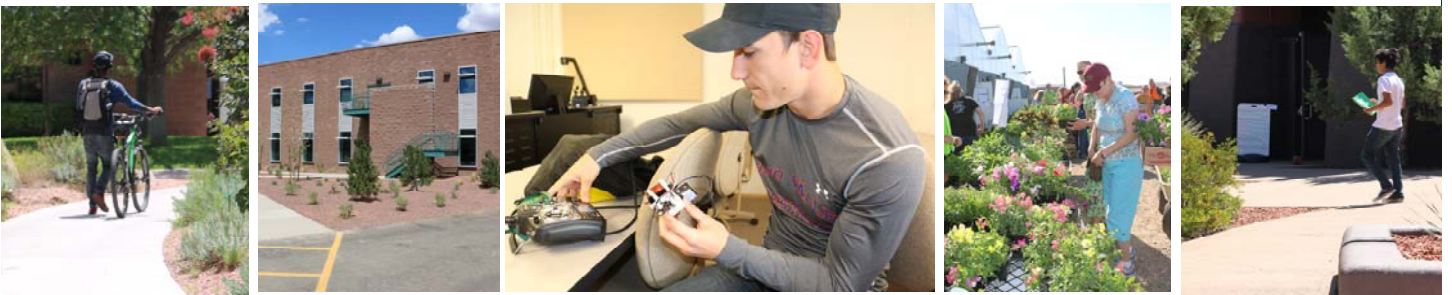


Yavapai County Community College District

Comprehensive Annual Financial Report



Prescott ♦ Verde Valley ♦ CTEC ♦ Prescott Valley ♦ Chino Valley ♦ Sedona

Fiscal Year End June 30, 2017

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT/PRESCOTT, AZ

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Published and distributed by
The Office of Business Services

Yavapai College
1100 E. Sheldon Street
Prescott, AZ 86301
www.yc.edu

For the fiscal year ended June 30, 2017



Prescott ♦ Verde Valley ♦ CTEC ♦ Prescott Valley ♦ Chino Valley ♦ Sedona

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Introductory Section



Letter of Transmittal

December 7, 2017

The District Governing Board of Yavapai County Community College District:

The Comprehensive Annual Financial Report (CAFR) of the Yavapai County Community College District (the "District"), Prescott, Arizona for the fiscal year ended June 30, 2017, is submitted herewith.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. Please read the management's discussion and analysis in conjunction with the Vice President of Finance and Administrative Services and Director of Business Services/Controller's transmittal letter.

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

The District is required to undergo a single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative requirements, Cost Principles, and Audit Requirements for Federal Awards*; and *Government Auditing Standards* issued by the Comptroller General of the United States. Information related to this report, including the Schedule of Expenditures of Federal Awards and auditors' reports on internal controls and compliance with applicable laws and regulations will be available at a future date by contacting the Vice President of Finance and Administrative Services.

THE REPORTING ENTITY

The District is an independent reporting entity within the criteria established by GAAP and the GASB. Although the District shares the same geographic boundaries with Yavapai County, financial accountability over all activities related to public community college education in Yavapai County is exercised solely by the District. In accordance with GASB Statement No. 39, the financial reporting entity consists of a primary reporting entity and its component unit. The District is a primary government because it is a special-purpose political subdivision that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments.

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



Yavapai College Prescott Campus, 1970



HISTORY

The District was established in 1966 under the Arizona Community College Law of 1966. During the first year of instruction, 1968, classes were held at various sites in Prescott. The first buildings were dedicated in February, 1970 on 100 acres in Prescott that were once part of historic Fort Whipple. To better serve the growing communities on the east side of Yavapai County, the Verde Valley Campus was established in 1975 on 120 acres in Clarkdale. Yavapai College education centers are located in Chino Valley, Prescott Valley, Sedona, and Cordes Junction, and include the Career & Technical Education Center, located near the Prescott Airport.

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

SERVICE AREA

Yavapai County, named for the Yavapai Native Americans (“Yavapai” means “The People of the Sun”) is a land of extremes with a blend of the Old West and the contemporary. Yavapai County was among the original four counties created when Arizona was still a territory and the provisional seat of the Arizona territorial government was established in Yavapai County at Fort Whipple on January 22, 1864.

Yavapai County offers many local attractions ranging from natural to cultural to educational. Scenic pine forests provide year-round recreational opportunities. Museums, monuments, and rodeos reflect Arizona’s tribal and territorial past. The county benefits from the presence of several higher education institutions including Embry Riddle Aeronautical University, Northern Arizona University, Prescott College and Yavapai College.

The District serves a diverse student population in a rural area covering approximately 8,123 square miles (which is larger than the state of Massachusetts) with the 2016 estimated population (provided by the US Census Bureau) of 225,562 and a population density of 28 people per square mile.

Yavapai County is located in the west central portion of the state. Its boundaries include the incorporated cities and towns of Camp Verde, Chino Valley, Clarkdale, Cottonwood, Dewey-Humboldt, Jerome, Prescott, Prescott Valley, and Sedona. The larger unincorporated areas of the county include the communities of Ash Fork, Bagdad, Black Canyon City, Congress, Crown King, Mayer, Paulden, Seligman, and Yarnell.

ECONOMIC OUTLOOK

Small business, light industry, service trades, ranching, mining, and tourism all contribute to the economy of Yavapai County. A growing retiree population will continue to produce population growth in Yavapai County over the next decade.



Yavapai College Verde Valley Campus, Vineyard

The state's revenue collections for fiscal year 2016-17 are slightly less than expected due to cuts in the state's corporate income tax rates. The state's economy for 2017 continues to gradually improve. Arizona's job growth and population growth are among the strongest in the country, however, its per capita income continues to be in the bottom quartile. Lastly, a strong labor force, good quality of life, and relatively low-cost structure will drive Arizona's growth in the near future.

Yavapai County's economic condition usually follows the state. The county is experiencing low unemployment and slow to moderate growth in construction and population.

Property taxes provide the majority of funding for the District. The housing market continues to recover with the help of low mortgage rates, good affordability, and a steady stream of out-of-state transplants into the county. We expect the growth in total assessed values to increase modestly into next fiscal year and the primary property tax levy to increase moderately due to new construction.

The District's operating funding from the state has remained stable for the past few years and is currently less than 2.5% of the total revenues.

MAJOR PROGRAM INITIATIVES

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

Capital Improvements/Planned Maintenance

The District is completing the first phase of its long-range Capital Improvement Plan. A master site plan for each of the locations was developed which included facility, infrastructure and land



development improvements to accommodate projected growth over the next ten to fifteen years. The District's Capital Improvement Plan is a living document which will evolve over time to continually align academic, strategic, and physical visions.

Two major projects that were completed during the summer of 2017 were the renovation of the Sedona Center and the Prescott Valley Center. Along with two state of the art teaching kitchens, the remodeled Sedona Center features classrooms equipped with video equipment for recording and broadcasting, a café, redesigned entrance, and expanded parking. The center will house community and general education classes. The renovation and expansion of the Prescott Valley Center puts all of the District's Allied Health programs, including Phlebotomy and Nursing Assistant, under one roof. This facility, through a partnership with Mountain Institute JTED, will also allow high school students to obtain a jump-start in their health careers. The projects were funded with the District's Future Capital Projects Accumulation monies.

During the fiscal year, the District worked on several large preventative maintenance projects including the replacement of a portion of the main water line and building one roof on the Prescott campus, and the repaving of roads/parking lots at the Career and Technical Education Center (CTEC), Chino Valley Center, Verde Valley campus, and Prescott campus. The projects were funded with the District's Future Capital Projects Accumulation monies.

Lastly, a multi-year improvement project related to signage and outdoor space is underway and will go through fiscal year 2019-20. Directional signage installation continued at CTEC and the Prescott and Verde Valley campuses.

Summer 2017 Renovations

Sedona Center



Prescott Valley Center





Yavapai experience by developing proactive rather than reactive systems.

The District is actively building a Guided Pathways program with both an academic and behavioral component to help students stay on track. This includes making it easier for students to find programs of interest to them, intrusive advising, pathways to allow high achieving high school students to earn College credits through Dual Enrollment, pathways that allow students to continue their academic journeys at universities, and pathways that connect students directly to jobs. Implementation is in process and will continue through the 2018-2019 academic year.

ENROLLMENT

Total enrollment for the fiscal year exceeded 14,680 students including both credit and non-credit classes. Similar to many community colleges across the country the District's credit enrollment has declined in recent years. Historically, as the economy improves and Americans get back to work, community college enrollments decline. However, the District has seen a steady increase in its non-credit enrollment driven by Yavapai County's unique retirement-age demographic. The District offers a broad array of community education programming including Community Education, College for Kids, Edventures, and Osher Lifelong Learning Institute (OLLI).

STUDENT ACHIEVEMENT

Student accomplishments continue to be our most important gauge of success. A total of 1,573 students earned degrees or certificates. Throughout the course of the academic year, 64 students received the Law Enforcement and Corrections certificate, 98 students received an Emergency Medical Technician certificate, 158 students received the Nursing Assistant certificate, and 88 students completed all requirements of the Nursing Program. In addition, approximately 52 students completed studies and passed the exam to earn a high school equivalency diploma. Five students were named to the 2017 All-Arizona Academic Team. All-Arizona Academic Team members receive tuition waivers to an Arizona University of their choice, courtesy of the Arizona Board of Regents.

Student success and completion is at the forefront of everything that the District does. The focus is high touch individual contact across the student's

STRATEGIC PLANNING

The demand for accountability at community colleges has never been greater. Issues such as rising tuition, declining state support, increasing student debt, concerns about educational quality and workforce preparedness are driving this demand. Guided by the District's mission, vision, and District Governing Board's goals, Yavapai College uses an inclusive and collaborative strategic planning process that involves internal and external stakeholders and is grounded on evidence-based data and information.





Using stakeholder input and environmental scanning information from national, state, county, and local community levels to examine trends in the areas of competition, demographics, economics, labor force, education, and technology the District identified five strategic initiatives and corresponding goals for its 2015-2020 strategic plan.

- ♦ *Student Success*—Increase completions without sacrificing academic quality
- ♦ *Economic Responsiveness*—Improved placement of graduates
- ♦ *Engaged Community*—Increase total population served; improve community engagement
- ♦ *Organizational Development*—Improve employee engagement and satisfaction
- ♦ *Fiscal Stewardship*—Model fiscal stewardship; identify additional revenue sources

The Yavapai College strategic plan is the guiding document that drives and informs the academic master plan, campus master plan, and budgeting process.

FUTURE PROGRAM INITIATIVES

According to the Georgetown University Center on Education and the Workforce, 60% of jobs will require some postsecondary training by 2020. To better understand the needs of Yavapai County the College's Regional Economic Development Center (REDC) completed comprehensive labor reports for the region, which have been used by the District in evaluating existing and new programs.

As mentioned previously, Yavapai College's service area is large with residents dispersed in some remote areas where the District does not have a facility. To improve access for these residents, the District is working with the public libraries and school

districts in areas such as Ash Fork, Camp Verde, Mayer and Yarnell, by providing computers and information materials to assist students in taking online classes.

The District is well positioned to fill many of the educational and cultural needs of Yavapai County. An initiative is currently in process to review the relevancy and effectiveness of existing programs and to identify any new programs that may be beneficial to the residents of the county.



FINANCIAL INFORMATION

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

Internal Controls

In developing and evaluating the District's accounting system, consideration is given to the adequacy of internal controls. Internal controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance



recognizes that the cost of a control should not exceed the benefits likely to be derived, and that the evaluation of costs and benefits requires estimates and judgments from management.

All internal control evaluations occur within the above framework. We believe that the District's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Controls

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

The District complies with state statutes requiring that a report of the District's adopted budget be published annually with the prescribed format as required by the State of Arizona, Office of the Auditor General. The State also requires community colleges to keep their inflation-adjusted costs per student at 1980 levels through an Expenditure Limitation. The District demonstrates compliance by issuance of an annual budgeted expenditure limitation report that is examined by the Office of the Auditor General.

Cash Management

The District is governed by the Arizona Revised Statutes relating to the overall investment of idle

public funds. The fiduciary responsibility of such investments is entrusted to the District Governing Board and facilitated through the Vice President of Finance and Administrative Services.

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

Stewardship

The District's stewardship responsibility includes supporting and enhancing the mission of the College, to ensure that the District fulfills its legal and financial obligations to internal and external stakeholders, to safeguard the District's financial, human, information and physical assets, and to create an atmosphere that encourages all members of the College community to contribute to overall excellence.





Key to accomplishing these obligations include:

- ♦ Creating a positive and healthy work environment that will foster creativity, teamwork, collaboration and productivity among members of the College community.
- ♦ Hiring and retaining qualified and productive employees.
- ♦ Using the Purchasing and Contracting department to ensure fair and competitive prices, the most appropriate method to select the provider (including the use of strategic contracts) and ensuring the appropriate approval process is followed.
- ♦ Protecting, preserving and maintaining the physical assets for which the District is responsible in a manner that assures their continued existence in the best possible condition.
- ♦ Promoting the efficient utilization of space, classrooms, equipment, utilities and natural resources.
- ♦ Handling all college data according to the Information Technology data management policies and abiding by the principles of data access, privacy and management.

Financial Reporting

The Comprehensive Annual Financial Report (CAFR) for the District was formulated with data from several sources including District records and the Yavapai County Treasurer and Assessor Offices. These statements present information on the financial condition of the District and determine whether resources were adequate to cover the costs of providing services during the reporting period. The District's CAFR is distributed to the District Governing Board and executive management, Federal and State agencies, and financial institutions, as well as others throughout the general public. Internal management reports are customized

and provided to meet the information and decision-making needs at all levels of the organization and to aid management in the allocation of resources.

The Notes to the Financial Statements are an integral part of this Comprehensive Annual Financial Report and should be read for a full understanding of the financial information presented within.

RISK MANAGEMENT

The District maintains a full complement of insurance coverage in accordance with Arizona Revised Statutes. Liability coverage is carried on a broad basis, including errors and omissions and "wrongful acts" coverage and is maintained with the policy limits in excess of \$50,000,000. Property coverage is maintained on a replacement value basis in accordance with an agreed upon schedule of values. Additional coverage includes: auto fleet liability, crime and fidelity coverage, cyber liability, boiler and machinery insurance, workers' compensation, and student accident coverage.

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

INDEPENDENT AUDIT

The Office of the Auditor General for the State of Arizona conducts the annual financial audit for the District. Testing procedures determine whether the financial statements are free of material misstatement and ensure compliance with Arizona Revised Statutes that require an annual audit of the District's financial statements. The Auditor General's Independent Auditors' Report is included in this document. For the fiscal year ending June 30, 2017, the District received an unmodified opinion.



GFOA CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Yavapai County Community College District for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the seventeenth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

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

Respectfully submitted,



Vice President of Finance and Administrative
Services



Director of Business Services/Controller



Northern Arizona Regional Training Academy



Government Finance Officers Association

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

Presented to

**Yavapai County
Community College District
Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

A handwritten signature in black ink, reading "Jeffrey R. Enen". The signature is fluid and cursive.

Executive Director/CEO

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT

Principal Officers

June 30, 2017



District Governing Board

Pictured left to right

Mr. Steve Irwin, *Secretary*, District 5

Dr. Connie Harris, District 3

Dr. Patricia McCarver, District 4

Ms. Deb McCasland, District 2

Mr. Ray Sigafoos, *Chair*, District 1

President

Dr. Penelope Wills

Administration

Dr. Ron Liss, *Vice President of Instruction and Student Development*

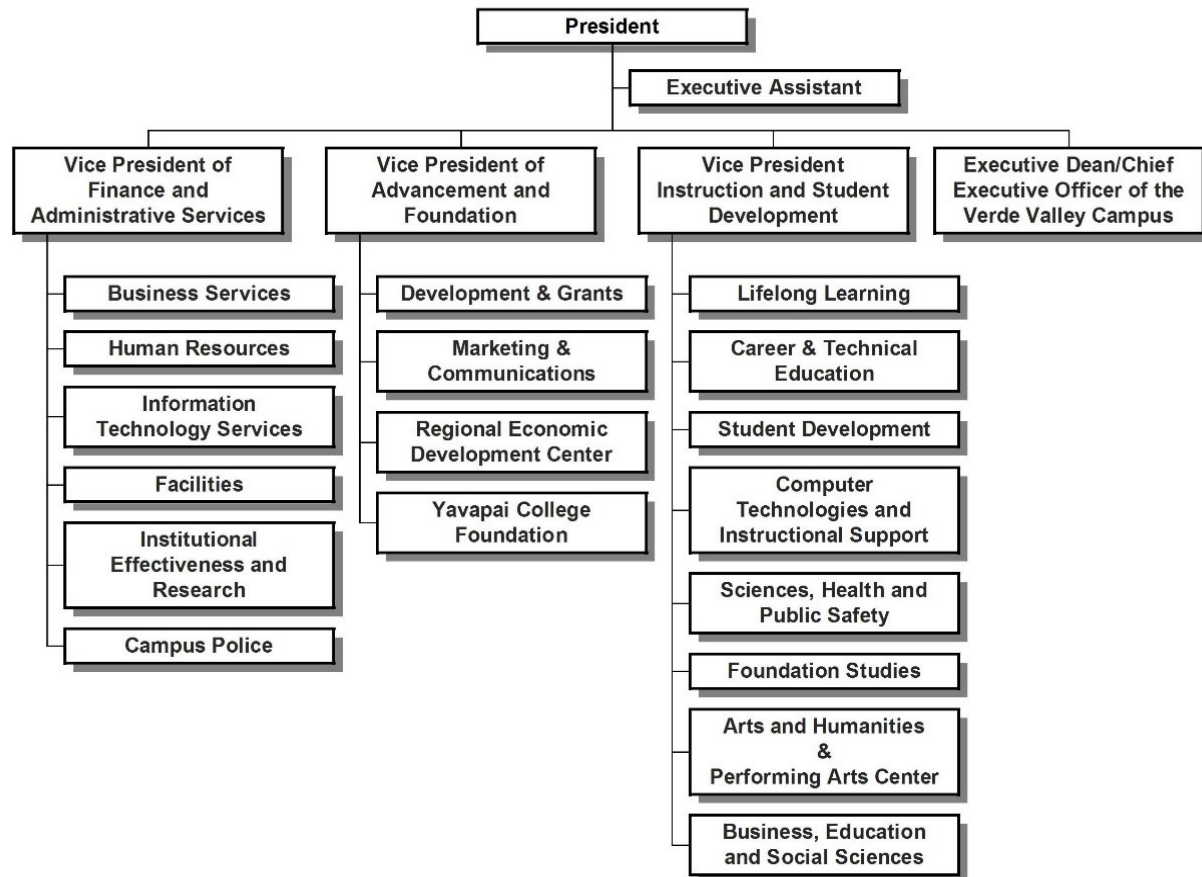
Dr. Clint Ewell, *Vice President of Finance and Administrative Services*

Mr. Rodney Jenkins, *Vice President for Community Relations*

Dr. James Perey, *Executive Dean*

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT

Organizational Chart



Financial Section





DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent auditors' report

Members of the Arizona State Legislature

The Governing Board of
Yavapai County Community College District

Report on the financial statements

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

Management's responsibility for the financial statements

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

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of Yavapai County Community College District as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other matters

Required supplementary information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 17 through 25, schedule of the District's proportionate share of the net pension liability on page 54, and schedule of district pension contributions on page 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.


Other information

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

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

Other reporting required by *Government Auditing Standards*

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

A handwritten signature in black ink, appearing to read "Debbie Davenport", with a stylized flourish at the end.

Debbie Davenport
Auditor General

December 7, 2017



Management's Discussion and Analysis

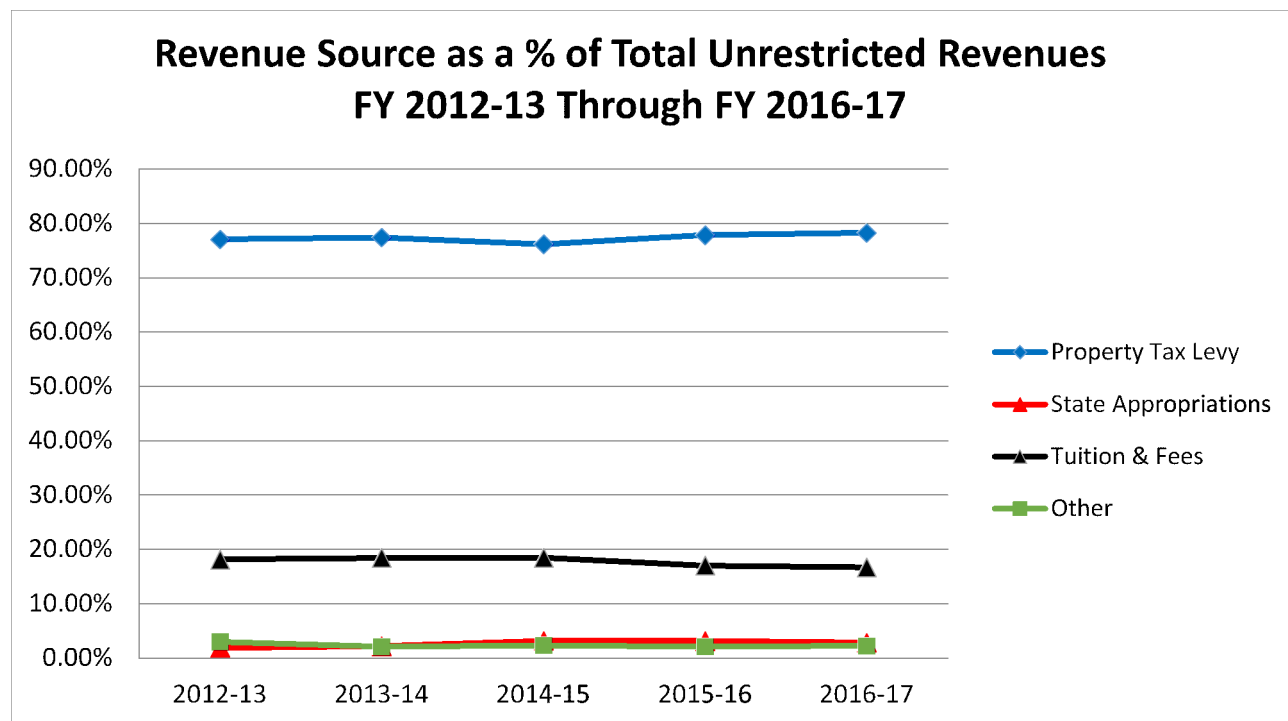
December 7, 2017

This section of the Yavapai County Community College District (the "District"), Comprehensive Annual Financial Report (CAFR) presents management's discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2017. This management's discussion and analysis is designed to focus on current activities, resulting change and current known facts. Please read it in conjunction with the Vice President of Finance and Administrative Services and Director of Business Services/Controller's letter of transmittal beginning on page 1 and the basic financial statements beginning on page 26.

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

Financial Highlights

Consistent with its mission to provide effective learning environments, instruction is the primary function of the District. Major funding sources supporting all functions include property taxes and tuition and fees. The District exercises primary and secondary tax levy authority for generation of funds for operating, capital equipment and improvements, and debt retirement purposes. Total Unrestricted Revenues and the mix of funding sources have been fairly consistent over the last five years as seen below.



The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$112,486,839.

The District's total net position increased from the prior year by \$12,128,369. Net investment in capital assets increased by \$14,054,259 (13.0%). Restricted net position decreased by \$127,538 (9.1%) and unrestricted net position decreased by \$1,798,352 (20.2%).

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

Overview of Financial Statements

The Statement of Net Position reflects the financial position of the District at June 30, 2017. It shows the various assets owned or controlled, deferred outflows of resources, related liabilities and other obligations, deferred inflows of resources, and the various categories of net position. Deferred outflows of resources represent consumption of net position that applies to a future reporting period(s) and so will not be recognized as outflows of resources (expense) until then. Deferred inflows of resources represent the acquisition of net position that applies to a future reporting period(s) and so will not be recognized as inflows of resources (revenue) until that time.

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

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



Condensed Statement of Net Position

	<u>6/30/2017</u>	<u>6/30/2016</u>
Assets:		
Current assets	\$ 25,963,772	\$ 29,151,374
Noncurrent assets, other than capital assets	126,994	125,034
Capital assets, net of depreciation	<u>158,478,831</u>	<u>146,791,238</u>
Total assets	<u>184,569,597</u>	<u>176,067,646</u>
Deferred Outflows of Resources	<u>6,807,030</u>	<u>4,190,045</u>
Liabilities:		
Other liabilities	8,045,885	5,505,129
Long-term liabilities	<u>66,895,903</u>	<u>71,564,177</u>
Total liabilities	<u>74,941,788</u>	<u>77,069,306</u>
Deferred Inflows of Resources	<u>3,948,000</u>	<u>2,829,915</u>
Net Position:		
Net investment in capital assets	121,900,040	107,845,781
Restricted net position	1,276,477	1,404,015
Unrestricted net position	<u>(10,689,678)</u>	<u>(8,891,326)</u>
Total net position	<u>\$112,486,839</u>	<u>100,358,470</u>

Current assets decreased by \$3,187,602 primarily as a result of cash and cash equivalents used for capital renovation and preventative maintenance projects. The increase in capital assets, net of depreciation, was attributable to spending capital accumulation account monies and other funds budgeted for capital assets on construction in progress, building renovations and equipment.

The deferred outflows of resources increased \$2,616,985 during the current fiscal year. This increase was mainly due to actual earnings on plan investments being less than projected. This deferred outflow component, along with others, will be amortized to pension expense as provided by the Arizona State Retirement System using the average remaining service life calculation.

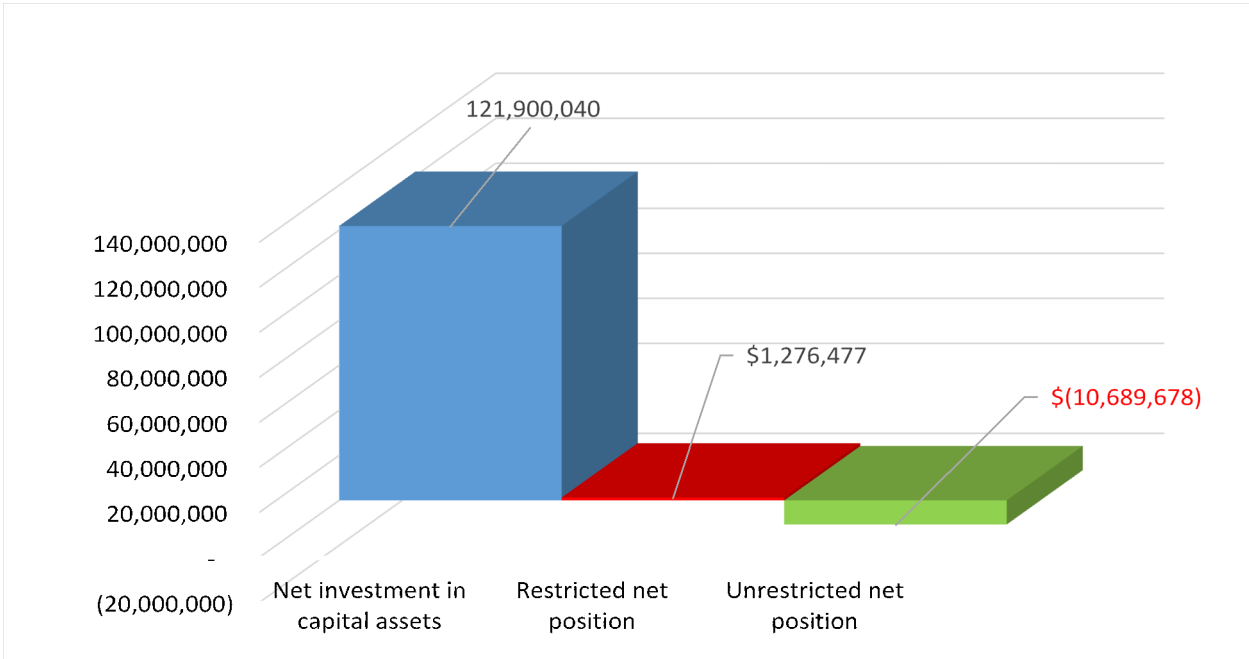
Other liabilities increased by \$2,540,756 as a result of more construction projects and related accounts payable for the projects recorded at June 30, 2017, compared to the prior year. The \$4,668,274 decrease in long-term liabilities was a result of principal payments made on general obligation bonds, pledged revenue obligations and revenue bonds being partly offset by an increase in net pension liability.

The deferred inflow of resources related to pensions increased \$1,118,085. These amounts are for the District's portion of the pension plan's net difference between expected and actual experience and changes in assumptions at June 30, 2017, and were provided by the Arizona State Retirement System.

The District's net investment in capital assets increased by \$14,054,259 over the previous fiscal year. This increase was attributable to the addition of equity in the District's capital assets over the previous year and the reduction of debt acquired to pay for these assets. Restricted net position decreased by \$127,538 primarily due to the use of secondary property taxes collected in prior years for debt payments. The decrease

in unrestricted net position of \$1,798,352 was primarily attributed to the use of capital accumulation account monies for capital/maintenance projects and an increase in net pension liability being off-set by unspent operating contingency budgets, vacancy savings and other non-labor expense related savings.

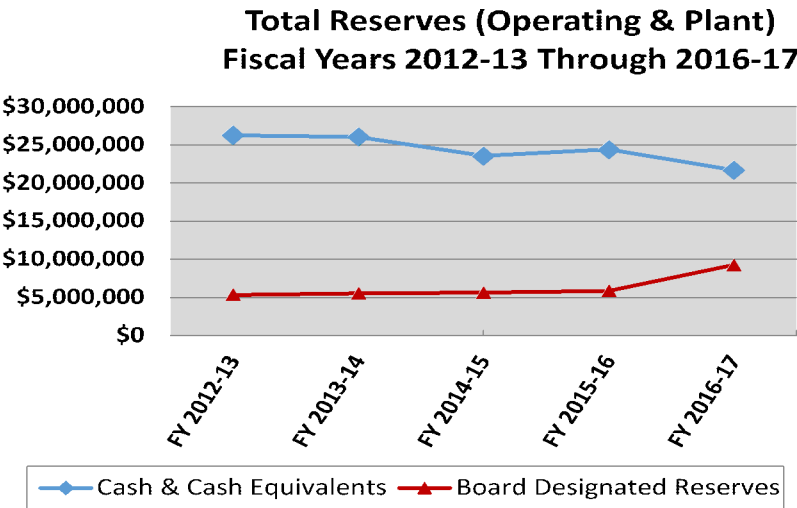
Net Position
As of June 30, 2017



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

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position, which is unrestricted, is in a deficit due to the significant net pension liability required to be recorded beginning fiscal year 2015. Although the unrestricted net position is a deficit balance of \$(10,689,678) at June 30, 2017, the District's cash reserves, as seen in the following chart, were not affected by this accounting change and continue to be healthy.

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



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

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

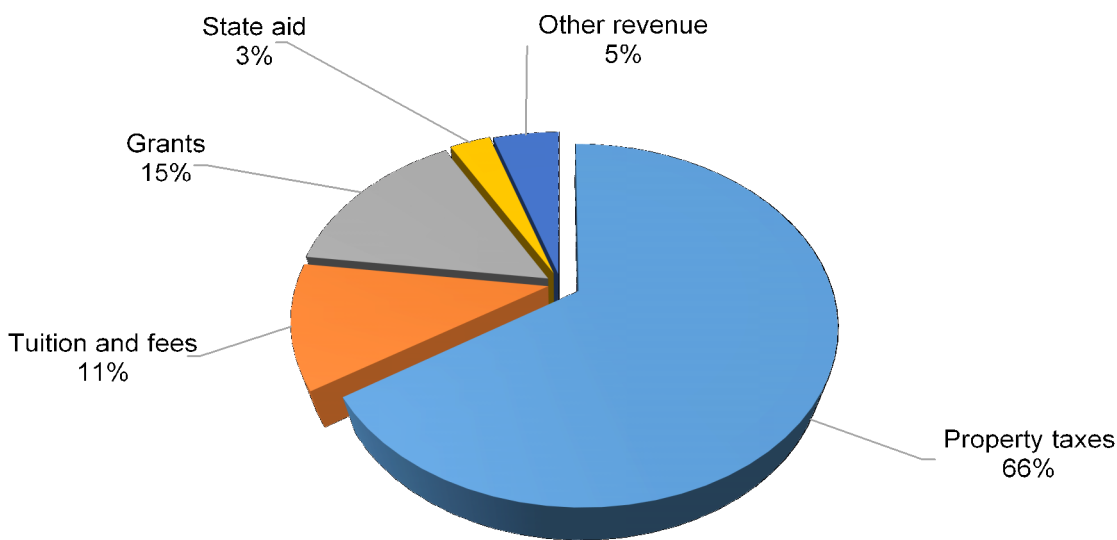
	<u>Year Ended</u>	
	<u>6/30/2017</u>	<u>6/30/2016</u>
Revenues		
Operating:		
Tuition and fees, net of scholarship allowances	\$8,278,893	\$8,308,480
Other	2,252,811	2,113,413
Non-operating:		
Property taxes	48,540,679	47,420,835
Government grants	10,937,647	11,573,903
State aid	2,271,528	2,378,641
Private grants and gifts	1,199,853	1,254,889
Investment earnings	110,841	100,452
Gain on disposal of capital assets	12,350	-
Total revenues	<u>73,604,602</u>	<u>73,150,613</u>
Expenses		
Operating:		
Educational and general:		
Instruction	18,094,814	17,901,745
Public service	1,772,188	1,591,489
Academic support	4,489,410	4,904,174
Student services	6,351,387	6,322,124
Institutional support	8,957,750	8,648,787
Operation and maintenance of plant	6,025,815	6,267,373
Scholarships	6,320,185	6,712,073
Auxiliary enterprises	1,923,756	1,880,689
Depreciation	<u>6,401,955</u>	<u>6,118,198</u>
Total operating expenses	60,337,260	60,346,652
Non-operating:		
Interest expense on debt	1,249,134	1,389,862
Loss on disposal of capital assets	<u>-</u>	<u>11,504</u>
Total expenses	<u>61,586,394</u>	<u>61,748,018</u>
Income before other revenues, expenses, gains, or losses	12,018,208	11,402,595
Capital revenues	<u>110,161</u>	<u>30,165</u>
Increase in net position	12,128,369	11,432,760
Net position, beginning of year	<u>100,358,470</u>	<u>88,925,710</u>
Net position, end of year	<u>\$112,486,839</u>	<u>\$100,358,470</u>

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

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

Overall revenues increased from the previous fiscal year by \$453,989. Tuition and fee revenues were flat due to a modest tuition rate increase being offset by lower enrollment. Property taxes increased 2.4% due to new commercial and residential construction in the county and strong collections of past due taxes. Government grants continued to decrease following enrollment declines due to less Federal Pell awards made to students. Private grants and gifts decreased by \$55,036 as a result of not receiving a distribution from the LeGate faculty chair endowment. Lastly, capital revenues increased by \$79,996 due to a donation from the Yavapai College Foundation for the Southwest Wine Center.

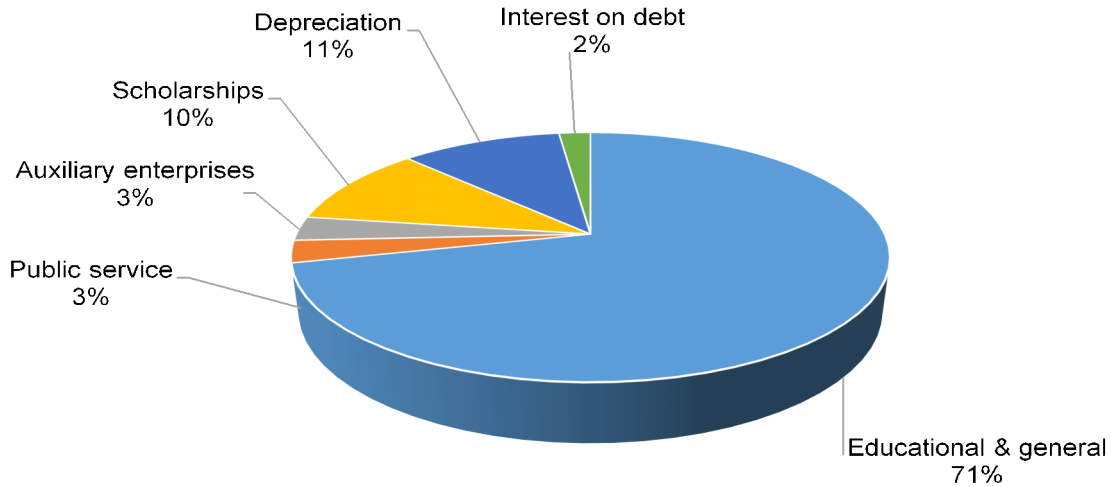
Revenues by Source
Fiscal Year 2017



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

Overall, expenses decreased slightly from the previous fiscal year. Increases in Instruction, Public Service, Student Services, Institutional Support, Auxiliary Enterprises and Depreciation were offset by decreases in Academic Support, Operation and Maintenance and Scholarships. The largest increase totaling \$308,963 was in Institutional Support and was mainly due to annual salary increases and higher software maintenance costs. The largest decrease in the amount of \$414,764 was in Academic Support and was due to several vacant positions and less technology expenses including new PCs for computer labs and classrooms and one-time software related costs for the new CANVAS learning management system, compared to the prior year. Lastly, Depreciation increased 4.6% reflecting the capital asset additions related to the District's long-range Capital Improvement Plan and its continued commitment to effective asset management with the goal of having well-maintained assets for the lowest total cost of ownership.

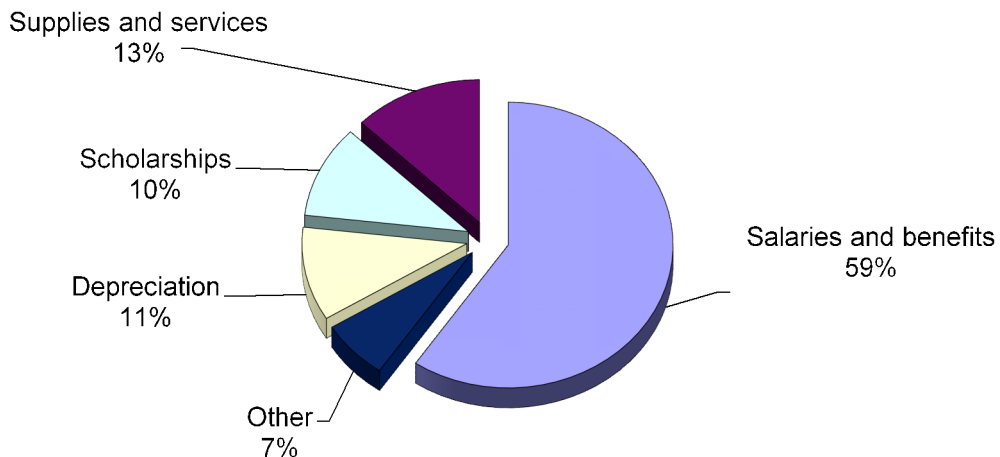
Expenses by Function Fiscal Year 2017



In addition to functional classification, a summary of the District's operating expenses by natural classification for the years ended June 30, 2017, and 2016 follows:

	<u>FY 2017</u>	<u>FY 2016</u>	<u>% Change</u>
Salaries and benefits	\$35,901,549	\$35,078,706	2.3%
Supplies and Services	7,656,089	7,635,886	.3%
Scholarships	6,320,185	6,712,073	-5.8%
Depreciation	6,401,955	6,118,198	4.6%
Other	4,057,482	4,801,789	-15.5%
	<u>\$60,337,260</u>	<u>\$60,346,652</u>	0%

Expenses by Natural Classification Fiscal Year 2017



The Statement of Cash Flows reflects the cash inflows and outflows of cash and cash equivalents for the year ended June 30, 2017. It shows the various cash activities by type, reconciling the beginning cash and cash equivalents amount to the ending cash and cash equivalent amount – which is shown on the Statement of Net Position described above. In addition, this statement reconciles cash flows from operating activities to operating loss on the Statement of Revenues, Expenses, and Changes in Net Position described above.

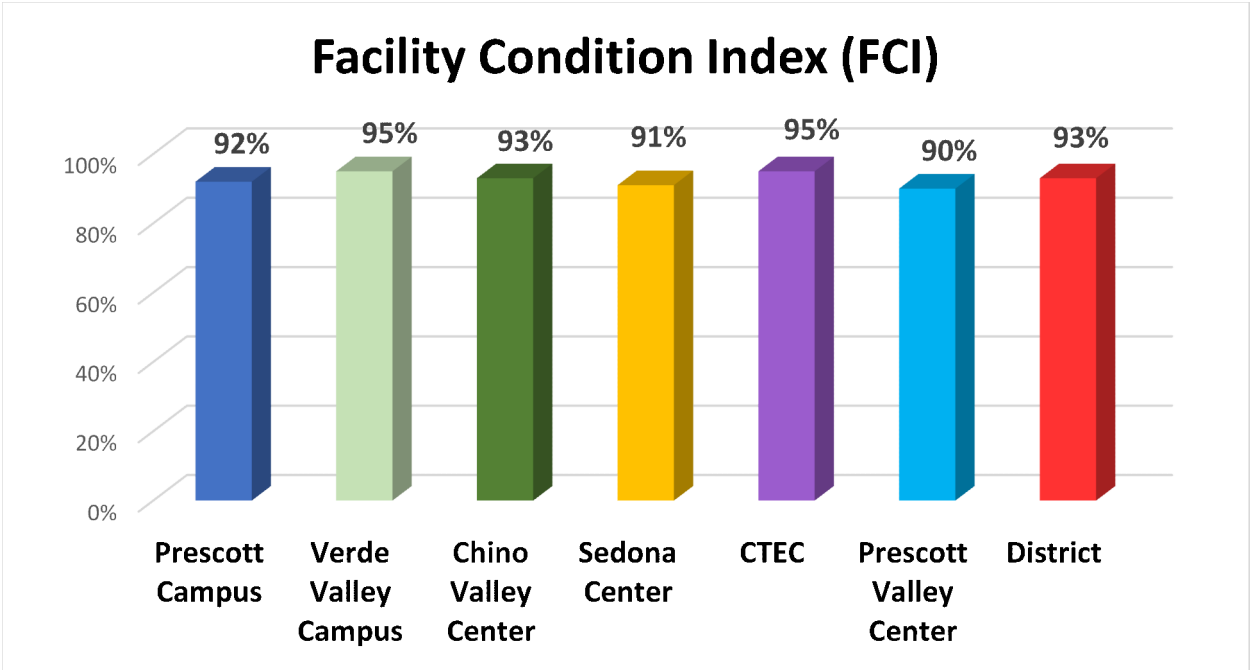
Capital Assets and Debt Management

The District had a number of large capital projects in progress at the end of the fiscal year including the renovations of the Sedona Center for culinary and hospitality, building one for visual arts, building 15 for performing arts, and the building 40 addition for allied health and JTED at the Prescott Valley Center. The Sedona Center, Prescott campus building one and the first floor of building 15, and Prescott Valley Center projects were all substantially completed by the start of the fall 2017 semester. The second floor of building 15 is expected to be completed prior to the start of the spring 2018 semester. The projects are primarily being funded with the District’s Future Capital Projects Accumulation monies.

Other key capital projects started and/or completed during the fiscal year included the replacement of the building one roof on the Prescott campus, repaving of the Chino Valley Center parking lot, CTEC parking lot expansion and repaving, Prescott campus main water line replacement, the addition of new ramadas throughout the District and the installation of the second phase of directional signage at the Prescott and Verde Valley campuses.

Capital improvement and maintenance projects are primarily based upon the Campus Master Plan, and are designed to ensure effective teaching and learning spaces. The District adheres to the philosophy that preventative maintenance will extend the useful life of the assets and lower the Total Costs of Ownership. As seen below, preventative maintenance investments are keeping District facilities in excellent condition.

**Planned and Unplanned Maintenance
Fiscal Year 2017**



Equipment, along with all other capital assets (except land and construction in progress), is reported net of accumulated depreciation in accordance with the reporting standards issued by GASB. This has the effect of reducing the book value of capital assets. Depreciation totaled \$6,401,955 for the year and is shown as an operating expense on the Statement of Revenues, Expenses, and Changes in Net Position. Additional information on the District’s capital assets can be found in Note 4 to the basic financial statements.

The District's general obligation (GO) bond debt issues are rated Aa2 by Moody's Investors Service and AA- by Standard & Poors. These high quality ratings were affirmed during fiscal year 2015-16 and are the result of the District's diverse tax base, solid financial policies, history of operating surpluses and a low debt burden. The District's pledged revenue obligations were upgraded in August 2015 from A2 to A1 by Moody's Investors Service partly attributed to the District's multi-year trend of strong operating performance and conservative expense management. Standard & Poors affirmed its A rating on the pledged revenue obligations in July 2015.

During fiscal year 2016-17, the District reduced its outstanding long-term debt by \$5,820,235. Long-term debt outstanding at June 30, 2017, is as follows:

<u>Description</u>	<u>Original Amount</u>	<u>Maturity Ranges</u>	<u>Interest Rates</u>	<u>Outstanding Principal</u>
General obligation bonds				
GO Refunding 2011	\$ 9,640,000	7/1/18-21	3.00–4.00%	\$ 3,110,000
GO Refunding 2012	28,450,000	7/1/18-24	2.00–4.25%	17,000,000
Pledged revenue obligations				
Series 2011	14,000,000	7/1/18-25	4.00–4.88%	8,315,000
Revenue bond				
Series 2013	5,000,000	7/1/18-28	2.45%	3,845,000

Additional information on the District's outstanding debt can be found in Note 5 to the basic financial

Request for Information

This discussion and analysis is designed to provide a general overview of the finances for the Yavapai County Community College District to all those with an interest in such matters. Questions concerning any of the information provided in this Comprehensive Annual Financial Report or requests for additional financial information should be addressed to the Office of Business Services, Yavapai College, 1100 East Sheldon Street, Prescott, AZ 86301.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Statement of Net Position - Primary Government
June 30, 2017

	Business Type Activities
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 22,095,197
Receivables (net of allowances for uncollectibles)	
Accounts	233,065
Property taxes	1,095,639
Government grants and contracts	1,132,212
Other	417,813
Prepaid expenses	926,451
Prepaid insurance	63,395
Total current assets	25,963,772
Noncurrent assets:	
Restricted assets:	
Property taxes receivable (net of allowances for uncollectibles)	124,535
Other receivables	2,459
Capital assets, not being depreciated	20,229,848
Capital assets, being depreciated, net	138,248,983
Total noncurrent assets	158,605,825
Total assets	184,569,597
Deferred Outflows of Resources:	
Deferred charge on debt refunding	1,180,113
Deferred outflows related to pensions	5,626,917
Total deferred outflows of resources	6,807,030
LIABILITIES:	
Current liabilities:	
Accounts payable	4,052,753
Retainage payable	749,781
Accrued payroll and employee benefits	1,899,063
Deposits held in custody for others	191,241
Unearned revenues	1,090,300
Dormitory and other deposits	62,747
Current portion of compensated absences payable	115,007
Current portion of long-term debt	5,975,236
Current portion of other long-term liabilities	20,888
Total current liabilities	14,157,016
Noncurrent liabilities:	
Compensated absences payable	1,435,027
Long-term debt	27,599,199
Net pension liability	31,657,352
Other	93,194
Total noncurrent liabilities	60,784,772
Total liabilities	74,941,788
Deferred Inflows of Resources:	
Deferred inflows related to pensions	3,948,000
Total deferred inflows of resources	3,948,000
NET POSITION:	
Net investment in capital assets	121,900,040
Restricted:	
Nonexpendable:	
Employee loans	200,000
Expendable:	
Grants and contracts	329,457
Debt service	747,020
Unrestricted	(10,689,678)
Total net position	\$ 112,486,839

See accompanying notes to financial statements.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Statement of Financial Position - Component Unit
June 30, 2017**

	Yavapai College Foundation
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 400,957
Restricted cash	117,792
Accounts receivable	2,090
Promises to give, current portion	40,880
Prepaid expenses	31,338
Total current assets	593,057
Promises to give, net of current portion	207,724
Property and equipment, net	226,115
Investments	13,725,772
Other assets	4,650
Beneficial interest in perpetual trust	429,975
Total assets	<u>\$ 15,187,293</u>
LIABILITIES AND NET ASSETS:	
Accounts payable	\$ 1,925
Due to Yavapai College	132,067
Scholarships payable	489,075
Deferred revenue	104,897
Total current liabilities	727,964
NET ASSETS	
Unrestricted:	
Undesignated	713,661
Designated	598,448
Total unrestricted	1,312,109
Temporarily restricted	3,812,282
Permanently restricted	9,334,938
Total net assets	14,459,329
Total liabilities and net assets	<u>\$ 15,187,293</u>

See accompanying notes to financial statements.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Statement of Revenues, Expenses, and Changes in Net Position - Primary Government
For the Fiscal Year Ended June 30, 2017

	Business Type Activities
Operating revenues:	
Tuition and fees (net of scholarship allowances of \$3,164,058)	\$ 8,278,893
Bookstore income	180,954
Dormitory rentals (net of scholarship allowances of \$337,438)	828,212
Other	1,243,645
Total operating revenues	10,531,704
Operating expenses:	
Educational and general:	
Instruction	18,094,814
Public service	1,772,188
Academic support	4,489,410
Student services	6,351,387
Institutional support	8,957,750
Operation and maintenance of plant	6,025,815
Scholarships	6,320,185
Auxiliary enterprises	1,923,756
Depreciation	6,401,955
Total operating expenses	60,337,260
Operating income (loss)	(49,805,556)
Nonoperating revenues (expenses):	
Property taxes	48,540,679
State appropriations	1,574,600
Government grants	10,937,647
Share of state sales taxes	696,928
Private grants and gifts	1,199,853
Investment earnings	110,841
Interest expense on debt	(1,249,134)
Gain on disposal of capital assets	12,350
Total nonoperating revenues (expenses)	61,823,764
Income before other revenues, expenses, gains or losses	12,018,208
Capital grants and gifts	110,161
Increase in net position	12,128,369
Net position, beginning of year	100,358,470
Net position, end of year	\$ 112,486,839

See accompanying notes to financial statements.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Statement of Activities - Component Unit
For the Fiscal Year Ended June 30, 2017**

	Yavapai College Foundation
Revenue and other support:	
Contributions and grants	\$ 1,280,768
Program service income	360
YCPAC events	568,488
Rental income	124,392
Investment return	1,570,747
Change in fair value of perpetual trust	29,748
	<u>3,574,503</u>
Special events:	
Revenues from special events	41,946
Costs of direct donor benefits	(13,085)
Gross profit on special events	<u>28,861</u>
Total revenue and other support	<u>3,603,364</u>
Operating expenses:	
Program expenses	
Grants and scholarships	542,409
YCPAC events	613,526
Osher Endowment for Osher Lifelong Learning Institute	105,353
Vineyard/winery project	94,716
Foundation Auxiliaries	31,213
Other programs	554,238
Total program expenses	<u>1,941,455</u>
Supporting expenses	
Administration	145,278
Fundraising	88,949
Depreciation of rental property	4,639
Total supporting expenses	<u>238,866</u>
Total operating expenses	<u>2,180,321</u>
Change in net assets	<u>1,423,043</u>
Net assets - beginning of year	<u>13,036,286</u>
Net assets - end of year	<u>\$ 14,459,329</u>

See accompanying notes to financial statements.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Statement of Cash Flows - Primary Government
For the Fiscal Year Ended June 30, 2017

	Business Type Activities
CASH FLOWS FROM OPERATING ACTIVITIES:	
Tuition and fees	\$ 8,212,657
Bookstore receipts	182,709
Dormitory rentals	824,112
Other receipts	1,375,007
Payments to suppliers and providers of goods and services	(9,258,212)
Payments for employee wages and benefits	(36,725,426)
Scholarship payments to students	(6,320,185)
Net cash used for operating activities	(41,709,338)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Property taxes	48,471,397
Grants	10,305,483
State appropriations	1,574,600
Share of state sales taxes	696,928
Private gifts	1,181,223
Federal direct lending receipts	4,568,381
Federal direct lending disbursements	(4,665,133)
Deposits held in custody for others received	617,818
Deposits held in custody for others disbursed	(616,009)
Net cash provided by noncapital financing activities	62,134,688
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Capital grants and gifts	103,635
Proceeds from sale of capital assets	12,350
Principal paid on capital debt	(5,620,000)
Interest paid on capital debt	(1,272,859)
Purchases of capital assets	(17,344,659)
Net cash used for capital and related financing activities	(24,121,533)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received on investments	110,841
Net cash provided by investing activities	110,841
Net decrease in cash and cash equivalents	(3,585,342)
Cash and cash equivalents, beginning of year	25,680,539
Cash and cash equivalents, end of year	\$ 22,095,197
	(Continued)

See accompanying notes to financial statements.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Statement of Cash Flows - Primary Government
For the Fiscal Year Ended June 30, 2017
(Continued)

Reconciliation of operating loss to net cash used for operating activities:	Business Type Activities
Operating loss	\$ (49,805,556)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation expense	6,401,955
Provision for uncollectible accounts	81,014
Changes in assets, deferred outflow of resources, liabilities and deferred inflows of resources:	
Increase in accounts receivables	(9,368)
Increase in other liabilities (accrued retiree)	17,084
Increase in net pension liability	1,083,200
Increase in accounts payable	2,251,172
Increase in compensated absences	51,677
Increase in deferred outflows of resources related to pensions	(2,785,572)
Increase in deferred inflows of resources related to pensions	1,118,085
Decrease in other receivables	77,487
Decrease in student loan receivables	462
Decrease in prepaid expenses	159,218
Decrease in dormitory & other deposits	(5,685)
Decrease in unearned revenues	(56,354)
Decrease in accrued payroll and employee benefits	(288,157)
Net cash used for operating activities	<u>\$ (41,709,338)</u>

Noncash investing, capital, and noncapital financing activities:

Amortization of prepaid bond insurance costs

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

Amortization of premium on bonds and deferred charges

The District amortized \$187,904 of bond premiums, \$12,331 of pledged revenue obligation premiums and (\$168,588) of deferred charges.

Gifts of depreciable assets

The District recorded the receipt of gifts of depreciable assets of \$6,526.

See accompanying notes to financial statements.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Notes to Financial Statements
June 30, 2017**

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

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

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

During the year ended June 30, 2017, the Foundation gifted property and distributed funds in the amount of \$936,280 to or on behalf of the District for both restricted and

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Notes to Financial Statements
June 30, 2017**

unrestricted purposes. Complete financial statements for the Foundation can be obtained from the Yavapai College Foundation, 1100 East Sheldon Street, Prescott, Arizona 86301.

Basis of Presentation and Accounting

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

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

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

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

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Notes to Financial Statements
June 30, 2017**

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

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

Cash and Investments

For the statement of cash flows, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, and cash and investments held by the County Treasurer. All investments are stated at fair value.

Capital Assets

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

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

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

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Deferred Outflows and Inflows of Resources

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

Pensions

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

Investment Earnings

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

Compensated Absences

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

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

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

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Scholarship Allowances

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

Note 2 - Deposits and Investments

Arizona Revised Statutes (A.R.S.) requires the District to deposit special tax levies for the District's maintenance or capital outlay with the County Treasurer. Although not statutorily required, the District has chosen to deposit other public monies in its custody with the County Treasurer. A.R.S. requires collateral for deposits at 102 percent of all deposits not covered by federal deposit insurance. A.R.S. does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the District's investments.

Deposits – At June 30, 2017, the carrying amount of the District's deposits was \$8,813,367, and the District's bank balance was \$9,261,830. The District does not have a formal policy with respect to custodial credit risk for deposits.

Investments – The District's investments at June 30, 2017, were as follows:

External investment pool measured at fair value

County Treasurer's investment pool	<u>\$13,276,540</u>
Total investments measured at fair value	<u>\$13,276,540</u>

The District's investment in the County Treasurer's pool is valued using the District's proportionate participation in the pool because the pool's structure does not provide for shares. No oversight is provided for the County Treasurer's investment pool.

Credit risk – The District does not have a formal policy with respect to credit risk. At June 30, 2017, credit risk for the District's investments was as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Amount</u>
County Treasurer's investment pool	Unrated	Not applicable	<u>\$13,276,540</u>
Total			<u>\$13,276,540</u>

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Interest rate risk – The District does not have a formal policy with respect to interest rate risk. At June 30, 2017, the District had the following investments in debt securities:

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity (Months)</u>
County Treasurer's investment pool	\$13,276,540	2.4
Total	<u>\$13,276,540</u>	

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

<u>Cash, Deposits, and Investments</u>	<u>Amount</u>	<u>Statement of Net Position</u>	<u>Amount</u>
Cash on hand	\$ 5,290	Cash and cash equivalents	\$22,095,197
Deposits	8,813,367	Total	<u>\$22,095,197</u>
Investments	<u>13,276,540</u>		
Total	<u>\$22,095,197</u>		

Note 3 – Receivables

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

<u>Account Name</u>	<u>Gross Receivable</u>	<u>Allowance for Uncollectibles</u>	<u>Net Receivable</u>
Accounts - current	\$ 921,914	\$ (688,849)	\$ 233,065
Government grants and contracts - current	1,132,212	-	1,132,212
Property taxes			
Current	1,284,671	(189,032)	1,095,639
Noncurrent	149,462	(24,927)	124,535

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

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Note 4 - Capital Assets

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

	Balance July 1, 2016	Increases	Decreases	Reclassification	Balance June 30, 2017
Capital assets not being depreciated:					
Land	\$ 5,628,526	\$ -	\$ -	\$ -	\$ 5,628,526
Construction in progress	<u>1,041,995</u>	<u>15,133,639</u>	<u>-</u>	<u>(1,574,312)</u>	<u>14,601,322</u>
Total capital assets not being depreciated	<u>6,670,521</u>	<u>15,133,639</u>	<u>-</u>	<u>(1,574,312)</u>	<u>20,229,848</u>
Capital assets being depreciated:					
Buildings	168,842,849	812,337	-	161,647	169,816,833
Improvements other than buildings	21,081,295	1,193,777	-	1,412,665	23,687,737
Equipment	13,924,262	846,365	131,025	-	14,639,602
Intangibles	273,587	-	-	-	273,587
Library books	<u>2,943,627</u>	<u>103,430</u>	<u>109,928</u>	<u>-</u>	<u>2,937,129</u>
Total capital assets being depreciated	<u>207,065,620</u>	<u>2,955,909</u>	<u>240,953</u>	<u>1,574,312</u>	<u>211,354,888</u>
Less accumulated depreciation for:					
Buildings	41,391,819	4,106,969	-	-	45,498,788
Improvements other than buildings	11,965,134	1,160,981	-	-	13,126,115
Equipment	11,268,942	984,570	131,025	-	12,122,487
Intangibles	54,718	9,120	-	-	63,838
Library books	<u>2,264,290</u>	<u>140,315</u>	<u>109,928</u>	<u>-</u>	<u>2,294,677</u>
Total accumulated depreciation	<u>66,944,903</u>	<u>6,401,955</u>	<u>240,953</u>	<u>-</u>	<u>73,105,905</u>
Total capital assets being depreciated, net	<u>140,120,717</u>	<u>(3,446,046)</u>	<u>-</u>	<u>1,574,312</u>	<u>138,248,983</u>
Capital assets, net	<u>\$ 146,791,238</u>	<u>\$11,687,593</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158,478,831</u>

The District has active construction projects as of June 30, 2017. At year end, the District's commitments with contractors are as follows:

Projects	Source of Payment	Costs-to-date Including Capitalized Interest	Remaining Commitment
Prescott building 15 renovations	Capital Projects Accumulation Account	\$ 1,567,178	\$2,022,279
Prescott building 2 renovations	Capital Projects Accumulation Account	148,652	79,353
Prescott building 1 roof	Capital Projects Accumulation Account	107,912	177,582
Prescott building 1 visual arts	Capital Projects Accumulation Account	295,100	243,683
PV building 40 renovations	Capital Projects Accumulation Account	5,942,203	1,038,368
Sedona building renovations	Capital Projects Accumulation Account	6,529,487	207,622
Prescott EMS garage	Capital Projects Accumulation Account	196,977	6,098
Prescott roads & parking lots	Capital Projects Accumulation Account	213,269	76,964
Prescott main water line	Capital Projects Accumulation Account	370,372	73,328

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Note 5 - Long-Term Liabilities

Long-term liability and obligation activity for the year ended June 30, 2017, was as follows:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year
Long-term debt:					
General obligation bonds	\$ 24,405,000	\$ -	\$ 4,295,000	\$ 20,110,000	\$ 4,395,000
Premium on general obligation refunding	1,393,688	-	187,904	1,205,784	187,905
Pledged revenue obligations	9,340,000	-	1,025,000	8,315,000	1,070,000
Premium on pledged revenue obligations	110,982	-	12,331	98,651	12,331
Revenue bonds	<u>4,145,000</u>	<u>-</u>	<u>300,000</u>	<u>3,845,000</u>	<u>310,000</u>
Total long-term debt	<u>39,394,670</u>	<u>-</u>	<u>5,820,235</u>	<u>33,574,435</u>	<u>5,975,236</u>
Net pension liability	30,574,152	1,083,200	-	31,657,352	-
Compensated absences payable	1,498,357	758,432	706,755	1,550,034	115,007
Other	<u>96,998</u>	<u>33,501</u>	<u>16,417</u>	<u>114,082</u>	<u>20,888</u>
Total long-term liabilities	<u>\$ 71,564,177</u>	<u>\$ 1,875,133</u>	<u>\$ 6,543,407</u>	<u>\$ 66,895,903</u>	<u>\$ 6,111,131</u>

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

In June 2012, the District issued \$28,450,000 of general obligation refunding bonds with an average interest rate of 2.06 percent to advance refund general obligation bonds. The general obligation refunding bonds of 2012 are subject to early redemption prior to their stated maturity dates. The net proceeds were placed in the Depository Trust Fund and will be held uninvested or used to acquire Government Obligations, the maturing principal of and interest income with respect to which are calculated to be sufficient to pay, when due, the principal of and interest on the bonds being refunded. As a result, the refunded debt liability as of June 30, 2017, for those refunded bonds is considered to be defeased and the liability for those bonds is not included in the financial statements. The principal amount of the defeased bonds outstanding at June 30, 2017, was \$20,900,000.

In February 2011, the District issued \$9,640,000 of general obligation refunding bonds to advance refund \$9,640,000 of general obligation bonds, Series 2001(A). The District defeased the Series 2001(A) bonds which were paid in full on July 1, 2011. The general obligation refunding bonds of 2011 are not subject to early redemption prior to their stated maturity dates.

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The general obligation bond issues are subject to the federal tax code arbitrage requirements. Excess earnings resulting from arbitrage will be rebated to the federal government. The District does not have a current arbitrage liability. The District's general obligation bond legal debt limit is 15% of the secondary assessed value of real and personal property within Yavapai County. The District's total general obligation bond debt capacity was \$432,296,793 as of June 30, 2017. Of this amount, the District has \$20,110,000 in general obligation bond debt applicable to the debt limit, leaving a legal debt margin of \$412,186,793.

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

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

The District has pledged future tuition, fees, dormitory rentals, bookstore income and other charges to students, faculty and others to repay the April 2011 pledged revenue obligations and the June 2013 revenue bonds. The pledged revenue obligations and revenue bonds are payable solely from these revenue sources and are payable through 2025 and 2028, respectively. Annual principal and interest payments on the pledged revenue obligations and bonds are expected to require less than 17.4% of tuition, fees, dormitory rentals, bookstore, and other income. In the current year, total revenues of \$10,579,821 were pledged to cover the principal and interest paid of \$1,841,109.

Bonds and pledged revenue obligations outstanding at June 30, 2017, were as follows:

<u>Description</u>	<u>Original Amount Issued</u>	<u>Maturity Ranges</u>	<u>Interest Rates</u>	<u>Outstanding Principal</u>
General obligation bonds				
GO Refunding 2011	\$ 9,640,000	7/1/18-7/1/21	3.00-4.00%	\$ 3,110,000
GO Refunding 2012	28,450,000	7/1/18-7/1/24	2.00-4.25%	17,000,000
Pledged revenue obligations				
Series 2011	14,000,000	7/1/18-7/1/25	4.00-4.88%	8,315,000
Revenue bond				
Series 2013	5,000,000	7/1/18-7/1/28	2.45%	3,845,000

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The following schedule details debt service requirements to maturity for the District's bonds payable and pledged revenue obligations at June 30, 2017:

Year Ending June 30,	<u>General Obligation Bonds</u>		<u>Pledged Revenue Obligations</u>		<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 4,395,000	\$ 660,800	\$ 1,070,000	\$ 370,306	\$ 310,000	\$ 94,202
2019	4,545,000	500,600	1,110,000	327,506	315,000	86,608
2020	4,480,000	396,650	1,160,000	283,106	325,000	78,890
2021	2,200,000	255,800	1,200,000	235,256	330,000	70,928
2022	1,640,000	184,850	1,255,000	184,031	340,000	62,842
2023 – 27	2,850,000	176,625	2,520,000	249,600	1,830,000	185,098
2028	-	-	-	-	395,000	9,678
Total	<u>\$20,110,000</u>	<u>\$2,175,325</u>	<u>\$ 8,315,000</u>	<u>\$1,649,805</u>	<u>\$3,845,000</u>	<u>\$ 588,246</u>

Note 6 - Risk Management

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

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

Note 7 - Pension and Other Postemployment Benefits

District employees participate in the Arizona State Retirement System (ASRS) or one of three defined contribution plans which are described below. The ASRS issues a publicly

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available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azasrs.gov.

Defined Benefit Plan

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

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

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

*With actuarially reduced benefits.

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

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Contributions - In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2017, statute required active ASRS members to contribute at the actuarially determined rate of 11.48 percent (11.34 percent for retirement and 0.14 percent for long-term disability) of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 11.48 percent (10.78 percent for retirement, 0.56 percent for health insurance premium benefit, and 0.14 percent for long-term disability) of the active members' annual covered payroll. In addition, the District was required by statute to contribute at the actuarially determined rate of 9.47 percent (9.17 percent for retirement, .21 percent for health insurance premium benefit, and 0.09 percent for long-term disability) of annual covered payroll of retired members who worked for the District in positions that an employee who contributes to the ASRS would typically fill. The District's contributions to the pension plan for the year ended June 30, 2017, were \$2,003,934. The District's OPEB contributions for the current and two preceding years, all of which were equal to the required contributions, were as follows:

<u>Years ended June 30,</u>	<u>Health Benefit Supplement Fund</u>	<u>Long-Term Disability Fund</u>
2017	\$104,140	\$25,664
2016	92,595	21,855
2015	107,123	21,257

Pension liability - At June 30, 2017, the District reported a liability of \$31,657,352 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2015, to the measurement date of June 30, 2016. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The total pension liability as of June 30, 2016, reflects a change in actuarial assumption for a decrease in loads for future potential permanent benefit increases.

The District's proportion measured as of June 30, 2016, was .1961 percent, which was a decrease of .0002 from its proportion measured as of June 30, 2015.

Pension expense and deferred outflows/inflows of resources - For the year ended June 30, 2017, the District recognized pension expense for ASRS of \$1,405,151. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 192,380	\$2,177,794
Changes of assumptions or other inputs	-	1,674,927
Net difference between projected and actual earnings on pension plan investments	3,430,603	-
Changes in proportion and differences between district contributions and proportionate share of contributions	-	95,279
District contributions subsequent to the measurement date	<u>2,003,934</u>	<u>-</u>
Total	<u><u>\$5,626,917</u></u>	<u><u>\$3,948,000</u></u>

The \$2,003,934 reported as deferred outflows of resources related to ASRS pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

<u>Years ended June 30,</u>	
2018	\$ (1,569,402)
2019	(1,113,778)
2020	1,396,231
2021	961,931

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

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

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

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The long-term expected rate of return on ASRS pension plan investments was determined to be 8.75 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	58%	6.73%
Fixed income	25%	3.70%
Real estate	10%	4.25%
Multi-asset	5%	3.41%
Commodities	<u>2%</u>	3.84%
Total	<u>100%</u>	

Discount rate - The discount rate used to measure the ASRS total pension liability was 8 percent, which is less than the long-term expected rate of return of 8.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<u>1% Decrease (7%)</u>	<u>Current Discount Rate (8%)</u>	<u>1% Increase (9%)</u>
District's proportionate share of the net pension liability	\$40,365,528	\$31,657,352	\$24,675,299

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

Pension contributions payable - The District's accrued payroll and employee benefits included \$153,975 of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2017.

Defined Contribution Plans

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

Funding policy - The Arizona State Legislature allows the District to establish contribution rates each year that are at least as much as the ASRS contribution amounts. For the year ended June 30, 2017, the District and employees contributed at the rate of 11.34 percent of the member's annual covered payroll. Amounts collected from both employees and the District are remitted to the three plans on a bi-weekly basis.

Pension expense - For the year ended June 30, 2017, the District recognized pension expense for defined contribution plans of \$600,153. For the year ended June 30, 2017, forfeitures reduced the District's pension expense by \$37,312.

Pension contributions payable - The District's accrued payroll and employee benefits included \$46,778 of outstanding pension contribution amounts payable to TIAA/CREF, VALIC, and Voya Financial for the year ended June 30, 2017.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Notes to Financial Statements
June 30, 2017**

Note 8 - Operating Expenses

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

Salaries and benefits	\$ 35,901,549
Contract services	2,927,257
Supplies and other services	2,572,869
Communications and utilities	2,155,963
Scholarships	6,320,185
Depreciation	6,401,955
Other	<u>4,057,482</u>
Total	<u>\$60,337,260</u>

A.R.S. §35-391, requires the disclosure of the amount of any reward, discount, incentive or other financial consideration received resulting from the use of credit card payments by governmental entities. During the current fiscal year, the District received \$44,565 in rebates from the use of credit cards.

Note 9 - Contingencies

A former employee has filed a lawsuit against the District seeking reimbursement, on behalf of the federal government, of tuition payments the District received from the Veteran's Administration. There is a reasonable possibility that a loss may be incurred but an estimate cannot be made at this time. The District contests liability and is vigorously defending the lawsuit.

Note 10 - Discretely Presented Component Unit Disclosure

Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

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

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
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June 30, 2017**

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

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

- FRIENDS of Performing Arts – The purpose of this group is to support Yavapai College performing arts programs and students, including student scholarships.
- FRIENDS of the Family Enrichment Center – The purpose of this group is to support and raise funds for the Family Enrichment Center (FEC). The FEC offers quality learning experiences to a diverse group of children while providing invaluable hands-on teacher training to the College's early and elementary education students.
- FRIENDS of the Southwest Wine Center – The purpose of this group is to support the viticulture and enology program.

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

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

Basis of Accounting and Financial Statement Presentation

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

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Temporarily restricted net assets are composed of assets that have been restricted by the donors and contain either time or purpose restrictions plus unspent accumulated investment income on the permanently restricted endowments.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Notes to Financial Statements
June 30, 2017**

Fair Value Measurements

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

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

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

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

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

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

Investments

Investments are recorded at fair value as determined by quoted prices in active markets or other valuation inputs. Investment income or loss (including realized and unrealized gains and losses) is included in the change in unrestricted net assets in the accompanying statement of activities, unless the income or loss is restricted by donor or law.

The Foundation invests most of the endowments in an investment pool which is managed by an investment advisor to the Foundation. Investment return and investment fees within

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Notes to Financial Statements
June 30, 2017**

the investment pool are allocated monthly to the individual funds based on the relationship of the market value of each fund to the total market value of the pool as adjusted for additions to or distributions from those funds.

Endowment Funds

The Foundation's endowment funds consist of approximately 146 funds established for a variety of purposes. The endowment funds include both donor-restricted endowment funds and funds designated by the Board of Directors as endowments. Net assets associated with these endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

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

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

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

Investment Return Objectives, Risk Parameters and Strategies. The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding for programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. The Foundation's primary objective is to obtain the best possible return on investments

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Notes to Financial Statements
June 30, 2017

with the appropriate degree of risk and to meet the priorities of the Foundation and Yavapai College over time. Endowment assets are invested in a well-diversified asset mix that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 4%, while growing the funds if possible. Therefore, the Foundation expects its endowment assets, over time, to produce results that exceed the price and yield results of a custom index made up of approximately 70% equities and 30% fixed income. Actual returns may vary from year to year. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy. The Foundation appropriates for distribution each year up to 4% of its endowment funds' average fair value of the prior 28 quarters through December 31 for any funds that are above the historic dollar value. The Foundation may elect, on a case by case basis, to approve an allocation expenditure in excess of 4% but not exceeding 7% for selected funds. In establishing this practice, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation. The Foundation expects the current spending practice to allow its endowment funds to grow over time as described above.

Investments

The following is a summary of the value of investments at June 30, 2017:

Cash	\$ 71
Fixed income	4,071,471
Equity funds	5,730,506
International equity funds	<u>3,923,724</u>
	<u>\$13,725,772</u>

The following schedule summarizes the investment return for the year ended June 30, 2017:

Interest and dividend income	\$ 307,675
Net realized gains	41,588
Net unrealized gains (losses)	1,229,099
Income distribution from perpetual trust	16,882
Investment fees	<u>(24,497)</u>
	<u>\$1,570,747</u>

The substantial changes in realized and unrealized gains and losses are more a reflection of market timing issues than a significant change in investment policies.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Notes to Financial Statements
June 30, 2017**

Fair Value of Financial Instruments

Investments with readily determinable fair values are measured at fair value in the statements of financial position as determined by quoted market prices in active markets (Level 1) or measured based on prices for identical assets in non-active markets (Level 3).

Properties held for sale and other assets, which include artwork have been valued using a market approach.

The following is a summary of these fair values at June 30, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Measured at fair value on a recurring basis:				
Cash	\$ 71	\$ -	\$ -	\$ 71
Fixed income	4,071,471	-	-	4,071,471
Equity funds	5,730,506	-	-	5,730,506
International equity funds	<u>3,923,724</u>	<u>-</u>	<u>-</u>	<u>3,923,724</u>
Total investments	13,725,772	-	-	13,725,772
Beneficial interest in perpetual trust	-	-	429,975	429,975
Other assets	<u>-</u>	<u>4,650</u>	<u>-</u>	<u>4,650</u>
	<u>\$13,725,772</u>	<u>\$ 4,650</u>	<u>\$ 429,975</u>	<u>\$14,160,397</u>

Endowment Funds

Endowment funds include funds restricted in perpetuity by the donors, funds restricted for a specified period (term endowments) and a board designated fund.

Endowment net asset composition by type of fund as of June 30, 2017, is as follow:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Funds</u>
Permanently restricted funds	\$ (531)	\$1,433,965	\$ 8,904,963	\$ 10,338,397
Term funds	-	1,001,509	-	1,001,509
Board designated fund	<u>175,200</u>	<u>-</u>	<u>-</u>	<u>175,200</u>
	<u>\$174,669</u>	<u>\$2,435,474</u>	<u>\$ 8,904,963</u>	<u>\$ 11,515,106</u>

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
(YAVAPAI COLLEGE)
Notes to Financial Statements
June 30, 2017**

Changes in endowment funds are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Funds</u>
Balance, June 30, 2016	\$ 80,294	\$1,489,071	\$ 8,586,346	\$ 10,155,711
Contributions	-	38,549	318,617	357,166
Board designations	135,977	-	-	135,977
Interest and dividend income	2,789	260,592	-	263,381
Realized gains	355	35,392	-	35,747
Unrealized gains	15,059	1,042,761	-	1,057,820
Amounts appropriated for expenditure	<u>(59,805)</u>	<u>(430,891)</u>	<u>-</u>	<u>(490,696)</u>
Balance, June 30, 2017	<u>\$ 174,669</u>	<u>\$2,435,474</u>	<u>\$ 8,904,963</u>	<u>\$ 11,515,106</u>

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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Required Supplementary Information Section



YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
PROPORTIONATE SHARE OF NET PENSION LIABILITY
June 30, 2017

	Reporting Fiscal Year (Measurement Date)			
	2016/17 (2015/16)	2015/16 (2014/15)	2014/15 (2013/14)	2013/14 through 2007/08
District's proportion of the net pension liability	0.1961%	0.1963%	0.1968%	Information not available
District's proportionate share of the net pension liability	\$ 31,657,352	\$ 30,574,152	\$ 29,124,740	
District's covered payroll	18,437,842	18,155,456	17,826,189	
District's proportion share of the net pension liability as a percentage of its covered payroll	171.70%	168.40%	163.38%	
Plan fiduciary net position as a percentage of the total pension liability	67.06%	68.35%	69.49%	

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

	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10 through 2006/07
Contractually required contributions	\$ 2,003,934	\$ 2,007,043	\$ 1,976,968	\$ 1,905,579	\$ 1,816,850	\$ 1,824,631	\$ 1,580,602	Information not available
Contributions in relation to the contractually required contribution	(2,003,934)	(2,007,043)	(1,976,968)	(1,905,579)	(1,816,850)	(1,824,631)	(1,580,602)	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
District's covered payroll	\$ 18,617,192	\$ 18,437,842	\$ 18,155,456	\$ 17,826,189	\$ 17,799,555	\$ 17,988,825	\$ 16,883,148	
Contributions as a percentage of covered payroll	10.76%	10.89%	10.89%	10.69%	10.21%	10.14%	9.36%	

Statistical Section



STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	57
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	60
These schedules contain trend information to help the reader assess the District's most significant revenue sources, property tax, and tuition.	
Debt Capacity	66
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	72
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	77
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

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

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

	2016/17	2015/16	2014/15	2013/14 (1)	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08
Net investment in capital assets	\$ 121,900,040	\$ 107,845,781	\$ 97,808,266	\$ 86,471,782	\$ 78,147,428	\$ 67,896,379	\$ 52,993,496	\$ 47,354,377	\$ 44,715,778	\$ 40,432,861
Restricted - expendable	1,076,477	1,203,553	1,369,160	1,310,624	1,254,116	1,277,411	1,766,629	1,463,530	1,332,000	1,171,953
Restricted - nonexpendable	200,000	200,462	495,124	516,894	536,143	555,540	581,183	608,637	617,676	559,175
Unrestricted	(10,689,678)	(8,891,326)	(10,746,840)	(11,174,451)	18,010,422	15,980,102	21,245,920	15,862,969	11,571,245	9,529,847
Total net position	\$ 112,486,839	\$ 100,358,470	\$ 88,925,710	\$ 77,124,849	\$ 97,948,109	\$ 85,709,432	\$ 76,587,228	\$ 65,289,513	\$ 58,236,699	\$ 51,693,836

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

Note 1: Balances prior to FY 2013/14 have not been adjusted for the implementation of GASB Statements No. 65, *Items Previously Reported as Assets and Liabilities* and No. 68, *Accounting and Financial Reporting for Pensions*.

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

	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10 (1)	2008/09	2007/08
Operating expenses:										
Educational and general:										
Instruction	\$ 18,094,814	\$ 17,901,745	\$ 18,066,535	\$ 17,783,284	\$ 17,655,723	\$ 17,698,239	\$ 18,775,348	\$ 18,706,094	\$ 17,525,630	\$ 16,216,739
Public service	1,772,188	1,591,489	1,474,787	1,499,841	1,319,994	468,221	417,983	422,084	445,716	482,123
Academic support	4,489,410	4,904,174	4,268,016	4,211,551	4,114,700	5,506,885	5,163,892	5,305,978	3,877,549	3,550,891
Student services	6,351,387	6,322,124	6,116,857	5,886,627	5,139,128	4,717,637	4,799,851	4,488,132	4,423,646	4,423,089
Institutional support	8,957,750	8,648,787	8,670,047	8,759,934	8,161,909	8,322,159	8,048,375	8,040,029	10,472,894	9,680,826
Operation and maintenance of plant	6,025,815	6,267,373	6,527,970	6,177,478	5,847,012	5,658,989	5,085,259	4,929,835	5,241,506	5,699,368
Scholarships	6,320,185	6,712,073	7,611,455	8,180,284	7,792,260	6,972,898	8,246,942	6,880,339	3,244,248	2,385,237
Auxiliary enterprises	1,923,756	1,880,689	1,752,743	1,472,356	2,795,291	2,958,145	3,272,931	3,156,306	3,149,945	4,087,342
Depreciation	6,401,955	6,118,198	5,731,591	5,780,151	5,113,014	4,964,260	4,747,968	4,667,983	4,251,835	4,009,537
Other	-	-	-	-	68,974	42,246	-	-	-	-
Total operating expenses	60,337,260	60,346,652	60,220,001	59,751,506	58,008,005	57,309,679	58,558,549	56,596,780	52,632,969	50,535,152
Operating revenues:										
Tuition and fees pledged as security for revenue bonds	8,278,893	8,308,480	8,930,193	8,799,116	8,610,225	7,749,248	7,453,699	6,853,199	5,395,124	6,402,070
Bookstore income	180,954	196,417	209,632	211,418	216,100	212,952	99,668	105,060	127,093	127,202
Food service sales pledged as security for revenue bonds	-	-	-	-	-	-	40,077	33,454	189,630	196,719
Dormitory rentals pledged as security for revenue bonds	828,212	773,805	779,073	619,166	609,362	661,380	706,427	615,223	311,967	308,994
Other	1,243,645	1,143,191	1,242,302	1,069,747	1,545,639	991,467	990,130	865,619	802,981	883,519
Total operating revenues	10,531,704	10,421,893	11,161,200	10,699,447	10,981,326	9,615,047	9,290,001	8,472,555	6,826,795	7,918,504
Operating loss	(49,805,556)	(49,924,759)	(49,058,801)	(49,052,059)	(47,026,679)	(47,694,632)	(49,268,548)	(48,124,225)	(45,806,174)	(42,616,648)
Nonoperating revenues (expenses):										
Property taxes	48,540,679	47,420,835	45,967,654	45,571,425	45,270,751	43,701,144	43,357,697	41,853,443	40,242,345	38,126,821
Government grants	10,937,647	11,573,903	12,610,675	13,241,015	13,332,275	11,892,501	12,132,545	9,945,752	7,764,046	5,567,413
State appropriations	1,574,600	1,696,000	1,689,900	893,900	957,600	899,200	4,196,000	4,196,000	4,523,974	4,820,400
Share of state sales taxes	696,928	682,641	666,264	597,221	533,514	524,433	504,545	525,705	575,637	645,345
Private grants and gifts	1,199,853	1,254,889	1,056,495	761,844	841,367	710,239	866,820	691,196	368,773	1,036,345
Investment earnings	110,841	100,452	93,256	91,630	61,214	100,030	96,181	85,984	327,532	726,726
Interest expense on debt	(1,249,134)	(1,389,862)	(1,544,711)	(1,695,668)	(1,737,933)	(1,533,223)	(2,388,920)	(2,442,999)	(2,554,248)	(2,726,727)
Settlement of litigation	-	-	-	-	-	-	1,800,000	-	-	-
Gain (loss) on disposal of capital assets	12,350	(11,504)	10,766	8,389	2,432	17,477	1,395	3,590	1,035,796	-
Total nonoperating revenues	61,823,764	61,327,354	60,550,299	59,469,756	59,261,220	56,311,801	60,566,263	54,858,671	52,283,855	48,196,323
Income before other revenues, expenses, gains or losses	12,018,208	11,402,595	11,491,498	10,417,697	12,234,541	8,617,169	11,297,715	6,734,446	6,477,681	5,579,675
Capital appropriations	-	-	-	248,600	-	-	-	-	-	703,900
Capital grants and gifts	110,161	30,165	309,363	475,770	4,136	505,035	-	318,368	65,182	2,798,621
Increase in net position	\$ 12,128,369	\$ 11,432,760	\$ 11,800,861	\$ 11,142,067	\$ 12,238,677	\$ 9,122,204	\$ 11,297,715	\$ 7,052,814	\$ 6,542,863	\$ 9,082,196

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

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

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

FISCAL YEAR	STATUTORY EXPENDITURE LIMITATION (1)	BUDGETED EXPENDITURES SUBJECT TO LIMITATION (2)	UNUSED LEGAL LIMIT
2007/08	\$ 35,640,999	\$ 35,640,998	\$ 1
2008/09	37,614,068	37,614,067	1
2009/10	40,285,827	40,285,826	1
2010/11	40,776,721	40,776,720	1
2011/12	47,208,739	47,208,738	1
2012/13	43,278,034	43,278,033	1
2013/14	43,747,725	43,747,724	1
2014/15	42,036,867	42,036,866	1
2015/16	42,312,883	41,937,884	374,999
2016/17	41,393,014	39,294,892	2,098,122

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

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

Note 2: Budgeted expenditures are net of allowable exclusions.

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

Fiscal Year	Original Tax Levy	Adjustments	Adjusted Levy	Collections Initial Tax Year	Percentage of Original Tax Levy	Collections in Subsequent Years	Total Collections To Date	Percent of Total Tax Collections to Adjusted Levy
2007/08	\$ 38,296,828	\$ (193,810)	\$ 38,103,018	\$ 36,874,670	96.29%	\$ 1,213,992	\$ 38,088,662	99.96%
2008/09	40,572,257	(115,547)	40,456,710	38,855,855	95.77%	1,583,180	40,439,035	99.96%
2009/10	42,031,687	(120,399)	41,911,288	40,105,227	95.42%	1,783,259	41,888,486	99.95%
2010/11	43,495,629	(203,577)	43,292,052	41,545,863	95.52%	1,720,096	43,265,959	99.94%
2011/12	43,804,957	(202,438)	43,602,519	41,965,795	95.80%	1,605,210	43,571,005	99.93%
2012/13	45,420,203	(305,955)	45,114,248	43,997,586	96.87%	1,072,014	45,069,600	99.90%
2013/14	45,703,933	(267,787)	45,436,146	44,576,740	97.53%	784,448	45,361,188	99.84%
2014/15	46,090,787	(210,434)	45,880,353	44,829,589	97.26%	999,119	45,828,708	99.89%
2015/16	47,551,324	(52,326)	47,498,998	46,611,360	98.02%	823,662	47,435,022	99.87%
2016/17	48,568,511	(41,471)	48,527,040	47,542,093	97.89%	-	47,542,093	97.97%

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

Note 1: Includes both primary and secondary taxes.

Note 2: Amounts collected are on a cash basis.

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

Fiscal Year	Primary Assessed Value (1)				Total Direct Tax Rate (2)	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
	Residential and Vacant Property	Commercial Property	Unattached Personal Property	Total Taxable Assessed Value			
2007/08	\$ 1,754,125,017	\$ 664,163,807	\$ 51,977,047	\$ 2,470,265,871	1.5225	\$ 20,111,624,109	12.28%
2008/09	2,094,798,703	803,911,861	55,888,168	2,954,598,732	1.3394	23,973,791,761	12.32%
2009/10	2,373,124,327	841,667,070	59,286,950	3,274,078,347	1.2617	26,993,826,530	12.13%
2010/11	2,357,527,484	767,441,706	62,608,487	3,187,577,677	1.3609	26,602,931,420	11.98%
2011/12	2,007,011,632	623,434,540	81,731,709	2,712,177,881	1.6175	22,580,984,308	12.01%
2012/13	1,748,825,220	573,976,929	82,671,574	2,405,473,723	1.8875	20,142,814,909	11.94%
2013/14	1,819,990,776	325,100,587	87,538,236	2,232,629,599	2.0468	19,088,929,991	11.70%
2014/15	1,840,982,742	295,068,513	81,221,556	2,217,272,811	2.0837	19,418,863,184	11.42%
2015/16	1,929,113,529	263,001,270	87,068,649	2,279,183,448	2.0901	20,061,477,030	11.36%
2016/17	2,012,130,501	251,908,085	80,371,356	2,344,409,942	2.0561	21,142,413,672	11.09%

Source: Yavapai County Assessor's Office.

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

Note 2: Includes both primary and secondary tax rates. See Property Tax Rates, Direct and Overlapping Governments schedule on page 62.

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

Fiscal Year	Yavapai College			Overlapping Rates (2)						
	Primary Levy	Secondary Levy	Total	Yavapai County	Cities and Towns From To		Fire and Special Districts From To		School Districts From To	
2007/08	1.3397	0.1828	1.5225	1.8860	0.4973	0.8977	0.2130	3.4108	1.3621	9.4004
2008/09	1.1989	0.1405	1.3394	1.7148	0.4235	0.7600	0.0711	3.4200	1.2310	8.4913
2009/10	1.1250	0.1367	1.2617	1.9627	0.3697	0.9120	0.0401	7.3600	1.1824	8.1837
2010/11	1.2046	0.1563	1.3609	2.1083	0.0109	1.4401	0.0492	9.6600	0.2436	7.7525
2011/12	1.4274	0.1901	1.6175	2.3431	0.0142	1.4400	0.0642	11.4000	1.2605	7.9313
2012/13	1.6725	0.2150	1.8875	2.6766	0.4083	1.4400	0.0437	13.6892	1.2727	7.2224
2013/14	1.8241	0.2227	2.0468	2.9084	0.3351	1.6000	0.0622	16.2403	1.1401	7.8940
2014/15	1.8606	0.2231	2.0837	2.9305	0.3149	1.5739	0.0627	16.5100	2.4776	7.7759
2015/16	1.8721	0.2180	2.0901	2.9098	0.3047	1.7165	0.0642	17.1800	2.3885	7.7757
2016/17	1.8439	0.2122	2.0561	2.8920	0.3025	1.7316	0.0616	19.9088	2.0177	7.7737

Source: Yavapai County Assessor's Office.

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

Note 2: Rates include primary and secondary.

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

Fiscal Year	Primary			Secondary		
	Assessed Valuation	Tax Rate	Tax Levy	Assessed Valuation	Tax Rate	Tax Levy
2007/08	\$ 2,470,265,871	1.3397	\$ 33,094,152	\$ 2,853,059,731	.1828	\$ 5,215,393
2008/09	2,954,598,732	1.1989	35,422,684	3,746,625,208	.1405	5,264,008
2009/10	3,274,078,347	1.1250	36,833,381	3,824,935,514	.1367	5,228,687
2010/11	3,187,577,677	1.2046	38,397,561	3,350,111,921	.1563	5,236,225
2011/12	2,712,177,881	1.4274	38,713,627	2,753,690,772	.1901	5,234,766
2012/13	2,405,473,723	1.6725	40,231,548	2,414,825,073	.2150	5,191,874
2013/14	2,232,629,599	1.8241	40,725,397	2,279,676,521	.2227	5,076,840
2014/15	2,217,272,811	1.8606	41,254,578	2,267,389,484	.2231	5,058,546
2015/16	2,279,183,448	1.8721	42,668,593	2,279,183,448	.2180	4,968,620
2016/17	2,344,409,942	1.8439	43,228,575	2,344,409,942	.2122	4,974,838

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

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

Taxpayer	2016 Primary Assessed Valuation	Rank	Percent of Yavapai County's 2016/17 Primary Assessed Valuation	2007 Primary Assessed Valuation	Rank	Percent of Yavapai County's 2007/08 Primary Assessed Valuation
Arizona Public Service	\$ 85,049,582	1	3.63%	\$ 68,527,478	2	2.77%
Phelps Dodge Bagdad Inc./Bagdad Mine	78,272,826	2	3.34%	79,164,228	1	3.20%
Drake Cement	31,491,732	3	1.34%	-	-	-
Transwestern Pipeline Company	21,076,813	4	0.90%	6,988,004	10	0.28%
Phoenix Cement Co./ Salt River Materials	20,525,980	5	0.88%	-	-	-
Unisource Energy Corporation	16,392,122	6	0.70%	13,073,267	5	0.53%
Burlington Northern Santa Fe Railway Company	11,841,699	7	0.51%	9,029,881	7	0.37%
Sturm Ruger & Co. Inc.	7,910,038	8	0.34%	-	-	-
Kinder Morgan	7,586,491	9	0.32%	-	-	-
Qwest Corporation	7,567,282	10	0.32%	20,118,701	4	0.81%
Salt River Pima-Maricopa Indian Community	-	-	-	30,347,945	3	1.23%
TWC II-Prescott Mall LLC	-	-	-	9,889,174	6	0.40%
El Paso Natural Gas Company	-	-	-	8,859,385	8	0.36%
Wal-Mart Stores Inc.	-	-	-	7,643,190	9	0.31%
Total Top Ten	<u>\$ 287,714,565</u>		<u>12.28%</u>	<u>\$ 253,641,253</u>		<u>10.26%</u>

Source: Yavapai County Assessor.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
TUITION SCHEDULE
Last Ten Fiscal Years

Fiscal Year	Annual Tuition Rates (1)	Tuition per Credit Hour
2007/08	\$ 1,470	\$ 49
2008/09	1,560	52
2009/10	1,740	58
2010/11	1,860	62
2011/12	2,010	67
2012/13	2,100	70
2013/14	2,100	70
2014/15	2,160	72
2015/16	2,250	75
2016/17	2,370	79

Source: District records.

Note 1: Tuition based on one year of full-time equivalent credit for in-state students at District's base tuition rate. Beginning fiscal year 2012-13, the District implemented a differentiated tuition model. For FY 2016-17, tier 1 classes were \$90 per credit hour and tier 2 classes were \$100 per credit hour.

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

Fiscal Year	General Obligation Bonds (1)	Revenue Bonds (1)	Pledged Revenue Obligations (1)	Capital Lease Obligations	Total Outstanding Debt	Percentage of Personal Income (2)	Per Capita (2)
2007/08	\$ 53,510,000	\$ 965,000	-	\$ 10,952,114	\$ 65,427,114	1.03%	\$ 313
2008/09	50,470,000	795,000	-	9,140,549	60,405,549	0.91%	286
2009/10	47,310,000	615,000	-	7,912,310	55,837,310	0.93%	264
2010/11	46,329,967	420,000	\$ 14,082,639	1,787,090	62,619,696	1.04%	297
2011/12	42,615,307	-	13,225,308	260,918	56,101,533	0.90%	265
2012/13	38,567,403	5,000,000	12,332,977	118,471	56,018,851	0.90%	263
2013/14	34,439,498	4,725,000	11,405,646	40,505	50,610,649	0.75%	235
2014/15	30,181,593	4,440,000	10,448,313	-	45,069,906	0.64%	206
2015/16	25,798,688	4,145,000	9,450,982	-	39,394,670	0.47%	177
2016/17	21,315,784	3,845,000	8,413,651	-	33,574,435	0.41%	149

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

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

Note 2: See the Population and Personal Income Schedule for Yavapai County on page 75 for data.

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

	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08
Secondary Assessed Value	\$ 2,881,978,619	\$ 2,727,473,819	\$ 2,553,473,159	\$ 2,279,676,521	\$ 2,414,825,073	\$ 2,753,690,772	\$ 3,350,111,921	\$ 3,824,935,514	\$ 3,746,625,208	\$ 2,853,059,731
Legal Debt Margin										
Debt limit - 15% of secondary assessed value	432,296,793	409,121,073	383,020,974	341,951,478	362,223,761	413,053,616	502,516,788	573,740,327	561,993,781	427,958,960
Amount of debt applicable to debt limit:										
General obligation bonded debt	(20,110,000)	(24,405,000)	(28,600,000)	(32,670,000)	(36,610,000)	(40,470,000)	(43,935,000)	(47,310,000)	(50,470,000)	(53,510,000)
Legal debt margin	\$ 412,186,793	\$ 384,716,073	\$ 354,420,974	\$ 309,281,478	\$ 325,613,761	\$ 372,583,616	\$ 458,581,788	\$ 526,430,327	\$ 511,523,781	\$ 374,448,960
Total general obligation bonded debt as a percentage of legal debt limit	4.65%	5.97%	7.47%	9.55%	10.11%	9.80%	8.74%	8.25%	8.98%	12.50%

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

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

Fiscal Year	Estimated Population (Yavapai County) (1)	Secondary Assessed Value of Real Estate	General Obligation Bonds (2)	Amount Available For Retirement of General Obligation Bond Debt	Net Bonded Debt	Percentage of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2007/08	208,773	\$ 2,853,059,731	\$ 53,510,000	\$ 907,674	\$ 52,602,326	1.84%	\$ 251.96
2008/09	211,211	3,746,625,208	50,470,000	929,506	49,540,494	1.32%	234.55
2009/10	211,172	3,824,935,514	47,310,000	948,903	46,361,097	1.21%	219.54
2010/11	211,144	3,350,111,921	46,329,967	1,171,570	45,158,397	1.35%	213.87
2011/12	211,888	2,753,690,772	42,615,307	945,695	41,669,612	1.51%	196.66
2012/13	212,637	2,414,825,073	38,567,403	947,064	37,620,339	1.56%	176.92
2013/14	215,133	2,279,676,521	34,439,498	964,317	33,475,181	1.47%	155.60
2014/15	218,844	2,267,389,484	30,181,593	892,170	29,289,423	1.29%	133.84
2015/16	222,255	2,279,183,448	25,798,688	783,958	25,014,730	1.10%	112.55
2016/17	225,562	2,344,409,942	21,315,784	747,020	20,568,764	0.88%	91.19

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

Note 1: See the Population and Personal Income Schedule for Yavapai County on page 75 for data.

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

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
RATIO OF ANNUAL DEBT SERVICE EXPENSES FOR GENERAL BONDED DEBT
TO OPERATING EXPENSES

Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total Operating Expenses	Percentage of Debt Service to Operating Expenses
2007/08	\$ 2,915,000	\$ 2,299,651	\$ 5,214,651	\$ 50,535,152	10.32%
2008/09	3,040,000	2,187,883	5,227,883	52,632,969	9.93%
2009/10	3,160,000	2,067,833	5,227,833	56,596,780	9.24%
2010/11	3,375,000	1,859,646	5,234,646	58,558,549	8.94%
2011/12	3,465,000	1,183,518	4,648,518	57,309,679	8.11%
2012/13	3,860,000	1,328,668	5,188,668	58,008,005	8.94%
2013/14	3,940,000	1,109,600	5,049,600	59,759,430	8.45%
2014/15	4,070,000	965,400	5,035,400	60,220,001	8.36%
2015/16	4,195,000	850,850	5,045,850	60,346,652	8.36%
2016/17	4,295,000	756,750	5,051,750	60,337,260	8.37%

Source: District records.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
GENERAL OBLIGATION BONDS
June 30, 2017

Jurisdiction	Debt Outstanding
<u>Direct Debt(1):</u>	
Yavapai County Community College District GO Bonds	\$ 21,315,784
Total direct debt	<u>21,315,784</u>
<u>Overlapping Debt(2):</u>	
School Districts	114,110,000
Fire Districts	<u>13,760,236</u>
Total overlapping debt	<u>127,870,236</u>
Total direct and overlapping debt	<u>\$ 149,186,020</u>

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

Note 1: Net of original issuance discounts and premiums.

Note 2: Excludes improvement districts.

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

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

Fiscal Year	Pledged Revenues (1)	Debt Service Requirements (2)		Total	Coverage
		Principal	Interest		
2007/08	\$ 8,092,973	\$ 160,000	\$ 62,580	\$ 222,580	36.36
2008/09	7,025,586	170,000	52,800	222,800	31.53
2009/10	8,521,468	180,000	42,300	222,300	38.33
2010/11	9,290,001	285,000	158,529	443,529	20.95
2011/12	9,644,951	1,265,000	613,256	1,878,256	5.14
2012/13	10,864,393	880,000	560,406	1,440,406	7.54
2013/14	10,751,131	1,190,000	656,981	1,846,981	5.82
2014/15	11,214,479	1,230,000	607,518	1,837,518	6.10
2015/16	10,479,162	1,280,000	562,736	1,842,736	5.69
2016/17	10,579,821	1,325,000	516,109	1,841,109	5.75

Source: District records.

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

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

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
ECONOMIC INDICATORS FOR YAVAPAI COUNTY
June 30, 2017

Employment by Sector	Employees
Trade, Transportation and Utilities	12,800
Education and Health Services	12,200
Government	10,500
Leisure and Hospitality	10,100
Mining and Construction	5,200
Manufacturing	3,800
Professional and Business Services	3,300
Other Services	2,400
Financial Activities	1,800
Information	600

Employment by Occupation	Percent of Total
Office and Administrative	15.2%
Food Preparation and Serving Related	12.8%
Sales and Related	11.9%
Healthcare Practitioners and Technical	6.7%
Other	6.4%
Transportation and Material Moving	6.2%
Education, Training, and Library	5.7%
Management	5.3%
Construction and Extraction	4.7%
Installation, Maintenance, and Repair	4.6%
Production	4.2%
Building, Grounds and Maintenance	4.2%
Personal Care and Service	3.7%
Protective Service	3.2%
Business and Financial Operations	2.6%
Healthcare Support	2.5%

Unemployment Rate	4.7%
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Labor Force	102,909
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Source: Arizona Department of Commerce and United States
Department of Labor.

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

Major Employers	FY 2016/17			FY 2007/2008		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
Yavapai Regional Medical Center	1,850	1	1.80%	1,830	1	1.86%
Yavapai County	1,511	2	1.47%	1,800	2	1.83%
Veterans Medical Center	1,180	3	1.15%	792	5	0.80%
Walmart	1,125	4	1.09%	1,087	3	1.10%
Verde Valley Medical Center	903	5	0.88%	704	7	0.72%
Freeport McMoran Copper Mine	796	6	0.77%	995	4	1.01%
Humboldt Unified School District	768	7	0.75%	-	-	-
Yavapai College	546	8	0.53%	706	6	0.72%
Embry-Riddle University	524	9	0.51%	-	-	-
State of Arizona	514	10	0.50%	438	10	0.45%
Prescott Unified School District	-	-	-	700	8	0.71%
City of Prescott	-	-	-	529	9	0.54%
Total	9,717		9.45%	9,581		9.74%

Source: District and the listed employers records.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
MISCELLANEOUS STATISTICS
June 30, 2017

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

Population	2000	2010	2016
Yavapai County	167,517	211,144	225,562
State of Arizona	5,130,632	6,392,017	6,931,071

Age Distribution	% of Total
0-14	13.7%
15-24	9.6%
25-44	17.8%
45-64	28.8%
65+	30.1%

Population Composition	% of Total
<u>RACE</u>	
White	79.2%
Hispanic	14.4%
African American	0.9%
Native American	2.1%
Asian or Pacific Islander	1.2%
Other	2.2%
TOTAL	<u>100.0%</u>

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

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

Fiscal Year	Population	Personal Income (amounts expressed in thousands)	Per Capita Personal Income (1)
2007/08	208,773	\$ 6,361,171	\$ 30,469
2008/09	211,211	6,501,350	30,781
2009/10	211,172	6,301,415	29,840
2010/11	211,122	6,141,108	29,088
2011/12	211,135	6,387,827	30,255
2012/13	212,468	6,623,513	31,174
2013/14	215,271	6,936,360	32,222
2014/15	218,852	7,491,508	34,231
2015/16	222,255	7,900,004	35,545
2016/17	225,562	8,092,358	35,876

Source: Bureau of Economic Analysis and US Census Bureau.

Note 1: Personal Income and Per Capita Personal Income were not available for fiscal year 2016/17. Amounts were estimated based upon the prior years average net change.

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

Fiscal Year	Attendance		Gender		Residency			
	Full-Time	Part-Time	Male	Female	Resident	Out of County	Out of State	Foreign
2007/08	16.3%	83.7%	39.0%	61.0%	90.2%	4.3%	5.0%	0.5%
2008/09	17.7%	82.3%	40.2%	59.8%	82.4%	4.4%	12.8%	0.4%
2009/10	23.2%	76.8%	40.7%	59.3%	90.4%	4.9%	4.7%	0.0%
2010/11	22.9%	77.1%	42.9%	57.1%	87.5%	6.9%	5.5%	0.1%
2011/12	26.9%	73.1%	43.0%	57.0%	86.4%	6.9%	6.6%	0.1%
2012/13	21.0%	79.0%	43.7%	56.3%	85.9%	11.5%	2.5%	0.1%
2013/14	20.0%	80.0%	44.0%	56.0%	85.9%	11.4%	2.6%	0.1%
2014/15	22.0%	78.0%	43.0%	57.0%	85.6%	11.6%	2.7%	0.1%
2015/16	26.0%	74.0%	44.9%	55.1%	83.7%	14.1%	2.1%	0.1%
2016/17	24.0%	76.0%	45.4%	54.6%	82.3%	15.2%	2.4%	0.1%

Fiscal Year	Degrees Awarded	Certificates Awarded
2007/08	404	307
2008/09	423	399
2009/10	458	594
2010/11	454	623
2011/12	518	608
2012/13	486	823
2013/14	536	933
2014/15	535	939
2015/16	527	1027
2016/17	500	1073

Fiscal Year	Age		Ethnic Background					
	Median	Mean	American Indian	Asian American	Hispanic	African American	White	Other/ Unknown
2007/08	31	37	2.5%	1.5%	6.9%	1.1%	81.7%	6.3%
2008/09	30	36	3.0%	1.4%	8.2%	1.0%	80.4%	6.0%
2009/10	30	36	2.2%	1.2%	6.5%	0.9%	76.5%	12.7%
2010/11	26	33	2.6%	0.9%	8.9%	0.9%	65.5%	21.2%
2011/12	27	33	2.2%	0.9%	10.2%	0.9%	62.7%	23.1%
2012/13	26	32	2.1%	1.1%	11.4%	0.8%	57.4%	27.2%
2013/14	25	33	2.0%	0.9%	12.4%	0.9%	53.3%	30.5%
2014/15	26	33	2.0%	0.9%	12.4%	0.9%	53.2%	30.6%
2015/16	25	32	2.0%	1.1%	14.0%	0.8%	53.1%	29.0%
2016/17	24	32	2.1%	1.1%	14.7%	0.8%	55.0%	26.3%

Source: District records.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
HISTORIC ENROLLMENT
Last Ten Fiscal Years

Headcount	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08
Credit	10,000	10,245	10,970	11,518	11,764	11,616	12,973	13,493	14,139	15,582
Non-Credit	4,680	4,126	4,348	4,013	3,344	3,086	Information not available			

FTSE by Campus	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08
Prescott	1,149	1,229	1,357	1,446	1,479	1,605	1,894	2,396	2,317	2,137
Verde	262	270	271	278	289	337	453	652	690	658
Sedona	1	1	1	21	42	25	40	90	102	107
Prescott Valley	134	155	135	208	175	198	220	265	330	307
Chino Valley	66	70	85	79	101	106	120	108	114	113
CTEC	272	287	298	305	250	196	152	138	137	111
Online (1)	1,163	1,111	1,183	1,162	1,143	1,095	915	-	-	-
Dual enrollment	339	341	323	331	321	245	200	140	170	167
Other (2)	60	84	153	173	184	167	212	131	25	90
Total District	3,446	3,548	3,806	4,003	3,984	3,974	4,206	3,920	3,885	3,690

Source: District records.

Note 1: Beginning in Fiscal Year 2010-11 FTSE from online classes is being counted as a separate campus. In previous years online courses were credited to the campus that originated the course.

Note 2: Other primarily includes courses held at non-campus locations.

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

	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08
Faculty										
Regular	97	101	104	106	111	111	107	104	104	101
Adjunct (1)	90	98	96	99	97	405	394	448	476	523
Staff										
Regular	301	306	300	297	298	295	303	334	329	318
Temporary (1)	58	56	64	58	58	119	119	160	182	180

Source: District records.

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

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

Asset Type	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08
Computers and Peripherals	\$ 1,142,010	\$ 1,150,495	\$ 1,233,762	\$ 1,196,160	\$ 1,238,803	\$ 1,279,780	\$ 1,316,755	\$ 1,316,755	\$ 1,225,045	\$ 1,452,005
Network Equipment	2,913,689	2,654,860	2,677,376	2,359,675	2,255,702	1,979,635	1,568,339	1,056,006	754,356	1,127,448
Audio Visual Equipment	1,249,516	1,229,944	1,225,266	831,455	755,579	624,112	503,250	396,971	175,567	480,767
Office Equipment & Furniture	5,197,832	4,811,720	4,904,479	4,435,695	4,397,372	4,216,286	4,163,415	3,680,275	3,773,462	3,652,534
Software	2,149,149	2,149,149	2,149,148	2,149,148	2,149,148	2,149,148	2,149,148	2,022,682	1,918,654	1,286,076
Vehicles	1,987,405	1,928,094	1,702,607	1,597,998	1,383,983	1,220,435	1,295,120	1,224,785	1,182,290	1,214,607
Intangibles	273,587	273,587	273,587	273,587	273,587	273,587	273,587	273,587	-	-
Library Books	2,937,130	2,943,627	2,911,534	2,931,383	3,038,624	3,087,336	3,116,031	3,055,742	2,981,169	2,916,756
Buildings	169,816,832	168,842,849	153,119,356	146,564,885	137,801,065	108,127,652	103,095,447	102,836,523	98,435,112	98,123,350
Construction in Progress	14,601,323	1,041,996	10,889,328	6,072,505	3,515,542	22,042,850	4,427,807	613,644	2,927,638	834,346
Site Improvements	23,687,737	21,081,294	20,032,047	17,367,536	16,836,358	16,573,720	15,973,540	15,630,928	14,981,222	14,607,058
Land	5,628,526	5,628,526	5,628,526	5,415,888	5,415,888	5,415,888	5,015,888	5,015,888	5,015,888	3,597,041
	\$ 231,584,736	\$ 213,736,141	\$ 206,747,016	\$ 191,195,915	\$ 179,061,651	\$ 166,990,429	\$ 142,898,327	\$ 137,123,786	\$ 133,370,403	\$ 129,291,988

Source: District records.