

**COMPREHENSIVE**  
**ANNUAL**  
**FINANCIAL**  
**REPORT**

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**The Office of  
Business Services**

Yavapai College  
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Prescott, Arizona 86301  
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**For the fiscal year  
ended June 30, 2005**

*Yavapai*  
**COLLEGE**

Your community. Your college.

**Yavapai County Community College District  
Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2005**

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**INTRODUCTORY  
SECTION**

*Yavapai*  
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November 1, 2005

**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, 2005, is submitted herewith.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rest 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 for Finance and Facilities and Controller's transmittal letter.

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

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

**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 units. The District is a primary government because it is a special-purpose political subdivision that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments.

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

## **HISTORY**

The District was established in 1966 under the Arizona Community College Law of 1966. During the first year of instruction, 1969-70, classes were held at various sites in Prescott. The first buildings were dedicated in February, 1970 on 100 acres in Prescott that were once part of historic Fort Whipple. To better serve the growing communities on the east side of Yavapai County, the Verde Valley Campus was established in 1975 on 120 acres in Clarkdale. Yavapai College education centers have been built in Chino Valley and Prescott Valley, and a new Sedona Center for Arts and Technology opened in August, 2000. Extension sites throughout the county complete the Yavapai District mosaic.

The District is accredited by the North Central Association of Colleges and Schools and has been throughout its history.

## **SERVICE AREA**

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

The District serves a diverse student population in a rural area covering approximately 8,123 square miles (which is larger than the state of Massachusetts) with the 2000 census total population of 167,517, and a population density of 21 people per square mile.

## **ECONOMIC OUTLOOK**

Yavapai County is located in the west central portion of the state. Its boundaries include the incorporated cities and towns of Camp Verde, Chino Valley, Clarkdale, Cottonwood, Jerome, Prescott, Prescott Valley, and Sedona. The larger unincorporated areas of the county include the communities of Ashfork, Bagdad, Black Canyon City, Congress, Crown King, Mayer, Paulden, Seligman, and Yarnell. Small business, light industry, service trades, ranching, mining, and tourism all contribute to the economy of Yavapai County. A rapidly growing retiree population has made Yavapai County one of the fastest growing rural counties in the country with a population estimated to increase to 240,000 by the year 2020.

Property taxes provide the majority of funding for the District. The assessed value of all property will increase by 12% for fiscal year 2005-06. County-wide permits for new construction for fiscal year 2004-05 experienced a significant increase (47%) over the previous fiscal year. The value of new construction permits remains at record levels. This growth, along with the increase in assessed property values, is projected to continue for the next few years.

The national economy has remained relatively stable this year; however, the state's economy has shown signs of continued growth. Retail sales data from the Arizona Department of Revenue is continuing to show signs of improvement. The state's principal source of revenue is the transaction privilege (sales) tax which is directly impacted by retail sales. Yavapai County's economy has experienced continued growth. Despite the county's strengthening economy, the District must contend with the continued limited and/or stagnant funding from the state. The District is committed to improving and offering additional service to meet the county needs. These efforts are achieved through careful monitoring of expenditures, innovative partnerships, and taking advantage of all cost savings.

## **MAJOR PROGRAM INITIATIVES**

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

### **Master Plan Implementation**

Implementation of the \$69.9 million master plan proceeded on schedule during the fiscal year ended June 30, 2005. The new Library and Computer Commons building on the Prescott Campus was completed this year with the building dedication ceremony being held during the February 2005 District Governing Board meeting. This new 50,000 square foot facility houses a new library, student computer labs and additional classrooms. A renovation to the Math and Science Building was completed during the year and was ready for the Spring 2005 semester. This project completed the first of four complete renovations to the existing core buildings on the Prescott Campus.



Completion of the new Community Learning Commons on the Verde Valley Campus was completed during the year. The new 25,000 square foot learning center will provide additional classrooms and will house a new library for the Verde Valley Campus. Infrastructure improvements continued on both the Prescott and Verde Valley Campuses this year improving both parking and landscaping on both campuses.

The new Welcome Center on the Prescott Campus was completed during the year. The Welcome Center will serve as the "gateway" to the Prescott Campus and, in addition, will house Campus Safety. Construction of the Studio Arts building on the Prescott Campus began this year and will be completed in time for the Fall 2005 semester.

### **Enrollment**

The fiscal year was characterized by strong enrollment with more than 15,000 students attending classes. Divisions with double-digit increases in full-time student equivalent (FTSE) enrollment include nursing and technology. Individual programs with double digit FTSE enrollment increases include agribusiness technology, business, administration of justice, computer networking technologies, digital filmmaking, early childhood education, environmental studies, and paralegal law.

### **Student Achievement**

Student accomplishments continue to be our most important gauge of success. Four students were named to the 2005 All-Arizona Academic Team. A total of 453 students graduated with degrees or certificates. Throughout the course of the academic year, 125 students completed the Career Skills program, 48 students graduated from the Northern Arizona Regional Training Academy, and 48 students completed all requirements of the Nursing Program. An additional 113 students completed studies and passed the exam to earn a high school equivalency diploma.

### **FUTURE PROGRAM INITIATIVES**

The third and final issue of general obligation bonds, in the amount of \$19.5 million, was secured April 1, 2005. This bond issue will fund the completion of the Master Plan of 2000. To date, the entire voter authorized \$69.5 million in general obligation bonds have been issued. Major facilities construction projects included in the plan are as follows:

- The Verde Valley Campus Northern Arizona Regional Skill Center
- The Community Learning Commons on the Verde Valley Campus
- Construction of the Library and Computer Commons on the Prescott Campus
- Construction of the 3D Studio Art building on the Prescott Campus
- Construction of the Agribusiness and Science Technology Center in Chino Valley
  
- Rehabilitation of the ADOT property buildings and infrastructure for the

- Prescott Campus and District services use
- Upgrades to infrastructure and utilities on the Prescott and Verde Valley Campuses
- Renovations of the four “core” buildings on the Prescott Campus
- Construction of a new Welcome Center on the Prescott Campus
- Expansion of learning centers in Prescott Valley and Sedona
- Establish a learning center in the Cordes Junction Area
- Provide for air conditioning in the residence halls

Through a combination of the District tax-based dollars and the state’s Proposition 301 funds (workforce development), the 2005-06 budget will support new programming in critically-needed areas of workforce development. New and expanded programs will include:

- Agribusiness Technology Program
- Art Department – Photography
- Center for Productive Aging
- Business Computer Division
- Cisco Academy
- Workforce and Economic Development

Academic program reviews will continue in the areas of Mathematics, Social and Behavioral Sciences, Performing Arts, Life Management Skills, Office Administration, Emergency Medical services, Gunsmithing and Welding. Service area program reviews will include Auxiliary Services, Informational Technology Services, Facilities and Student Services.

## **FINANCIAL INFORMATION**

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

### **Internal Control**

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

All internal control evaluations occur within the above framework. We believe that the



District's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### **Budgetary Controls**

The District maintains budgetary controls in the form of line item budgets and budget transfer restrictions by function and object. The objective of these budgetary controls is to ensure compliance with the annual budget adopted by the District Governing Board.

The District complies with state statutes requiring that a report of the District's adopted budget be published annually with the prescribed format as required by the State of Arizona, Office of the Auditor General. The District also demonstrates compliance by issuance of an annual budgeted expenditure limitation report that is examined by the Office of the Auditor General. The expenditure limitation calculation determines the maximum allowable expenditure supported by state appropriations and property tax levies.

### **Cash Management**

The District is governed by the Arizona Revised Statutes relating to the overall investment of idle public funds. The fiduciary responsibility of such investments is entrusted to the District Governing Board and facilitated through the Vice President for Finance and Facilities.

The District invests idle funds in a prudent, conservative, and secure manner for the highest yield as prescribed by Arizona Revised Statutes. The District has maintained a cash-forecasting program to obtain the highest yield on idle cash. The principal investment vehicle used during the fiscal year has been a pooled investment with the County Treasurer. The pool has provided the District with a safe, high-yielding liquid investment.

### **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, boiler and machinery insurance, workers' compensation, and student accident coverage.

District staff includes a full-time employee, dedicated to the risk management function, who endeavors to minimize the cost of funding risks through the implementation of safety and loss procedures.

## **INDEPENDENT AUDIT**

The District utilizes the audit services of Miller, Allen and Company, P.C. to comply with Arizona Revised Statutes that require an annual audit of the District's financial statements. The Independent Auditor's Report is included in the CAFR. The District received an unqualified 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, 2004. This was the fifth 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 principals 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,

Robert E. Lynch  
Vice President of Administrative Services

# 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, 2004

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



*Nancy L. Ziehl*

President

*Jeffrey R. Enow*

Executive Director

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT**

**PRINCIPAL OFFICERS**

June 30, 2005

**DISTRICT GOVERNING BOARD**

Mr. Herald Harrington, *Chair, District 5*

Mr. Paul Madden, *Secretary, District 2*

Dr. Donna Michaels, *District 4*

Dr. Ed Harris, *District 3*

Dr. Patricia McCarver, *District 1*

**INTERIM PRESIDENT**

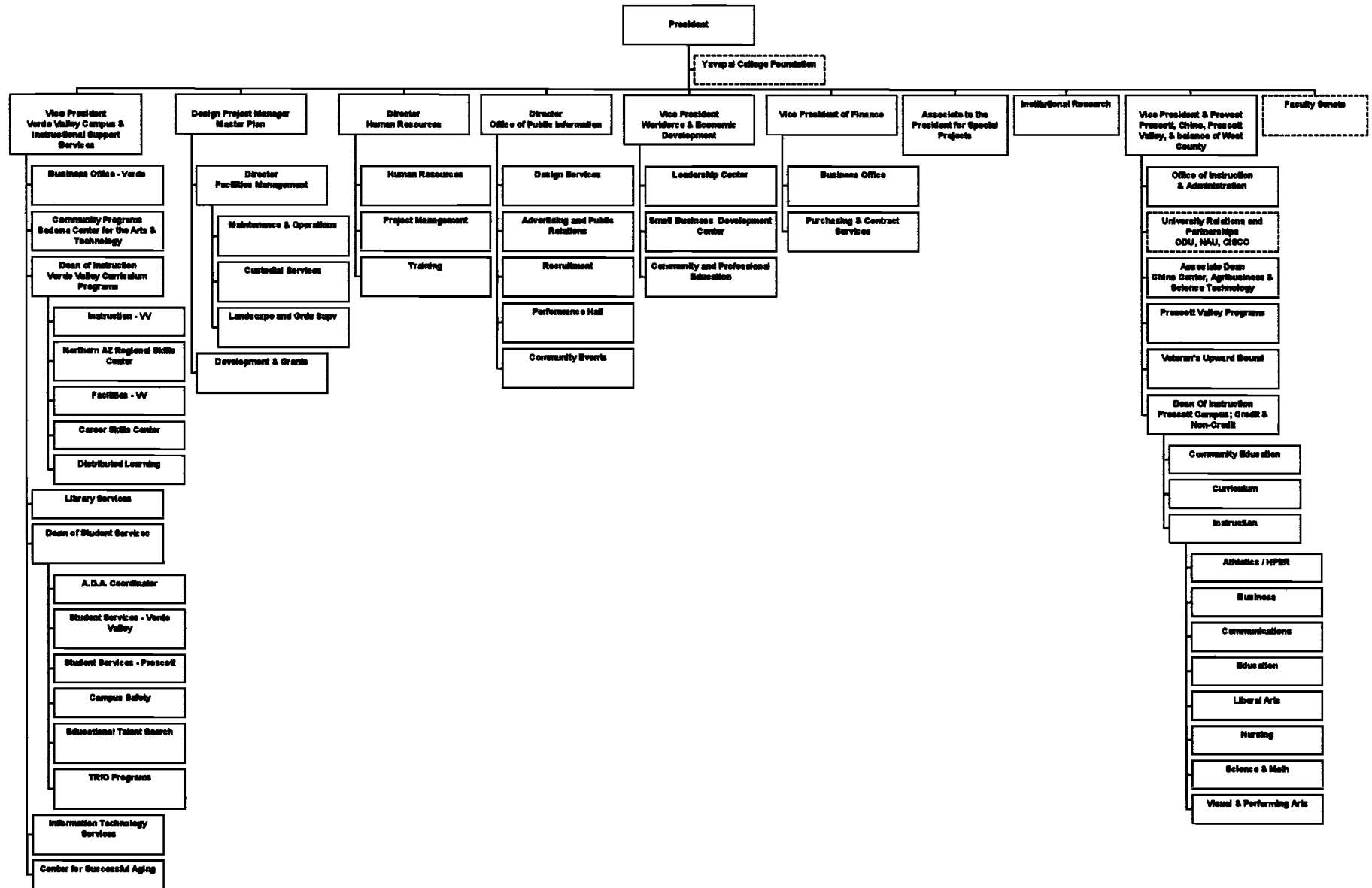
Dr. Michael T. Murphy

**ADMINISTRATION**

Mr. Paul Kessel, *Vice President of Instructional Support Services and Interim Vice President of Instruction*

Mr. Robert E. Lynch, *Interim Vice President for Finance*

# Yavapai Community College District Organizational Chart as of June 30, 2006



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**FINANCIAL  
SECTION**

*Yavapai*  
**COLLEGE**  
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MARK L. LANDY, C.P.A.  
STEPHEN T. HARRIS, C.P.A.  
THOMAS L. FRIEND, C.P.A.

ROBERT L. MILLER, C.P.A.  
(1931 - 1992)

### Independent Auditor's Report

The Auditor General of the State of Arizona

The Governing Board of  
Yavapai County Community College District

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of Yavapai County Community College District as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts for the discretely presented component unit, is based solely on the report of the other auditors.

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

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of Yavapai County Community College District as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in Note 1, the District implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures*, for the year ended June 30, 2005, which represents a change in accounting principle.

The Management's Discussion and Analysis on pages 15 through 23 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2005, 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Miller, Allen & Co., P.C.*

November 1, 2005

November 1, 2005

## **MANAGEMENT'S DISCUSSION and ANALYSIS**

This section of the Yavapai County Community College District (the "District"), Comprehensive Annual Financial Report (CAFR) presents management's discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2005. 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 Controller and Interim Vice President for Finance's letter of transmittal beginning on page 1 and the basic financial statements beginning on page 24.

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 and Analysis**

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, state appropriations, 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. Although total revenues have been increasing, in recent years the mix of funding sources has gradually been shifting. Over the past ten years, property taxes as a percent of total revenues has risen while the proportionate share of tuition and fees and state appropriations has declined.

The assets of the District exceeded its liabilities at the close of the fiscal year by \$33,972,233. Of this amount, \$3,935,874 may be used to meet the District's ongoing obligations to provide educational services.

The District's total net assets increased from the prior year by \$2,467,319. Investments in capital assets, net of related debt, increased by \$348,957 (1.4%). Restricted net assets increased by \$782,833 (24.6%) and unrestricted net assets increased by \$1,335,529

(51.4%).

At the end of the current fiscal year, unrestricted net assets increased by \$1,335,529 or 51.4% over the previous fiscal year. Continued reengineering of the District's managerial structure resulted in cost savings which provided the increase in net assets.

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

### **Basic Financial Statements**

The basic financial statements consist of the following:

The Statement of Net Assets reflects the financial position of the District at June 30, 2005. It shows the various assets owned or controlled, related liabilities and other obligations, and the various categories of net assets. Net assets is an accounting concept defined as total assets less total liabilities and represents institutional equity or ownership in the total assets of the District. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Assets reflects the results of operations for the fiscal year ended June 30, 2005. It shows the various revenues and expenses, both operating and nonoperating, reconciling the beginning net asset amount to the ending net asset amount. This is shown on the Statement of Net Assets described above.

The Statement of Cash Flows reflects the cash inflows and outflows of cash and cash equivalents for the year ended June 30, 2005. 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 Assets described above. In addition, this statement reconciles cash flows from operating activities to operating income/(loss) on the Statement of Revenues, Expenses, and Changes in Net Assets described above.

## **Condensed Financial Information**

The condensed financial information below highlights the main categories of the Statement of Net Assets. Assets and liabilities are distinguished as to their current or noncurrent nature. Current liabilities are typically those obligations intended for liquidation or payment within the next fiscal year while current assets are those resources that are available for use in meeting the operating needs of the District, including current liabilities. Net assets are 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 net assets are unrestricted but are dedicated to the primary mission of the District.

### **Condensed Statement of Net Assets**

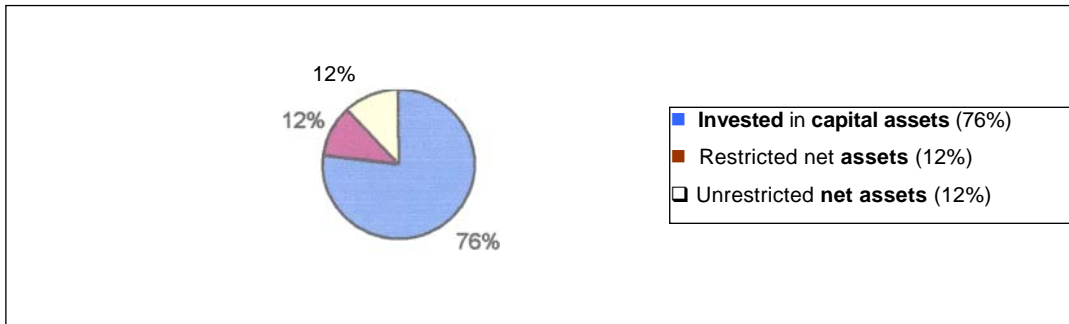
	<b><u>6/30/2005</u></b>	<b><u>6/30/2004</u></b>
<b>Assets:</b>		
Current assets	\$ 8,235,824	\$ 6,651,452
Noncurrent assets, other than capital assets	18,996,702	17,275,147
Capital assets, net of depreciation	<u>77,030,556</u>	<u>61,397,637</u>
Total assets	<u>104,263,082</u>	<u>85,324,236</u>
<b>Liabilities:</b>		
Other liabilities	5,080,704	5,041,659
Long-term liabilities	<u>65,210,145</u>	<u>48,777,663</u>
Total liabilities	<u>70,290,849</u>	<u>53,819,322</u>
<b>Net assets:</b>		
Invested in capital assets, net of related debt	26,075,864	25,726,907
Restricted net assets	3,960,495	3,177,662
Unrestricted net assets	<u>3,935,874</u>	<u>2,600,345</u>
Total net assets	<u>\$33,972,233</u>	<u>\$31,504,914</u>

Dormitory deposits and other liabilities have been reclassified between other liabilities and long-term liabilities for fiscal year ending June 30, 2004 to conform with current year presentation.

The increase in noncurrent assets was primarily due to the unexpended general obligation bond proceeds on hand in conjunction with the construction in progress with the District's master building plan. The increases in capital assets, net of depreciation, reflected the capitalization of projects relating to the District's master plan. Current liabilities increases were accredited to general payables at year-end. The increase in non-current liabilities was related to the third and final general obligation bond issue to fund the District's master

building plan in progress. The District's capital assets, net of related debt, increased by \$348,957 over the previous fiscal year. This increase is attributable to the additional buildings under construction, offset by additional accumulated depreciation. Both restricted net assets and unrestricted net assets increases were related to revenues exceeding expenditures in both areas. The District planned for an increase in reserves within restricted net assets for future building needs. Increases in unrestricted net assets were attributed to lower than expected expenditures relating to cost-saving measures enacted during the year.

**Net Assets  
As of June 30, 2005**



As noted earlier, net assets reflect the financial position of the District. The largest portion of the District's net assets (76 percent) reflects the investment in capital assets (e.g., land, buildings, improvements other than buildings, equipment, and library collections), 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. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net assets (12 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$3,935,874 may be used to meet the District's ongoing mission to the public. Unrestricted net assets increased by \$1,335,529 over the previous fiscal year. At the end of the year, the District is able to report positive balances in all three categories of net assets.



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

**Condensed Statement of Revenues, Expenses, and Changes in Net Assets**

	<u>Year Ended</u>	
	<u>6/30/2005</u>	<u>6/30/2004</u>
<b>Revenues</b>		
Operating:		
Tuition and fees	\$5,920,182	\$5,815,139
Government grants and contracts	4,967,630	4,903,162
Other	1,895,875	2,300,041
Nonoperating:		
Property taxes	31,369,540	28,782,021
State aid	5,229,738	5,072,765
Investment earnings	399,527	498,605
Other	<u>297,474</u>	<u>251,758</u>
Total revenues	<u>50,079,966</u>	<u>47,623,491</u>
<b>Expenses</b>		
Operating:		
Educational and general:		
Instruction	13,501,501	12,118,617
Public service	536,325	645,631
Academic support	3,745,522	3,122,713
Student services	3,553,447	2,439,897
Institutional support	8,241,986	6,603,761
Operation and maintenance of plant	7,791,233	8,822,310
Scholarships	2,420,745	2,024,227
Auxiliary enterprises	4,755,382	5,709,607
Depreciation	<u>2,073,464</u>	<u>1,715,650</u>
Total operating expenses	46,619,605	43,202,413
Nonoperating		
Interest expense on debt	<u>1,676,842</u>	<u>1,712,315</u>
Total expenses	<u>48,296,447</u>	<u>44,914,728</u>
Income before other revenues, expenses, gains, or losses	1,783,519	2,708,763
Capital appropriations, grants, and gifts	<u>683,800</u>	<u>1,370,690</u>
Increase in net assets	2,467,319	4,079,453
Total net assets, July 1	<u>31,504,914</u>	<u>27,425,461</u>
<b>Total net assets, June 30</b>	<u>\$33,972,233</u>	<u>\$31,504,914</u>

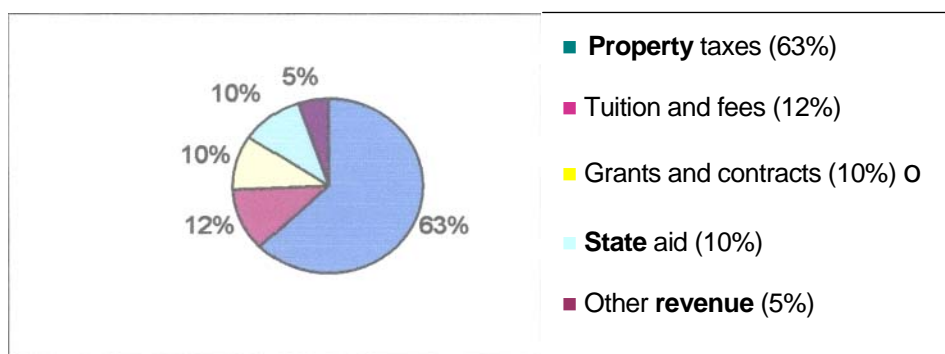
A capital grant was incorrectly reported as operating government grants and contracts for fiscal year ending June 30, 2004 and has been reclassified as capital appropriations, grants and gifts in the above condensed statement.

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 two of the three main revenue sources -- property taxes and state aid -- are considered nonoperating revenues.

The increase in tuition and fees for the current year was attributed to the institution of a technology fee. The capital appropriations, grants and gifts decrease reflects the conclusion in the prior year of the Northern Arizona Regional Skill Center grant. Property tax increases were credited to the continued growth in the assessed valuation. An increase in state aid indicates a slight improvement in the state's economy. The decrease in investment earnings was related to spending the general obligation bond proceeds during the fiscal year. The decrease in other income was related to a change in the District's food service contract.

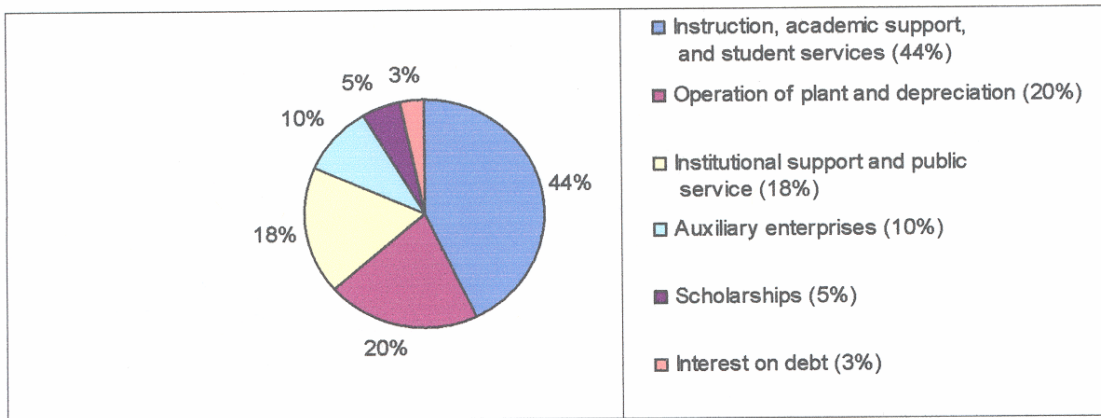
### Revenues by Source Fiscal Year 2005



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

Overall, expenses increased over the previous fiscal year by \$3,381,719. Increases in instruction, academic support, student services and institutional support operating expenses were in the area of personal services due to raises, the addition of new facilities and noncapitalized equipment expenditures. Operations and maintenance of plant decreases were attributed to a reduction in master plan project expenditures. The reduction in auxiliary fund operation was related to a decrease in the District's food service operation and Elderhostel Program. The decrease in non-operating expenses was attributed to the capitalization of interest payments on the general obligation bond issue to fund the District's master plan building projects.

## Expenses by Function Fiscal Year 2005



### **Capital Assets and Debt Management**

Several of the Master Plan Project construction projects were in progress during this year with significant expansion and/or construction taking place at the Prescott Campus and the Verde Valley Campus. The new Library and Computer Commons on the Prescott Campus was in operation for the Fall of 2004 semester. The renovation to the Math and Science building on the Prescott Campus was completed in time for the Spring 05 semester. The new Community Learning Commons building on the Verde Valley Campus opened its doors in June, 2005. Renovation commenced on the Student Services building on the Prescott Campus at the end of the Fall 04 semester. The building renovation was completed in time for the Fall 05 semester. Funding for this capital development plan came from general obligation bonded debt (discussed below).

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 \$2,073,464 for the year and is shown as an operating expense on the Statement of Revenues, Expenses, and Changes in Net Assets. Additional information on the District's capital assets can be found in Note 5 to the basic financial statements.

The District's general obligation bond debt issues are rated Aaa by Moody's Investors Service and AAA by Standard & Poors. The District's revenue bond debt issue is rated BBB+ by Standard & Poors. These ratings indicate the high quality and strong credit attributes of the District's obligations. During the fiscal year, there have been no changes in credit ratings or debt limitations that may affect future financing for the District.

During the fiscal year ended June 30, 2005, the District issued \$19,500,000 of general obligation bonds as the second series of general obligation improvement bonds. These proceeds will be used to fund the Master Plan Project of 2001 (see below). This general obligation bonded debt is funded from secondary property tax levies collected by the Yavapai County Treasurer.

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

Bonds outstanding at June 30, 2005, were as follows:

<b>Description</b>	<b>Original Amount</b>	<b>Maturity Ranges</b>	<b>Interest Rates</b>	<b>Outstanding Principal</b>
<b>General obligation bonds</b>				
Project of 2001-Series A	\$25,955,000	7/1/06-22	3.75-4.75%	\$15,625,000
Project of 2001-Series B	25,000,000	7/1/06-24	3.25-4.75%	22,800,000
Project of 2001-Series C	19,500,000	7/1/06-25	3.50-5.00%	19,500,000
Series 2003-Refunding	5,175,000	7/1/06-11	2.00-3.75%	3,800,000
<b>Revenue bonds</b>				
Series 1993	2,500,000	7/1/06-12	5.55-6.0%	1,425,000

### **Current Factors Having Probable Future Financial Significance**

The District is in the process of implementing the \$69.5 million voter-approved Master Plan Project of 2001. The third and final in a series of three general obligation bond issues was issued on April 1, 2005, in the amount of \$19.5 million to be funded by a secondary assessment of county property taxes. Major facilities development construction projects include:

- The Verde Valley Campus Northern Arizona Regional Skill Center
- The Verde Valley Campus Community Learning Commons
- Construction of a 50,000 square foot computer commons/library/information center on the Prescott Campus
- Construction of the Chino Valley Technical Training Center
- Rehabilitation of the ADOT property buildings and infrastructure for the Prescott Campus and College services use
- Upgrades to infrastructure and utilities on the Prescott and Verde Campuses
- Renovation of the four buildings (180,000 square feet) on the Prescott Campus

## **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 Assets - Primary Government  
June 30, 2005**

<b>ASSETS:</b>	<b>Business Type Activities</b>
<b>Current assets:</b>	
Cash and cash equivalents	\$ 6,448,593
Receivables (net of allowances for uncollectibles)	
Property taxes	862,162
Government grants and contracts	451,342
Student loans, current portion	50,832
Other	191,416
Prepaid expenses	231,479
Total current assets	<u>8,235,824</u>
<b>Noncurrent assets:</b>	
Restricted assets:	
Cash and cash equivalents	18,020,274
Cash and cash equivalents held by trustee	422,330
Property taxes receivable (net of allowance for uncollectibles)	231,252
Student loans receivable (net of allowance for uncollectibles)	279,032
Other receivables	43,814
Capital assets, not being depreciated	20,073,360
Capital assets, being depreciated, net	56,957,196
Total noncurrent assets	<u>96,027,258</u>
Total assets	<u>104,263,082</u>
<b>LIABILITIES:</b>	
<b>Current liabilities:</b>	
Accounts payable	2,138,994
Retainage payable	1,430,617
Accrued payroll and employee benefits	935,146
Interest payable	42,293
Deposits held in custody for others	25,129
Deferred revenues	463,750
Dormitory deposits	44,775
Current portion of compensated absences payable	71,298
Current portion of long-term debt	445,057
Other	3,328
Total current liabilities	<u>5,600,387</u>
<b>Noncurrent liabilities:</b>	
Compensated absences payable	1,043,195
Long-term debt	63,531,767
Other	115,500
Total noncurrent liabilities	<u>64,690,462</u>
Total liabilities	<u>70,290,849</u>
<b>NET ASSETS:</b>	
Invested in capital assets, net of related debt	26,075,864
Restricted:	
Nonexpendable:	
Student loans	542,806
Expendable:	
Grants and contracts	493,614
Capital projects	2,480,716
Debt service	443,359
Unrestricted	3,935,874
Total net assets	<u>\$ 33,972,233</u>

See accompanying notes to financial statements.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Statement of Financial Position - Component Unit  
June 30, 2005**

	<b>Yavapai College Foundation</b>
<b>ASSETS:</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 1,554,942
Investments, non-endowment	1,828,231
Unconditional promises to give, net of unamortized discount of \$22,604	<u>396,046</u>
Total current assets	<u>3,779,219</u>
<b>Other assets:</b>	
Works of art and historical treasures	253,900
Property and equipment, at cost, net of accumulated depreciation of \$269,409	480,071
Educational construction project (land and home)	305,370
Endowment investments	<u>2,681,706</u>
Total other assets	<u>3,721,047</u>
Total assets	<u>\$ 7,500,266</u>
<b>LIABILITIES:</b>	
<b>Current liabilities:</b>	
Accounts payable and accrued expenses	\$ 10,559
Scholarships payable	<u>121,522</u>
Total current liabilities	<u>132,081</u>
<b>NET ASSETS:</b>	
Unrestricted	2,079,094
Temporarily restricted	2,607,385
Permanently restricted	<u>2,681,706</u>
Total net assets	<u>7,368,185</u>
Total liabilities and net assets	<u>\$ 7,500,266</u>

See accompanying notes to financial statements.



**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Statement of Revenues, Expenses, and Changes in Net Assets - Primary Government  
Year Ended June 30, 2005**

	<b>Business Type Activities</b>
<b>Operating revenues:</b>	
Tuition and fees pledged as security for revenue bonds (net of scholarship allowances \$1,357,377)	\$ 5,920,182
Government grants and contracts	4,967,630
Bookstore sales	112,407
Food service sales pledged as security for revenue bonds	270,131
Dormitory rentals pledged as security for revenue bonds (net of scholarship allowances \$425,082)	262,246
Other	1,251,091
<b>Total operating revenues</b>	<b>12,783,687</b>
<b>Operating expenses:</b>	
Educational and general:	
Instruction	13,501,501
Public service	536,325
Academic support	3,745,522
Student services	3,553,447
Institutional support	8,241,986
Operation and maintenance of plant	7,791,233
Scholarships	2,420,745
Auxiliary enterprises	4,755,382
Depreciation	2,073,464
<b>Total operating expenses</b>	<b>46,619,605</b>
<b>Operating loss</b>	<b>(33,835,918)</b>
<b>Nonoperating revenues(expenses):</b>	
Property taxes	31,369,540
State appropriations	4,724,400
Share of state sales taxes	505,338
Private gifts	297,474
Investment earnings	399,527
Interest expense on debt	(1,676,842)
<b>Total nonoperating revenues</b>	<b>35,619,437</b>
<b>Income before other revenues, expenses, gains or losses</b>	<b>1,783,519</b>
Capital appropriations	683,800
<b>Increase in net assets</b>	<b>2,467,319</b>
<b>Total net assets - July 1, 2004</b>	<b>31,504,914</b>
<b>Total net assets - June 30, 2005</b>	<b>\$ 33,972,233</b>

See accompanying notes to financial statements.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Statement of Activities - Component Unit  
June 30, 2005**

<b>SUPPORT and REVENUES:</b>	<b>Yavapai College Foundation</b>
<b>Support:</b>	
Contributions	\$ 316,004
Roughrider Club	56,585
Friends of Yavapai College Art	16,263
Sunderman Foundation	39,786
Total support	428,638
<b>Revenue:</b>	
Rental income	98,064
Investment income	39,773
Total support and revenue	566,475
Net assets released from restrictions	259,903
Total unrestricted support and net assets released from restrictions	826,378
<b>EXPENSES:</b>	
<b>Program expenses:</b>	
Scholarships	182,631
Friends of Yavapai College Art	15,906
Roughrider Club	39,612
Support for PACE	46,174
Sunderman Foundation	18,725
Aristotelian Logic	6,865
Total program expenses	309,913
Depreciation of rental property	16,064
Management and general	108,076
Fundraising	31,896
Total expenses	465,949
Increase in unrestricted net assets	360,429
<b>Temporarily Restricted Net Assets:</b>	
Temporarily restricted contributions	629,664
Investment income	103,704
Increase in fair market value of investments	209,502
Assets released from restrictions	(259,903)
Increase in temporarily restricted net assets	682,967
<b>Permanently Restricted Net Assets:</b>	
Endowment funds contributions	145,264
Increase in permanently restricted net assets	145,264
<b>Increase in net assets:</b>	1,188,660
Net assets - beginning of year	6,179,525
Net assets - end of year	\$ 7,368,185

See accompanying notes to financial statements.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Statement of Cash Flows - Primary Government  
Year Ended June 30, 2005**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	<b>Business Type Activities</b>
Tuition and fees	\$ 6,051,934
Grants and contracts	4,906,214
Bookstore receipts	112,407
Food services receipts	270,131
Dormitory rentals	262,246
Collection of loans to students	51,818
Other receipts	1,151,606
Payments to suppliers and providers of goods and services	(14,820,847)
Payments to employees	(26,939,592)
Loans issued to students	(41,500)
Scholarship payments to students	(2,420,745)
Other payments	(4,154)
Net cash used for operating activities	<u>(31,420,482)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Property taxes	31,447,639
State appropriations	4,724,400
Share of state sales taxes	505,338
Private gifts	297,374
Loans issued to employees	(76,892)
Collection of loans to employees	74,753
Federal direct lending receipts	1,498,338
Federal direct lending disbursements	(1,497,701)
Deposits held in custody receipts	158,262
Deposits held in custody payments	(257,404)
Net cash provided by noncapital financing activities	<u>36,874,107</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Capital appropriations	683,800
Proceeds from issuance of capital debt	20,287,588
Principal paid on capital debt	(3,871,627)
Interest paid on capital debt	(1,924,300)
Purchases of capital assets	(17,730,132)
Net cash used for capital and related financing activities	<u>(2,554,671)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest received on investments	413,746
Net cash provided by investing activities	<u>413,746</u>
Net increase in cash and cash equivalents	3,312,700
Cash and cash equivalents, July 1, 2004	21,578,497
Cash and cash equivalents, June 30, 2005	<u>\$ 24,891,197</u>

See accompanying notes to financial statements.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Statement of Cash Flows - Primary Government  
Year Ended June, 30, 2005**

<b>Reconciliation of operating loss to net cash used for operating activities:</b>	<b>Business Type Activities</b>
Operating loss	\$ (33,835,918)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation expense	2,073,464
Provision for uncollectible accounts	28,682
Changes in assets and liabilities:	
Decrease in government grants and contracts receivable	12,374
Increase other receivables	(32,994)
Increase in prepaid expenses	(96,912)
Decrease in student loans receivable	10,318
Increase in accrued payroll and employee benefits	180,312
Increase in compensated absences payable	8,767
Increase in deferred revenues	5,717
Increase in accounts payable	221,853
Increase in other liabilities	7,755
Decrease in dormitory deposits	(3,900)
<b>Net cash used for operating activities</b>	<b>\$ (31,420,482)</b>

See accompanying notes to financial statements.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2005**

**Note 1 - Summary of Significant Accounting Policies**

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

During the year ended June 30, 2005, the District implemented the provisions of the Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures*, which modifies and expands existing disclosure requirements for deposits and investments.

**A. Reporting Entity**

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

The Yavapai College Foundation (Foundation) is a legally separate, tax-exempt organization, formed in the State of Arizona in 1971. The Board of Directors for the Foundation are 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. 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 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, only the Foundation's statements of financial position and activities are included in the District's financial statements as required by generally accepted accounting principles for public colleges and universities.

For financial reporting purposes, the Foundation follows the Financial Accounting Standards Board statements for not-for-profit organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2005**

the Foundation's financial information included in the District's financial report. Accordingly, those financial statements have been reported on separate pages following the respective counterpart financial statements of the District. The Foundation has a June 30 year end.

During the year ended June 30, 2005, the Foundation distributed \$182,631 to the District for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from the Yavapai College Foundation, 1100 East Sheldon Street, Prescott, Arizona 86301.

**B. Basis of Presentation and Accounting**

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

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

A statement of revenues, expenses, and changes in net assets provides information about the District's financial activities during the year. Revenues and expenses are classified as either operating or nonoperating, and all changes in net assets are reported, including capital contributions and additions to endowments. Operating revenues and expenses generally result from providing instructional, public, and auxiliary services, which is consistent with the District's mission. Accordingly, revenues such as tuition, educational grants, and bookstore, food service, and residence hall charges are considered to be operating revenues. Other revenues, such as property taxes and state appropriations, are not generated from operations and are considered to be nonoperating revenues. Operating expenses include the costs of sales and services, administrative expenses, and depreciation on capital

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2005**

assets. Other expenses, such as interest expenses on debt, are considered to be nonoperating expenses.

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

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

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.

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

**C. Cash and Investments**

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

**D. Capital Assets**

Capital assets are reported at actual cost. Donated assets are reported at estimated fair value at the time received.



**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2005**

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:

	<b><u>Capitalization Threshold</u></b>	<b><u>Depreciation Method</u></b>	<b><u>Estimated Useful Life</u></b>
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
Library books	\$1	Straight line	10 years

**E. Investment Earnings**

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

**F. Compensated Absences**

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

Employees may accumulate up to twice the annual entitlement amount of vacation depending on years of service, but any vacation hours in excess of the maximum amount that are unused at year-end are forfeited. Annual leave balances remaining are paid upon termination and therefore are accrued as a liability in the financial statements. Generally, sick leave benefits provide for ordinary sick pay and are cumulative. They do not vest with employees and, therefore, are not accrued. However, for employees who have at least 15 years of service with the District, and are eligible for retirement under the standards set by the Arizona State Retirement System, sick leave benefits do vest, and they may receive payment for up to 70 days of accumulated sick leave at \$60 a day. Accordingly, these benefits are accrued as a liability in the financial statements.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2005**

**G. Scholarship Allowances**

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

**Note 2 - Deposits and Investments**

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

The District does not have a formal investment policy with respect to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for investments.

**Deposits** – At June 30, 2005, the carrying amount of the District's deposits was \$887,775, and the bank balance was \$441,052.

**Investments** – The District's investments at June 30, 2005 were as follows:

<u>Investment Type</u>	<u>Amount</u>
State Treasurer's investment pools	\$17,762,159
County Treasurer's investment pool	5,802,336
Bond Mutual Fund	422,330
Total	<u>\$23,986,825</u>

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2005**

The State Board of Investment provides oversight for the State Treasurer's pools, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant's position in the pool approximates the value of that participant's pool shares and the participant's shares are not identified with specific investments. No comparable oversight is provided for the County Treasurer's investment pool, and that pool's structure does not provide for shares.

**Credit risk** – At June 30, 2005, credit risk for the District's investments was as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Amount</u>
State Treasurer's investment pools	Unrated	Not applicable	\$17,762,159
County Treasurer's investment pool	Unrated	Not applicable	5,802,336
Bond Mutual Fund	Unrated	Not applicable	<u>422,330</u>
Total			<u>\$23,986,825</u>

**Custodial credit risk** – For an investment, custodial credit risk is the risk that, in the event of the counterparty's failure, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2005, the District had \$422,330 of investments in a bond mutual fund that were uninsured and held by the counterparty not in the District's name.

**Interest rate risk** – At June 30, 2005, the District had the following investments in debt securities:

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity in Years</u>
State Treasurer's investment pool 7	\$17,762,159	.41
County Treasurer's investment pool	5,802,336	.71
Bond Mutual Fund	<u>422,330</u>	Not available
Total	<u>\$23,986,825</u>	

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

<u>Cash, Deposits, and Investments:</u>	<u>Amount</u>	<u>Statement of Net Assets:</u>	<u>Amount</u>
Cash on hand	\$16,597	Cash and cash equivalents	\$6,448,593
Amount of		<b>Restricted assets:</b>	
Deposits	887,775	Cash and cash equivalents	18,020,274
Amount of		Cash and cash equivalents	
Investments	<u>23,986,825</u>	held by trustee	<u>422,330</u>
Total	<u>\$24,891,197</u>	Total	<u>\$24,891,197</u>

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2005**

**Note 3 - Receivables**

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

<u>Receivables</u>	<u>Gross Receivable</u>	<u>Allowance for Uncollectibles</u>	<u>Net Receivable</u>
Property taxes			
Current	\$1,013,377	\$(151,215)	\$862,162
Noncurrent	252,216	(20,964)	231,252
Student loans			
Current	71,133	(20,301)	50,832
Noncurrent	390,473	(111,441)	279,032
Other-current	236,747	(45,331)	191,416

**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.

**Note 4 - Restricted Assets**

Cash and cash equivalents of \$18,020,274 relate to unspent general obligation bond proceeds and are restricted on the Statement of Net Assets because the uses of these funds are limited by bond covenants.

Cash and cash equivalents held by trustee of \$422,330 relate to a sinking fund required by revenue bond covenants as well as amounts set aside for repayment of bond principal and interest. As a result, these funds are restricted on the Statement of Net Assets.

Property taxes receivables of \$231,252 are restricted on the Statement of Net Assets because these funds are to be used solely for the retirement of general obligation bonds.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2005**

**Note 5 – Capital Assets**

Capital asset activity for the year ended June 30, 2005, was as follows:

	<u>Balance July 1, 2004</u>	<u>Increases</u>	<u>Decreases</u>	<u>Reclassification</u>	<u>Balance June 30, 2005</u>
<b>Capital assets not being depreciated:</b>					
Land	\$ 1,975,535				\$ 1,975,535
Construction in progress (estimated cost to complete \$11,853,412)	<u>21,560,868</u>	<u>\$ 16,251,009</u>		<u>\$(19,714,052)</u>	<u>18,097,825</u>
Total capital assets not being depreciated	<u>23,536,403</u>	<u>16,251,009</u>		<u>(19,714,052)</u>	<u>20,073,360</u>
<b>Capital assets being depreciated:</b>					
Buildings	44,835,299	500,149		19,608,668	64,944,116
Improvements other than buildings	4,605,295	18,374		105,384	4,729,053
Equipment	5,746,566	812,244	\$469,224		6,089,586
Library books	<u>2,473,366</u>	<u>124,607</u>	<u>69,302</u>	<u>0</u>	<u>2,528,671</u>
Total capital assets being depreciated	<u>57,660,526</u>	<u>1,455,374</u>	<u>538,526</u>	<u>19,714,052</u>	<u>78,291,426</u>
<b>Less accumulated depreciation for:</b>					
Buildings	11,220,191	1,121,127			12,341,318
Improvements other than buildings	2,730,261	235,419			2,965,680
Equipment	4,118,985	592,286	469,224		4,242,047
Library books	<u>1,729,855</u>	<u>124,632</u>	<u>69,302</u>		<u>1,785,185</u>
Total accumulated depreciation	<u>19,799,292</u>	<u>2,073,464</u>	<u>538,526</u>	<u>0</u>	<u>21,334,230</u>
Total capital assets being depreciated, net	<u>37,861,234</u>	<u>(618,090)</u>	<u>0</u>	<u>19,714,052</u>	<u>56,957,196</u>
<b>Capital assets, net</b>	<u>\$61,397,637</u>	<u>\$15,632,919</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$77,030,556</u>

The District has active construction projects as of June 30, 2005. The projects relate to the District-wide master plan, including the design, renovation and construction on the Prescott Campus. At year end, the District's commitments with contractors are as follows:

<u>Project</u>	<u>Costs-to-date Including Capitalized Interest</u>	<u>Remaining Commitment</u>
Prescott Campus	\$18,097,825	\$11,853,412

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2005**

**Note 6 - Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2005, was as follows:

	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2005</u>	<u>Due within one year</u>
Compensated absences payable	\$1,109,054	\$624,781	\$619,342	\$1,114,493	\$71,298
Other	<u>107,745</u>	<u>22,166</u>	<u>11,083</u>	<u>118,828</u>	<u>3,328</u>
Total	<u>\$1,216,799</u>	<u>\$646,947</u>	<u>\$630,425</u>	<u>\$1,233,321</u>	<u>\$74,626</u>
Bonds payable:					
General obligation bonds	\$45,680,000	\$19,500,000	\$3,455,000	\$61,725,000	
Revenue bonds	<u>1,560,000</u>		<u>135,000</u>	<u>1,425,000</u>	\$145,000
Total bonds payable	47,240,000	19,500,000	3,590,000	63,150,000	145,000
Capital leases payable	<u>320,864</u>	<u>787,588</u>	<u>281,628</u>	<u>826,824</u>	<u>300,057</u>
Total long-term debt	<u>\$47,560,864</u>	<u>\$20,287,588</u>	<u>\$3,871,628</u>	<u>\$63,976,824</u>	<u>\$445,057</u>

**Bonds** – The District’s bonded debt consists of various issues of general obligation and revenue bonds that are generally callable with interest payable semiannually. Bond proceeds primarily pay for acquiring or constructing capital facilities. Bonds have also been issued to advance-refund previously issued bonds. The District repays general obligation bonds from voter-approved property taxes. Revenue bonds are repaid from tuition, fees, rentals, and other charges to students, faculty, and others. The original amounts of general obligation and revenue bonds outstanding at year-end and issued in prior years were \$56,130,000 and \$2,500,000, respectively. During the year, the District issued the third series general obligation bonds, totaling \$19,500,000, to be expended for new construction and remodeling of existing facilities, furnishing buildings and facilities, purchasing land adjacent to existing facilities, paying all costs in connection with the foregoing, and paying obligations already incurred for any of the above purposes.

The Series A \$25,955,000 general obligation bond issue, the Series B \$25,000,000 general obligation bond issue, and the Series C \$19,500,000 general obligation bond issue are subject to the federal tax code arbitrage requirements. Excess earnings resulting from arbitrage will be rebated to the federal government. The District’s general obligation bond legal debt limit is 15% of the secondary assessed value of real and personal property within Yavapai County. The District’s total general obligation bond debt capacity was \$267,598,250 as of June 30, 2005. Of this amount, the District has \$61,725,000 in general obligation bond debt applicable to the debt limit, leaving a legal debt margin of \$205,873,250.

A sinking fund of \$231,900, as required by the revenue bond resolution, is reported in the noncurrent assets section of the Statement of Net Assets.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2005**

Bonds outstanding at June 30, 2005, were as follows:

<u>Description</u>	<u>Original Amount</u>	<u>Maturity Ranges</u>	<u>Interest Rates</u>	<u>Outstanding Principal</u>
<b>General obligation bonds</b>				
Project of 2001-Series A	\$25,955,000	7/1/06-22	3.75-4.75%	\$15,625,000
Project of 2001-Series B	25,000,000	7/1/06-24	3.25-4.75%	22,800,000
Project of 2001-Series C	19,500,000	7/1/06-25	3.50-5.00%	19,500,000
Series 2003-Refunding	5,175,000	7/1/06-11	2.00-3.75%	3,800,000
<b>Revenue bonds</b>				
Series 1993	2,500,000	7/1/06-12	5.55-6.0%	1,425,000

The following schedule details debt service requirements to maturity for the District's bonds payable at June 30, 2005

	<u>General Obligation Bonds</u>		<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year Ending June 30,				
2006		\$ 1,450,365	\$ 145,000	\$ 80,418
2007	\$ 2,490,000	2,445,664	155,000	71,755
2008	2,810,000	2,348,317	160,000	62,580
2009	2,915,000	2,243,767	170,000	52,800
2010	3,040,000	2,127,858	180,000	42,300
2011 - 15	17,280,000	8,555,398	615,000	56,550
2016 - 20	21,345,000	4,522,467	-0-	-0-
2021 - 25	11,845,000	926,271	-0-	-0-
Total	<u>\$61,725,000</u>	<u>\$24,620,107</u>	<u>\$1,425,000</u>	<u>\$366,403</u>

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for these defeased bonds are not included in the District's financial statements. The following schedule details all general obligation bonds considered defeased at June 30, 2005:

<u>Description</u>	<u>Amount</u>
General Obligation Bonds	
Project of 1988-Series B	\$2,250,000

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2005**

**Capital Leases** - The District has acquired various machinery and equipment items under the provisions of long-term lease agreements classified as capital leases for accounting purposes because they provide for a bargain purchase option or a transfer of ownership by the end of the lease term. Accordingly, such assets, totaling \$1,176,625, at June 30, 2005, are capitalized.

<b>Equipment</b>	<b>\$1,176,625</b>
Less: accumulated depreciation	<u>98,752</u>
<b>Carrying value</b>	<b><u>\$1,077,873</u></b>

The following schedule details debt service requirements to maturity for the District's capital leases payable at June 30, 2005.

<b>Year ending June 30,</b>	
2006	\$319,934
2007	247,835
2008	184,065
2009	110,969
2010	<u>20,356</u>
Total net minimum lease payments	883,159
Less amount representing interest	<u>56,335</u>
Present value of net minimum lease payments	<b><u>\$826,824</u></b>

**Note 7- Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all such risks of loss, including workers' compensation 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, 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 employees for dependent coverage. The District's contributions are reported as expenses in the financial statements. The Trust provides coverage for claims up to \$150,000 for each insured's health claims, not to exceed a maximum aggregate attachment point of \$15,241,550. The Trust purchases commercial insurance coverage for claims in excess of these



**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2005**

limits. Settled claims did not exceed the aggregate attachment point for the fiscal year ended June 30, 2005. The District is not liable for claims in excess of coverage limits and cannot be assessed supplemental premiums. The Trust's assets are managed by a separate board of directors.

**Note 8 - Retirement Plan**

**Defined Benefit Plan**

**Plan Description** - The District contributes to a cost-sharing, multiple-employer defined benefit pension plan administered by the Arizona State Retirement System. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits. The System is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

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

**Funding Policy** - The Arizona State Legislature establishes, and may amend active plan members' and the District's contribution rates. For the year ended June 30, 2005, active plan members and the District were each required by statute to contribute at the actuarially-determined rate of 5.7 percent (5.2 percent retirement and 0.5 percent long-term disability) of the members' annual covered payroll. The District's contributions to the System for the years ended June 30, 2005, 2004, and 2003 were \$751,044, \$710,715, and \$297,102, respectively, which were equal to the required contributions for the year.

**Defined Contribution Plans**

**Plan Description** - In accordance with A.R.S. §15-1451, 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 Aetna Life Insurance and

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2005**

Annuity Company (Aetna). 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 company.

**Funding Policy** - The Arizona State Legislature allows the District to establish contribution rates each year, not to exceed seven percent of the member's covered payroll. For the year ended June 30, 2005, the District contributed at the rate of 5.2 percent of the member's annual covered payroll. Employees contributed 5.2 percent of covered payroll. Contributions to these plans for the year ended June 30, 2005, were as follows:

<u>Plan</u>	<u>Contribution Rate</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Total Contributions</u>
TIAA/CREF	5.2%	\$193,432	\$193,432	\$386,864
VALIC	5.2%	45,056	45,056	90,112
Aetna	5.2%	37,995	37,995	75,990

**Note 9 – Operating Expenses**

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

Personal services	\$27,121,398
Contract services	3,461,039
Supplies and other services	4,995,197
Communications and utilities	1,805,899
Scholarships	2,420,745
Depreciation	2,073,464
Other	<u>4,741,863</u>
Total	<u>\$46,619,605</u>

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2005**

**Note 10 – Discretely Presented Component Unit Disclosure**

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

**Organization and Nature of Activities**

Yavapai College Foundation ("Foundation") is a not-for-profit corporation formed in the State of Arizona in 1971. The Foundation's mission is to support Yavapai College ("College") objectives and activities through resource development and to promote community awareness of the College and its programs. As a private, community-based, nonprofit organization, the Foundation is fiscally and organizationally separate from the College. The Board of Directors for the Foundation are elected from the general membership at the annual meeting. The term of office for each board member is three years with overlapping terms.

The major activities of the Foundation include providing scholarships to Yavapai College students, providing capital additions to Yavapai College, and providing financial resources for academic and vocational programs at Yavapai College. Resources to fund these activities are provided mainly from investment income, fundraising events, grants, rents, and profits from the sale of homes built by the Yavapai College Construction Technology Program.

The bylaws of the Foundation allow for the creation of auxiliaries when a group of people demonstrate a need, provide the organization, and desire to support the Foundation mission in a particular area of interest. The Foundation has three auxiliaries: Friends of Yavapai College Art ("Friends"), The Roughrider Club ("Roughriders"), and The Marilyn Sunderman Foundation ("MSF").

The purpose of Friends is to assist Yavapai College Art Department programs, including the Art Gallery functions and related interests, as a cultural benefit to the students of the college and to the community at large. Friends raises money through memberships, donations, and other fundraising events.

The purpose of Roughriders is to enhance community awareness of the College and to seek non-tax base resources for the College. Its mission is to provide support for the Yavapai College Intercollegiate Athletic program through activities which develop a closer relationship with the community, and to assist and support the program through fundraising activities. Roughriders raise money through memberships, concession sales at athletic events, and other fundraising events. It uses the money

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2005**

to pay expenses related to the athletics department, including transportation to special tournaments.

The purpose of MSF is to promote individual creativity through artistic, spiritual, technical and educational initiatives. In the event that the MSF paintings are sold, the proceeds must be used to promote the integration of the arts, technology, and education; to award grants, scholarships and other forms of recognition for outstanding achievement in arts, technology, and/or education; and to sponsor and promote exhibits, meetings, lectures, programs, and/or courses that further creativity and public awareness of arts, technology, and education.

The bylaws of the Foundation also allow for the creation of chapters when a group of people in a specified geographic area demonstrate a need, provide the organization, and desire to support the Foundation mission. The Foundation has one chapter in the Verde Valley area.

The accounting policies of the Foundation conform to generally accepted accounting principles. The following is a summary of the more significant policies.

#### **Accounting Basis and Estimates**

The financial statements of the Foundation are prepared on the accrual basis. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Revenue Recognition**

The Foundation adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-For-Profit Organizations*. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

The Foundation has also adopted SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restriction. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or restricted by the donor for

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2005**

specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as assets released from restrictions.

The Foundation has also adopted SFAS No. 124, *Accounting for Certain Investments Held by Not-For-Profit Organizations*. Under SFAS No. 124, investments in marketable securities with readily determinable fair values are valued at their fair market values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

**Endowments**

The Foundation maintains significant endowments and temporarily restricted funds that are used for scholarships, support of certain academic programs at Yavapai College, and support of entertainment programs held in the Yavapai College Performance Hall. Disbursements from investment earnings for these programs are determined by the Scholarship, LeGate, and PACE Advisory committees. The Scholarship committee makes recommendations to the Foundation Board on the amount and type of scholarships to be awarded each year. The LeGate committee oversees the operations and uses of this endowment according to the donor's instructions. The PACE (Performing Arts Charitable Endowment) committee makes recommendations to the Foundation Board on the year's programs that will be supported and in what amounts. Investment income is used as the donor designates. In the absence of any donor designations, the Foundation's practice is to use investment income on endowments only for scholarships.

**B. – Cash and Investments**

The Foundation maintains several bank accounts at local banks. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. The money market account is insured by the brokerage firm up to \$500,000 for brokerage fraud, but not for loss of market value. At June 30, 2005, the Foundation had demand, savings and bond accounts as follows:

	<u>Amount</u>
Cash on hand	\$ 250
Checking accounts	229,639
Money market accounts	<u>1,325,053</u>
Total	<u>\$1,554,942</u>

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2005**

Investments, stated at fair value, none of which are held for trading purposes, consist of the following at June 30, 2005:

	<u>Amount</u>
Mutual funds	\$4,509,937
Current portion – nonendowment	<u>(1,828,231)</u>
Permanent endowment investments	<u>\$2,681,706</u>

**C. – Investment Return**

For the year ended June 30, 2005, the Foundation had investment returns as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
Dividends, interest, and other gains	\$30,338	\$103,704
Unrealized gains/losses	<u>9,435</u>	<u>209,502</u>
Total	<u>\$39,773</u>	<u>\$313,206</u>

**D. – Temporary Restricted Net Assets**

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

Purpose restriction accomplished:	<u>Amount</u>
Scholarships	\$182,631
Support for LeGate, PACE and other College programs	<u>77,272</u>
Total restrictions released	<u>\$259,903</u>

Temporarily restricted net assets of \$2,607,385 are available for scholarships and for specific programs of Yavapai College at June 30, 2005.

**STATISTICAL  
SECTION**

*Yavapai*  
COLLEGE

Your community. Your college.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
REVENUES by SOURCE  
Last Four Fiscal Years**

<b>Source of Revenue</b>	<b>2004/05</b>	<b>2003/04</b>	<b>2002/03</b>	<b>2001/02</b>
Property taxes	\$ 31,369,540	\$ 28,782,021	\$ 27,659,035	\$ 25,163,069
State appropriations	5,913,538	5,640,165	5,613,949	5,910,776
Governmental grants and contracts	4,967,630	5,677,475	5,121,854	4,262,416
Tuition and fees	5,920,182	5,815,139	5,092,023	5,743,255
Investment income	399,527	498,605	128,400	682,068
Bookstore sales	112,407	152,844	122,549	111,627
Food services sales	270,131	394,890	410,905	431,637
Dormitory rentals	262,246	323,650	317,225	326,812
Other	1,548,565	1,709,392	1,524,143	1,444,178
<b>Total Revenues</b>	<b>\$ 50,763,766</b>	<b>\$ 48,994,181</b>	<b>\$ 45,990,083</b>	<b>\$ 44,075,838</b>

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

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



**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
EXPENSES by FUNCTION  
Last Four Fiscal Years**

<b>Function</b>	<b>2004/05</b>	<b>2003/04</b>	<b>2002/03</b>	<b>2001/02</b>
Instruction	\$ 13,501,501	\$ 12,118,617	\$ 11,642,200	\$ 11,601,616
Public service	536,325	645,631	529,506	536,281
Academic support	3,745,522	3,122,713	3,256,483	3,108,890
Student services	3,553,447	2,439,897	3,506,706	3,336,776
Institutional support	8,241,986	6,603,761	7,792,981	7,470,555
Operation & maintenance of plant	7,791,233	8,822,310	3,794,370	4,180,510
Scholarships	2,420,745	2,024,227	2,047,934	1,618,905
Depreciation	2,073,464	1,715,650	1,602,905	1,499,182
Interest on debt	1,676,842	1,712,315	1,394,172	1,501,070
Auxiliary enterprises	4,755,382	5,709,607	5,593,274	6,253,473
<b>Total Expenditures</b>	<b>\$48,296,447</b>	<b>\$44,914,728</b>	<b>\$41,180,531</b>	<b>\$41,107,258</b>

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

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

**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(3)
1995/96	20,740,002	20,740,001	1
1996/97	20,388,649	20,211,192	177,457
1997/98	22,144,594	21,869,276	275,318
1998/99	23,499,973	23,305,953	194,020
1999/00	24,703,216	24,703,215	1
2000/01	24,653,913	26,257,047	(1,603,134)
2001/02	26,177,568	27,410,674	(1,233,106)
2002/03	28,336,441	29,965,000	(1,628,559)
2003/04	30,888,344	29,769,557	1,118,787
2004/05	31,084,322	30,936,098	148,224

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.

Note 3: The penalty for exceeding the expenditure limitation for fiscal years 2000-01 through 2002-03 was reduced to a maximum of a \$100 reduction in state aid by House Bill 2563, Laws 2000, Chapter 351.

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

<b>Fiscal Year</b>	<b>(1) Total Tax Levy</b>	<b>(2) Current Tax Collection</b>	<b>Percent of Current Tax Collections to Total Tax Levy</b>	<b>(2) Delinquent Tax Collections</b>	<b>(2) Total Tax Collections</b>	<b>Percent of Total Tax Collections to Total Tax Levy</b>
1995/96	12,881,929	11,493,033	89.22%	1,201,926	12,694,959	98.55%
1996/97	12,014,785	11,740,957	97.72%	709,122	12,450,079	103.62%
1997/98	13,844,471	12,986,420	93.80%	795,379	13,781,799	99.55%
1998/99	14,637,304	13,811,366	94.36%	723,762	14,535,128	99.30%
1999/00	15,983,219	15,185,729	95.01%	766,258	15,951,987	99.80%
2000/01	16,596,181	15,792,827	95.16%	690,636	16,483,463	99.32%
2001/02	25,228,424	23,985,546	95.07%	895,273	24,880,819	98.62%
2002/03	27,716,262	26,566,640	95.85%	1,019,845	27,586,485	99.53%
2003/04	28,748,709	27,766,489	96.58%	1,039,416	28,805,905	100.20%
2004/05	31,323,257	30,184,184	96.36%	1,059,027	31,243,211	99.74%

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

Note 1: All amounts shown are for the General Fund only through fiscal year 2000-01. Thereafter, amounts are presented district-wide, in accordance with GASB Statement Number 35.

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

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT**  
**ASSESSED VALUE and CURRENT MARKET VALUE of ALL TAXABLE PROPERTY**  
**Last Ten Fiscal Years**

<b>Fiscal Year/ Levy Type</b>	<b>Net Assessed Value</b>	<b>Full Cash Value (1)</b>	<b>Percentage of Net Assessed to Full Cash Value</b>
1995/96 primary	829,329,208	6,212,217,161	13.35%
1995/96 secondary	876,036,688	6,547,667,732	13.38%
1996/97 primary	877,928,847	6,605,864,372	13.29%
1996/97 secondary	900,810,192	6,672,091,944	13.50%
1997/98 primary	961,650,156	7,378,952,854	13.03%
1997/98 secondary	1,006,364,142	7,706,940,981	13.06%
1998/99 primary	1,023,772,206	7,855,389,589	13.03%
1998/99 secondary	1,048,350,566	8,028,603,293	13.06%
1999/00 primary	1,097,131,069	8,515,260,240	12.88%
1999/00 secondary	1,186,775,025	9,244,835,021	12.84%
2000/01 primary	1,181,301,079	9,312,109,194	12.69%
2000/01 secondary	1,247,635,912	9,849,696,850	12.67%
2001/02 primary	1,280,950,405	10,130,049,480	12.65%
2001/02 secondary	1,344,616,822	10,623,825,910	12.66%
2002/03 primary	1,388,092,520	11,042,983,587	12.57%
2002/03 secondary	1,450,497,580	11,527,745,675	12.58%
2003/04 primary	1,516,807,417	12,071,754,471	12.56%
2003/04 secondary	1,602,480,129	12,668,564,990	12.65%
2004/05 primary	1,674,843,192	13,416,406,081	12.48%
2004/05 secondary	1,783,988,336	14,194,061,201	12.57%

Source: Yavapai County Assessor's Office.

**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	(1) State of Arizona	Yavapai County	Cities/Towns and Special Districts		School Districts	
				From	To	From	To
1995/96	1.5448(p) .1223(s)	.4700(p) -	2.4713(p) .4784(s)	.5107(p) .1648(s)	1.7683(p) 7.9919(s)	2.5252(p) .2244(s)	7.7420(p) 2.5378(s)
1996/97	1.5237(p) .1223(s)	- -	2.5108(p) .4278(s)	.4614(p) .1666(s)	1.7382(p) 7.5351(s)	2.2973(p) .2114(s)	6.8876(p) 2.4839(s)
1997/98	1.4589(p) .1055(s)	- -	2.3363(p) .4097(s)	.4152(p) .1285(s)	1.5951(p) 9.5182(p)	2.1269(p) .1857(s)	8.7736(p) 2.1236(s)
1998/99	1.4631(p) .1058(s)	- -	2.2768(p) .4354(s)	.3822(p) .1463(s)	1.4973(p) 8.4556(s)	2.1831(p) .2062(s)	8.2203(p) 2.1147(s)
1999/00	1.5294(p) .0956(s)	- -	2.2374(p) .4452(s)	.3169(p) .1273(s)	1.5382(p) 5.0680(s)	2.3038(p) .1853(s)	7.3800(p) 2.1583(s)
2000/01	1.5330(p) .0875(s)	- -	2.1283(p) .4354(s)	.2906(p) .1475(s)	1.6280(p) 4.0624(s)	1.2996(p) .2810(s)	7.0338(p) 2.1201(s)
2001/02	1.5325(p) .4163(s)		2.1040(p) .4286(s)	.2627(p) .1482(s)	1.5235(p) 3.8269(s)	.9900(p) .3658(s)	7.8089(p) 2.2354(s)
2002/03	1.5835(p) .3954(s)	-	2.0961(p) .4297(s)	.2522(p) .4707(s)	1.1617(p) .4707(s)	2.1632(p) .7546(s)	6.6490(p) 2.0801(s)
2003/04	1.5672(p) .3106(s)	- -	2.1525(p) .4307(s)	.2415(p) .3235(s)	1.2461(p) 3.3000(s)	.4839(p) .2947(s)	8.2795(p) 2.5992(s)
2004/05	1.5626(p) .2888(s)	- -	2.1568(p) .4069(s)	.2383(p) .2118(s)	1.1904(p) 3.3000(s)	1.2362(p) .2857(s)	8.2761(p) 2.3333(s)

(p) - primary tax levy  
(s) - secondary tax levy

Source: Yavapai County Board of Supervisors.

Note 1: State property tax eliminated in 1996.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
PRINCIPAL TAXPAYERS  
June 30, 2005**

<b>Taxpayer</b>	<b>2005 Primary Assessed Valuation</b>	<b>Percent of Yavapai County's 2004/05 Primary Assessed Valuation</b>
Arizona Public Service	\$ 53,754,190	3.21%
Qwest	22,459,991	1.34%
Phelps Dodge Bagdad Copper Company	18,349,323	1.10%
Salt River Pima-Maricopa Indian Community	17,311,688	1.03%
Burlington Northern Santa Fe Railroad	9,808,241	0.59%
El Paso Natural Gas Company	9,753,662	0.58%
TWC II - Prescott Mall LLC	9,641,505	0.57%
Tucson Electric Ppower Company	8,873,118	0.53%
Transwestern Pipeline Company	6,107,119	0.36%
Cyprus Bagdad Copper Company	4,944,022	0.30%

Source: Yavapai County Assessor.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
COMPUTATION of LEGAL DEBT MARGIN  
June 30, 2005**

Secondary assessed value of real and personal property (1)	<u>\$ 1,783,988,336</u>
Debt limit = 15% of secondary assessed value	267,598,250
Amount of debt applicable to debt limit:	
General obligation bonded debt	<u>(61,725,000)</u>
Legal debt margin, June 30, 2005	<u>\$ 205,873,250</u>

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

Note 1: Tax year 2005.

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

<b>Fiscal Year</b>	<b>Primary Assessed Valuation</b>	<b>Tax Rate</b>	<b>(1) Tax Levy</b>	<b>Secondary Assessed Valuation</b>	<b>Tax Rate</b>	<b>(2) Tax Levy</b>
1995/96	829,329,208	1.5448	12,811,554	876,036,688	0.1222	1,071,288
1996/97	877,928,847	1.5237	13,376,674	900,810,192	0.1223	1,101,639
1997/98	961,650,156	1.4589	14,029,805	1,006,364,142	0.1055	1,061,930
1998/99	1,023,772,206	1.4631	14,978,983	1,048,350,566	0.1058	1,109,134
1999/00	1,097,131,069	1.5294	16,779,826	1,186,775,025	0.0956	1,135,081
2000/01	1,181,301,079	1.5330	18,109,635	1,247,635,912	0.0875	1,091,840
2001/02	1,280,950,405	1.5325	19,630,398	1,344,616,822	0.4163	5,598,026
2002/03	1,388,092,520	1.5835	21,980,482	1,450,497,580	0.3954	5,735,780
2003/04	1,516,807,417	1.5672	23,771,406	1,602,480,129	0.3106	4,977,303
2004/05	1,674,843,192	1.5626	26,171,099	1,783,988,336	0.2888	5,152,158

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

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

Note 2: Tax levy for secondary property tax, net of adjustments to current or prior years' levy.



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	Secondary Assessed Value of Real Estate	Bonds Payable	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
1995/96	134,600	876,036,688	10,188,407	123,260	10,065,147	1.15%	74.78
1996/97	142,075	900,810,192	9,696,595	288,319	9,408,276	1.04%	66.22
1997/98	148,500	1,006,364,142	9,178,478	173,710	9,004,768	0.89%	60.64
1998/99	155,900	1,048,350,566	8,624,272	237,515	8,386,757	0.80%	53.80
1999/00	167,517	1,186,775,025	8,009,171	320,344	7,688,827	0.65%	45.90
2000/01	175,608	1,247,635,912	7,363,705	451,270	6,912,435	0.55%	39.36
2001/02	180,260	1,344,616,822	28,161,225	454,103	27,707,122	2.06%	153.71
2002/03	186,885	1,450,497,580	23,865,000	466,245	23,398,755	1.61%	125.20
2003/04	192,286	1,602,480,129	45,680,000	442,460	45,237,540	2.82%	236.26
2004/05	196,760	1,783,988,336	61,725,000	443,359	61,281,641	3.44%	311.45

Source: Arizona Department of Commerce and District records.

Note: Population figures are estimates as of July 1 of each fiscal year except for FY 1999-00 which reflects the actual population determined from the 2000 census.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT**  
**RATIO of ANNUAL DEBT SERVICE EXPENDITURES for GENERAL BONDED DEBT to OPERATING**  
**EXPENSES/EXPENDITURES**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Total Operating Expenses/ Expenditures (1)</b>	<b>Percentage of Debt Service to Operating Expenses/ Expenditures</b>
1995/96	525,000	546,288	1,071,288	25,232,290	4.25%
1996/97	565,000	505,363	1,070,363	27,021,270	3.96%
1997/98	595,000	466,930	1,061,930	28,895,259	3.68%
1998/99	635,000	429,605	1,064,605	30,743,524	3.46%
1999/00	700,000	390,130	1,090,130	32,407,067	3.36%
2000/01	715,000	370,680	1,085,680	34,937,931	3.11%
2001/02	4,255,000	1,373,823	5,628,823	39,606,188	14.21%
2002/03	4,296,225	1,394,172	5,690,397	39,766,359	14.31%
2003/04	3,185,000	2,015,630	5,200,630	43,202,413	12.04%
2004/05	3,600,000	1,894,421	5,494,421	46,619,605	11.79%

Source: District records.

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

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
COMPUTATION OF DIRECT and OVERLAPPING DEBT  
GENERAL OBLIGATION BONDS  
June 30, 2005**

<b>Jurisdiction</b>	
<b>Direct:</b>	
Yavapai County Community College District	\$ 61,725,000
<b>Overlapping (1):</b>	
School Districts	50,565,000
Jail District	11,200,000
Water Districts	85,000
	<hr/>
<b>Total</b>	<b>\$ 123,575,000</b>

Source: Yavapai County Treasurer's Office.

Note 1: Excludes improvement districts.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
REVENUE BOND COVERAGE  
Last Ten Fiscal Years**

Fiscal Year	Pledged Revenues (1)	Debt Service Requirements (2)		Total	Percentage of Debt Service Requirements To Pledged Revenues
		Principal	Interest		
1995/96	7,427,905	85,000	145,589	230,589	3.10%
1996/97	8,489,989	90,000	138,683	228,683	2.69%
1997/98	8,438,057	100,000	131,370	231,370	2.74%
1998/99	8,967,443	105,000	123,245	228,245	2.55%
1999/00	9,340,604	110,000	117,995	227,995	2.44%
2000/01	9,418,594	115,000	112,275	227,275	2.41%
2001/02	8,686,966	125,000	106,180	231,180	2.66%
2002/03	7,595,245	130,000	99,430	229,430	3.02%
2003/04	8,133,022	135,000	92,215	227,215	2.79%
2004/05	7,963,710	145,000	84,588	229,588	2.88%

Source: District records.

Note 1: Pledged revenues include tuition and fees, bookstore revenues, food service sales, dormitory rentals, investment and other income. Beginning in fiscal year 2001-02, tuition and fees, food service sales, and dormitory rentals are reported net of scholarships and allowances per GASB Statement Number 35.

Note 2: Revenue bonds issued March 1, 1993, with the first interest payment due on January 1, 1994.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
HISTORIC ENROLLMENT  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Historic Headcount</b>	<b>Historic FTSE (1)</b>	<b>Annual Tuition Rates (2)</b>
1995/96	9,768	2,718	666
1996/97	9,719	2,608	846
1997/98	10,280	2,763	936
1998/99	10,073	2,800	930
1999/00	11,645	2,885	930
2000/01	13,838	2,936	930
2001/02	14,426	3,110	930
2002/03	14,212	3,256	930
2003/04	14,463	3,271	1,140
2004/05	13,398	3,231	1,140

**Source:** State Board of Directors for Community Colleges of Arizona and District records.

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

**Note 2:** Tuition based on one year of full-time equivalent credit for in-state students.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
STUDENT ENROLLMENT/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
1995/96	20.1%	79.9%	36.3%	63.7%	85.9%	8.6%	5.1%	0.5%
1996/97	19.1%	80.9%	36.4%	63.6%	87.2%	7.7%	4.3%	0.7%
1997/98	20.0%	80.0%	37.2%	62.8%	87.1%	7.4%	4.7%	0.8%
1998/99	18.2%	81.8%	37.0%	63.0%	87.6%	7.0%	4.8%	0.6%
1999/00	16.8%	83.2%	37.9%	62.1%	88.0%	6.5%	5.0%	0.5%
2000/01	16.6%	83.4%	36.8%	63.2%	89.4%	5.8%	4.2%	0.6%
2001/02	17.3%	82.7%	36.6%	63.4%	88.8%	5.5%	5.0%	0.7%
2002/03	18.0%	82.0%	37.3%	62.7%	88.0%	5.6%	5.8%	0.5%
2003/04	18.0%	82.0%	37.1%	62.9%	88.6%	5.4%	5.5%	0.5%
2004/05	19.0%	81.0%	38.2%	61.8%	84.7%	5.1%	9.8%	0.4%

Fiscal Year	Age		Ethnic Background					
	Median	Mean	American Indian	Asian American	Hispanic	African American	White	Other/Unknown
1995/96	35	38	2.6%	1.2%	4.5%	0.6%	84.9%	6.2%
1996/97	36	38	2.4%	1.3%	4.8%	0.6%	84.4%	6.5%
1997/98	36	39	2.4%	1.0%	4.2%	0.7%	83.8%	7.9%
1998/99	37	39	2.8%	0.8%	4.2%	0.7%	83.3%	8.2%
1999/00	38	40	2.4%	0.9%	4.3%	0.5%	82.7%	9.2%
2000/01	40	38	2.1%	1.0%	5.0%	0.6%	80.7%	10.6%
2001/02	38	40	1.9%	1.0%	5.2%	0.5%	81.0%	10.4%
2002/03	37	39	2.4%	1.0%	5.0%	0.9%	79.0%	11.7%
2003/04	36	39	2.9%	1.0%	5.3%	0.8%	77.8%	12.2%
2004/05	35	39	3.1%	1.0%	5.4%	0.9%	77.6%	12.0%

Source: District records.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT**  
**ECONOMIC INDICATORS for YAVAPAI COUNTY**  
 June 30, 2005

<b>Major Employers</b>	<b>Type of Business</b>	<b>Employees</b>
Yavapai County	Government	1,213
Sturm Ruger & Company	Manufacturing	1,176
Yavapai College	Higher Education	831
Yavapai Regional Medical Center	Healthcare	730
Prescott Unified School District	Education	573
Veterans Medical Center	Healthcare	550
Cyprus Bagdad Copper Mine	Mining	535
Wal-Mart Store	Retail store	410
City of Prescott	Government	385
Verde Valley Medical Center	Healthcare	351
State of Arizona	Government	330
Embry-Riddle University	Higher Education	300
Yavapai Gaming Agency	Government	284

<b>Employment by Sector</b>	<b>Employees</b>
Construction	5,425
Education and Health Services	8,175
Financial Activities	1,850
Government	10,750
Leisure and Hospitality	6,950
Manufacturing	3,175
Natural Resources and Mining	950
Professional and Business Services	4,075
Trade, Transportation and Utilities	10,025

<b>Employment by Occupation</b>	<b>Percent of Total</b>
Office & Administrative	19.8%
Food Preparation & Serving Related	14.8%
Sales & Related	12.7%
Construction & Extraction	10.5%
Education, Training and Library	10.4%
Transportation & Materials Moving	7.1%
Production	6.9%
Building and Grounds, Cleaning and Maintenance	6.2%
Management	6.1%
Healthcare Practitioners & Technical	5.5%

<b>Unemployment Rate</b>	3.3%
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<b>Labor Force</b>	81,770
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Source: Arizona Department of Commerce and Arizona Department of Economic Security.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
 MISCELLANEOUS STATISTICS  
 June 30, 2005

<b>Established</b>	July 1, 1966
<b>Geographical Location</b>	West Central portion of Arizona
<b>County Seat</b>	Prescott

<b>Personnel Statistics</b>		<b>Number</b>
Faculty	Regular faculty	97
	Adjunct faculty	342
Staff	Regular staff	307
	Temporary staff	85

<b>Population</b>	<b>1990</b>	<b>2000</b>	<b>2005</b>
Yavapai County	107,714	167,517	196,760
State of Arizona	3,665,228	5,130,632	5,629,870

<b>Age Distribution*</b>	<b>% of Total</b>
0-14	17.2%
15-24	11.0%
25-44	22.4%
45-64	27.4%
65+	22.0%

<b>Population Composition *</b>	<b>% of Total</b>
<b>RACE</b>	
White	82.1%
Hispanic	9.8%
African American	0.4%
Native American	1.6%
Asian or Pacific Islander	0.6%
Other	5.5%
<b>TOTAL</b>	<b>100.0%</b>

\* Population composition is based on 2000 census - estimated for 2005.

Source: Arizona Department of Commerce.