching and eLearning Support department which provides support and professional development to faculty.

Scheduling & Early College Partnerships

The Department of Scheduling and Early College Partnerships oversees both the academic schedule for all Yavapai College classes and all of our current Early College Partnerships with county high schools, charter schools and CTEDs.

Performing Arts Program & YCPAC Programming & Development

The Performing Arts Program provides hands-on performance and technical training to local talent through our major productions. In addition to managing the Performing Arts academic program, this Associate Dean also chooses which performers to include in the YCPAC Presents series, balancing artistry, diversity of programming, and profitability. The Associate Dean also is responsible for increasing the portfolio of Grants, sponsorships and donations that are helping YCPAC balance its budget.

YCPAC Operations & FMA Program

The mission of the Yavapai College Performing Arts Center is to improve the quality of life for Yavapai County residents by sponsoring a wide variety of affordable, high-quality performers of interest to different segments of our community. YCPAC has become an integral part of the community and is home of many favorite events including the YCPAC Presents series (above), the CUES! Matinee series for grade school children, the Prescott Pops, the Phoenix Symphony, the Arizona Philharmonic, the Prescott Film Festival, the Arizona Cowboy Poets Gathering, and of course the Yavapai College Performing Arts Program's choirs, bands, and musicals.

The Film and Media Arts Program provides hands-on training for writing and producing engaging content across media platforms including client-based video, websites, film, television, and social media channels. The program also supports other College departments with content creation.

Verde Valley Campus and Sedona Center

The Verde Valley Campus (VVC) and Sedona Center offer communities in the Verde Valley face to face educational options. The VVC is a full-service campus with a library, student and veteran's services, and testing center. In addition to state-of-the-art classrooms, VVC is home to the award-winning Southwest Wine Center and features newly renovated space for other career technical programs such as Health, Nursing, Science, and Advanced Manufacturing. The new Skilled Trades Center building (opening fall 2021) will house certificate programs in construction, electrical, plumbing, and HVAC. The Sedona Center is home to the Sedona Culinary Institute and the Osher Lifelong Learning Institute. Its newly renovated teaching spaces can accommodate a wide variety of coursework.

This Dean manages the School of Humanities and Social Sciences throughout the District including English, Creative Writing, Philosophy, Religion, History, Modern Languages, Behavioral & Social Sciences, and Communications. The School also oversees the College Honors Program, Literary Southwest, the Peer Writing Center, and Community Education.

Community Education at Yavapai College provides year-round noncredit enrichment classes for adults and children. Each Summer, we provide learning for hundreds of grade school, middle school, and high school students through the College for Kids program. Adult programming includes:

- Edventures, which provides noncredit travel packages to adult learners.
- The Osher Lifelong Learning Institute at Yavapai College (OLLI) is a member-based, nationally recognized program that provides year-round noncredit classes designed for adults 50 years and older, YC OLLI is one of only 124 lifelong learning programs located at colleges across the country.

DIVISION: Community Relations & Student Development

The Vice President of Community Relations and Student Development serves both internal and external constituency groups. The goal of Community Relations is to effectively connect the College to the external community and maintain those relationships. The areas of Community Relations include the Yavapai College Foundation, the Regional Economic Development Office, the Department of Athletics, and the Department of Marketing & Communications. The Student Development area focuses on students, and includes Enrollment Management and Student Affairs.

Leadership Team

Mr. Rodney Jenkins, VP of Community Relations & Student Development

Direct Reports

Community Relations
Brad Clifford, Director, Athletics
Richard Hernandez, Executive Director of the Regional Economic Development Center
Tyler Rumsey, Director, Marketing & Communications
Mary Talosi, Executive Director, YC Foundation
Laura Warne, Coordinator

Student Development
Diana Dowling, Associate VP, Enrollment Mgmt.
Tania Sheldahl, Associate VP, Student Affairs & Dean of Students

Major Business Units

Athletics
Athletics plays a unique role on college campuses, often serving as the "front porch" of the institution, inviting both students and community members alike to join the college family. Athletics has become an embedded part of the culture on many college campuses, providing a sense of school spirit and camaraderie, that helps all students to engage with their friends and consequently their studies. Athletics offers student-athletes a pathway to degree completion by cultivating a passion for their sport and by providing service to the community.

YC Foundation
The Yavapai College Foundation's goal is to support the College's objectives and activities through resource development as well as promote community awareness of the College and its programs. Through philanthropic activities, the Foundation helps enhance educational, cultural, and social and economic activities within the YC community through raising funds for student scholarships, faculty development and programs that enrich both the College and the community.

Regional Economic Development (REDC)

The REDC is a comprehensive economic development arm of Yavapai College focusing on business creation, expansion and retention; workforce development and job creation; regional collaboration and education; development services for county residents; and supporting technology-based educational programs and trainings. The REDC is a one-stop location in Yavapai County for business, entrepreneurial, employment and economic development services. The REDC houses the Small Business Center, which is a federally funded program aimed at supporting and strengthening small businesses within the county.

Marketing & Communications

The Marketing and Communications area develops and implements activities and strategies that promote the College and the academic programs to increase enrollments, foster partnerships and strengthen the College's brand. The department is the primary contact for the media. The department also develops and improves internal communication campaigns by serving as consultant and quality control check to ensure clarity.

Enrollment Management

The Enrollment Management Department provides comprehensive services to new and continuing students through several areas including Admission, Financial Aid, Recruitment, the Registrar's Office, and Early College (Dual Credit and Promise programs). The goal of Enrollment Management is to help students make an informed decision on where to attend college, then help students who choose YC to find a program that fits their goals and expectations. The department works diligently to provide sound and consistent advising in regard to academic programs, financial options, and flexible course schedules that fit students' other commitments.

Student Affairs

The Student Development department provides academic and non-academic support to students as they progress toward completing their certificate or degree. The department has several different areas to engage and support students. Student Activities engages with students outside of the classroom by coordinating events and clubs, managing Student Ambassadors, providing Leadership Workshops and sponsoring the Student Government. The Testing Center offers various academic and industry assessments for students, prospective students, and community members. The Learning Centers provide a full range of free services to students including tutoring and workshops. Disability Services ensures students have equal access and reasonable accommodations to all Yavapai College programs and activities. Residence Life provides a close, secure, and supported housing option for those students seeking to live on campus. TRiO Student Support Services provides success coaching, career exploration, and college financial support. Veterans Education and Transition Services provides support services for student veterans and military family members. In addition, Student Affairs is responsible for addressing student conduct issues.

DIVISION: Finance & Administrative Services

The Vice President, Finance & Administrative Services leads the support team that provides effective and efficient campus operations. Major Business Units include Business Services, Campus Safety, Facilities, Information Technology Services, and Institutional Effectiveness & Research.

Leadership Team

Dr. Clint Ewell, VP of Finance & Administrative Services

Direct Reports

Patrick Burns, Chief Information Officer
Frank D'Angelo, Controller and Director of Business Services
Dr. Tom Hughes, Director, Institutional Effectiveness & Research
David Laurence, Director of Facilities
Jerald Monahan, Chief of Police
Ivonne Zuniga, Coordinator

Major Business Units

Business Services

The mission of the Business Services Team is to provide exceptional support services that help the College achieve its Ends while ensuring the integrity of the institution through fiscal best practices. Business Services includes the following organizations:

- Accounting
- Bookstore (managed by Follett)
- Budget
- Bursar (Accounts Receivable)
- Food services (managed by 3rd party)
- Mail, print & distribution services.
- Payroll
- Purchasing

Campus Safety

The Yavapai College Campus Safety Department (YCCS) is a full-service police department staffed by certified Arizona Peace Officers, trained Safety Officers, professional administrative personnel, and a certified Victim Services Provider. In addition to safeguarding the $150,000,000 of College assets located at 6 locations throughout the county, the primary role of these officers is to serve and protect 1000 employees, 10,000 students, and tens of thousands of visitors who come to YC locations each year.

Campus Safety has the same responsibilities and authority as municipal, county, or state police agencies. They work to promote safety and responsibility through prevention and awareness, training, networking, and, when necessary, enforcement of the law. In addition, Campus Safety provides lost and found, bicycle registration, disabled vehicle assistant, vehicle security, and safety escorts.

Facilities

The Facilities Department's goal is to ensure that students, visitors, faculty, and staff are provided a safe, clean, well-maintained, and comfortable environment. Service departments include:

- Capital Projects
  - Planned Maintenance: reinvest in buildings and infrastructure to lower the total cost of ownership by extending the useful life.
  - Capital Improvement Projects: based primarily on Campus Master Plan, manage contractors to renovate existing space or build new space to meet the emerging needs of students and the community
- Environmental Health & Safety: improve workplace safety by training employees to meet OSHA and other best practice standards.
- Custodial Services: Provide janitorial services and event support throughout the district.
- Groundskeeping: create a welcoming campus environment and address snow removal as needed.
- Maintenance: perform preventative maintenance tasks, respond to system failures, operate central plants

Information Technology Services

The Information Technology Services (ITS) Department provides technology support and services to the students, faculty, and staff of Yavapai College. The department is organized into four teams that manage the efficient use of technology resources throughout the district.

- The Technology Support Services (TSS) team is the front-line for customer support (Helpdesk), and they maintain all of the computer workstations and labs at YC. TSS also is responsible for designing, implementing, and maintaining all of the district's presentation (audio/visual) systems.
- The Application Development team supports the College's enterprise system (Banner). This team also develops custom applications and integrations that support the evolving needs of stakeholder such as the student and employee portal, or the ERP permissions systems.
- The Systems and Network Services (SANS) team is responsible for maintaining the College's network infrastructure, server environment, desktop virtualization, and telephony system.
- Cybersecurity is responsible for protecting YC's information assets by utilizing the latest tools and best practices.

The IT Strategic Plan provides more details about this Business Unit and its priorities.

Institutional Effectiveness and Research

The Office of Institutional Effectiveness and Research (IER) offers a broad array of decision support services to all areas of the College and external agencies as necessary. IER provides data decision support, Strategic Planning, and Accreditation and Compliance.

Human Resources

Emily Weinacker, Chief Human Resources Officer
Lisa Rhodes, Assistant Director

Yavapai College is a service organization. Not surprisingly, our people play a key role in creating value to our students and our community. As such, Human Resources is a vital function ensuring that our employees are well supported through

- Compensation & Benefits that are market competitive
- Employee Relations including
    - policies to ensure we follow state and federal laws
    - programs to engage and retain employees
    - Performance Management practices which set expectations and provide feedback
- Recruitment-Hire-Onboarding services to build a strong YC team
- Training & Development to help build skills and career pathways

YAVAPAI COLLEGE

Strategic Plan

Future Focused. Community Inspired.

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Strategic Planning

Process

In order to keep pace with change, the College's Strategic Planning process has changed such that it is updated annually with a perpetual 3-year horizon. Leaders of other significant planning efforts at the College ensure their plans align with the Strategic Plan, and these plans are communicated to the College's Strategic Planning Committee (SPC). In this way, we ensure all areas of the College are moving in the same direction. Other major plans include:

- Academic Master Plan
- Auxiliary Plans
- Campus Master Plan
- Financial Plan (Budget)
- Foundation Development Plan
- Information Technology Plan
- Retention Plan
- Strategic Enrollment Plan

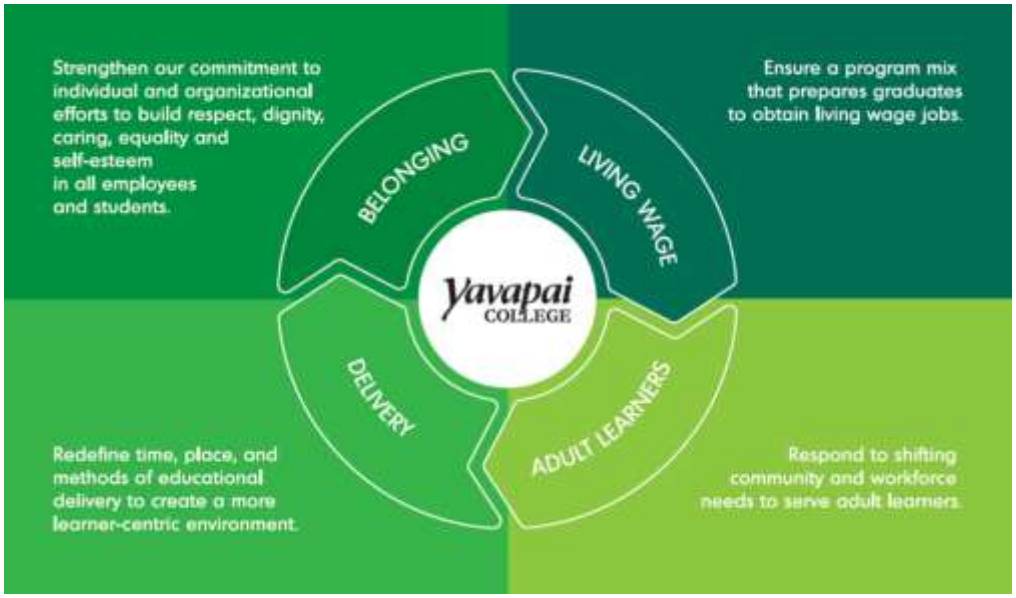
The SPC begins by assessing the Current State, reviewing internal reports and key performance indicators, as well as other major College plans. The SPC then turns its collective gaze outwards, looking at benchmark studies to assess how YC performs compared to its peers, reviewing the annual Environmental Scan, and reading extensively to ascertain emerging trends and best practices. Using all of this information, the SPC then conducts a SWOT analysis, assessing internal Strengths and Weaknesses, and identifying external Opportunities and Threats. All of this information, including the results of the SWOT analysis, can be reviewed by the greater Yavapai College community by visiting the Strategic Planning website.

The YC Strategic Plan has Goals, Initiatives and Action Plans. A Goal represents a shared idea of the future state that, when accomplished, will help us fulfill our DGB Ends and the College's Vision. Goals are associated with Key Performance Indicators with short term and long term improvement targets to measure Goal fulfillment.

Initiatives are projects intended to lead to the accomplishment of the Goal.

Actions Plans describe how and how much of an initiative will be accomplished in a given fiscal year. This includes who is responsible, who will support, target dates, and budget implications.

YC 2022-2024 GOALS



Goal	Potential Initiative
Belonging	Develop and support a culture where all employees feel acknowledged, engaged, inspired, and supported by each other and the College.
	Provide equitable professional development opportunities where all faculty and staff can enhance their skills to serve students better.
	Create a sense of belonging for all students in our learning environment.
Living Wage	Ensure that curriculum and programs are focused on imparting skills needed to secure living-wage jobs in a new economy highlighted by growing artificial intelligence and automation.
	Create a one-stop-shop for workforce training.
	Align transfer programs so that associate's graduates can enter Arizona universities as juniors.
Adult Learners	Grow enrollment of non-traditional age learners with a focus on people with some college, no degree.
	Increase Hispanic learner enrollment and educational attainment levels.
	Become a leader in adult lifelong learning with financially self-sustaining courses and programs.
Delivery	Increase online enrollment and success by adopting and implementing best-in-class pedagogy and processes.
	Improve students' ability to complete programs more quickly through multiple start dates and fast track pathways.
	Improve our credit for prior learning systems.

The College has developed the four Goals listed above, as well as potential Initiatives for each Goal. By the end of April, the College will finish soliciting feedback from employees, students, and community members in regard to which Initiatives will help us to efficiently and effectively accomplish these Goals. Then departments will begin to develop Action Plans for FY22, which begins 7/1/22.

As you can see, many of these Initiatives are process related, and will not require much funding as we improve these processes. However, to the extent that money is needed for a successful implementation, there is also some flexibility within the FY22 budget that has been created through a variety of funds including HEERF to allow colleges to better support the delivery of Instruction due to COVID (ie. Delivery), Prop 207 funds intended to improve workforce development, provide job training, improve CTE and STEM (ie. Living Wage), and some contingency funds that we can use as needed (ie. Belonging and Adult Learners).

YAVAPAI COLLEGE

Budget

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Budget

Annual Budget Process

The official YC budget begins July 1 of each year. YC conducts a series of meetings throughout the year to ensure a new budget is ready for DGB approval each May.

The formal budget process begins with the District Governing Board (DGB) in October, when Budget Assumptions are shared. Also in October, the DGB is asked to approve Tuition and Fee increases for the following Fiscal Year, so that Financial Aid packaging may commence when the FAFSA process opens in November of the current Fiscal Year.

In November, the annual Environmental Scan is reviewed with the DGB, providing necessary context for upcoming budget discussions. Then in January or February, YC holds a half-day Budget Work Study Session with the DGB. Time is spent discussing revenue and expense trends, as well as upcoming financial and strategic challenges for the College.

During the March DGB meeting, YC discusses capital budgets with the DGB. The next month, in April, a preliminary budget is shared with the DGB. Based on feedback received at that meeting, a final budget is brought to the May DGB meeting for approval.

The final budget is advertised in the major newspapers and published on the website in advance of the meeting as proscribed by Arizona Revised Statute (ARS) 15-1461. Each one of this series of budget presentations is posted on the Budget website for any interested people who were unable to attend. Similarly, a video recording of each DGB Meeting is recorded and posted on the DGB website.

The DGB also has the ability to raise property taxes each year pursuant to ARS 42-17. In years where YC plans to ask for a property tax increase, the College follows the regulations outlined in ARS. Similar to the transparency requirements for the budget, YC also must advertise that it will hold a Truth in Taxation Hearing where the DGB will consider a tax increase—in addition to approving the College budget--as part of their duty to represent county residents. By YC tradition, this hearing takes place on the same day in May as the budget approval meeting.

Once approved by the DGB in May, YC budget staff enter the budget into our computerized accounting system, which in turn allows YC to monitor and control expenditures throughout the year.

Budget Adjustments
After the adoption of the budget for a particular fiscal year, it may be necessary for YC to transfer budget amounts between Organizations (departmental cost centers) or Functions within a Fund. No DGB action is required as long as the transfer does not change the total expenditure in that Fund. Functions and Funds are defined in the Glossary section.

Budget Controls
During the year, budgets are monitored on a monthly basis. Department managers may run budget reports for their areas. The Budget Director has developed exception reports to help identify budgetary issues, allowing the Director to take action if needed. The Controller shares budget information with the DGB on a monthly basis as well.

In addition, the purchasing system provides a secondary level of control: only a limited number of people have access to the requisition system, requisitions must be approved, by an even smaller group of budget managers, and requisitions without sufficient funds cannot be approved unless funds are transferred into the appropriate budget.

Finally, the College has a robust position control system which allows it to ensure that vacant positions are budgeted, before the position request is forwarded to ELT for approval. All full-time General and Auxiliary fund positions are reviewed and approved by the ELT prior to posting the position. Part time positions or grant funded positions are excluded from this ELT review process.

Fund Accounting
Fund accounting is an accounting and reporting system required to be used by independent colleges and universities to keep track of resources whose use is limited by donors, granting agencies, law, other outside individuals or entities or by governing boards. A fund is maintained for each specific purpose.

Yavapai College uses the following 5 funds to track revenues and expenses: General Fund, Auxiliary Fund, Restricted Fund, Debt Fund, and Plant Fund. The definitions for these may be found in the Glossary.

Budget Overview
The following Revenue Summary and Expense Summary tables group these funds into Current Funds and Capital Funds. The current funds group consists of funds expendable for current operating purposes, and is divided into two unrestricted funds, General and Auxiliary, as well as Restricted Funds. Capital Funds consist of the Plant Fund and the Debt Fund.

The Expense Summary Table also categorizes expenses by Function (sometimes known as Program), which helps the financial report reader better understand *which kinds of services* are being provided by the College. All U.S. colleges and universities use these same categories to report to the federal Department of Education, which allows for benchmarking. Finally, the expenses are broken into Natural Expense Classes which helps the financial report reader to understand *what* the money purchased. Funds, Functions and Natural Expense Classes are all defined in the Glossary section of this report.

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EXHIBIT 1

SUMMARY OF REVENUE DATA

	Prior Year Actual 2019-2020	Current Year 2020-2021	Proposed Budget 2021-2022	Dollar ($) Difference	Percentage (%) Difference
REVENUES					
Current Funds					
General Fund					
Property Taxes - Primary, Net Contingency	$ 37,766,600	$ 39,170,500	$ 40,078,600	$ 908,100	2.3%
Tuition & Fees	11,420,700	11,647,000	10,574,000	(1,073,000)	-9.2%
State Appropriations	2,362,700	585,800	596,500	10,700	1.8%
Other Sources	621,600	474,600	653,800	179,200	37.8%
Auxiliary Fund					
Sales and Services	2,894,800	2,429,900	3,495,800	1,065,900	43.9%
Other Sources	913,000	703,600	894,000	190,400	27.1%
Sub-Total Current Funds - Unrestricted	**$ 55,979,400**	**$ 55,011,400**	**$ 56,292,700**	**$ 1,281,300**	**2.3%**
Current Funds - Restricted					
Federal Grants and Contracts	$ 10,849,500	$ 12,435,000	$ 15,520,000	$ 3,085,000	24.8%
State Grants and Contracts	233,100	254,000	410,000	156,000	61.4%
State Appropriations/Propositions	1,541,700	1,118,000	2,481,300	1,363,300	121.9%
Private Gifts, Grants and Contracts	985,500	1,044,000	983,200	(60,800)	-5.8%
Sub-Total Current Funds - Restricted	**$ 13,609,800**	**$ 14,851,000**	**$ 19,394,500**	**$ 4,543,500**	30.6%
TOTAL CURRENT FUNDS	**$ 69,589,200**	**$ 69,862,400**	**$ 75,687,200**	**$ 5,824,800**	**8.3%**
Capital Funds					
Plant Fund					
Property Taxes - Primary, Net Contingency	$ 8,736,000	$ 8,345,500	$ 7,845,500	$ (500,000)	-6.0%
Other Sources	180,400	60,000	410,000	350,000	583.3%
Debt Fund					
Property Taxes - Secondary, Net Contingency	4,200,400	2,233,700	405,500	(1,828,200)	-81.8%
Other Sources	53,600	10,000	1,800	(8,200)	-82.0%
TOTAL CAPITAL FUNDS	**$ 13,170,400**	**$ 10,649,200**	**$ 8,662,800**	**$ (150,000)**	**-1.4%**
GRAND TOTAL - CURRENT & CAPITAL FUNDS	**$ 82,759,600**	**$ 80,511,600**	**$ 84,350,000**	**$ 5,674,800**	**7.0%**
Fund Balance Applied to Budget	3,392,250	2,178,400	1,362,200	(816,200)	-37.5%
TOTAL REVENUES AVAILABLE FOR EXPENDITURES	**$ 86,151,850**	**$ 82,690,000**	**$ 85,712,200**	**$ 3,022,200**	**3.7%**

EXHIBIT 2

Expenditures by Fund	2019-2020 ACTUAL	2020-2021 BUDGET	2021-2022 PROPOSED	Dollar ($) Difference	Percentage (%) Difference
Current Funds					
Current General Fund - Unrestricted	$ 47,477,600	$ 49,234,600	$ 49,884,900	$ 650,300	1.3%
Auxiliary Enterprises	4,801,500	5,089,000	5,419,200	330,200	6.5%
Sub-Total Current Funds - Unrestricted	**$ 52,279,100**	**$ 54,323,600**	**$ 55,304,100**	**$ 980,500**	**1.8%**
Current Funds - Restricted	13,518,900	13,831,000	19,618,500	5,787,500	41.8%
TOTAL CURRENT FUNDS	**$ 65,798,000**	**$ 68,154,600**	**$ 74,922,600**	**$ 6,768,000**	**9.9%**
Plant Funds					
Unexpended Plant Fund	$ 11,513,400	$ 10,405,500	$ 8,528,700	$ (1,876,800)	-18.0%
Retirement of Indebtedness	6,560,600	4,129,900	2,260,900	(1,869,000)	-45.3%
TOTAL PLANT FUNDS	**$ 18,074,000**	**$ 14,535,400**	**$ 10,789,600**	**$ (3,745,800)**	**-25.8%**
GRAND TOTAL - CURRENT & PLANT FUNDS	**$ 83,872,000**	**$ 82,690,000**	**$ 85,712,200**	**$ 3,022,200**	**3.7%**

Expenditures by Program	2019-2020 ACTUAL	2020-2021 BUDGET	2021-2022 PROPOSED	Dollar ($) Difference	Percentage (%) Difference
Instruction	$ 21,607,700	$ 22,339,790	$ 23,988,128	$ 1,648,338	7.4%
Public Service	$ 2,332,600	2,140,900	3,760,500	1,619,600	75.7%
Academic Support	$ 5,084,200	4,908,964	6,284,550	1,375,586	28.0%
Student Services	$ 8,462,500	8,861,925	9,524,000	662,075	7.5%
Institutional Support/Administration	$ 11,753,500	11,189,266	11,457,522	268,256	2.4%
Physical Plant Operations/Maintenance	$ 16,541,700	14,700,430	12,860,300	(1,840,130)	-12.5%
Scholarships	$ 9,576,300	11,052,400	12,141,700	1,089,300	9.9%
Auxiliary	$ 1,952,900	2,379,625	2,497,000	117,375	4.9%
Retirement of Indebtedness	$ 6,560,600	4,129,900	2,260,900	(1,869,000)	-45.3%
Contingency	$ -	986,800	937,600	(49,200)	-5.0%
TOTAL BUDGET	**$ 83,872,000**	**$ 82,690,000**	**$ 85,712,200**	**$ 3,022,200**	**3.7%**

Expenditures by Natural Expense	2019-2020 ACTUAL	2020-2021 BUDGET	2021-2022 PROPOSED	Dollar ($) Difference	Percentage (%) Difference
Salaries and Benefits	$ 43,973,300	$ 43,189,935	$ 45,090,199	$ 1,900,264	4.4%
Supplies and Services	$ 4,509,900	5,013,907	6,472,818	1,458,911	29.1%
Contractual Services and Other	$ 4,229,500	4,717,332	7,129,195	2,411,863	51.1%
Communications and Utilities	$ 1,778,300	2,103,061	2,155,061	52,000	2.5%
Travel, Conferences & Memberships	$ 940,000	1,048,381	1,228,624	180,243	17.2%
Scholarships	$ 9,703,000	11,095,183	12,216,702	1,121,519	10.1%
Capital Projects and Equipment	$ 12,177,400	10,405,500	8,221,100	(2,184,400)	-21.0%
Debt payments	6,560,600	4,129,900	2,260,900	(1,869,000)	-45.3%
Contingency	-	986,800	937,600	(49,200)	-5.0%
Total	**$ 83,872,000**	**$ 82,690,000**	**$ 85,712,200**	**$ 3,022,200**	**3.7%**

EXHIBIT 3

GENERAL FUND - REVENUES AND OTHER ADDITIONS"

REVENUES	2019-2020 ACTUAL	2020-2021 BUDGET	2021-2022 PROPOSED	DOLLAR ($) DIFFERENCE	PERCENTAGE (%) DIFFERENCE
PROPERTY TAXES - PRIMARY	$ 37,766,600	$ 39,320,500	$ 41,008,600	$ 1,688,100	4.3%
Property Tax Contingency	-	(150,000)	(930,000)	(780,000)	520.0%
PROPERTY TAXES - PRIMARY	$ 37,766,600	$ 39,170,500	$ 40,078,600	$ 908,100	2.3%
STATE APPROPRIATIONS					
Maintenance Support	$ 2,362,700	$ 585,800	$ 596,500	$ 10,700	1.8%
Sub-total State Appropriations	$ 2,362,700	$ 585,800	$ 596,500	$ 10,700	1.8%
TUITION & STUDENT FEES					
General Tuition	$ 9,837,100	$ 9,985,000	$ 9,050,000	$ (935,000)	-9.4%
Out-of-District Tuition	181,800	160,000	160,000	-	0.0%
Tuition - Noncredit	168,700	280,000	242,000	(38,000)	-13.6%
Out-of-State Tuition	830,700	840,000	740,000	(100,000)	-11.9%
Student Fees	85,600	82,000	82,000	-	0.0%
Tuition and Fee Remissions/Waivers	316,800	300,000	300,000	-	0.0%
Sub-Total Tuition & Student Fees	$ 11,420,700	$ 11,647,000	$ 10,574,000	$ (1,073,000)	-9.2%
OTHER SOURCES					
Investment Income	$ 261,700	$ 54,900	$ 50,000	$ (4,900)	-8.9%
Other	359,900	419,700	603,800	184,100	43.9%
Sub-Total Other Sources	$ 621,600	$ 474,600	$ 653,800	$ 179,200	37.8%
Gross Revenues	**$ 52,171,600**	**$ 51,877,900**	**$ 51,902,900**	**$ 25,000**	**0.0%**
Unrestricted Fund Balance Applied to Budget	$ 1,800,000	$ 1,968,400	$ 780,000	$ (1,188,400)	-60.4%
TRANSFERS IN/OUT					
Transfer to Auxiliary Fund	(1,170,000)	(2,256,450)	(1,432,200)	824,250	-36.5%
Transfer to Retirement of Indebtedness Plant Fund	(1,443,100)	(1,435,250)	(1,365,800)	69,450	-4.8%
Transfer from Restricted Fund	-	1,080,000	-	(1,080,000)	100.0%
Transfer from GF Fund Balance to Plant Fund	(3,800,000)	(2,000,000)	-	2,000,000	-100.0%
TOTAL REVENUES AVAILABLE FOR EXPENDITURES	**$ 47,558,500**	**$ 49,234,600**	**$ 49,884,900**	**$ 650,300**	**1.3%**

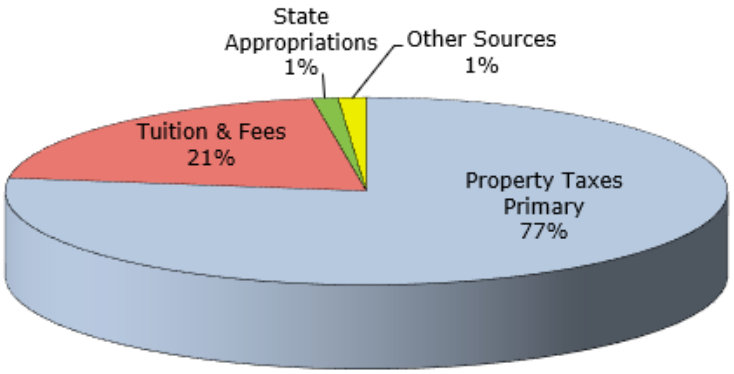


EXHIBIT 4

GENERAL FUND
EXPENDITURES AND OTHER DEDUCTIONS"

EXPENDITURES	2019-2020 ACTUAL	2020-2021 BUDGET	2021-2022 PROPOSED	DOLLAR ($) DIFFERENCE	PERCENTAGE (%) DIFFERENCE
Current General Fund					
Instruction	$ 18,609,500	$ 19,327,900	$ 19,172,300	$ (155,600)	-0.8%
Academic Support	4,592,700	4,432,200	4,740,800	308,600	7.0%
Institutional Support/Administration	10,705,800	10,487,100	10,475,600	(11,500)	-0.1%
Student Services	6,245,400	6,479,600	6,835,200	355,600	5.5%
Physical Plant Operations/Maintenance	6,263,400	6,467,100	6,542,400	75,300	1.2%
Scholarships	727,200	1,121,900	1,013,200	(108,700)	-9.7%
Public Service	333,600	348,800	575,400	226,600	65.0%
Tuition Contingency	-	570,000	530,000	(40,000)	-7.0%
TOTAL CURRENT GENERAL FUND BUDGET	**$ 47,477,600**	**$ 49,234,600**	**$ 49,884,900**	**$ 650,300**	**1.3%**

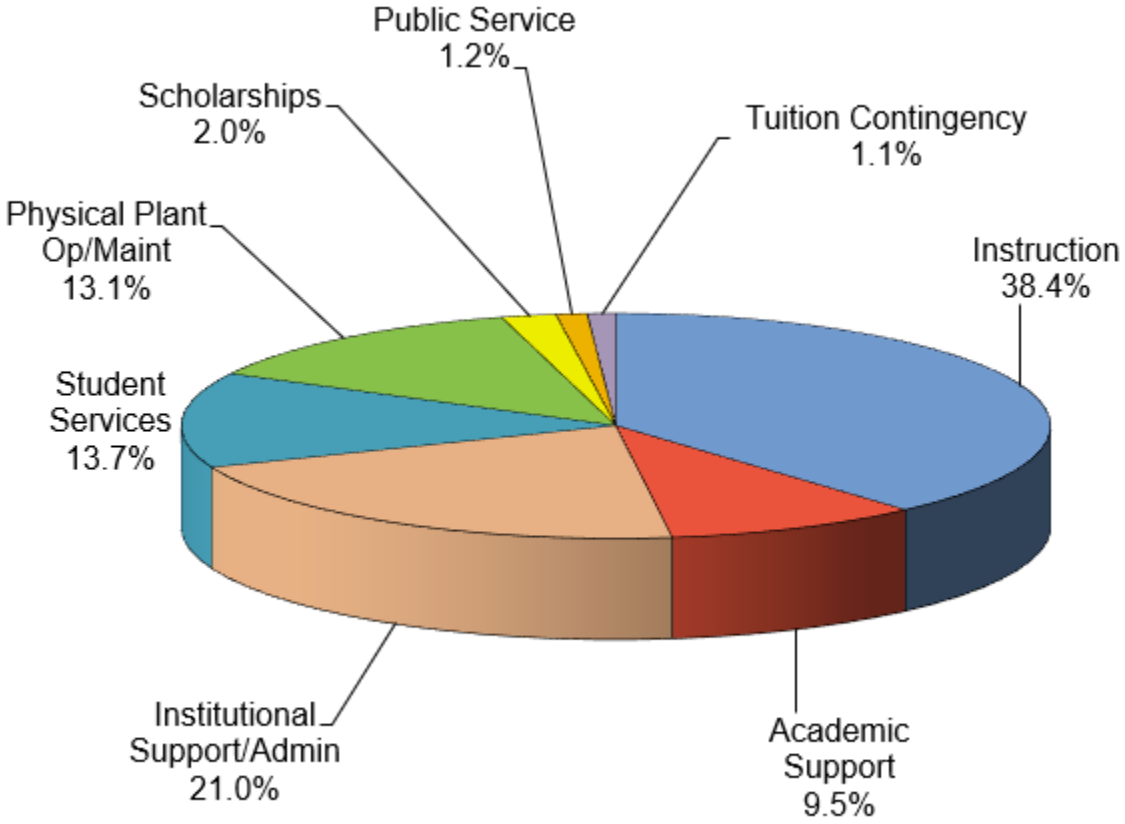


EXHIBIT 5

AUXILIARY ENTERPRISES FUNDS
REVENUES AND OTHER ADDITIONS

Revenues & Other Additions By Source	2019-2020 Actual	2020-2021 Budget	2021-2022 Proposed	DOLLAR ($) DIFFERENCE	PERCENTAGE (%) DIFFERENCE
AUXILIARY ENTERPRISES					
Residence Halls and Summer Conferences	1,141,200	$ 626,000	$ 1,252,000	$ 626,000	100.0%
Bookstore	134,000	130,000	80,000	(50,000)	-38.5%
Food Services Sales	27,400	20,500	70,000	49,500	241.5%
Vending	27,400	15,000	30,000	15,000	100.0%
Edventures & Community Education	59,600	424,800	371,100	(53,700)	-12.6%
Winery - Tasting Room	186,000	153,800	205,000	51,200	33.3%
Family Enrichment Center	445,800	452,800	710,500	257,700	56.9%
Subtotal	$ 2,021,400	$ 1,822,900	$ 2,718,600	$ 895,700	49.1%
PUBLIC SERVICES					
Community Events	$ 873,400	$ 607,000	$ 777,200	$ 170,200	28.0%
Subtotal	$ 873,400	$ 607,000	$ 777,200	$ 170,200	28.0%
OTHER REVENUES					
Yavapai College Foundation	$ 422,400	$ 422,600	$ 475,400	$ 52,800	12.5%
Performing Arts Productions	$ 341,400	198,500	247,000	48,500	24.4%
Miscellaneous	$ 149,200	82,500	171,600	89,100	108.0%
Subtotal	$ 913,000	$ 703,600	$ 894,000	$ 190,400	27.1%
Total Revenues & Other Additions	$ 3,807,800	$ 3,133,500	$ 4,389,800	$ 1,256,300	40.1%
UNRESTRICTED FUND BALANCE AT JULY 1 APPLIED TO BUDGET	100,000	100,000	-	(100,000)	-100.0%
TRANSFERS IN/OUT					
Transfer in from General Fund	$ 1,170,000	$ 2,256,450	$ 1,432,200	$ (824,250)	-36.5%
Transfer to Retirement of Indebtedness Plant Fund - Revenue Bond P & I	(403,900)	(400,950)	(402,800)	(1,850)	0.5%
TOTAL AVAILABLE FOR EXPENDITURES	**$ 4,673,900**	**$ 5,089,000**	**$ 5,419,200**	**$ 330,200**	**6.5%**

EXHIBIT 6

CURRENT AUXILIARY FUNDS - EXPENDITURES AND OTHER DEDUCTIONS

	2019-2020 Actual	2020-2021 Budget	2021-2022 Proposed	DOLLAR ($) DIFFERENCE	PERCENTAGE (%) DIFFERENCE
Instruction	$ 465,200	$ 255,350	$ 258,100	$ 2,750	1.1%
Student Services	664,600	741,800	913,700	171,900	23.2%
Auxiliary Enterprises	1,361,500	1,789,450	1,906,800	117,350	6.6%
Public Service	1,219,400	1,111,600	1,149,800	38,200	3.4%
Contingency	-	100,000	100,000	-	0.0%
Facilities & Administrative Allocation Expense	1,090,800	1,090,800	1,090,800	-	0.0%
TOTAL CURRENT AUXILIARY FUNDS BUDGET	**$ 4,801,500**	**$ 5,089,000**	**$ 5,419,200**	**$ 330,200**	**6.5%**

EXHIBIT 7

CURRENT AUXILIARY FUND - REVENUES AND EXPENDITURES (WITHOUT ALLOCATION)

	FY2019-2020 REVENUE Actual	FY2019-2020 OPERATING EXPENSE Actual	NET	FY2020-2021 REVENUE	FY2020-2021 OPERATING EXPENSE	NET	FY2021-2022 REVENUE	FY2021-2022 OPERATING EXPENSE	NET	Net Dollar ($) Difference	Net Percentage (%) Difference
Auxiliary Enterprises											
Residence Halls	$ 1,078,171	$ 264,688	$ 813,482	$ 571,000	$ 270,100	$ 300,900	$ 1,142,000	$ 330,000	$ 812,000	511,100	269.9%
Summer Conferences	63,055	64,884	(1,828)	55,000	78,850	(23,850)	110,000	93,900	16,100	39,950	-67.5%
Debt Service - Transfer to Debt Fund	(403,900)	-	(403,900)	(400,950)	-	(400,950)	(402,800)	-	(402,800)	(1,850)	100.5%
Sub-Total - Residence Halls	$ 737,326	$ 329,572	$ 407,754	225,050	348,950	$ (123,900)	849,200	423,900	425,300	549,200	-343.3%
Bookstore	$ 133,991	$ -	$ 133,991	130,000.00	-	130,000	80,000	-	80,000	(50,000)	61.5%
Food Services Sales	27,416	200,984	(173,568)	20,500	286,000	(265,500)	70,000	224,900	(154,900)	110,600	58.3%
Vending	27,446	-	27,446	15,000	-	15,000	30,000	-	30,000	15,000	200.0%
Edventures & Community Education	59,570	96,552	(36,982)	424,800	382,600	42,200	371,100	381,000	(9,900)	(52,100)	-23.5%
Family Enrichment Center	445,808	665,190	(219,382)	452,800	741,800	(289,000)	710,500	913,700	(203,200)	85,800	70.3%
Public Services											
Community Events	873,352	1,077,072	(203,720)	607,000	989,300	(382,300)	777,200	1,024,300	(247,100)	135,200	64.6%
Winery - Tasting Room	185,964	$ 305,838	(119,874)	153,800	319,300	(165,500)	205,000	341,600	(136,600)	28,900	82.5%
Total "Self-Supporting"	$ 2,490,873	$ 2,675,208	$ (184,335)	$ 2,028,950	$ 3,067,950	$ (1,039,000)	$ 3,093,000	$ 3,309,400	$ (216,400)	822,600	20.8%
Other Auxiliaries											
SBDC	-	$ 104,356	(104,356)	-	97,300	(97,300)	-	100,500	(100,500)	(3,200)	103.3%
Performing Arts Productions	341,437	440,597	(99,160)	198,500	236,150	(37,650)	247,000	242,000	4,000		-10.6%
Yavapai College Foundation	422,392	422,392	-	$ 422,600	$ 422,600	-	475,400	475,400	-	-	
Miscellaneous	149,256	53,604	95,652	82,500	74,200	8,300	171,600	101,100	70,500	62,200	849.4%
Contingency	-	$ -		-	100,000	(100,000)	-	100,000	(100,000)	-	100.0%
Total Supported Areas	$ 913,085	$ 1,020,948	(107,864)	$ 703,600	$ 930,250	$ (226,650)	$ 894,000	$ 1,019,000	$ (125,000)	101,650	55.2%
GRAND TOTAL	$ 3,403,958	$ 3,696,156	$ (292,198)	$ 2,732,550	$ 3,998,200	$ (1,265,650)	$ 3,987,000	$ 4,328,400	$ (341,400)	$ 924,250	27.0%

Plant Fund

EXHIBIT 8

UNEXPENDED PLANT FUND - REVENUES AND OTHER ADDITIONS

	2019-2020 Actual	2020-2021 Budget	2021-2022 Proposed	DOLLAR ($) DIFFERENCE	PERCENTAGE (%) DIFFERENCE
Revenues and Other Additions By Source					
Recurring					
Primary Levy - Capital	$ 8,736,000	$ 8,390,500	$ 7,890,500	$ (500,000)	-6.0%
Property Tax Contingency	-	(45,000)	(45,000)	-	0.0%
Investment Income	148,800	30,000	30,000	-	0.0%
Yavapai College Foundation Contribution	-	-	350,000	350,000	100.0%
Other	31,600	30,000	30,000	-	0.0%
Total Revenues	$ 8,916,400	$ 8,405,500	$ 8,255,500	$ (150,000)	-1.8%
Fund Balance Applied to Budget	934,800	-	273,200	273,200	100.0%
TRANSFERS IN/OUT					
Transfer in from General Fund	3,800,000	2,000,000	-	(2,000,000)	-100.0%
AMOUNT AVAILABLE FOR EXPENDITURES - UNEXPENDED PLANT FUND	**$ 13,651,200**	**$ 10,405,500**	**$ 8,528,700**	**$ (1,876,800)**	**-18.0%**

EXHIBIT 9

UNEXPENDED PLANT FUND - EXPENDITURES AND OTHER DEDUCTIONS

	2019-2020 Actual	2020-2021 Budget	2021-2022 Proposed	DOLLAR ($) DIFFERENCE	PERCENTAGE (%) DIFFERENCE
UNEXPENDED PLANT FUND					
Buildings/Infrastructure					
Planned Maintenance	$ 2,507,100	$ 3,166,000	$ 3,974,000	$ 808,000	25.5%
Unplanned Maintenance	174,700	275,600	250,000	(25,600)	-9.3%
Capital Improvement Projects (CIP)	6,385,900	4,053,200	1,595,000	(2,458,200)	-60.6%
Equipment					
Equipment	2,115,300	2,091,000	2,091,000	-	0.0%
Furniture and Fixtures	229,800	257,500	257,500	-	0.0%
Library Books	100,600	98,700	98,700	-	0.0%
Contributions to Capital Projects					
Accumulation Account - Future Projects	-	201,000	-	(201,000)	100.0%
Capital Contingency	-	262,500	262,500	-	0.0%
TOTAL EXPENDITURES - UNEXPENDED PLANT FUNDS	**$ 11,513,400**	**$ 10,405,500**	**$ 8,528,700**	**$ (1,876,800)**	**-18.0%**

EXHIBIT 10

FIVE-YEAR BUILDINGS AND GROUNDS PLANNED MAINTENANCE PLAN

	FY 2019-20 Actual	FY 2020-21 Budget	FY 2021-22 Proposed	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Unplanned Maintenance	$ 174,744	$ 275,600	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000
Planned Maintenance Total	2,507,068	3,916,000	3,974,000	3,974,000	3,974,000	3,974,000	3,974,000
TOTAL MAINTENANCE	$ 2,681,812	$ 4,191,600	$ 4,224,000	$ 4,224,000	$ 4,224,000	$ 4,224,000	$ 4,224,000

Planned Maintenance by Project			FY 2021-22 Proposed	
Prescott Campus, Bldg 2			36,000	HVAC-Replace roof mounted exhaust fan
Prescott Campus, Bldg 5			100,000	HVAC-Replace gas pack -upgrade ducting, replace piping
Prescott Campus, Bldg 6			43,000	HVAC-Replace ductwork; Replace Split System (2 units); Replace gas packs
Prescott Campus, Bldg 7			30,000	HVAC-Replace Package Units (5 in inventory)
Prescott Campus, Bldg 11			13,000	HVAC-Replace Split System (3)
Prescott Campus, Bldg 12			27,000	HVAC-Replace with split systems with 4-3 ton units
Prescott Campus, Bldg 16			1,938,000	Exterior Enclosure-Repair/Reseal block; Replace metal loading dock door; Roofing-Replace existing metal roof with TPO; Plumbing-Replace drinking fountains ; HVAC-Replace Package Unit; Replace 13 AHU units-piping, ductwork, controls; Electrical-Replace Motor Control center; Replace main building panel (1600 amps); Replace secondary transformers; Replace circuit breakers; Upgrade to LED add Acuity Controls in lobby area only
Prescott Campus, Bldg 19			280,000	Plumbing-Renovate; address install issues
Prescott Campus, Bldg 20			15,000	Interior Finishes-Replace carpet (roll carpet, worn, stains), abatement needed Modernization; HVAC-Replace Package Unit (2-5t units)
Prescott Campus, Bldg 28			8,000	HVAC-Replace Split System (2)
Chino Valley, Bldg 55			8,000	HVAC-Replace Package Unit (2-3t wall mount package);
Chino Valley, Bldg 56			8,000	HVAC-Replace unit heaters
Chino Valley, Bldg 57			180,000	Roofing-Total BUR roof replacement; HVAC-Install boiler plant and depart from geo thermal (geo thermal, 6 loops with wells); HVAC-upgrade controls; Replace Package UnitS (5)
Chino Valley, Bldg 58			8,000	HVAC-Upgrade controls; Replace Package Units (2)
Prescott, Bldg Campus Grounds			400,000	Site Improvements-Repair parking lot L near Marapai
Prescott, Bldg Campus Infrastructure			880,000	Site Electrical Utilities-Upgrade to 2000amp wires between 16 to 19 (8000 lin ft - from building 19 to 16)
Planned Maintenance Totals	$ 2,507,068	$ 3,916,000	$ 3,974,000	

EXHIBIT 11

FIVE-YEAR CAPITAL IMPROVEMENT PLAN

Capital Improvement Plan Projects - Description	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
CTEC - Food Services Area	$ 130,000	$ -	$ -	$ -	$ -
Prescott - Technical Theater Building	350,000	-	-	-	-
Prescott Valley - Land (Adjacent to Bldg 40)	460,000	-	-	-	-
Prescott Valley - Deceleration Lane	100,000	-	-	-	-
Verde Valley Skilled Trades Center (Phase 1 - 10,000 sq. ft)	600,000	-	-	-	-
Campus Master Plan	200,000	-	-	-	-
		-	-	-	-
Campus Signage/Marquees	300,000	-	-	-	-
		-	-	-	-
Contingency	55,000	-	-	-	-
Transfer Expenses to Restricted Fund - STEM/Prop. 301	(600,000)	-	-	-	-
Total Capital Projects	**1,595,000**	**-**	**-**	**-**	**-**
Revenue Sources					
Capital Project Accumulation Account	$ 1,245,000	$ -	$ -	$ -	$ -
YC Foundation	350,000	-	-	-	-
Total Revenues	**$ 1,595,000**	**$ -**	**$ -**	**$ -**	**$ -**
Excess/(Needed Capital)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Key:

Green = Continuing Projects Approved in prior years.
Red = Projects to be Approved this year
Black = Future Projects

FY2021-22 Capital Improvement Plan Budget Rationale

April 2021

1. CTEC - Food Services Area
   The CTE Center is now our 2nd largest provider of face to face classes. With classes from early in the morning until late at night, we believe that expanded food services would be a welcome service by students and faculty alike—especially in light of the lack of nearby restaurant options.

2. Prescott - Technical Theater Building

   In support of our growing Performing Arts division, the College is expanding its Technical Theater program. Programming has started related to the enclosing of the area just outside the Green Room for Technical Theater.

3. Prescott Valley - Land (Adjacent to Bldg 40)
   As the youngest and fastest growing community in Yavapai County, YC still believes additional space and land to build it on is needed in Prescott Valley. This Center is still envisioned as the primary hub of Allied Health programs (except Nursing).
4. Prescott Valley - Deceleration Lane
   Construction of a deceleration lane on Glassford Hill Road into/out of the Prescott Valley Center. This project will provide safer ease of access to and from the Center.

5. Verde - Verde Valley Skills Trades Center
   The College will begin programming phase 1 of The Verde Valley Skilled Trades Center. This will be used to offer a variety of career technical education programs within the Construction Career Cluster such as Carpentry, Commercial Truck Drivers, Electrical, HVAC, Mechanical and Plumbing. The VVSTC will launch in FY22.
6. Campus Master Plan
   An update of the Campus Master Plan (CMP) is essential to inform future Capital Improvement Plans. This would include remaining 2013 CMP projects in new CMP discussions. This process would inform and prioritize remaining CMP and emerging needs that exceed currently identified resources, as well as identify additional resources to support the CMP.
7. Verde and CTEC Campus Signage/Marquees
   Continuation of project to address campus and site visibility by installing/replacing electronic marquees adjacent to major highways. Design is underway for installing a marquee along highway89 to direct people to CTEC. Preliminary planning has begun for marquees at the Verde Valley campus. Both CTEC and Verde Valley will require land acquisition.

EXHIBIT 12

FIVE YEAR EQUIPMENT PLAN

Department	FY 2019-20 Actual	FY 2020-21 Budget	FY 2021-22 Proposed	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Career & Technical Education	$ 198,937	$ 215,750	$ 243,850	$ 182,150	$ 227,843	$ 274,800	$ 147,150
Arts & Humanities	24,244	43,290	20,855	89,765	81,678	67,180	44,000
Sciences, Nursing, Allied Health, HPER	98,963	183,900	227,762	432,729	248,108	448,522	162,310
Public Safety	51,181	37,500	63,400	44,300	64,500	45,300	105,000
Digital Media, Viticulture & Culinary	81,277	13,000	36,261	63,314	74,710	36,210	30,210
Instructional Support	12,444	10,000	20,650	19,717	20,185	13,000	22,700
CISCO	21,431	21,000	26,000	24,000	29,000	21,000	33,000
Student Activities	1,928	-	-	-	-	-	-
Information Technology Services	1,022,055	993,214	963,300	968,333	978,416	988,550	988,736
Business Services	103,894	77,016	43,022	51,977	69,985	94,038	24,969
Facilities - All	256,381	223,800	182,000	182,000	185,000	183,000	184,000
District Safety	14,881	50,000	50,000	50,000	50,000	50,000	50,000
Campus Safety	-	6,230	5,700	6,340	4,600	1,600	3,200
Marketing	14,927	-	-	-	-	-	-
Athletics	20,991	30,000	15,000	15,000	15,000	15,000	15,000
Auxiliary Enterprises	191,780	132,000	148,100	165,175	158,475	92,900	149,025
FAS - Contingency	-	54,300	45,100	-	-	-	-
Total Equipment	$ 2,115,314	$ 2,091,000	$ 2,091,000	$ 2,294,800	$ 2,207,500	$ 2,331,100	$ 1,959,300

EXHIBIT 13

CURRENT FUNDS & PLANT FUND - UNRESTRICTED BEGINNING CASH BALANCE

	Current Funds	Plant Fund	Total
Unrestricted Cash Balance as of July 1, 2020	$ 13,395,700	$ 9,726,000	$ 23,121,700
Add: Estimated Revenues - FY2020-2021	53,661,300	8,401,000	62,062,300
Less: Estimated Expenses - FY2020-2021	(50,157,000)	(11,554,500)	(61,711,500)
Transfer to Plant Fund - Capital Projects Accumulation Account - FY2020-2021	(2,000,000)	2,000,000	-
Estimated Cash Balance at June 30, 2021	14,900,000	8,572,500	23,472,500
Less: District Governing Board Designated Minimum Reserve Amount	(9,200,000)	(1,000,000)	(10,200,000)
Estimated Cash Balance in Excess of Required Reserves as of June 30, 2021	5,700,000	7,572,500	13,272,500
Less: Fund Balance Applied to FY2021-2022 Budget	(780,000)	(273,200)	(1,053,200)
Less: Estimated Balance in Capital Accumulation Account	-	(3,072,500)	(3,072,500)
Estimated Unrestricted Cash Balance in Excess of Required Reserves at June 30, 2021	$ 4,920,000	$ 4,226,800	$ 9,146,800

Restricted Fund

EXHIBIT 14

RESTRICTED FUNDS - REVENUES AND OTHER ADDITIONS

	2019-2020 Actual	2020-2021 Budget	2021-2022 Proposed	DOLLAR ($) DIFFERENCE	PERCENTAGE (%) DIFFERENCE
Revenues and Other Additions by Source					
GIFTS, GRANTS, AND CONTRACTS					
Federal Grants and Contracts					
U.S. DOE - TRIO Student Cluster	$ 1,040,300	$ 846,000	$ 796,000	$ (50,000)	-5.9%
U.S. DOE - Adult Education	364,900	427,000	590,000	163,000	38.2%
U.S. DOE - Financial Aid Cluster	8,070,100	8,276,000	7,392,000	(884,000)	-10.7%
U.S. DOE - Vocational Education	231,000	238,000	230,000	(8,000)	-3.4%
U.S. DOE - COVID-19 Aid	737,000	2,160,000	5,894,000	3,734,000	172.9%
U.S. DHHS - Substance Abuse Prevention	178,300	190,000	190,000	-	0.0%
U.S. NSF - Technical Education	34,600	-	80,000	80,000	100.0%
U.S. Small Business Administration	161,700	140,000	190,000	50,000	35.7%
Other	31,600	158,000	158,000	-	0.0%
Subtotal	$ 10,849,500	$ 12,435,000	$ 15,520,000	$ 3,085,000	24.8%
State Grants and Contracts					
AZ DOE - Adult Education	$ 155,000	$ 131,000	$ 287,000	$ 156,000	119.1%
Other	78,100	123,000	123,000	-	0.0%
Subtotal	$ 233,100	$ 254,000	$ 410,000	$ 156,000	61.4%
Private Gifts, Grants and Contracts					
Bernard Osher Foundation	$ 111,000	$ 112,000	$ 111,200	$ (800)	-0.7%
Yavapai College Foundation	652,600	713,000	668,000	(45,000)	-6.3%
Freeport-McMoRan	94,300	92,000	92,000	-	0.0%
Other	127,600	127,000	112,000	(15,000)	-11.8%
Subtotal	$ 985,500	$ 1,044,000	$ 983,200	$ (60,800)	-5.8%
OTHER REVENUES AND ADDITIONS					
Prop. 301 Workforce Development	$ 838,600	$ 420,500	$ 880,000	$ 459,500	109.3%
Prop. 207 Workforce Development/STEM	-	-	900,000	$ 900,000	100.0%
State Appropriation - STEM Workforce Programs	703,100	697,500	701,300	3,800	0.5%
Subtotal	$ 1,541,700	$ 1,118,000	$ 2,481,300	$ 1,363,300	121.9%
Total Revenues & Other Additions	$ 13,609,800	$ 14,851,000	$ 19,394,500	$ 4,543,500	30.6%
TRANSFERS IN/OUT					
Transfer to General Fund	-	$ (1,080,000)	$ -	1,080,000	100.0%
RESTRICTED FUND BALANCE AT JULY 1 APPLIED TO BUDGET	90,000	60,000	224,000	164,000	273.3%
TOTAL AVAILABLE FOR EXPENDITURES	**$ 13,699,800**	**$ 13,831,000**	**$ 19,618,500**	**$ 5,787,500**	**41.8%**

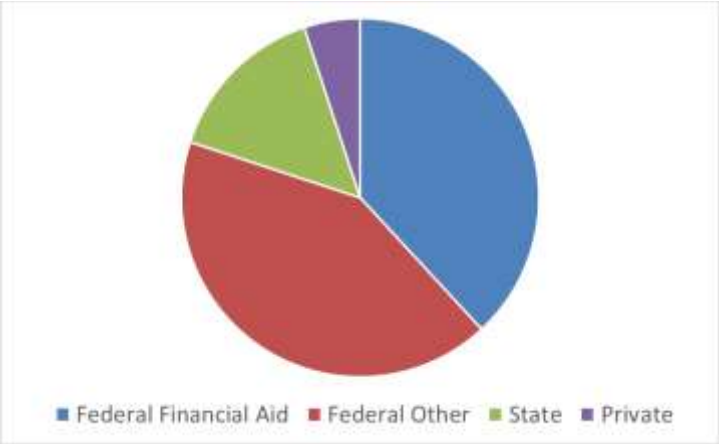


EXHIBIT 15

RESTRICTED FUNDS - EXPENDITURES AND OTHER DEDUCTIONS

	2019-2020 Actual	2020-2021 Budget	2021-2022 Proposed	DOLLAR ($) DIFFERENCE	PERCENTAGE (%) DIFFERENCE
CURRENT RESTRICTED FUND (Note 1)					
Instruction	$ 2,059,200	$ 2,242,100	$ 3,939,600	$ 1,697,500	75.7%
Academic Support	38,300	-	1,100,000	1,100,000	100.0%
Institutional Support/Administration	261,900	-	300,000	300,000	100.0%
Student Services	1,417,900	1,499,400	1,632,700	133,300	8.9%
Physical Plant Operations/Maintenance	709,500	-	3,700	3,700	100.0%
Scholarships	8,849,100	9,930,500	11,128,500	1,198,000	12.1%
Public Service	183,000	159,000	1,514,000	1,355,000	852.2%
TOTAL EXPENDITURES AND OTHER DEDUCTIONS OF CURRENT RESTRICTED FUNDS	**$ 13,518,900**	**$ 13,831,000**	**$ 19,618,500**	**$ 5,787,500**	**41.8%**

EXHIBIT 16

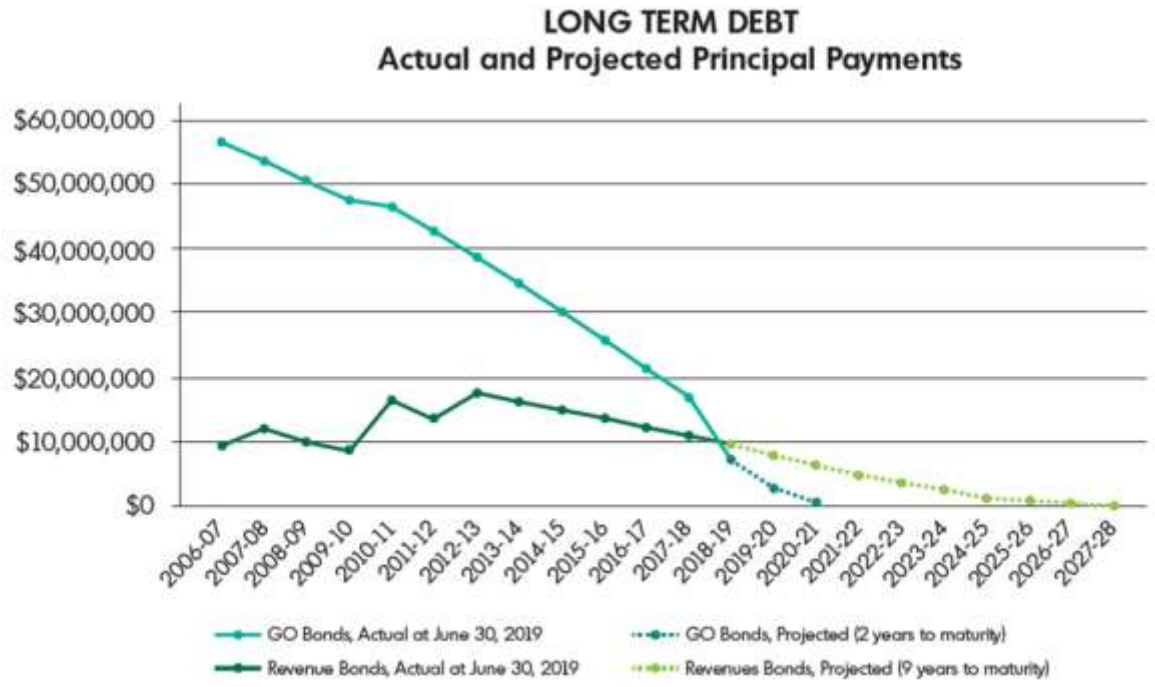
RETIREMENT OF INDEBTEDNESS PLANT FUND
REVENUES AND OTHER ADDITIONS

	2019-2020 Actual	2020-2021 Budget	2021-2022 Proposed	DOLLAR ($) DIFFERENCE	PERCENTAGE (%) DIFFERENCE
RETIREMENT OF INDEBTEDNESS					
Secondary Tax Levy	$ 4,200,400	$ 2,248,700	$ 410,500	$ (1,838,200)	-81.7%
Property Tax Contingency	-	(15,000)	(5,000)	10,000	-66.7%
Interest Income	$ 53,600	10,000	1,800	(8,200)	-82.0%
TOTAL RETIREMENT OF INDEBTEDNESS REVENUES	$ 4,254,000	$ 2,243,700	$ 407,300	$ (1,836,400)	-81.8%
FUND BALANCE AT JULY 1 APPLIED TO BUDGET	$ 467,450	$ 50,000	$ 85,000	$ 35,000	70.0%
TRANSFERS IN/OUT					
Transfer in from General Fund - PRO Refunding Bonds P & I	$ 1,435,250	1,435,250	1,365,800	(69,450)	-4.8%
Transfer in from Auxiliary Fund - Revenue Bond P & I	403,900	400,950	402,800	1,850	0.5%
\					
TOTAL AMOUNT AVAILABLE FOR RETIREMENT OF REVENUE & PLEDGED REVENUE BONDS	$ 1,839,150	$ 1,836,200	$ 1,768,600	$ (67,600)	-4.8%
TOTAL AVAILABLE FOR EXPENDITURES - RETIREMENT OF INDEBTEDNESS	**$ 6,560,600**	**$ 4,129,900**	**$ 2,260,900**	**$ (1,869,000)**	**-45.3%**

EXHIBIT 17

RETIREMENT OF INDEBTEDNESS PLANT FUND
EXPENDITURES AND OTHER DEDUCTIONS

	Final Maturity	2019-2020 Actual	2020-2021 Budget	2021-2022 Proposed	DOLLAR ($) DIFFERENCE	PERCENTAGE (%) DIFFERENCE
RETIREMENT OF INDEBTEDNESS						
Retirement of Indebtedness (Principal)						
General Obligation Bonds - 2012 Refunding	7/1/2022	$ 3,620,000	$ 1,705,000	$ 470,000	$ (1,235,000)	-72.4%
General Obligation Bonds - 2011 Refunding	7/1/2021	860,000	495,000	-	(495,000)	-100.0%
Total General Obligation Bonds		4,480,000	2,200,000	470,000	(1,730,000)	-78.6%
Pledged Revenue Obligations	7/1/2025	1,160,000	1,200,000	-	(1,200,000)	-100.0%
PRO Refunding Bonds - 2021 Refunding	7/1/2025	-	-	1,330,000	1,330,000	100.0%
Revenue Bonds	7/1/2028	325,000	330,000	340,000	10,000	3.0%
Sub-total Retirement of Indebtedness		$ 5,965,000	$ 3,730,000	$ 2,140,000	$ (1,590,000)	-42.6%
Interest on Indebtedness						
General Obligation Bonds - 2012 Refunding		$ 178,550	$ 69,950	$ 18,800	$ (51,150)	-73.1%
General Obligation Bonds - 2011 Refunding		52,050	19,800	-	(19,800)	-100.0%
Total General Obligation Bonds		230,600	89,750	18,800	(70,950)	-79.1%
Pledged Revenue Obligations		283,100	235,250	-	(235,250)	-100.0%
PRO Refunding Bonds - 2021 Refunding		-	-	35,800	35,800	100.0%
Revenue Bonds		78,900	70,950	62,800	(8,150)	-11.5%
Sub-total Interest on Indebtedness		$ 592,600	$ 395,950	$ 117,400	$ (278,550)	-70.3%
Bank Fees		3,000	3,950	3,500	(450)	-11.4%
TOTAL EXPENDITURES AND OTHER DEDUCTIONS - RETIREMENT OF INDEBTEDNESS		**$ 6,560,600**	**$ 4,129,900**	**$ 2,260,900**	**$ (1,869,000)**	**-45.3%**



YAVAPAI COLLEGE

Financial Discussion & Analyses

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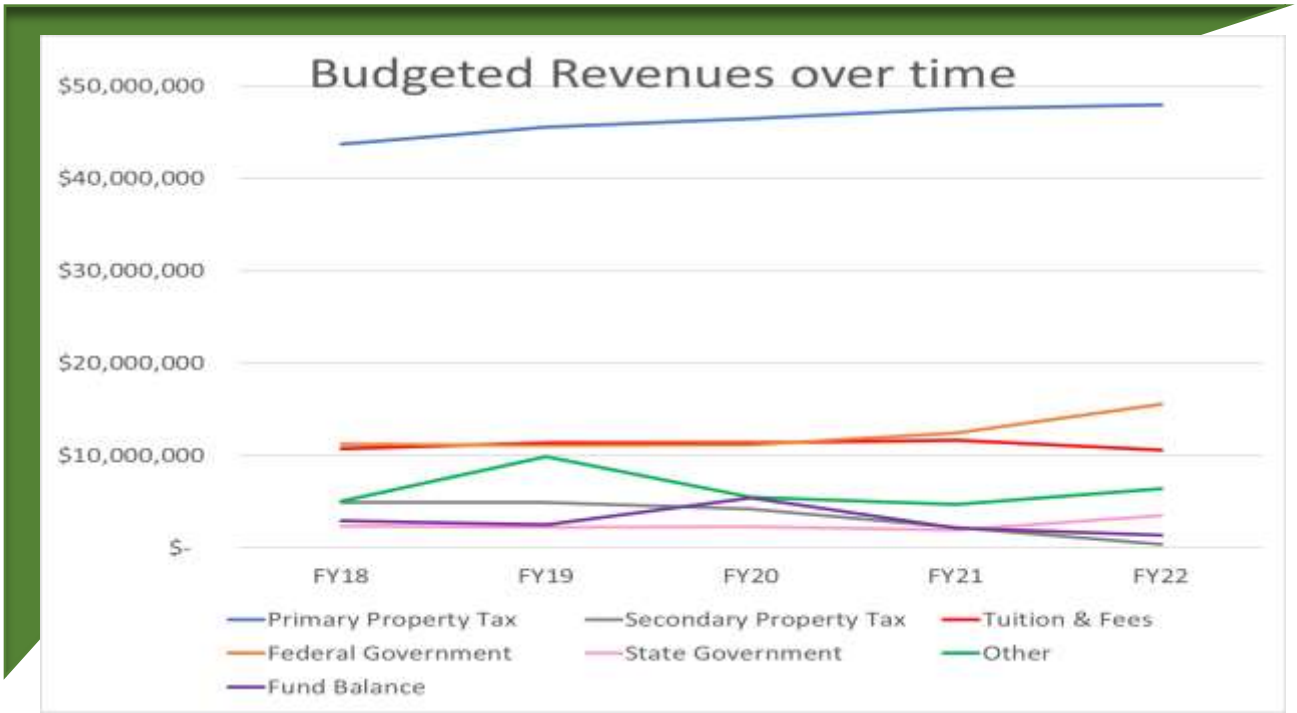
Discussion of Budgeted Revenues



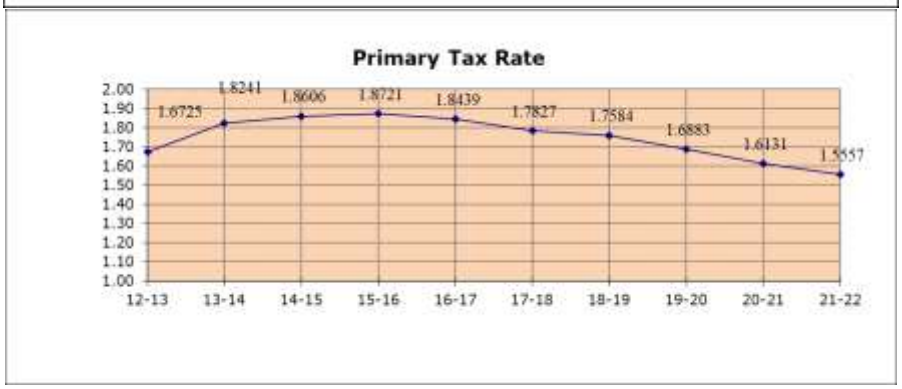
	FY18	FY19	FY20	FY21	FY22	5 Yr %
Primary Property Tax	$ 43,715,500	$ 45,514,700	$ 46,497,900	$ 47,516,000	$ 47,924,100	10%
Secondary Property Tax	4,898,800	4,888,600	4,188,600	2,233,700	405,500	-92%
Tuition & Fees	10,746,500	11,355,000	11,341,000	11,647,000	10,574,000	-2%
Federal Government	$ 11,255,400	$ 11,122,000	$ 11,150,000	$ 12,435,000	$ 15,520,000	38%
State Government	2,344,100	2,218,100	2,305,000	1,957,800	3,487,800	49%
Other	5,041,800	9,849,900	5,506,300	4,722,100	6,438,600	28%
Fund Balance	2,956,000	2,542,700	5,424,800	2,178,400	1,362,200	-54%
	80,958,100	87,491,000	86,413,600	82,690,000	85,712,200	6%

Primary Property Taxes: As a political subdivision of the state, the Yavapai College DGB has the ability to levy property taxes pursuant to ARS 42-17.

In most states, Property Taxes are generally calculated as follows:
Assessed Value * Property Tax Rate = Property Tax Levy

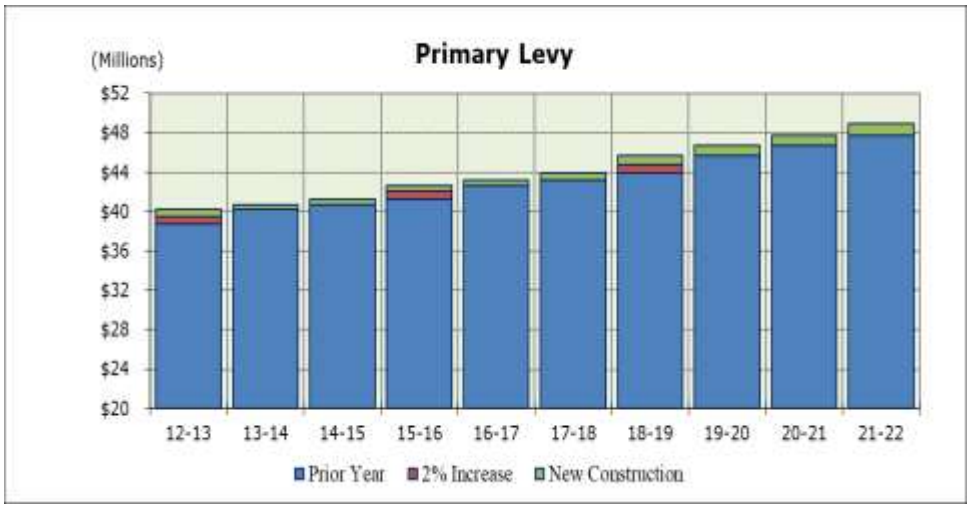
In these states, as the Assessed Value of properties increase, so does the Levy. Conversely, as Assessed Values decline, so does the Levy.

However, AZ is different. In AZ, the Levy remains constant, so as Assessed Values increase, the Property Tax Rate declines to keep the Levy constant. Likewise when Assessed Values decrease, the Property Tax Rate increases to keep the Levy constant. The following graphs demonstrate the inverse relationship between Assessed Value and Property Tax Rates in AZ:



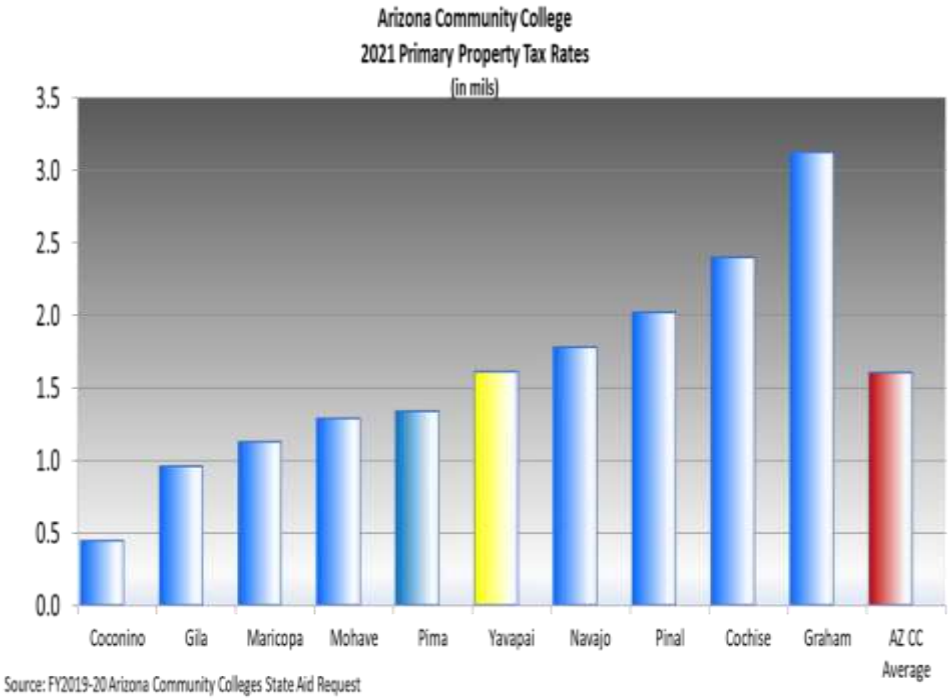
There are two ways that the Levy can increase. The first has to do with new construction. The College applies the existing Property Tax Rate to new homes and businesses that come to Yavapai County. This expands the College's financial capacity to support these new potential clients.

The second way to increase the Property Tax Levy is through the Board, which has the statutorily granted ability to raise the Levy by 2% per year. The effect is cumulative, so if a district foregoes a 2% increase in the Levy one year, it may raise the Levy 4% in a future year. The following graph shows changes in the College's Levy:



Over the past 5 years, the District Governing Board has approved a 2% increase to the levy (roughly $800k); the remaining increase in primary property tax revenues came from new construction in Yavapai County. **Yavapai College is not requesting a Property Tax Levy increase for FY2021-22; however, Property Tax revenues will increase $1.2M due to New Construction.**

As this graph demonstrates, YC's Property Tax Rate is near the average of community college's throughout AZ. Moreover, **according to the non-partisan taxfoundation.org, AZ has some of the lowest property tax rates in the county, with the 13th lowest personal rate and the 8th lowest business rate.**



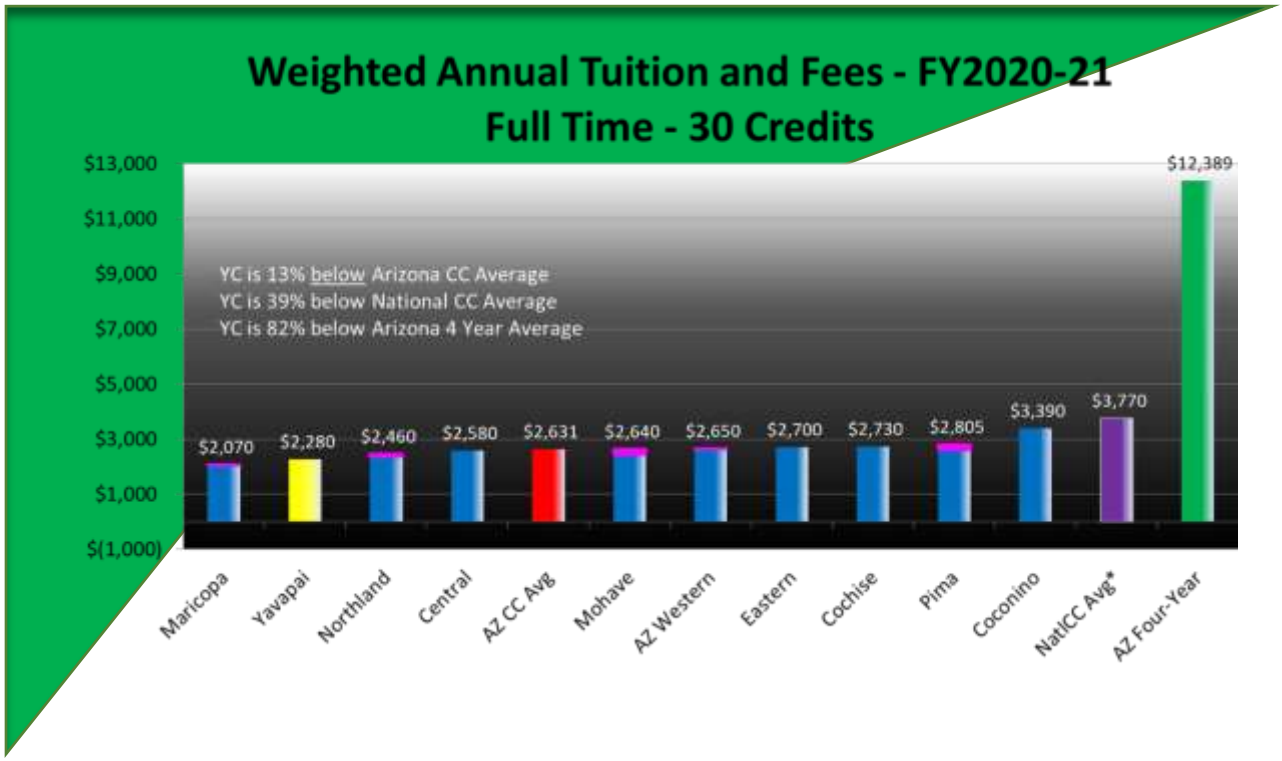
The College uses Primary Property Taxes to support General Fund and Plant Fund activities. **Beginning in FY22, the College will reduce Property Taxes being used in the Plant Fund by $500,000.**

Secondary Property Taxes: These are temporary additional taxes to pay for General Obligation (GO) Bonds that voters approved in 1999 to make a variety of capital improvements throughout the district.

- The Board approved College recommendations to refinance these GO Bonds, which saved taxpayers $1.9M.
- The Board approved paying down some of our GO Bond debt early, creating an additional $500k savings.
- **The Board approved refinancing some Revenue Bonds creating $70k of annual savings in FY22.**

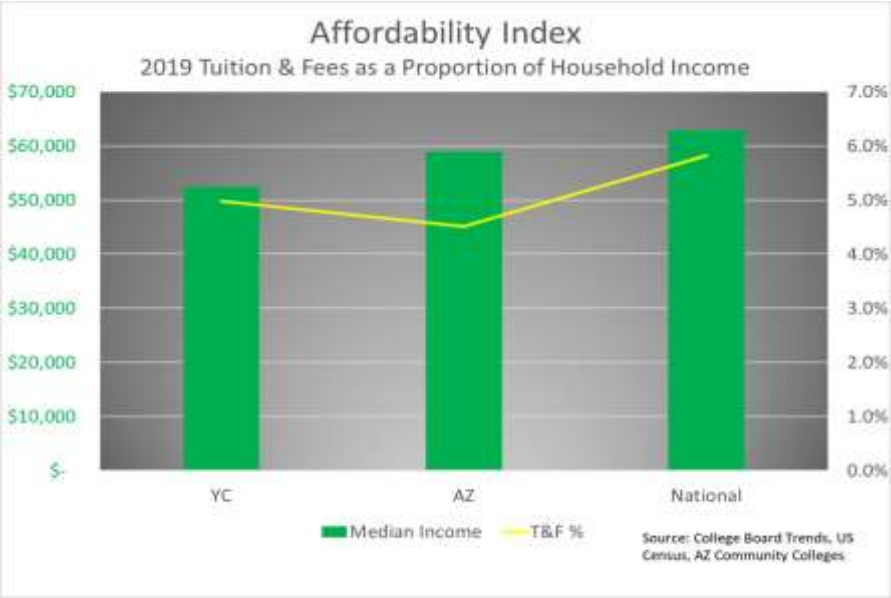
Tuition & Fees: To be more transparent, Yavapai College has moved away from general fees charged to all students as the AZ public universities do. The College has also discontinued course and program fees (except Aviation). Instead, the College has created 3 differentiated tuition rates. Our base tuition (Tier 1) covers general education courses, which are the majority of the courses we offer. In lieu of course fees, we charge $15 more per credit for classes with smaller class caps and/or that require lab spaces (Tier 2). We charge an $27 above base tuition per credit for Career Technical Education classes which typically have small classes, lab space, and state of the art equipment (Tier 3).

- There are a handful of programs that charge more than Tier 3. These programs charge Market Based tuition: Commercial Driver Training, Fire Science, Gunsmithing, Nursing, and Radiology.
- To remain affordable and accessible, YC tuition is purposefully below the national average tuition rate for community colleges, as the median income in Yavapai County is 18% below the national average.
- In addition, the College offers several discounts to support our Strategic Direction including
    - 20% Full-Time Student discount (15 to Finish initiative) as an incentive for more students to attend full-time—studies have shown that full-time students are more likely to complete their certificate or degree, and reap the associated increase in earnings.
    - 25% Senior Citizen discount for people 65 and older who take credit classes.
    - Western Undergraduate Exchange (WUE) discount, wherein residents of 15 western states only pay 150% of in-state tuition rates, rather than the list price out of state tuition rates (roughly 50% discount)
    - ~90% Dual Credit discount for high school students taking College classes taught by high school teacher
    - YC has created a College Cost Comparison Tool to help residents see the true savings associated with attending YC versus one of the four-year AZ public universities



The chart above demonstrates that we have competitive pricing (what students pay us) compared to our AZ and National peers. We are especially competitive compared to the 4-year AZ public universities, saving students roughly $10,000 per year for their Freshman year and Sophomore year.

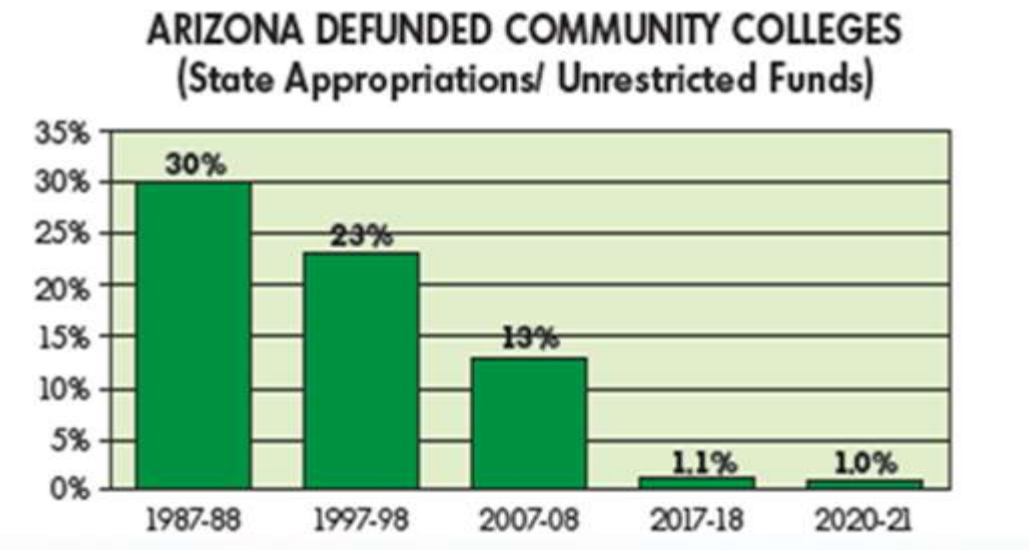
The College purposefully sets pricing to remain affordable and accessible. We do this by making sure that our base tuition for part time students consumes a smaller portion of household income than at other community colleges across the nation (the Affordability Index). To compensate for Yavapai County income lagging national by 18%, YC offered tuition 40% lower than its national peers in FY2019-20. Consequently, attending community college full time consumed 5.8% of the average household income nationally, but only 5% in Yavapai County. **YC is not requesting a Tuition increase for FY22; however, Tuition & Fee Revenues are declining $900,000 due to a 9% decline in enrollments.**



Grants: These funds come with restrictions on how they may be spent. Generally speaking, these are grouped into Federal, State, and Private sources. **Major changes include**:

- $884,000 decline in Federal Financial Aid Cluster due to decline in enrollments
- $3.7M increase in Federal COVID-19 Aid due to HEERF and the announcement of HEERF 2
- Proposition 301 increase back to pre-pandemic levels
- $900,000 of new Prop. 207 funds to support Workforce Development, Job Training, CTE and STEM programs
- $320,000 increase in Federal and State Adult Basic Education funds

State Support: The state provides roughly $6 per student credit hour of operational support. In addition, the College receives Prop 301 funds for Workforce Development. Starting in FY21, the College also receives Prop 207 funds for CTE, STEM, Workforce Development and job training.

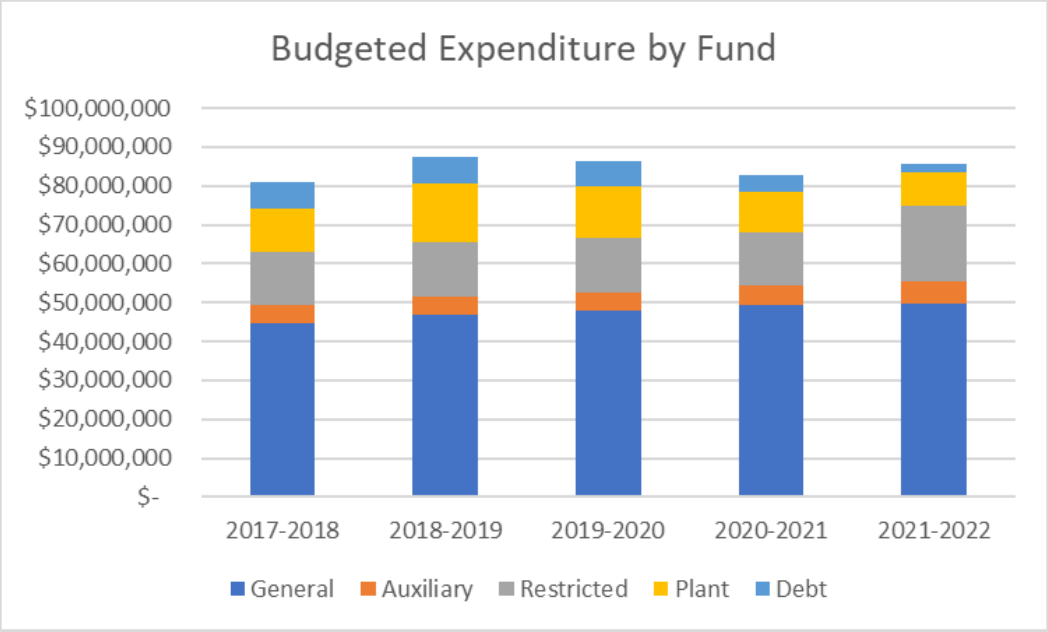


Over the past 30 years, the State of Arizona has defunded community colleges, placing the financial burden on local communities through property taxes. **In FY22, only 4% of <u>total</u> funds for this state institution come from the State of AZ.**

Other Sources: These revenues consist of a variety of things such as interest, facility rentals, payment plan fees, testing center fees, fitness and pool passes, federal indirect costs, and reimbursements from the YC foundation for staff salaries and benefits. This also includes Sales & Service revenues from the Auxiliary services areas such as Residence Halls, Dining Service, Book Store, etc. **Major changes include:**

- $60,000 of additional Family Enrichment Center tuition by increasing class sizes to match accreditation standards
- $100,000 of Job Order Contracting commissions
- $100,000 increase in Regional Economic Development Center sales

Discussion of Budgeted Expenses



Budgeted Expenditure by Fund	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	5 Yr %
General	$ 44,608,000	$ 46,918,900	$ 47,927,700	$ 49,234,600	$ 49,884,900	11.8%
Auxiliary	$ 4,634,800	$ 4,752,000	$ 4,636,000	$ 5,089,000	$ 5,419,200	16.9%
Restricted	$ 13,840,500	$ 13,844,200	$ 13,889,000	$ 13,831,000	$ 19,618,400	41.7%
Plant	$ 10,971,500	$ 15,088,200	$ 13,400,300	$ 10,405,500	$ 8,528,700	-22.3%
Debt	$ 6,903,300	$ 6,887,700	$ 6,560,600	$ 4,129,900	$ 2,260,900	-67.2%
	$ 80,958,100	$ 87,491,000	$ 86,413,600	$ 82,690,000	$ 85,712,100	5.9%

This balance of this section will discuss the trends in each fund, focusing on significant changes moving from this year's budget to next year's budget.

Restricted Fund Expenses:

- As mentioned in the revenues, these funds come with strings attached. The College receives the grant to be used for a specific purpose.
- This is the one area of expenses we would like to see increase as it brings more money into the Yavapai County community.
- The large majority of funds come through Federal Financial Aid grants such as PELL. These are pass-through funds that the College receives on behalf of lower income students, which the student uses to pay for tuition, books, and possibly more depending on the award. This number fluctuates with enrollments.
- Expenses go up or down as Grants are awarded in greater or fewer numbers to the College.
- In FY21 and FY22, there have been large grant awards to help students and colleges recover from the pandemic. In FY20 and 21, the College received CARES grant. In FY21 we received HEERF grant, which we anticipate will carry a portion of into FY22. There is legislation working its way through Congress for a 3rd grant for students and colleges.
- Beginning in FY21, the College is receiving Prop 207 revenues, which are required to be used for Workforce, CTE and STEM programs. YC will use these funds to expand REDC services in support of our Strategic Plan (Living Wage).

Debt Fund Expenses:

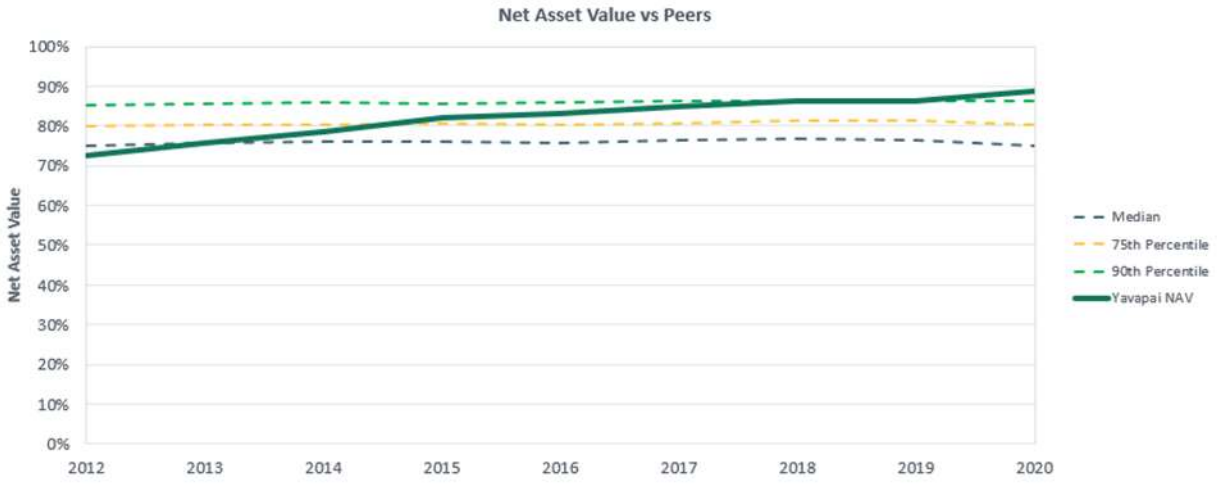
College debt consists of General Obligation (GO) Bonds and Revenue Bonds.

- In 1999, Yavapai County voters approved the College issuing $69.5M of GO Bonds
- The intent was to complete a variety of capital additions and renovations throughout the district—all of which have been completed
- The GO Bonds will be fully paid at the end of FY22
- The College issued revenue bonds for two major projects
- Renovation of two Residence Halls on Prescott Campus. The enhancements allowed YC to raise rent to market rates. The halls now generate enough cash flow to be financially self-sustaining, including the annual debt payment.
- The creation of a Central Plant on the Verde Valley Campus and a Chiller Plant on the Prescott campus.
- The revenue bonds will be fully paid at the end of FY28.

Plant Fund Expenses:

There are several capital budgets monitored in this fund

- Planned Maintenance
  - These projects address deferred maintenance issues which extend the useful life of the asset and lower the Total Cost of Ownership.
  - Working with a consultant specializing in higher education facilities management (Sightlines), YC has created a list of assets, and assessed the condition and age of each asset. Based on Sightlines analyses and recommendations, the DGB has approved an average annual reinvestment of $3.9M in our assets.
  - The College operates roughly 800,000 square feet of space in Chino Valley, Clarkdale, Mayer, Prescott, Prescott Valley, and Sedona. In YC's FY2019-20 financial statements, the College had $147M of net depreciable assets (buildings and site improvements).
  - The College practices the philosophy that well-maintained assets lead to the lowest Total Cost of Ownership. Using standard depreciation assumptions of 40 years for buildings and 15 years for site improvements, the College should be reinvesting in excess of $4M per year in maintenance activities. An independent study from Sightlines, a consulting firm specializing in higher education facility maintenance, has derived a reinvestment target of $4M per year for the next several years.
  - The strategy is working. The College has worked with Sightlines to establish a process to assess the condition of various building systems (Electrical, Exterior Shell, Grounds, HVAC, Interior Shell, Mechanical, Plumbing, & Safety) throughout the district, then to prioritize strategic capital reinvestments to address our deferred maintenance via planned maintenance, rather than system failures. Over the past decade, YC has improved its Net Asset Value (NAV) Score ([Total Replacement Value-Total 10 Year Asset Reinvestment Need]/ Total Replacement Value).



- Unplanned Maintenance
    - Despite the best planning, systems fail unexpectedly. This budget is to address those issues. This budget is relatively flat.
    - Equipment
    - The College reinvests in classroom and operational equipment each year to ensure that students train on the equipment they will find in the work place, and that YC employees may be efficient. This budget is relatively flat.
    - Furniture
    - The College systematically updates classroom and office furniture throughout the district, replacing a small portion each year. This budget is relatively flat.
    - Capital Improvement Projects
    - This budget addresses the renovations and additions that are needed to meet the changing needs of our students and our community.
    - This budget has been primarily informed by the 2013 Campus Master Plan. We will update the CMP in FY22 as our environment and needs are quite different than when the previous plan was created.
    - This budget has been quite variable, changing from year to year based on which projects are being addressed**. No new capital projects are being requested in FY22**. Instead, we will focus on completing previously approved projects, as well as the development of the new Campus Master Plan.

Auxiliary Fund Expenses

The Auxiliary Fund tracks a variety of College enterprises that charge a fee for their non-core service. Rather than the traditional Expense by Function Table (Exhibit 6 in the Budget section), this discussion will be more meaningful by looking at the Profit/ Subsidy (Table 7) for each enterprise. It is worth noting that Table 7 excludes overhead allocations, so allow for a more meaningful evaluation of variable revenues and variable expenses. The following is a discussion of each enterprise in FY22:

Residence Halls: The College operates 2 halls with approximately 220 beds on the Prescott campus. We enjoy a high fill rate with Resident Assistants, NARTA cadets, and student Athletes occupying more than ½ of the beds. The balance of the beds is filled primarily by traditional-aged (18-24) Yavapai County residents seeking on-campus living as part of their college experience. **FY22 budget anticipates pre-pandemic occupancy and staffing levels**.

Food: The College will be moving to a new partner, HHS, to operate the Rider Diner cafeteria and the Café in the library on the Prescott Campus. We believe HHS will improve food service and subsidies. Also beginning in FY22, Chef Barr and the students of the Sedona Culinary Institute will operate food services at the Sedona Center and Verde Valley Campus.

Edventures: This Community Education program educates non-credit students while traveling internationally. The costs are highly dependent on the destination and the size of the group, so expenses (and revenues) can vary from year to year. **The Budget anticipates an international trip in FY22.**

Family Enrichment Center (FEC): The College runs an accredited pre-school which serves as a hands-on learning lab for adult students in our Early Childhood Education program. Our practice has been to allocate some of the costs to the General Fund (Instruction Function) with the balance in the Auxiliary Fund. **In FY22, we will include all associated revenues and expenses in the Auxiliary fund**, to help us more readily monitor some of the financial improvements we have made.

Community Events: In 1992, the voters of Yavapai County asked YC to build a 1000+ seat Performing Arts Center. This state-of-the-art venue is unique in Yavapai County (and at most community colleges), allowing residents to enjoy a variety of programs ranging from movies and satellite events, to College produced concerts and shows, to local events like Prescott's Got Talent, regional shows like the Phoenix Symphony, and touring national artists.

Community Events primarily encompasses programming at the YCPAC, but in recent years at the community's request, has brought performing arts programs to the Verde Valley both on campus and in a variety of community venues.

The College subsidizes this operation, but the subsidy has been declining. YCPAC consulted with TRG Arts which specializes in helping performing arts venues to operate more efficiently. Following their recommendations, we have increased marketing expenses and staffing—yet as TRG projected, our increased revenues more than offset these incremental costs. **FY22 anticipates moving to a full schedule with reduced seating capacity**.

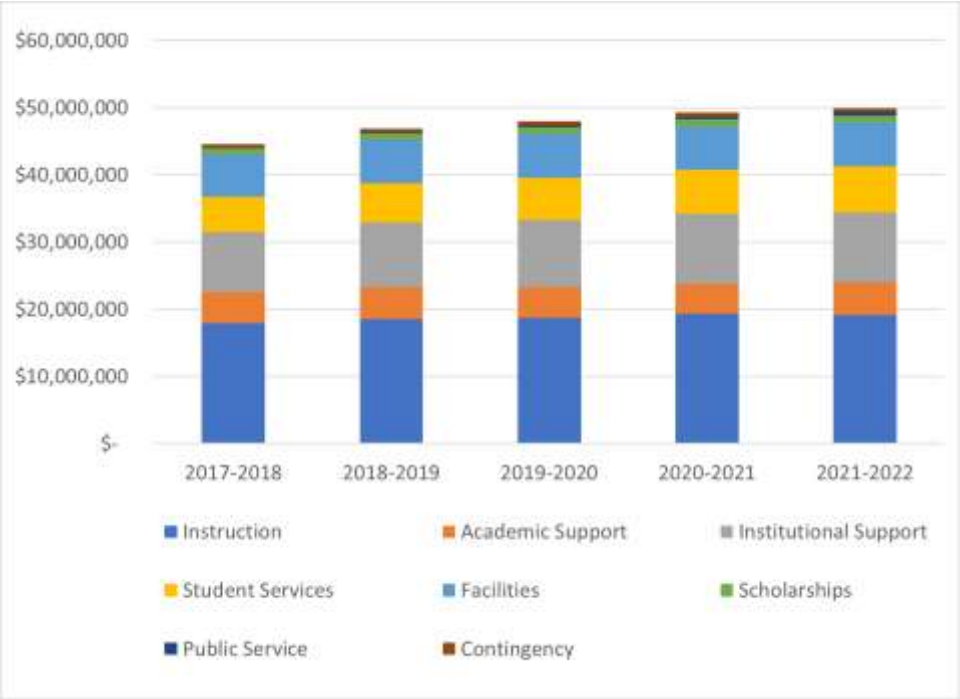
Southwest Wine Center: After discussions with the SWC Director, we determined to allocate the costs of operating the vineyard to the SWC Tasting Room in the Auxiliary Fund rather than Instruction in the General Fund. As more of our vineyard matures, we anticipate wine and grape sales will allow the SWC Tasting Room to break even over the next 5 years.

Small Business Development Center (SBDC): This budget represents the mandatory matching institutional funds that must be provided in order to receive the grant.

Yavapai College Foundation (YCF): YCF uses a portion of several YC employees' work hours to raise funds and community awareness. YCF provides an offsetting amount of revenue to the College to compensate the College for the use of these employee's time and talents. **The FY22 Budget includes the move of the Alumni Office to the YCF**.

YC Performing Arts Productions: YC has a Performing Arts program which is accounted for in the Instruction Function of the General Fund. However, our practice is to treat their performances as an Auxiliary enterprise. For many years, this had been limited to various vocal and instrumental performances throughout the year. In recent years, the Performing Arts Program has expanded to include drama and musical theater. Budgeted expenses have been increased, as have Auxiliary Fund revenues to partially offset these new expenses.

General Fund Expenses



General Fund Budget by Program	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Instruction	$ 17,947,000	$ 18,476,900	$ 18,749,600	$ 19,327,900	$ 19,172,300
Academic Support	$ 4,552,000	$ 4,743,000	$ 4,483,100	$ 4,432,200	$ 4,740,800
Institutional Support	$ 8,945,000	$ 9,683,000	$ 10,093,500	$ 10,487,100	$ 10,475,600
Student Services	$ 5,260,000	$ 5,828,000	$ 6,182,900	$ 6,479,600	$ 6,835,200
Facilities	$ 6,328,000	$ 6,552,000	$ 6,580,700	$ 6,467,100	$ 6,542,400
Scholarships	$ 877,000	$ 880,000	$ 940,500	$ 1,121,900	$ 1,013,200
Public Service	$ 169,000	$ 186,000	$ 327,400	$ 348,800	$ 575,400
Contingency	$ 530,000	$ 570,000	$ 570,000	$ 570,000	$ 530,000

This chart and table present the College's budget by Program (sometimes called Function). All U.S. colleges and universities use these same categories to report to the federal Department of Education, and these Functions (Programs) are defined in the Glossary section of this report.

General Fund expenses increased $5.3M during this timeframe. The vast majority of the change can be explained through examining Salaries and Benefits:

- 3% raises per year to remain market-competitive with salaries and keep up with the increasing Cost of Living in Yavapai County were $3.3M
- Increases in Benefits: This includes required Fringes (Social Security, Federal and State Unemployment, Medicare and Workers Comp) as well as Medical, Retirement, Life Insurance and Tuition Waivers were $1M
- We have 1 less position in FY22 than in FY18
- We complied with state increases in minimum wages and federal regulations expanding access to healthcare benefits

The rest of the increased budgets are related to the FY18-FY21 Strategic Planning projects designed to improve:

Student Success

Our primary goal is to help more students stay in school, transfer to another school or complete a certificate/ degree. The College has taken many steps in the past to improve in this area.

- Processes: The College focused on optimizing our processes.
  - Academic Pathways was the primary initiative to ensure we simplified and communicated the steps students needed to take to be successful.
- Technology: The College invested in a variety of software and hardware to improve efficiency and to enhance the service levels we provided to our students. These costs primarily impact Institutional Support Function budget.
- Incentives: Within the past 5 years, the Board approved programs that have had a proven impact on student success and enrollment:
  - 15 to Finish is a national program to encourage students to attend school full time as they are much more likely to complete their certificate or degree before life gets in the way. YC offers a full-time student discount. This program decreased tuition revenues.
  - Promise Programs is another national program focused on allowing students to get their first 2 years of college for free. At YC, we have created a scholarship to reimburse students who complete their degree within 2 years of high school graduation. Initial results indicate a dramatic improvement in 2 year completion rates—well above national norms. This program's costs impact Student Services Function budget and Scholarships.

Economic Responsiveness

- Expanded the Regional Economic Development Center (REDC) capability to provide service with the addition of the REDC Manager role and a variety of software tools to facilitate Economic Analyses. This impacts Public Service Function budget.
- The College continues to shift resources into workforce development training programs including Allied Health, Automotive, CNT, Cyber Security, 3D Construction, EMS, Fermentation, Medical Assistant, and Technical Theater. These impact Instruction Function budget.
- The College expanded its capacity to offer a variety of Advanced Manufacturing programs in the Verde Valley including Pre-Engineering and Precision Machining which impacts Instruction Function.

Community Engagement

- YC invests more in marketing than it did 5 years ago, impacting Institutional Support.
- In tandem outreach efforts, Student Enrollment Management added a Recruiter, a Promise Scholarship Coordinator, and a Community Outreach Coordinator, impacting Student Services Function.
- The College expanded its foundation providing a Coordinator and creating an Alumni Outreach Manager. This impacts Institutional Support.
- Like its four-year counterparts, YC uses athletics to attract students and engage with the community. To comply with the Affordable Care Act, part-time athletics staff became full-time.
- As shared with the DGB last year, YC plans to fully fund athletic scholarships with donations and sponsorships within 5 years (FY25). To do that, YC has created an Assistant Athletic Director and a Major Gifts Officer to fundraise. This impacts the Student Services Function. To remain Title IX compliant, YC has added Women's Soccer.

Organizational Development

The College has budgeted more for employee professional development over the past few years which impacts Institutional Support.

Fiscal Stewardship

Processes have been enhanced to provide additional transparency and we have invested in better software analysis tools which impacts Institutional Support.

As described earlier in this Budget, the College has recently updated it is FY22-24 Strategic Plan. Many of the changes envisioned in the Strategic Plan are process related, and may not incur costs. However, the FY22 budget will still be impacted in several ways as outlined in blue:

Goal	Potential Initiative
Belonging	Develop and support a culture where all employees feel acknowledged, engaged, inspired, and supported by each other and the College • Add Human Resources Business Partner position • Market-competitive raise Provide equitable professional development opportunities where all faculty and staff can enhance their skills to serve students better • Created Professional Development budget for staff Create a sense of belonging for all students in our learning environment • Launch e-sports team • Begin Women's Soccer • Create one-stop shop, connecting students to community resources for non-academic issues
Living Wage	Ensure that curriculum and programs are focused on imparting skills needed to secure living-wage jobs in a new economy highlighted by growing artificial intelligence and automation. • Created new Law faculty position to expand Public Service training • Created 2 new faculty positions to support new programs at the Verde Valley Skilled Trades Center (HVAC, Plumbing, Electrical), and associated budgets for program and facilities support • Partnered with Verde Academy for Career Technical Education (VACTE) to bring construction and other programs to Verde Campus Create a one-stop-shop for workforce training. • Moved two positions from Instruction to REDC to support expanded non-credit job training and related services Align transfer programs so that associate's graduates can enter Arizona universities as juniors.
Adult Learners	Grow enrollment of non-traditional age learners with a focus on people with some college, no degree. Increase Hispanic learner enrollment and educational attainment levels. Become a leader in adult lifelong learning with financially self-sustaining courses and programs.
Delivery	Increase online enrollment and success by adopting and implementing best-in-class pedagogy and processes. • Create new TeLS position to expand faculty support in Online learning • Expand Open Educational Resource capabilities Improve students' ability to complete programs more quickly through multiple start dates and fast track pathways. Improve our credit for prior learning systems.

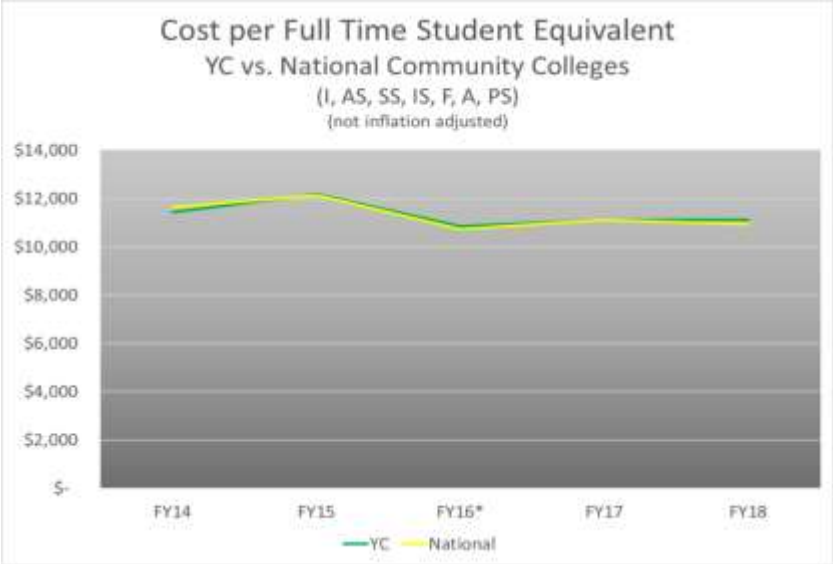
Benchmark

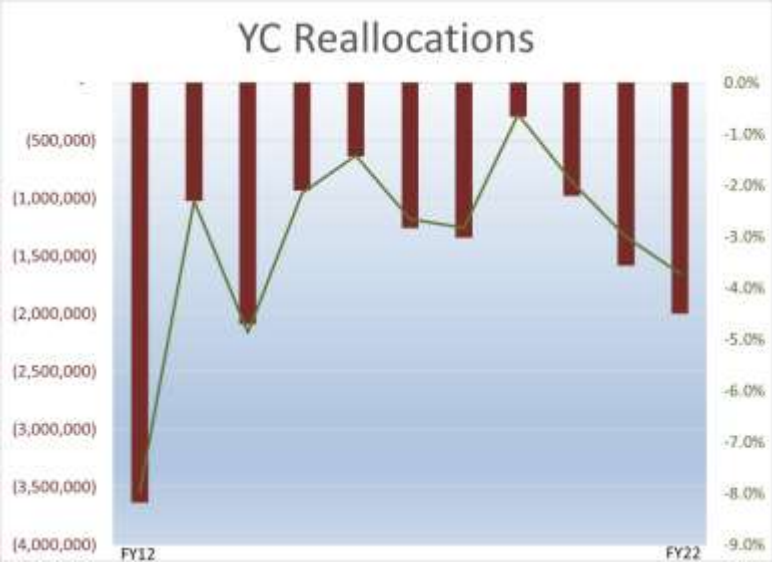
Though every community college has a similar Mission, every school has a unique combination of Teaching, Research, and Public Service programs designed to meet the unique needs of the community it serves, often leading to different costs. For example, YC has a very large service district which led it to invest in more physical assets from which to service the residents of its service district. These facilities need to be staffed, heated, cooled, and maintained, which leads to a higher cost structure than many urban schools with denser populations and fewer campuses.

YC also has a high proportion of Career Technical Education programs, which tend to cost more than their General Education counterparts. Given the unique demographics of Yavapai County, YC offers considerable non-credit community education which increases costs, but not FTSE. At the other end of the age spectrum, YC operates a lab pre-school to demonstrate best practices in Early Childhood Education.

YC provides interested students with the opportunity to participate in intercollegiate athletics and other students the opportunity to live on campus. Only half of community colleges participate in Athletics and only a fourth have Residence Halls, both of which add to our cost structure, but also enrich our College and our community. Finally, YC has a strong tradition of offering Community Events programs, both producing shows and sponsoring nationally touring artists to perform in Yavapai County.

YC is required to provide services at "a justifiable cost" by the Yavapai College District Governing Board. The College uses Functional cost information from IPEDS to benchmark. YC is able to offer all of these unique programs and services, in addition to quality classes, at a comparable cost per student to that of our national community college peers. This graph presents the most recently available national benchmark data for Actual Cost.



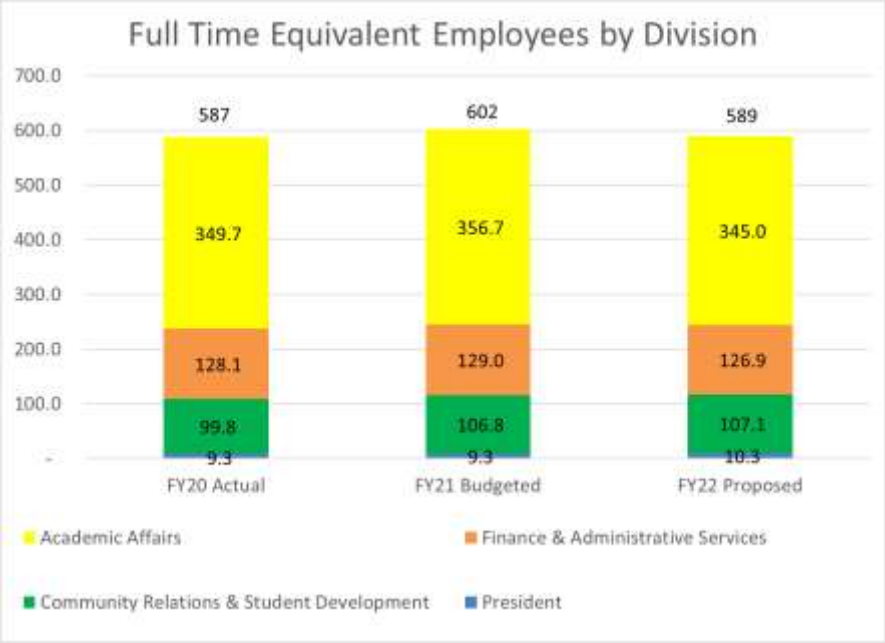


YC is able to control costs, in part, through an annual reallocation process. Each year, Deans and Directors are challenged to look for cost savings opportunities within their areas of responsibility. On average, they are able to reallocate 3% of the College's existing unrestricted Current Funds budgets to support emerging priorities. This is achieved primarily by improving processes and eliminating vacant positions. **As part of the FY22 Budget Process, the College was able to reallocate $2M (3.7%) in support of the FY22 Budget ($500,000 came from recurring Capital Fund).**

Labor Costs and FY 22 Salary Recommendation

The following table is a visual representation of the change in positions at Yavapai College by Division and Major Business Unit. As you can see, there are fewer positions budgeted for next year, as YC purposefully reduced positions as a reflection of a decline in enrollments. Altogether, 12.5 positions were eliminated:

	FY20	FY21	FY22	Net Change FY21 to FY22
	Actual	Budgeted	Proposed	
President	2.4	2.4	2.4	-
DGB	0.6	0.6	0.6	-
Human Resources	6.3	6.3	7.3	1.0
VPFAS	2.0	2.0	2.0	-
Business Office	20.4	20.3	20.3	-
Campus Safety	10.7	10.6	11.5	0.9
Facilities	58.1	59.0	57.0	(2.0)
ITS	32.5	32.8	31.8	(1.0)
Institutional Research	4.4	4.4	4.4	-
VP CRSD	2.0	2.0	2.0	-
Community Relations (market, redc, grants)	17.9	18.9	17.7	(1.2)
Athletics	11.6	14.4	16.8	2.4
Student Enrollment Mgmt	31.7	36.3	36.8	0.5
Student Affairs	36.6	35.2	33.9	(1.3)
VP Academic Affairs (VVC)	9.2	15.8	15.1	(0.7)
School of Arts & Humanities	71.0	71.8	68.8	(3.0)
School of Business	26.0	27.7	27.7	-
School of Social Sciences	36.2	35.5	33.5	(2.0)
School of Health & Wellness, Public Service	102.5	100.4	95.4	(5.0)
School of Career & Technical	57.3	58.4	58.4	-
Instructional Support	39.6	40.5	39.5	(1.0)
Community Education	7.9	6.5	6.5	-
	586.8	601.7	589.3	(12.5)



- Actual number of positions as of 11/1

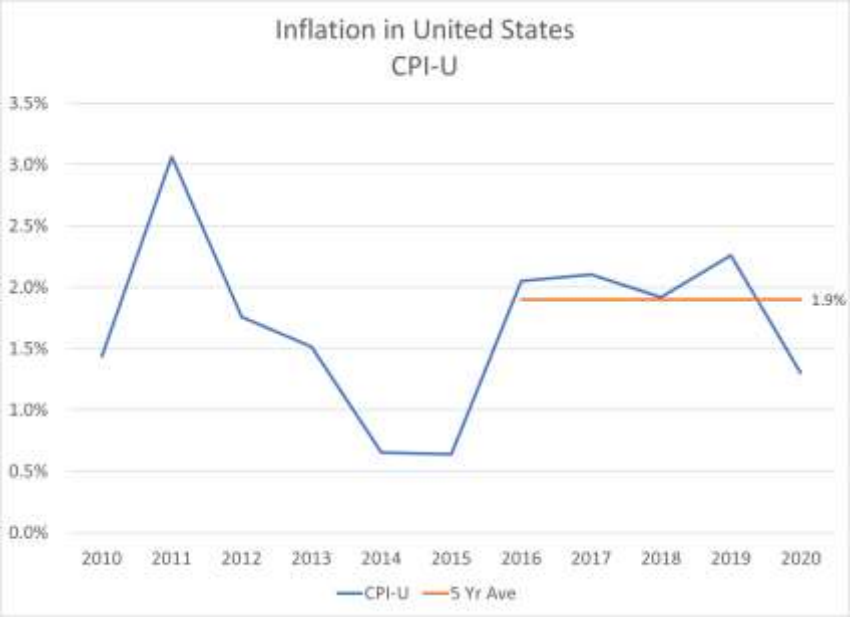
Because Labor is such a large financial component of the College's budget, it is in the College's best interest to ensure salaries are market-competitive. If YC pays too much, it is incurring unnecessary costs; conversely, if YC pays too little it will incur turnover costs or the costs of hiring less-qualified, less-productive people.

To address this, the College has adopted a three-year review cycle. Each year, the Human Resources staff reviews roughly 1/3 of the positions, using a Job Analysis Questionnaire (JAQ) in which individual employees update their duties and responsibilities. After the JAQ is approved by the employee's supervisor, the compensation analyst benchmarks the position against the appropriate market data to ensure it is placed in the appropriate YC compensation grade. Market data includes salary.com, Compdata, and CUPA. Human Resources then analyzes whether individual employees are progressing appropriately within their respective grades, given their relevant education and experience, so as to ensure both internal and external equity.

In addition to the position market analyses, the College researches and evaluates benchmark data in order to make annual compensation recommendations to the Board. The College uses a variety of sources including Mercer, Korn-Ferry, Tower-Watson, to forecast salary changes in the market.

In addition, the College monitors a variety of federal datasets to inform salary increase recommendations.

One of the federal primary estimates of inflation is the Consumer Price Index for Urban Consumers, or CPI-U, which is published by the Bureau of Labor Statistics (BLS). As you can see from the following graph, inflation has been relatively low averaging 1.7% since the recession, though it has been higher at 1.9% in recent years even including the negative impact of the pandemic in 2020.



However it is important to note this is an average. Some locations will be experience higher inflation and others will have lower inflation. Because we know Shelter represents 32% of the CPI-U "basket of goods", it is fair to say that Prescott's 23% increase in housing relative to the national average over the past 8 years (see FHFA Home Price Index graph in Service District section above) has led to about a 1% higher rate of annual inflation than the national average (23% divided by 8 years times 32% = 1%). This means the average inflation in Prescott over the past 5 years was close to 2.9%. As such, we would expect wages to go up in a similar fashion.

We can use another federal dataset to test this theory: The Employment Cost Index (ECI) which is also from BLS. ECI is a Principal Federal Economic Indicator that tracks changes in the costs of labor including wages and employer-provided benefits. This is used by many economists as an approximation for salary increases and is used by some businesses to help them remain competitive in the labor market.

Because ECI data for Prescott is not available, the following chart shows the Phoenix ECI compared to the national ECI. It is important to note that Phoenix also had a decline in HOI, but only declined from 84% of its citizens being able to afford to buy a home in 2012 to 61% in 2020; whereas Prescott fell from 83% to 43% in the same timeframe.

Based on this information, the FY22 budget includes a 3% salary increase to help keep up with the rapidly rising cost of living. 3% is just above the 2.9% ECI estimate of national salary increases in 2020, but below the 3.4% 5-year average increases experienced in Phoenix. The budget also anticipates a 4% increase in Benefit costs.

It is worth pointing out that Exhibit 2 shows an increase in Salary & Benefits of 4.4%. Approximately 3.3% of that is explained by the increases mentioned in the prior paragraph. The remainder of the increase is due to an increase in Labor costs in Restricted Funds, specifically Adult Basic Education and Prop 207 which will be used to expand Workforce Development services to include non-credit Corporate Training, Career Services, Internships & Apprenticeships, and Business Incubation.

Financial Planning

As has been shared throughout this Budget document, the College has adopted a variety of financial planning best practices to limit risks including transparent monthly financial reports, annual benchmarking exercises, healthy contingencies and reserves, conservative budget assumptions, financial forecasting, etc.

GFOA best practices recommend financial forecasting to guide decision making regarding financial policies and programmatic decisions. Financial forecasts help institutions maintain fiscal discipline and safeguard the delivery of essential community services. In AZ, Expenditure Limit (EL) makes this an even more important exercise, as community colleges need to ensure not only that revenues exceed expenses, but that there is EL capacity to spend the property tax revenues. The College's 5 year financial forecast is as follows:

FIVE-YEAR PROJECTIONS OF REVENUES AND EXPENDITURES

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Revenues					
Property Taxes - Primary	$ 47,924,100	$ 49,361,823	$ 50,842,678	$ 52,367,958	$ 53,938,997
Property Taxes - Secondary	405,500	-	-	-	-
General Fund - Tuition and Fees	11,192,100	11,863,626	12,575,444	13,329,970	14,129,768
State Appropriations	1,297,800	1,297,800	1,297,800	1,297,800	1,297,800
Federal Grants and Contracts	15,520,000	10,030,400	10,231,008	10,435,628	10,644,341
State Grants and Contracts	410,000	414,100	418,241	422,423	426,647
State Workforce Development Funds	1,780,000	1,815,600	1,851,912	1,888,950	1,926,729
Investment Income	81,800	83,436	85,105	86,807	88,543
Sales and Services	3,900,100	3,997,603	4,097,543	4,199,982	4,304,982
Private Gifts, Grants and Contracts	1,808,600	1,844,772	1,881,667	1,919,300	1,957,686
Other (Fund Balance and Miscellaneous)	1,392,200	43,618	-	-	-
Total Revenues	**$ 85,712,200**	**$ 80,752,778**	**$ 83,281,398**	**$ 85,948,818**	**$ 88,715,493**
Expenditures					
General Fund	$ 49,884,900	$ 51,630,872	$ 53,437,953	$ 55,308,281	$ 57,244,071
Auxiliary Fund	5,419,200	5,500,488	5,582,995	5,666,740	5,751,741
Restricted Fund	19,618,500	14,210,870	14,495,087	14,784,989	15,080,689
Plant Fund - Operations	618,700	631,074	643,695	656,569	669,700
Plant Fund - Building Maintenance Program	4,224,000	4,224,000	4,224,000	4,224,000	4,224,000
Plant Fund - Equipment Replacement Program	2,091,000	2,294,800	2,207,500	2,331,100	1,959,300
Plant Fund - Capital Improvement Plan	1,595,000	-	-	-	-
Plant Fund - Capital Improvement Plan Savings	-	-	1,432,805	1,722,352	2,531,205
Debt Service Fund	2,260,900	2,260,674	1,257,363	1,254,788	1,254,788
Total Expenditures	**$ 85,712,200**	**$ 80,752,778**	**$ 83,281,398**	**$ 85,948,819**	**$ 88,715,494**
Favorable/(Unfavorable)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Assumptions: Primary property tax levy - 1.0% levy increases on average plus an additional 2.0% increases from new construction.
Tuition and fees - 1% enrollment growth and 5.0% price increases.
General Fund expenditures - 3.0% to 4.0% for increases in health insurance, retirement, commodities, contracted services, utilities and salaries. Strategic initiatives will be funded by re-purposing existing budget.

Expenditure Limit (EL)

In 1980, Senate Concurrent Resolution 1001 established 10 propositions to amend Article IX of the Arizona Constitution to define, modify, and generally restrict debt and taxation rules for local agencies. One of the propositions, Proposition 109, created expenditure limitations for school districts and community college districts. Following high inflation and concerns about growth in government spending, the amendments were passed by popular vote. The subsequent changes to the Arizona Constitution were considered to be equivalent to California's proposition 13, which passed two years prior.

Arizona's Constitution Title IX, Section 21. details the precise manner in which the expenditure limitation (EL) is implemented for both community college districts and school districts. A key phrase to remember is that EL is a cap on "EXPENDITURES OF LOCAL REVENUES," which is intended to be a control on tax-based public spending. As such, EL does not constrain total spending-- just spending from certain funding sources for operating purposes. Non-property tax revenues such as tuition, gifts, grants, contract training, auxiliary, and entrepreneurial revenues are excluded from expenditure limitation. Likewise, certain classes of expenses, notably capital, are excluded. Because the language is constitutional, changes would require a majority approval in a statewide ballot.

Essentially taxing districts (including k-12, community colleges, fire districts, counties, etc.) are allowed to spend the same amount per capita as they did in 1980. This is adjusted for inflation using the Gross Domestic Product deflator. Taxing districts that exceed their EL will incur a financial penalty. Conversely, taxing districts that do not use all of their EL in a given year are allowed to "carry forward" the excess for use in future years if needed, giving them a temporary increase in EL for a "rainy day".

As previously mentioned, the EL cap is based on the amount of expenditures in each district in 1979/80 increased for growth in "student population" and adjusted for "inflation:" Community college student population is based on full time student equivalents (FTSE), which is defined in statute 15-1466.01.

The definition of student population for EL purposes is defined by the legislature. It is currently defined as audited actual FTSE while also adding an extra 30% weight for Career and Technical Education (CTE) FTSE. For the purposes of the EL calculation, colleges may use either: prior year audited weighted FTSE; the average of the past five years' audited figures; or prior year weighted plus 5% (if a college has fall-over-fall growth).

Community College FTSE has been in decline nationally since the peak in fiscal year 2011. This reflects the correlation between community college enrollments and unemployment. When people lose their jobs, they go to community colleges to upskill and retool; as the economy improves, these students re-enter the workforce, whether or not they complete their credential.

The College is required to calculate and report EL every year, and the report is audited by the Arizona Auditor General. YC also uses its 5 year Financial Projections of Revenues and Expenses to develop a 5 year EL forecast. **As has been shared with the DGB in FY20 and FY21, YC will hit its EL by FY25 unless it is able to grow enrollments or excludable revenue sources.**

BUDGET FOR FY2021-2022
EXPENDITURE LIMITATION COMPLIANCE

	Current Funds			Plant Funds		
	Unrestricted					
	General	Auxiliary	Restricted	Plant	Debt	TOTAL
PROJECTED BUDGET EXPENDITURES FOR EXPENDITURE LIMITATION (see below)	$ 48,984,900	$ 5,369,200	$ 19,618,500	$ 8,166,200	$ 2,260,900	$ 84,399,700
LESS EXCLUSIONS						
DEBT SERVICE/BONDED INDEBTEDNESS	-	-	-	-	2,257,400	2,257,400
DIVIDENDS, INTEREST AND GAIN ON SALE	50,000	-	-	30,000	1,800	81,800
GRANTS & AID FROM FEDERAL & STATE GOVERNMENT	-	-	14,730,000	-	-	14,730,000
GRANTS/CONTRIBUTIONS FROM PRIVATE AGENCIES	60,380	475,400	983,200	350,000	-	1,868,980
PROP. 207 & 301 FUNDS	-	-	1,780,000	-	-	1,780,000
AMOUNTS ACCUMULATED TO PURCHASE LAND AND CAPITA	-	-	-	4,733,650	-	4,733,650
RESEARCH AND ENTREPRENEURIAL ACTIVITES	-	1,342,300	-	-	-	1,342,300
TUITION AND FEES	10,574,000	2,223,600	-	-	-	12,797,600
PRIOR YEARS CARRY FORWARD USED	-	-	-	-	-	-
TOTAL EXCLUSIONS	$ 10,684,380	$ 4,041,300	$ 17,493,200	$ 5,113,650	$ 2,259,200	$ 39,591,730
BUDGET EXPENDITURES SUBJECT TO LIMIT	$ 38,300,520	$ 1,327,900	$ 2,125,300	$ 3,052,550	$ 1,700	$ 44,807,970
BUDGETED EXPENDITURE LIMITATION AS CALCULATED BY THE ECONOMIC ESTIMATES COMMISSION						$ 47,959,245
AMOUNT (OVER) UNDER LIMITATION						**$ 3,151,275**
PRIOR YEARS CARRY FORWARD AVAILABLE FOR USE:						
Balance Available as of July 1, 2020	$ 12,220,000	$ -	$ 264,000	$ 8,200,000	$ -	$ 20,684,000
BUDGETED EXPENDITURES	$ 49,884,900	$ 5,419,200	$ 19,618,500	$ 8,528,700	$ 2,260,900	$ 85,712,200
Less: Budgeted Items Not Expected to be Spent:						
Contingencies	-	50,000	-	262,500	-	312,500
Allowance for Unexpended Budget (e.g. vacancy savings etc	900,000	-	-	100,000	-	1,000,000
Total adjustments	$ 900,000	$ 50,000	$ -	$ 362,500	$ -	$ 1,312,500
PROJECTED BUDGETED EXPENDITURES FOR EXPENDITURE LIMITATION	$ 48,984,900	$ 5,369,200	$ 19,618,500	$ 8,166,200	$ 2,260,900	$ 84,399,700

FIVE-YEAR PROJECTIONS OF EXPENDITURE LIMITATION COMPLIANCE

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Expenditures					
General Fund	$ 49,884,900	$ 51,630,872	$ 53,437,953	$ 55,308,281	$ 57,244,071
Auxiliary Fund	5,419,200	5,500,488	5,582,995	5,666,740	5,751,741
Restricted Fund	19,618,500	14,210,870	14,495,087	14,784,989	15,080,689
Plant Fund - Operations	618,700	631,074	643,695	656,569	669,700
Plant Fund - Building Maintenance Program	4,224,000	4,224,000	4,224,000	4,224,000	4,224,000
Plant Fund - Equipment Replacement Program	2,091,000	2,294,800	2,207,500	2,331,100	1,959,300
Plant Fund - Capital Improvement Plan	1,595,000	-	-	-	-
Debt Service Fund	2,260,900	2,260,674	1,257,363	1,254,788	1,254,788
Contingencies	(312,500)	(312,500)	(312,500)	(312,500)	(312,500)
Not Expected to be Expended	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Total Adjusted Expenditures	**$ 84,399,700**	**$ 79,440,278**	**$ 80,536,093**	**$ 82,913,967**	**$ 84,871,789**
Exclusions					
Bond Debt Service Payments	$ 2,257,400	$ 2,260,674	$ 1,257,363	$ 1,254,788	$ 1,254,788
Interest Income	81,800	83,436	85,105	86,807	88,543
Federal & State Grants	14,730,000	9,244,500	9,449,249	9,658,051	9,870,988
Gifts from Private Agencies	1,868,980	1,844,772	1,881,667	1,919,300	1,957,686
Amounts Accumulated - Capital	4,733,650	4,012,800	4,012,800	4,012,800	4,012,800
Research and Entrepreneurial Activites	1,342,300	1,755,723	1,773,280	1,791,013	1,808,923
Tuition & Fees	12,797,600	13,565,456	14,379,383	15,242,146	16,156,675
Prop 207 & 301 Funds	1,780,000	1,815,600	1,851,912	1,888,950	1,926,729
Prior Years Carryforward Used	-	-	729,061	1,900,413	2,589,386
Total Exclusions	**$ 39,591,730**	**$ 34,582,961**	**$ 35,419,820**	**$ 37,754,268**	**$ 39,666,518**
Expenditures Subject to Limitation	$ 44,807,970	$ 44,857,317	$ 45,116,272	$ 45,159,699	$ 45,205,271
Estimated Expenditure Limitation	47,959,245	45,081,690	45,126,772	45,171,899	45,217,071
Favorable/(Unfavorable)	**$ 3,151,275**	**$ 224,373**	**$ 10,500**	**$ 12,200**	**$ 11,800**
FTSE, in arrears, @ 1% Growth-per-Year	3,520	3,238	3,271	3,303	3,337

Expenditure Limitation Credit Carryforward - $20.7M

YAVAPAI COLLEGE

Glossary

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1. Fund Accounting

Fund accounting is an accounting and reporting system required to be used by independent colleges and universities to keep track of resources whose use is limited by donors, granting agencies, law, other outside individuals or entities or by governing boards. A fund is maintained for each specific purpose.

1a. Current Funds
The current funds group consists of funds expendable for current operating purposes, and is divided into two unrestricted funds, General and Auxiliary, as well as Restricted Funds.

1b. General Fund
This fund records revenues and expenses which fund the primary operations (education and related services) of the College.

1c. Auxiliary Fund
This fund reports activities for which a fee is charged for non-core goods or services.

1d. Restricted Fund
Restricted funds are operating funds for which the use has been limited for a specific purpose by external parties, contracts, or legislation. Externally imposed restrictions are different from internally created designations established by the governing board on unrestricted funds because restrictions cannot be removed without the external parties' consent.

1e. Plant Fund
This fund tracks resources and expenditures related to capital outlays, including the acquisition or construction of facilities, high dollar renovations or repairs, and equipment over a certain threshold.

1f. Debt Fund
This fund tracks revenues and expenditures related to the payment of principal, interest, and related charges on outstanding bonds and capital leases.

2. Functional Expenses

A functional (or program) expense classification is a method of grouping expenses according to the purpose for which the costs are incurred. The classifications tell why an expense was incurred rather than what was purchased. Reporting expenses by functional classification helps donors, granting agencies, creditors, and other readers of the financial statements to understand the various mission-related activities of the institution and their relative importance. The following Functions (Programs) are the standard categories used by colleges and universities to report expenses to the federal Department of Education:

2a. Instruction

The instruction classification includes expenses for all activities that are part of an institution's instruction program. Expenses for credit and non-credit courses; academic, vocational, and technical instruction; remedial and tutorial instruction; and regular, special, and extension sessions are included.

Expenses for departmental research and public service that are not separately budgeted also are included in this classification.

This classification excludes expenses for those academic personnel whose primary activity is administration—for example, academic deans.

2b. Public Service

The public service classification includes expenses for activities established primarily to provide non-instructional services for the benefit of individuals and groups that are external to the institution. These activities include community service programs (excluding instructional activities) and cooperative extension services. Included in this classification are conferences, institutes, general advisory services, reference bureaus, radio and television, consulting, and similar non-instructional services to particular sectors of the community.

2c. Student Services

The student services classification includes expenses incurred for offices of admissions and the registrar and activities that, as their primary purpose, contribute to students' emotional and physical well-being and intellectual, cultural, and social development outside the context of the formal instruction program. This classification includes expenses for student activities, cultural events, student newspapers, intramural athletics, student organizations, intercollegiate athletics (if the program is not operated as an auxiliary enterprise), counseling and career guidance (excluding informal academic counseling by the faculty), student aid administration, and student health service (if not operated as an auxiliary enterprise).

2d. Academic Support

The academic support classification included expenses incurred to provide support services for the institution's primary programs of instruction, research, and public service. It includes the following activities:

The retention, preservation, and display of educational materials, such as libraries, museums, and galleries.

The provision of services that directly assist the academic function of the institution, such as demonstration schools associated with a department, school, or college of education.

Media, such as audio-visual services, and technology, such as computing support.

Academic administration (including academic deans but not department chairpersons) and personnel providing administrative support and management direction to the three primary missions.

Separately budgeted support for course and curriculum development

Also included are information technology expenses related to academic support activities; if an institution does not separately budget and expense information technology resources, the costs associated with the three primary programs (Instruction, Research, Public Service) will be applied to this function, with the remainder to institutional support.

2e. Institutional Support

The institutional support classification includes expenses for central, executive-level activities concerned with management and long-range planning for the entire institution, such as the governing board, planning and programming operations, and legal services; fiscal operations, including the investment office; administrative information technology (when not accounted for in other categories); space management; employee personnel and records; logistical activities that provide procurement, storerooms, printing, and transportation services to the institution; support services to faculty and staff that are not operated as auxiliary enterprises; and activities concerned with community and alumni relations, including development and fundraising.

Appropriate allocations of institutional support should be made to auxiliary enterprises, hospitals, and any other activities not directly related to the primary programs—instruction, research, and public service—or their related support classifications.

2f. Operation and Maintenance of Plant (O&M)

The Operation and Maintenance of Plant category includes all expenses for the administration, supervision, operation, maintenance, preservation, and protection of the institution's physical plant. These expenses include items such as janitorial and utility services; repairs and ordinary or normal alterations of buildings, furniture, and equipment; care of grounds; maintenance and operation of buildings and other plant facilities; security; earthquake and disaster preparedness; safety; hazardous waste disposal; property, liability, and all other insurance relating to property; space and capital leasing; facility planning and management; and central receiving.

2g. Auxiliary enterprises

An auxiliary enterprise exists to furnish goods or services to students, faculty, staff, other institutional departments, or incidentally to the general public, and charges a fee directly related to, although not necessarily equal to, the cost of the goods or services. The distinguishing characteristic of an auxiliary enterprise is that it is managed to operate as a self-supporting activity. Over time, the revenues will equal or exceed the expenses, although in any individual year there may be a deficit or a surplus. Examples are residence halls, food services, intercollegiate athletics (if operated as essentially self-supporting), college stores, faculty clubs, parking, and faculty housing. Student health services, when operated as an auxiliary enterprise, also are included. Hospitals, although they may serve students, faculty, or staff, are classified separately because of their financial significance.

3. Natural Expense Classifications

These classifications generally represent the largest areas of expenses incurred by institutions. Based on examining current reporting practices by higher education institutions, NACUBO suggests that an institution use the following classifications to describe what goods and services are purchased.
salaries and wages
employee benefits
scholarships and fellowships
travel
supplies
utilities
contractual services
depreciation
interest
other

3a. Salaries & Wages
The salaries and wages classification includes expenses for all amounts paid and owed to faculty, staff, and student-workers, including full-time and part-time employees.

3b. Benefits
This classification includes expenses for all benefits paid to or on behalf of faculty, staff, and student employees. It includes amounts required by law, contractual agreement, or institutional practice. These benefits include the institution's portion of Social Security, payroll taxes, pension, health care, workers' compensation, disability insurance, life insurance, tuition remission, vacations, sick pay, sabbaticals, and other employee-related benefit programs.

3c. Scholarships and Fellowships
Scholarships and fellowships expense may be considered both a functional and natural expense classification. Institutions generally report tuition discounts and allowances and scholarships as reductions of tuition and fees revenues. Certain amounts may still be reported as a natural expense classification in financial statements. Institutional resources provided to students as financial aid are recorded as scholarship allowances up to amounts owed by students. In some circumstances, the amount of aid awarded may exceed the tuition and fees, housing, and meals provided by or procured from the institution. In those circumstances, the excess of aid over tuition and fees and institutional housing and meals should be treated as an expense.

3d. Travel
This classification includes travel for all personnel for institutional activities such as meetings, training, recruiting, fund raising, and sporting competitions.

3e. Supplies
This classification is very broad and includes supplies for administration, instruction, research, and medical purposes. It also includes equipment purchased that does not meet the institution's capitalization threshold.

3f. Utilities
This classification includes expenses related to heating, cooling, light and power, gas, water, telephone, and any other utilities necessary for the operation of the physical plant.

3g. Contractual services
This classification generally is significant monetarily and covers a broad range of expenses including legal, audit, custodial, security, maintenance, repairs, postage, mailing and messenger, printing and duplicating, freight, advertising, rental of real and personal property, professional fees, professional development, and dues.

3h. Depreciation
This classification includes both depreciation of the institution's plant, property, and equipment, depletion, and amortization of assets acquired by capital lease.

3i. Interest
This classification includes interest expense on capital debt, the portion of payments on capital leases that is classified as interest expense, and interest expense on other borrowings, such as those for working capital or student loans.

3j. Other
Expenses that do not fit in any of the classifications above are included in this classification.

4. Auxiliary Departments at YC

Bookstore: The College contracts with Follett to operate its Bookstore which works with faculty to stock the right books and school supplies to support learning, as well as merchandise to promote campus life such as branded clothing.

Community Events: In 1992, the voters of Yavapai County asked YC to build a 1000+ seat Performing Arts Center. This state-of-the-art venue is unique in Yavapai County (and at most community colleges), allowing residents to enjoy a variety of programs ranging from movies and satellite events, to College produced concerts and shows, to local events like Prescott's Got Talent, regional shows like the Phoenix Symphony, and touring national artists.

Community Events primarily encompasses programming at the YCPAC, but in recent years at the community's request, has brought performing arts programs to the Verde Valley both on campus and in a variety of community venues.

The College subsidizes this operation, but the subsidy has been declining. YCPAC consulted with TRG Arts which specializes in helping performing arts venues to operate more efficiently. Following their recommendations, we have increased marketing expenses and staffing—yet as TRG projected, our increased revenues more than offset these incremental costs.

Residence Halls: The College operates 2 halls with approximately 220 beds on the Prescott campus. We enjoy a high fill rate with Resident Assistants, NARTA cadets, and student Athletes occupying more than ½ of the beds. The balance of the beds is filled primarily by traditional-aged (18-24) Yavapai County residents seeking on-campus living as part of their college experience.

Edventures: This Community Education program educates non-credit students while traveling internationally. The costs are highly dependent on the destination and the size of the group, so it can vary from year to year. (Likewise, associated revenues go up and down depending on the destination of the program.)

Family Enrichment Center (FEC): The College runs an accredited pre-school which serves as a hands-on learning lab for adult students in our Early Childhood Education program. Our practice has been to allocate some of the costs to the General Fund (Instruction Function) with the balance in the Auxiliary Fund. We periodically reassess how much is allocated to the General Fund, and during this timeframe the allocation to the General Fund decreased, which makes the Auxiliary Fund increase look larger than it really was.

Food: The College contracts with HHS to operate the Rider Diner cafeteria and the Café in the library on the Prescott Campus. Beginning in FY22, Chef Barr and the students of the Sedona Culinary Institute will operate food services at the Sedona Center and Verde Valley Campus. The College contracts with Highline to manage vending throughout the district and C-stores at the Careeer Technical Education Center and the Verde Valley Campus.

Small Business Development Center (SBDC): This budget represents the mandatory matching institutional funds that must be provided in order to receive the grant.

Southwest Wine Center (SWC): The SWC encompasses the Viticulture & Enology academic program as well as a Tasting Room, where the public can purchase wines made by YC students. The academic program is accounted for within the Instruction function of the General Fund, and the Tasting Room—including vineyard expenses-- is run as an Auxiliary. As more of our vineyard matures, we anticipate wine and grape sales will allow this department to break even.

Yavapai College Foundation (YCF): YCF uses a portion of several YC employees' work hours to raise funds and community awareness. YCF provides an offsetting amount of revenue to the College to compensate the College for the use of these employee's time and talents.

YC Performing Arts Productions: YC has a Performing Arts program which is accounted for in the Instruction Function of the General Fund. However, our practice is to treat their performances as an Auxiliary. This includes, vocal, instrumental, drama, and musical theater.

YAVAPAI COLLEGE
Appendices

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Arizona Revised Statutes

15-1461. District budget; annual estimate; computation; notice; hearing; adoption

A. Not later than June 5, each district established pursuant to this chapter, and any other community college established prior to the enactment of this chapter, shall prepare a proposed budget for the budget year on a form which the auditor general prescribes to be transmitted to the district board. The proposed budget shall be accompanied by an estimate of the amount of funds needed for the ensuing year as determined by the district based on the proposed budget prepared by it.

B. The district shall establish and set forth in the proposed budget the per capital expenditure per full-time equivalent student, which shall be the total operational expenses.

C. The district shall establish and set forth in the proposed budget the per capita expenditure per full-time equivalent student, which shall be the total capital outlay expenses.

D. The number of basic full-time equivalent students shall be computed by dividing the total community college credit units by fifteen per semester and shall be based on regular day enrollment. The number of additional short-term full-time equivalent students shall be computed by dividing the total community college credit units from additional short-term classes by thirty. The number of skill center full-time equivalent students shall be computed by dividing the total number of clock hours in approved vocational training programs by six hundred forty.

E. The governing board of each district shall prepare a notice fixing a time not later than June 20 and designating a public place within each district at which a public hearing and special board meeting shall be held. The governing board of each district shall publish a notice of the public hearing and special board meeting not later than fifteen days before the meeting. The governing board shall publish the proposed budget on its website and present the proposed budget for consideration of the residents and the taxpayers of the district at such meeting.

F. The proposed budget shall contain but need not be limited to the following information:

1. The estimated cost of all operational, capital outlay, and debt service expenses.
2. The percentage of increase or decrease in each budget category as compared to each category of the budget for the current year.
3. The total amount of revenues by source that was necessary to meet the district's budget for the current year.
4. The total amount of revenues by source that will be necessary to meet the proposed district budget.
5. The total property tax levy of the district for the current year.
6. The levy for primary property taxes and the levy for secondary property taxes for the current year.
7. The primary property tax rate and secondary property tax rate for the current year.
8. The estimated amount of total property tax levies for the district and the primary property tax and secondary property tax components thereof necessary for the budget year.
9. The maximum amount of primary property tax dollars which the district is permitted to levy pursuant to title 42, chapter 17, article 2 for the budget year.

10. The amount of secondary property tax dollars which the district will levy for the budget year.
11. The amount of monies received from primary property taxation in the previous fiscal year in excess of the maximum allowable amount as calculated pursuant to title 42, chapter 17, article 2.

12. Beginning in fiscal year 2013-2014, the total estimated personnel compensation, which shall separately include employee salaries and employee related expenses for retirement costs and health care costs.
13. Beginning in fiscal year 2013-2014, all unencumbered cash, both restricted and unrestricted.

G. The governing board shall publish the proposed budget and the notice of the public hearing and special board meeting a second time not later than five days prior to the meeting. Publication shall be made in a newspaper of general circulation within the district. The cost of publication shall be a charge against the district. If a truth in taxation notice and hearing is required under section 15-1461.01, the district may combine the notice and hearing under this section with the truth in taxation notice and hearing. Beginning in fiscal year 2013-2014, within seven days after the adoption of the proposed budget presented before the governing board, the budget finally adopted under this section shall be accessible in a prominent location on the district's official website and the final adopted budget shall be retained on the website for at least sixty months.

H. If the district fails to publish the proposed budget, notice, and statements required by subsection F of this section, the board of supervisors shall levy on the property in the district the lesser of the amount of primary property taxes which were levied for the district in the current year or the amount which would be produced by the primary property tax rate which was levied for the district in the current year.

I. At the time and place fixed in the notice, the members of the governing board shall hold the public hearing and present the proposed budget to the persons attending the hearing. Upon request of any person, the governing board shall explain the budget, and any resident or taxpayer of the district may protest the inclusion of any item in the proposed budget.

J. Immediately following the public hearing, the chairman shall call to order the special board meeting for the purpose of adopting the budget. The governing board shall adopt the budget-making deductions from the budget as it sees fit but making no additions to the budget and shall enter the budget as adopted in its minutes. The governing board shall not adopt the budget if the property tax requirements of the budget, excluding amounts budgeted and levied for secondary property taxes, exceed the amounts authorized pursuant to title 42, chapter 17, article 2

15-1461.01. Truth in taxation notice and hearing; roll call vote on tax increase; definition

A. On or before February 10 of the tax year, the county assessor shall transmit and certify to the property tax oversight commission and to the district governing board the total net assessed values that are required to compute the levy limit prescribed by section 42-17051. If the proposed primary property tax levy, excluding amounts that are attributable to new construction, is greater than the amount levied in the preceding tax year by the district:

1. The district governing board shall publish a notice that meets all of the following requirements:

(a) Is published twice in a newspaper of general circulation in the district. The first publication shall be at least fourteen but not more than twenty days before the date of the hearing. The second publication shall be at least seven but not more than ten days before the date of the hearing.

(b) Is published in a location other than the classified or legal advertising section of the newspaper in which it is published.

(c) Is at least one-fourth page in size and shall be surrounded by a solid black border at least one-eighth inch in width.

(d) Is in the following form, with the "truth in taxation hearing-notice of tax increase" headline in at least eighteen-point type:

Truth in Taxation Hearing
Notice of Tax Increase
In compliance with section 15-1461.01, Arizona Revised Statutes, _____ community college district is notifying its property taxpayers of _____ community college district's intention to raise its primary property taxes over last year's level. The _____ community college district is proposing an increase in primary property taxes of $_____ or _____%.
For example, the proposed tax increase will cause _____ community college district's primary property taxes on a $100,000 home to be $_____ (total proposed taxes including the tax increase). Without the proposed tax increase, the total taxes that would be owed on a $100,000 home would have been $_____.
This proposed increase is exclusive of increased primary property taxes received from new construction. The increase is also exclusive of any changes that may occur from property tax levies for voter approved bonded indebtedness or budget and tax overrides.
All interested citizens are invited to attend the public hearing on the tax increase that is scheduled to be held (date and time) at (location).

2. In lieu of publishing the truth in taxation notice, the district board may mail the truth in taxation notice prescribed by paragraph 1, subdivision (d) of this subsection to all registered voters in the district at least ten but not more than twenty days before the date of the hearing.

3. In addition to publishing the truth in taxation notice under paragraph 1 of this subsection or mailing the notice under paragraph 2 of this subsection, the district governing board shall issue a press release containing the truth in taxation notice to all newspapers of general circulation in the district.

4. The district board shall consider a motion to levy the increased property taxes by roll call vote. If the proposed levy, exclusive of increased property taxes received from new construction, constitutes an increase over the preceding tax year's levy by fifteen percent or more, the motion to levy the increased property taxes must be approved by a unanimous roll call vote of the district board.

5. Within three days after the hearing, the district board shall mail a copy of the truth in taxation notice, a statement of its publication or mailing and the result of the district board's vote under paragraph 4 of this subsection to the property tax oversight commission established by section 42-17002.

6. The district board shall hold the truth in taxation hearing on or before the adoption of the county, city or town budget under section 42-17105.

B. If the governing board fails to comply with the requirements of this section, the governing board shall not fix, levy or assess an amount of primary property taxes that exceeds the preceding year's amount, except for amounts attributable to new construction.

C. For the purposes of this section, "amount attributable to new construction" means the net assessed valuation of property added to the tax roll since the previous year multiplied by a property tax rate computed by dividing the district's primary property tax levy in the preceding year by the estimate of the district's total net assessed valuation for the current year, excluding the net assessed valuation attributable to new construction.

State Budget Forms – 6 PAGES to be added in May

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www.yc.edu/budget

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