

# ANNUAL COMPREHENSIVE FINANCIAL REPORT



YAVAPAI COUNTY COMMUNITY  
COLLEGE DISTRICT | ARIZONA  
PRESCOTT  
VERDE VALLEY  
CTEC  
PRESCOTT VALLEY  
CHINO VALLEY  
SEDONA



Fiscal Year Ended June 30, 2023

*Yavapai*  
COLLEGE

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

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**The Office of Business Services**

Yavapai College  
1100 E. Sheldon Street  
Prescott, AZ 86301  
[www.yc.edu](http://www.yc.edu)

*For the fiscal year ended June 30, 2023*

***Yavapai***  
**COLLEGE**

# Table of Contents

## Introductory Section

Letter of Transmittal.....	1
Government Finance Officers Association Certificate of Achievement.....	10
List of Principal Officers.....	11
Organizational Chart.....	12

## Financial Section

Independent Auditors' Report.....	13
Management's Discussion and Analysis.....	17
Basic Financial Statements	
Statement of Net Position—Primary Government.....	27
Statement of Financial Position—Component Unit.....	28
Statement of Revenues, Expenses, and Changes in Net Position—Primary Government.....	29
Statement of Activities—Component Unit.....	30
Statement of Cash Flows—Primary Government.....	31
Notes to Financial Statements.....	33

## Required Supplementary Information

Proportionate Share of Net Pension Liability—Last Nine Fiscal Years.....	53
Schedule of Pension Contributions—Last Ten Fiscal Years.....	54

## Statistical Section

Net Position by Component—Last Ten Fiscal Years.....	56
Changes in Net Position—Last Ten Fiscal Years.....	57
Expenditure Limitation—Statutory Limit to Budgeted Expenditures—Last Ten Fiscal Years.....	58
Property Tax Levies and Collections—Last Ten Fiscal Years.....	59
Assessed Value and Estimated Actual Value of Taxable Property—Last Ten Fiscal Years.....	60
Property Tax Rates, Direct and Overlapping Governments—Last Ten Fiscal Years.....	61
Assessed Valuation, Tax Rate and Levy History—Last Ten Fiscal Years.....	62
Principal Property Taxpayers—Current Year and Nine Years Ago.....	63
Tuition Schedule—Last Ten Fiscal Years.....	64
Ratios of Outstanding Debt by Type—Last Ten Fiscal Years.....	65
Legal Debt Margin—Last Ten Fiscal Years.....	66
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Bonded Debt per Capita—Last Ten Fiscal Years.....	67
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Operating Expenses/Expenditures—Last Ten Fiscal Years.....	68
Computation of Direct and Overlapping Debt—General Obligation Bonds.....	69
Revenue Bond and Pledged Revenue Obligations Coverage—Last Ten Fiscal Years.....	70
Economic Indicators for Yavapai County.....	71
Principal Employers in Yavapai County—Current Year and Nine Years Ago.....	72
Miscellaneous Statistics.....	73
Population and Personal Income for Yavapai County—Last Ten Fiscal Years.....	74
Student Enrollment, Degree and Demographic Statistics—Last Ten Fiscal Years.....	75
Historic Enrollment—Last Ten Fiscal Years.....	76
Faculty and Staff Statistics—Last Ten Fiscal Years.....	77
Capital Asset Information—Last Ten Fiscal Years.....	78

# Introductory Section



# Letter of Transmittal

December 14, 2023

The District Governing Board of Yavapai County Community College District:

The Annual Comprehensive Financial Report (ACFR) of the Yavapai County Community College District (the "District"), Prescott, Arizona for the fiscal year ended June 30, 2023, is submitted herewith.

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

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

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

## THE REPORTING ENTITY

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

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





## **HISTORY**

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

The District is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools and has been throughout its history. In September 2022, the District went through a full reaccreditation by the Higher Learning Commission (HLC) and its status was reaffirmed in January 2023 with no recommendations reported. The next reaffirmation of accreditation will be in fiscal year 2032-33.

## **SERVICE AREA**

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

Yavapai County offers many local attractions ranging from natural to cultural to educational. Scenic pine forests provide year-round recreational opportunities. Museums, monuments, and rodeos reflect Arizona’s tribal and territorial past. The

county benefits from the presence of several higher education institutions including Embry Riddle Aeronautical University, Northern Arizona University, Prescott College, and Yavapai College.

The District serves a diverse student population in a rural area covering approximately 8,123 square miles, which is larger than the states of Rhode Island, Delaware, and Connecticut, with the 2022 population (provided by the US Census Bureau) of 246,191 and a population density of 30 people per square mile.

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

## **ECONOMIC OUTLOOK**

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



After starting out very robust, state revenues ended up slightly ahead of budget for the 2022-23 fiscal year. Both sales tax and individual income tax were below forecast while corporate income tax exceeded budget. Data supports that the Federal Reserve's gradual increase of the Fed Funds rate has slowed down inflation, although still significantly above where it was pre-pandemic. Arizona's tight labor market, solid job gains, low unemployment rates, and rapid wage increases continue to be offset by slowing retail sales, inflation exceeding income growth, and challenging housing affordability issues. Forecasts call for slowing job growth as tight monetary policy begins to bite the economy. The long-term forecast for Arizona continues to be good and is expected to outpace growth at the national level, especially after interest rates begin to be cut.

Yavapai County is experiencing slightly lower unemployment rates than the state for the last 12 months. Post pandemic, the high cost of housing is the most significant obstacle that employers face with attracting workers. Forecasts call for the county to have positive net migration, however, most will result from retirees and not the working class.

Property taxes provide the majority of funding for the District and are very stable due to the State's property tax formula. Statutorily, assuming a levy increase isn't sought, taxing authorities are able to levy the same amount as the prior year. If net assessed values increase the levy rate decreases and vice-versa.

Housing prices in the county and state have continued to be at historic levels. This is primarily due to a supply/demand imbalance. We expect the growth in total assessed values, which are statutorily controlled, to increase modestly into next fiscal year and the primary property tax levy to increase moderately due to new construction.

The District's recurring operating funding from the state remained at about 4.5% of the total revenues for the fiscal year.

## **MAJOR PROGRAM INITIATIVES**



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

## **Capital Improvements/Planned Maintenance**

In September 2022, working together with the architectural firm SmithGroup, the 2022-2030 Facilities Master Plan was completed. Extensive analyses, site visits, meetings with administrators, staff, and faculty, and open forums with the community were done to create this multi-year roadmap focused on identifying strategies to further YC's mission of transforming lives and communities through higher education. This plan is designed to serve as a living document that is adaptable to changes, allowing flexibility in its application as specific planning initiatives and goals evolve over time. The improvements will primarily be funded with state monies and the District's Future Capital Projects Accumulation monies.

Capital projects completed during the fiscal year included the expansion of the dining area and addition of office space at CTEC, the Glassford Hill access road at the Prescott Valley center, the addition of housing sites for four permanent RVs and six RV parking spaces/hookups on the Verde campus, and the addition of electric charging stations on both the Prescott and Verde campuses. In addition, the renovation of the library (Bldg M) into the Center of Learning and Innovation began on the Verde campus.

During the fiscal year, the District worked on several large preventative maintenance projects including the replacement of the HVAC systems and skylights at CTEC, replacing the electrical controls and doing other upgrades to the greenhouses at the Chino Valley center, LED lighting upgrades at most District sites and the repavement of the resident halls parking lot and roadway behind buildings 3 and 4 on the Prescott campus.

# FY 2022-23 Capital Projects

## Verde Valley Campus

### RV Pads



### Center for Learning and Innovation



### CTEC Center Food Service Expansion



### Prescott Valley Center New Access Road







## **ENROLLMENT**

Total enrollment for the fiscal year exceeded 11,980 students including both credit and non-credit classes. The District's credit and non-credit enrollment have stabilized after declining throughout the pandemic. For-credit full-time student equivalents (FTSE) is projected to increase in fiscal year 23-24 partly due to the two new bachelor of science programs being offered. The District expects non-credit enrollments to steadily increase as COVID fears lessen and retirees continue to relocate to Yavapai County. The District offers a broad array of community education programming including Community Education, College for Kids, Edventures, and Osher Lifelong Learning Institute (OLLI).

## **STUDENT ACHIEVEMENT**

Student accomplishments continue to be our most important gauge of success. Over 1,750 degrees and or certificates were awarded to over 1,180 students. Throughout the course of the academic year, 52 students received the Law Enforcement and Corrections certificate, 73 students received the Nursing Assistant certificate, 56 students received a Commercial Driving Training certificate, 52 students received a Culinary Arts Fundamentals certificate, 45 students received a Structural Welding certificate, and 89 students completed all requirements of the Nursing degree. In addition, approximately 25 students completed studies and passed the exam to earn a high school equivalency diploma. Four students were named to the 2023 All-Arizona Academic Team. All-Arizona Academic Team members receive tuition waivers to an Arizona University of their choice, courtesy of the Arizona Board of Regents.

Student success and completion is at the forefront of everything that the District does. The District is

actively adding both academic and behavioral practices to help students stay on track. This includes making it easier for students to find programs of interest to them, intrusive advising, pathways to allow high achieving high school students to earn College credits through Dual Enrollment, pathways that allow students to continue their academic journeys at universities, and pathways that connect students directly to jobs. Supporting students through their journey is a continuous and evolving process.

## **STRATEGIC PLANNING**

Guided by the District's mission, vision, and District Governing Board's goals, in creating the 2022-2024 strategic plan, the College used an evidence-based approach with extensive internal and external research and stakeholder feedback to inform our strategic goals and initiatives. The Strategic Planning Committee, comprised of employees from different departments and a current student, meet regularly to review existing goals and make recommendations for the future. The District adopted an integrated rolling approach to its planning that allows the institution to be flexible and responsive to dynamic local, national, and global environments. The planning process involves continuous evaluation of the strategic priorities progress towards achieving the District's mission and goals. This approach will enable the District to respond to emerging opportunities and alert to uncertainty in our environment, need, and opportunities.





### Strategic Goals

#### Belonging

- Strengthen our commitment to individual and organizational efforts to build respect, dignity, caring, equality and self-esteem in all employees and students.

#### Living Wage

- Ensure a program mix that prepares graduates to obtain living wage jobs.

#### Adult Learners

- Respond to shifting community and workforce needs to serve adult learners.

#### Delivery

- Redefine time, place, and methods of educational delivery to create a more learner-centric environment.

Additionally, the College has several major concurrent planning initiatives, including Academic, Budget (Financial), Development (the Foundation), Facility Master Plan, Human Resources, Marketing & Recruitment, Retention, Economic Development, and Technology Plans.

Integrated planning ensures these plans are aligned. Moreover, integrated planning engages all sectors of the academy—academic affairs, student affairs, community relations, workforce innovation, and administrative services—to ensure we are all pulling in the same direction.

### FUTURE PROGRAM INITIATIVES

Beginning in fiscal year 2023-24, the District began offering a Bachelor of Science in Business and Nursing. These are the first of several bachelors degrees that will be offered by the District since the State began allowing community colleges to offer them. In addition, the District offered a new

Automated Industrial Technology certificate, a Community Health/Critical Care Paramedic certificate and the Licensed Practical Nursing (LPN) certificate. These new certificate programs will prepare students for various careers in these industries through a combination of lecture, group discussion and hands on skill building experiences. Academic program reviews will be performed in all instructional degree and certificate programs.

As mentioned previously, Yavapai College's service area is large, with residents dispersed in some remote areas where the District does not have a facility. To improve these residents' access to instruction, and to assist others with their technology needs, the District implemented a check-out system for laptops, internet hotspots, and other equipment. The College has also improved its outdoor Wi-Fi coverage and partnered with libraries and school districts to create an interactive map of all the free public Wi-Fi locations in Yavapai County.

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

### FINANCIAL INFORMATION

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

#### **Internal Controls**

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





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

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

### **Budgetary Controls**

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

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

### **Cash Management**

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

The District invests idle funds in a prudent, conservative, and secure manner for the highest yield as prescribed by Arizona Revised Statutes. The principal investment vehicle used during the fiscal year has been the County Treasurer's investment pool which is both liquid and conservatively managed.

### **Stewardship**

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





Key to accomplishing these obligations include:

- ◆ Creating a positive and healthy work environment that will foster creativity, teamwork, collaboration and productivity among members of the College community.
- ◆ Hiring and retaining qualified and productive employees.
- ◆ Using the Purchasing and Contracting department to ensure fair and competitive prices, the most appropriate method to select the provider (including the use of strategic contracts) and ensuring the appropriate approval process is followed.
- ◆ Protecting, preserving and maintaining the physical assets for which the District is responsible in a manner that assures their continued existence in the best possible condition.
- ◆ Promoting the efficient utilization of space, classrooms, equipment, utilities and natural resources.
- ◆ Managing college data in accordance with state and federal laws and industry best practices while focusing on the principles of confidentiality, integrity, and availability.

## Financial Reporting

The Annual Comprehensive Financial Report 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 Annual Report 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 Annual Comprehensive Financial Report and should be read for a full understanding of the financial information presented within.

## RISK MANAGEMENT

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

District Finance, Facilities, Campus Safety, Human Resources and Information Technology Services are dedicated to the risk management function and actively work to avoid and mitigate risks through the implementation of health, safety, emergency management, information security, and loss procedures.

## INDEPENDENT AUDIT

The Arizona Auditor General conducts the annual financial audit for the District. Testing procedures determine whether the financial statements are free of material misstatement and ensure compliance with Arizona Revised Statutes that require an annual audit of the District's financial statements. The Auditor General's Independent Auditors' Report is included in this document. For the fiscal year ended June 30, 2023, the District received an unmodified opinion.



**GFOA AWARDS**

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 Annual Comprehensive financial report for the fiscal year ended June 30, 2022. This was the twenty-second 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 Annual Comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive 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.

The GFOA has also given the District the Distinguished Budget Presentation Award for its

annual budget for the fiscal year ended June 30, 2024. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan, and as a communications device.

**ACKNOWLEDGEMENTS**

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

Respectfully submitted,

Vice President of Finance and Administrative Services



Director of Business Services/Controller





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Yavapai County Community College District  
Arizona**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

## YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT

### Principal Officers

June 30, 2023



### District Governing Board

*Pictured left to right*

Mr. Ray Sigafoos, District 1

Ms. Deb McCasland, *Chair*, District 2

Mr. Toby Payne, District 3

Mr. Chris Kuknyo, *Secretary*, District 4

Mr. Steve Bracety, District 5

### President

Dr. Lisa Rhine

### Administration

Dr. Doug Berry, *Provost*

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

Mr. Rodney Jenkins, *Vice President for Community Relations & Student Development*

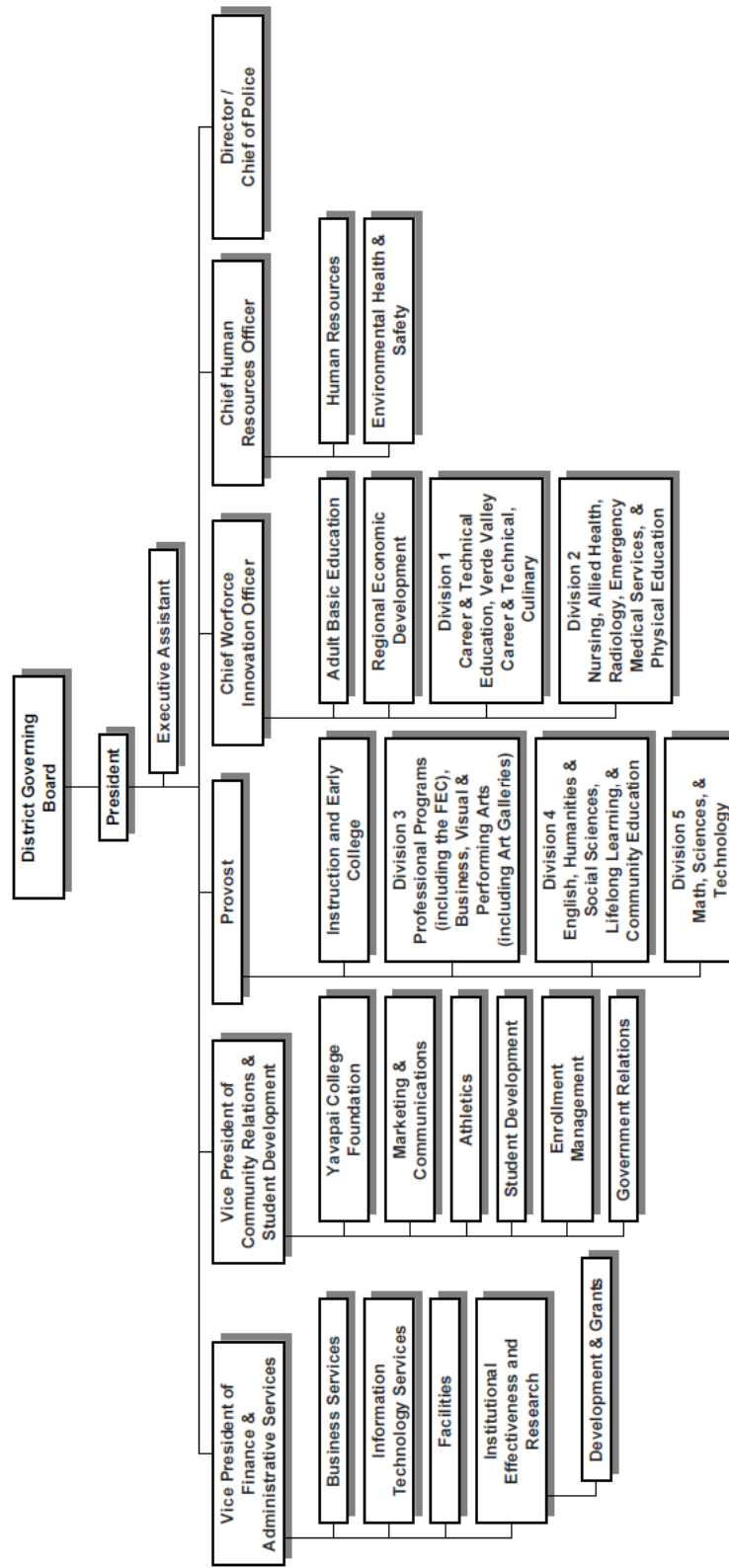
Dr. Kimberly Moore, *Chief Workforce Innovation Officer*

Dr. Janet Nix, *Chief Human Resources Officer*

# YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT

## Organizational Chart

### Yavapai County Community College District Organizational Chart





# Financial Section





LINDSEY A. PERRY  
AUDITOR GENERAL

ARIZONA  
AUDITOR GENERAL

MELANIE M. CHESNEY  
DEPUTY AUDITOR GENERAL

## Independent auditors' report

Members of the Arizona State Legislature

The Governing Board of  
Yavapai County Community College District

### Report on the audit of the financial statements

#### *Opinions*

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of the Yavapai County Community College District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 the District as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

We did not audit the financial statements of the discretely presented component unit. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the other auditors' report.

#### *Basis for opinions*

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 U.S. Comptroller General. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The other auditors did not audit the discretely presented component unit's financial statements in accordance with *Government Auditing Standards*.

### ***Emphasis of matter***

As discussed in Note 1 to the financial statements, for the year ended June 30, 2023, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

### ***Management's responsibilities for the financial statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the audit's planned scope and timing, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required supplementary information***

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 17 through 26, schedule of the District's proportionate share of the net pension liability on page 53, and the District's schedule of pension contributions on page 54 be presented to supplement the basic financial statements. Such information is management's responsibility and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance on the other information.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other reporting required by Government Auditing Standards***

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

*Lindsey A. Perry*

Lindsey A. Perry, CPA, CFE  
Auditor General

December 14, 2023



# Management's Discussion and Analysis

December 14, 2023,

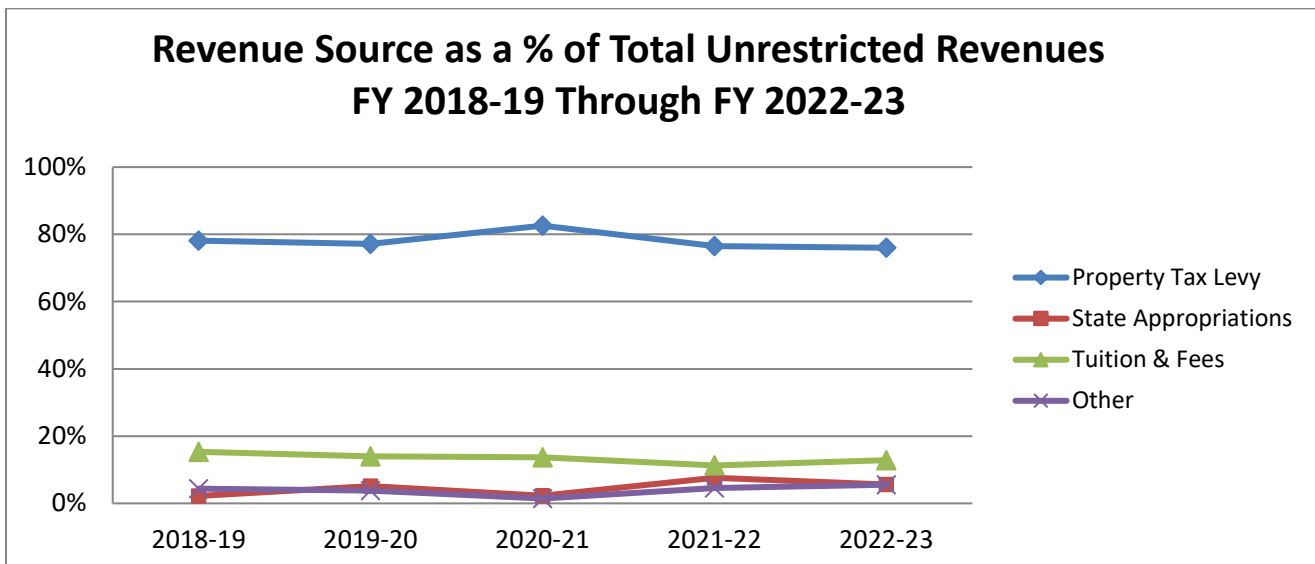
This section of the Yavapai County Community College District (the "District"), Annual Comprehensive Financial Report (ACFR) presents management's discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2023. Comparative information from the previous fiscal year is provided in the condensed financial information to show the readers how the District's financial performance has changed and whether the District's health may have improved or deteriorated. Please read it in conjunction with the Vice President of Finance and Administrative Services and Director of Business Services/Controller's letter of transmittal beginning on page 1 and the basic financial statements beginning on page 27.

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

## **Financial Highlights**

Consistent with its mission to provide effective learning environments, instruction is the primary function of the District.

Major funding sources supporting all functions include property taxes and tuition and fees. The District exercises primary and secondary tax levy authority for generation of funds for operating, capital equipment and improvements, and debt retirement purposes. In FY 2022-23, the District's State Appropriations, both operating and rural aid, decreased from the prior fiscal year. The other three categories of unrestricted revenues increased from the prior year resulting in small changes as a % of total unrestricted revenues.



The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows at the close of the fiscal year by \$173,251,862.

The District's total net position increased from the prior year by \$4,796,991. Net investment in capital assets decreased by \$689,285 (.4%). Restricted net position increased by \$474,862 (10.8%) and unrestricted net position increased by \$5,011,414 (197.6%).

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

## **Overview of Financial Statements**

The Statement of Net Position reflects the financial position of the District at June 30, 2023. It shows the various assets owned or controlled, deferred outflows of resources, related liabilities and other obligations, deferred inflows of resources, and the various categories of net position. Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as outflows of resources (expense) until then. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as inflows of resources (revenue) until that time.

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



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

## Condensed Statement of Net Position

	<u>6/30/2023</u>	<u>6/30/2022</u>
<b>Assets:</b>		
Current assets	\$ 46,747,300	\$ 42,276,245
Noncurrent assets, other than capital assets	8,823	19,969
Capital assets, net of depreciation and amortization	<u>165,813,456</u>	<u>166,461,477</u>
Total assets	<u>212,569,579</u>	<u>208,757,691</u>
<b>Deferred Outflows of Resources</b>	<u>5,357,204</u>	<u>6,845,960</u>
<b>Liabilities:</b>		
Other liabilities	4,437,387	4,909,862
Long-term liabilities	<u>38,855,290</u>	<u>32,910,076</u>
Total liabilities	<u>43,292,677</u>	<u>37,819,938</u>
<b>Deferred Inflows of Resources</b>	<u>1,382,244</u>	<u>9,328,842</u>
<b>Net Position:</b>		
Net investment in capital assets	160,848,532	161,537,817
Restricted net position	4,856,047	4,381,185
Unrestricted net position	<u>7,547,283</u>	<u>2,535,869</u>
Total net position	<u>\$173,251,862</u>	<u>\$168,454,871</u>

Current assets increased by \$4,471,055 primarily due to an increase in cash related to having less capital projects than usual, receiving smart and safe Arizona fund shared revenues (prop 207) and state shared tax revenues (prop 301) that weren't spent as of June 30, 2023, and receiving more than nine times the amount of interest income revenue that was budgeted due to the unprecedented increase in short-term investment interest rates. This was partly off-set by a decrease of over \$3,230,000 in federal HEERF related receivables. Capital assets, net of depreciation/amortization, decreased from the prior year. While the District did numerous capital improvement and preventative maintenance projects during the year, these were more than offset by the depreciation/amortization of existing assets.

Deferred outflows and inflows of resources are predominantly comprised of activity relating to pensions. Deferred outflows and inflows of resources are changes in the net pension liability that will be recognized as pension expense in future years and contributions after the measurement date that will reduce the net pension liability in future years. Variances in these lines will arise from year to year due to the performance of investments, contribution changes to ASRS plans, composition of employer participants, and several other actuarial assumptions. For the current fiscal year, the deferred inflow of resources decreased by \$7,946,598 mostly due to the pension fund's investment performance going from a 25.1% return last fiscal year to a 1.1% return in the current fiscal year. This large decrease in deferred inflow of resources was almost fully off-set by a similar increase in pension liability, included in long-term liabilities, for the same reason. Deferred outflows and inflows amounts are provided by the Arizona State Retirement System.

Other liabilities decreased by \$472,475 as a result of less payroll and employee benefits being accrued based upon the final payroll of this fiscal year compared to the prior year, and this being off-set by higher accounts payables related to general operations.

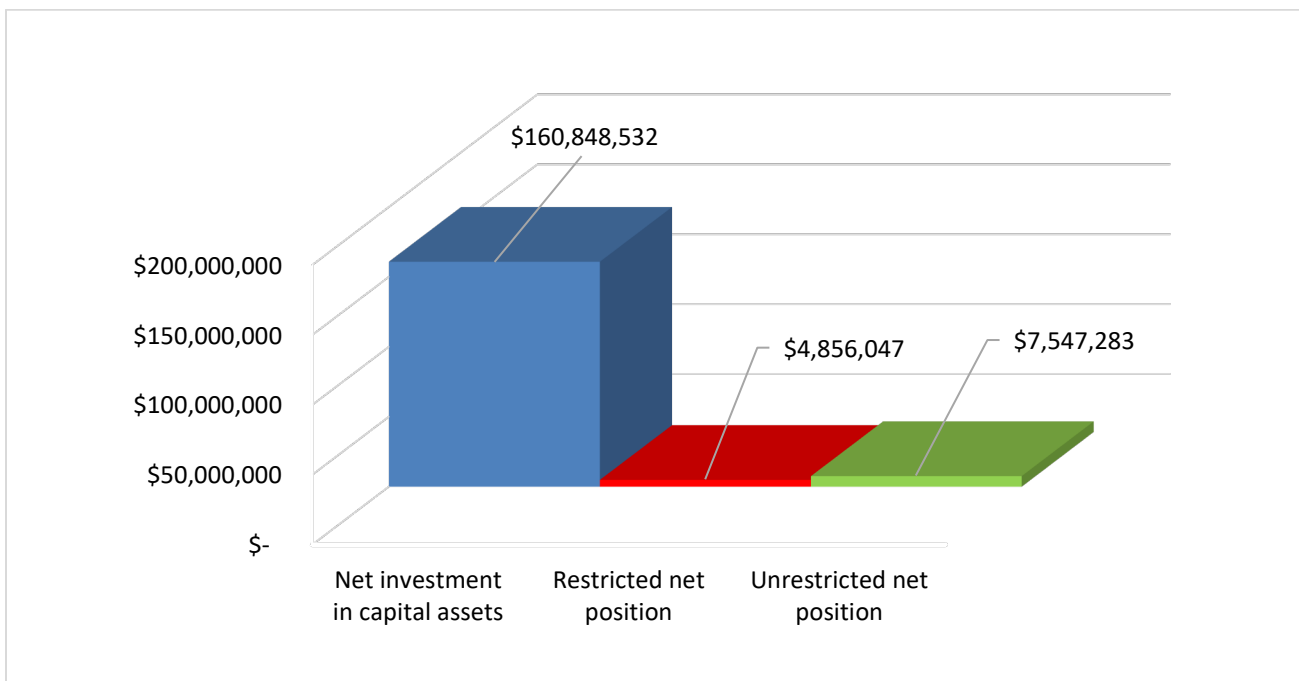
The \$5,945,214 increase in long-term liabilities was primarily the result of an increase in the District's net pension liability of \$6,708,068, and the recording of a \$224,907 subscription liability in accordance with



GASB 96, being off-set by the principal payments made on the District's revenue bonds. The increase in net pension liability primarily resulted from actual plan investment performance underperforming compared to plan assumptions as well as changes in estimates used to determine the plan's liability such as discount rate, future raises, inflation and mortality rates.

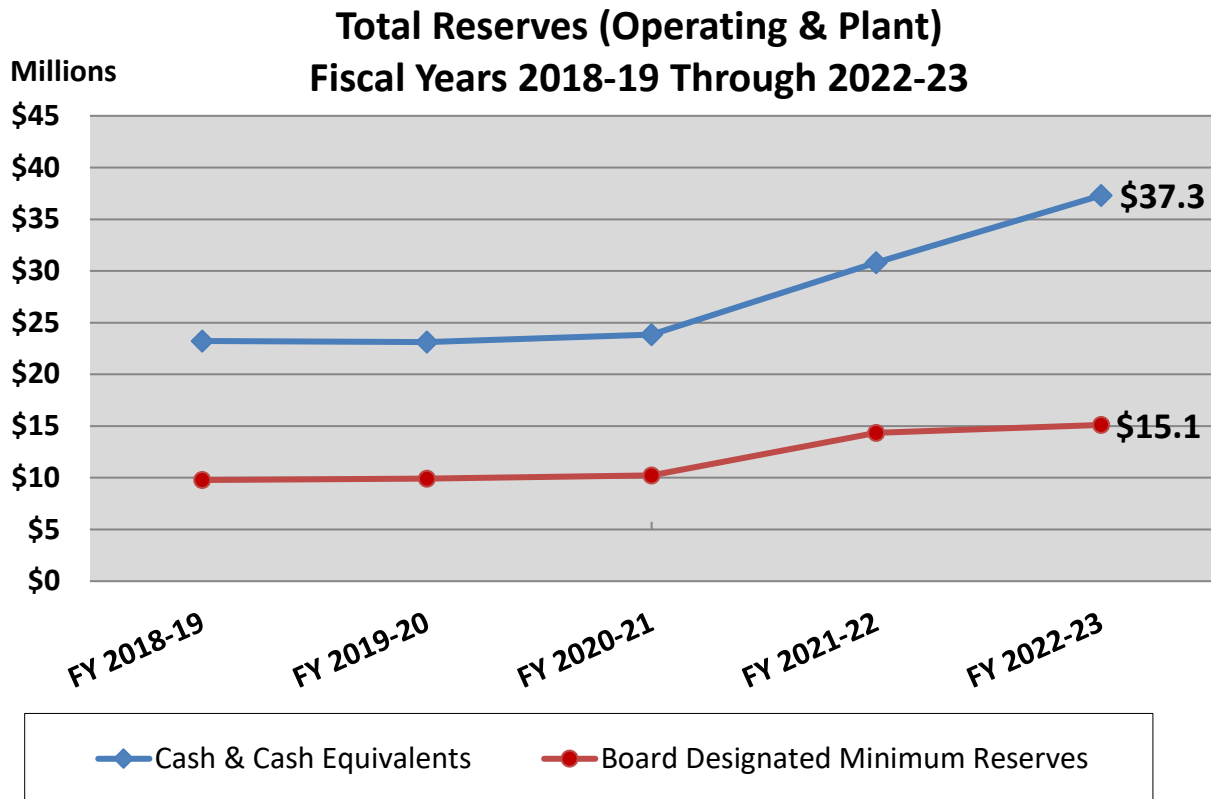
The District's net investment in capital assets decreased by \$689,285 over the previous fiscal year. This decrease was attributable to the depreciation and amortization of the District's capital assets and the reduction of debt acquired to pay for these assets exceeding the amount of capital assets purchased during the year. Restricted net position increased by \$474,862 due to the receipt of state shared tax revenues (prop 301) and the smart and safe Arizona fund shared revenues (prop 207) which were not fully spent and will be carried over to the next fiscal year. The increase in unrestricted net position of \$5,011,414 was primarily attributed to having less capital project expenditures than usual, receiving more than nine times the amount of interest income revenue than was budgeted due to the unprecedented increase in short-term investment interest rates, vacancy savings, and unspent operating contingency budgets.

### Net Position as of June 30, 2023



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

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position, which is unrestricted, may be used to meet the District's ongoing mission to the public. Much of these monies are kept in reserve in accordance with the District Governing Board's minimum reserve requirements and amounts exceeding these requirements are primarily used to fund future year's capital projects. As seen on the following chart, the District continues to maintain sufficient cash reserves and has adequate resources to meet all current obligations.



The Statement of Revenues, Expenses, and Changes in Net Position reflects the results of operations for the fiscal year ended June 30, 2023. It shows the various revenues and expenses, both operating and non-operating, reconciling the beginning net position amount to the ending net position amount as presented on the Statement of Net Position.

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

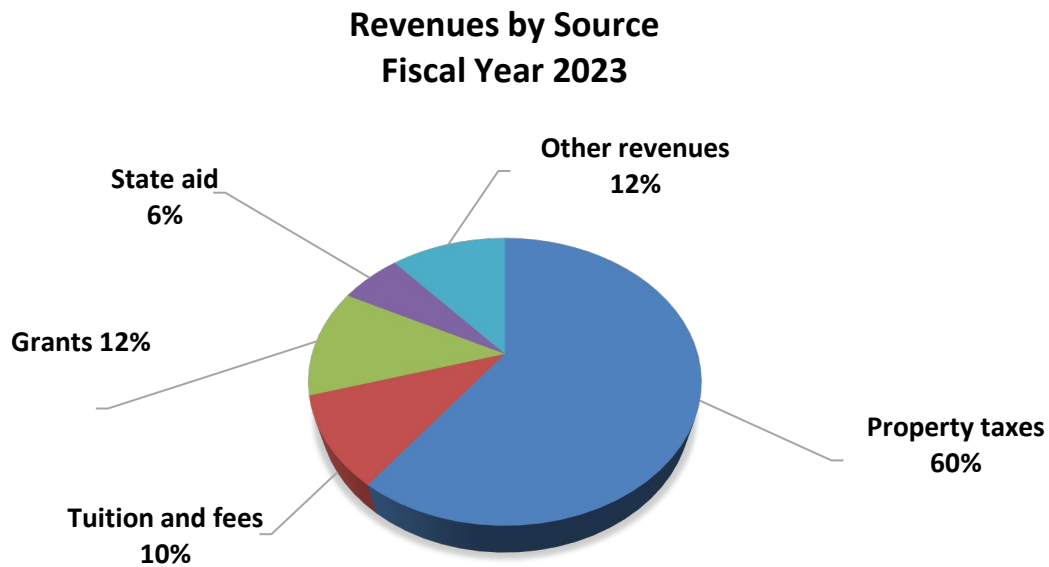
### Condensed Statement of Revenues, Expenses, and Changes in Net Position

	<u>Year Ended</u>	
	<u>6/30/2023</u>	<u>6/30/2022</u>
<b>Revenues</b>		
Operating:		
Tuition and fees, net of scholarship allowances	\$ 8,433,893	\$ 7,223,360
Other	3,645,911	2,949,307
Non-operating:		
Property taxes	49,988,538	49,449,575
Government grants	10,099,147	20,963,403
State aid	4,999,600	6,027,233
Smart and safe Arizona fund appropriations	2,457,079	1,658,906
Private grants and gifts	2,338,638	1,692,953
Investment earnings	992,715	70,831
Gain on disposal of capital assets	14,005	1,804
Total revenues	<u>82,969,526</u>	<u>90,037,372</u>
<b>Expenses</b>		
Operating:		
Educational and general:		
Instruction	22,092,462	19,788,002
Public service	3,379,051	2,948,761
Academic support	5,391,109	5,215,523
Student services	11,248,405	9,207,312
Institutional support	11,740,897	10,695,803
Operation and maintenance of plant	8,428,425	8,122,436
Scholarships	5,850,966	10,409,119
Auxiliary enterprises	2,147,701	1,895,159
Depreciation and amortization	<u>7,818,078</u>	<u>7,628,745</u>
Total operating expenses	78,097,094	75,910,860
Non-operating:		
Interest expense on debt	<u>81,638</u>	<u>136,397</u>
Total expenses	<u>78,178,732</u>	<u>76,047,257</u>
Income before other revenues, expenses, gains, or losses	4,790,794	13,990,115
Capital grants and gifts	<u>6,197</u>	<u>765,120</u>
Increase in net position	4,796,991	14,755,235
Net position, beginning of year	<u>168,454,871</u>	<u>153,699,636</u>
<b>Net position, end of year</b>	<u>\$173,251,862</u>	<u>\$168,454,871</u>

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

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

Overall, revenues decreased from the previous fiscal year by \$7,067,846. Higher property taxes due to new commercial and residential construction were partially off-set by the reduction of secondary taxes related to the District's general obligation bonds. Gross tuition and fees, without being offset by scholarship allowances that were unusually high in the prior year due to the federal HEERF scholarships, increased slightly. Decreased government grant revenues of \$10,864,256 resulted from significantly less federal HEERF grants being received by the District in the current year. State aid, which includes the District's operating and rural appropriations, and a portion of state shared tax revenues, decreased \$1,027,633 mostly due to the District receiving less operating and rural community college state appropriations compared to the prior year. Lastly, investment earnings increased by \$921,884 due to the increase in short-term investment interest rates caused by the Federal Reserve's sharp increase in the federal funds rates.

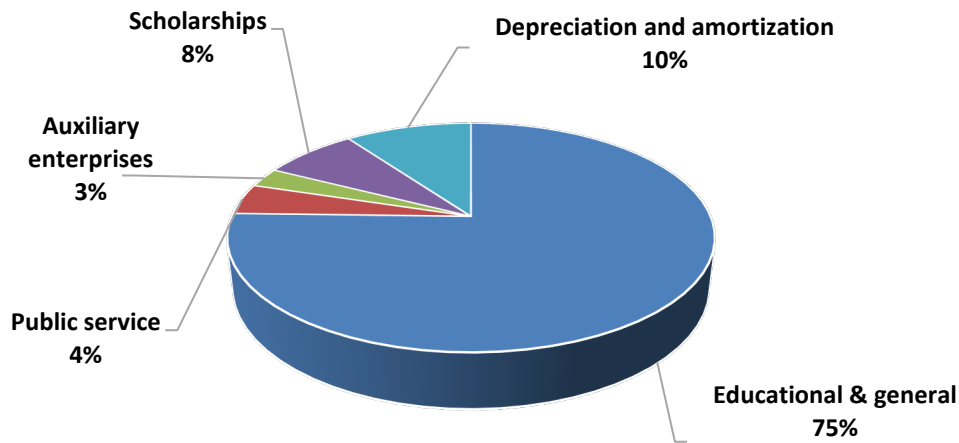


Depreciation/amortization expense is recorded in accordance with the adoption of the full accrual basis of accounting. The construction and acquisition of capital assets, although budgeted and tracked as an expenditure in the accounting system, is not reflected as an expense in these statements. Such 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, operating expenses increased \$2,186,234 from the previous fiscal year. The primary reasons for the increase were due to an increase in Instruction, Public Service, Student Services and Institutional Support being off-set by a large decrease in Scholarships. Instruction increased by \$2,304,460 due to employee raises, the new OER course materials grant, higher expenditures related to non-capitalized equipment and supplies in the technical programs, and the addition of several new positions. Public Service increased \$430,290 due to employee raises, the new DOL Quest and USDA Rural Business Development grants, additional SBDC grant funding, and higher personnel and non-personnel expenses at the Performing Arts Center. Student Services increased by \$2,041,093 due to raises, the addition of 11 advisor and several athletic department positions, two new Family Enrichment Center (FEC) positions and a large HEERF grant received by the FEC to assist with employee retention. These increases were partly off-set by a \$4,558,153 reduction in Scholarships due to significantly less federal HEERF monies received by the District compared to the prior year.

Lastly, depreciation and amortization reflects the capital asset additions related to the District's long-range Capital Improvement Plan and its continued commitment to effective asset management with the goal of having well-maintained assets for the lowest total cost of ownership.

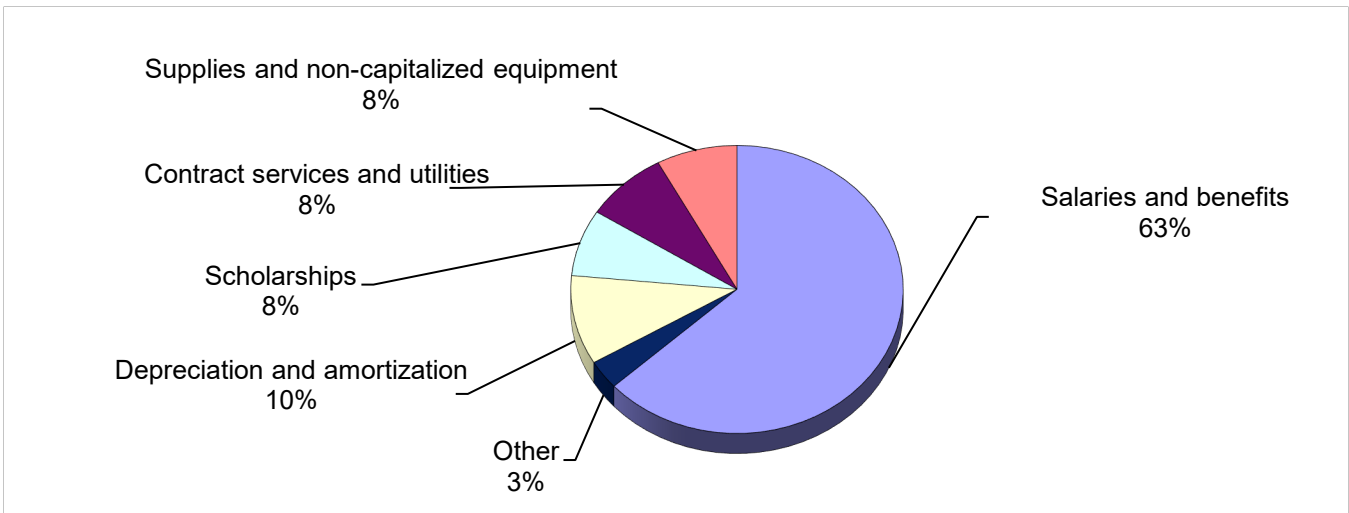
### Expenses by Function Fiscal Year 2023



In addition to functional classification, a summary of the District's operating expenses by natural classification for the years ended June 30, 2023, and 2022 follows:

	<u>FY 2023</u>	<u>FY 2022</u>	<u>% Change</u>
Salaries and benefits	\$49,401,303	\$43,842,287	12.7%
Supplies and non-capitalized equipment	6,154,835	6,124,656	.5%
Contract services and utilities	6,328,717	5,666,750	11.7%
Scholarships	5,850,966	10,409,119	-43.8%
Depreciation and amortization	7,818,078	7,628,745	2.5%
Other	2,543,195	2,239,303	13.6%
	<u>\$78,097,094</u>	<u>\$75,910,860</u>	2.9%

### Expenses by Natural Classification Fiscal Year 2023



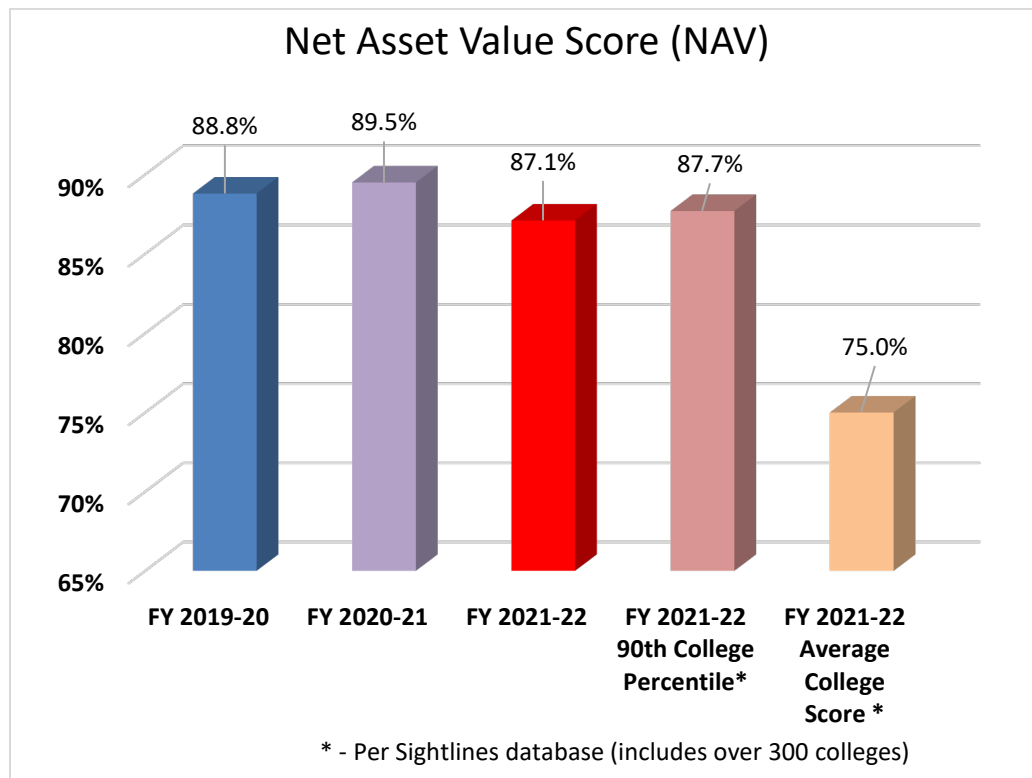
The Statement of Cash Flows reflects the cash inflows and outflows of cash and cash equivalents for the year ended June 30, 2023. It shows the various cash activities by type, reconciling the beginning cash and cash equivalents amount to the ending cash and cash equivalents amount – which is shown on the Statement of Net Position described above. In addition, this statement reconciles cash flows from operating activities to operating loss on the Statement of Revenues, Expenses, and Changes in Net Position described above.

**Capital Assets and Debt Management**

The District completed several capital projects during the fiscal year including the expansion of the dining area and addition of office space at CTEC, the Glassford Hill access road at the Prescott Valley center, the addition of housing sites for four permanent RVs and six RV parking spaces/hookups on the Verde campus, and the addition of electric charging stations on both the Prescott and Verde campuses. In addition, work got under way for the new Center of Learning and Innovation (Bldg M) which will replace the traditional library on the Verde campus. These projects were primarily funded with the District’s Future Capital Projects Accumulation monies.

In fiscal year 2022-2023, the District worked on several large preventative maintenance projects including the replacement of the HVAC systems and skylights at CTEC, replacing the electrical controls and doing other upgrades to the greenhouses at the Chino Valley center, LED lighting upgrades at most locations, and the repavement of the resident halls parking lot and roadway behind buildings 3 and 4 on the Prescott campus. These projects as well as many smaller projects were primarily funded with the District’s Future Capital Projects Accumulation monies.

The District adheres to the philosophy that preventative maintenance will extend the useful life of the assets and lower the Total Costs of Ownership. Presented below is the Net Asset Value (NAV) index score for the District, provided by Sightlines, a third-party facilities benchmarking professional services firm. The NAV score represents the condition of the District’s buildings. The higher the score, the better condition of the buildings. The District’s FY 2021-22 score places it near the top 10% of colleges and universities in Sightlines’ database.



The District re-invests in equipment to ensure employees have the tools needed to remain productive and students gain marketable skills relevant to the modern workforce. Equipment, along with all other capital assets (except land and construction in progress), is reported net of accumulated depreciation/amortization in accordance with the reporting standards issued by GASB. This has the effect of reducing the book value of capital assets. Depreciation and amortization totaled \$7,818,078 for the year and is shown as an operating expense on the Statement of Revenues, Expenses, and Changes in Net Position. Additional information on the District's capital assets can be found in Note 4 to the basic financial statements.

During fiscal year 2022-23, the District reduced its outstanding long-term revenue bond debt by \$1,175,000. Long-term debt outstanding at June 30, 2023, is as follows:

<b>Description</b>	<b>Original Amount Issued</b>	<b>Maturity Ranges</b>	<b>Interest Rates</b>	<b>Outstanding Principal</b>
<b>Revenue bonds from private placements</b>				
Series 2013	\$5,000,000	7/1/23-7/1/28	2.45%	\$1,875,000
Series 2021	3,910,000	7/1/23-7/1/25	.80% - 1.35%	1,675,000

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

### **Request for Information**

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

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Statement of Net Position - Primary Government  
June 30, 2023**

<b>ASSETS:</b>	<b>Business Type Activities</b>
<b>Current assets:</b>	
Cash and cash equivalents	\$ 42,280,836
Receivables (net of allowances for uncollectibles)	
Accounts	461,558
Property taxes	850,074
Government grants and contracts	994,200
Other	750,715
Prepaid expenses	1,130,704
Other	279,213
Total current assets	46,747,300
<b>Noncurrent assets:</b>	
Restricted assets:	
Property taxes receivable (net of allowances for uncollectibles)	7,492
Other receivables	1,331
Capital assets, not being depreciated/amortized	8,873,110
Capital assets, being depreciated/amortized, net	156,940,346
Total noncurrent assets	165,822,279
Total assets	212,569,579
<b>Deferred Outflows of Resources:</b>	
Deferred outflows related to pensions	5,357,204
Total deferred outflows of resources	5,357,204
<b>LIABILITIES:</b>	
<b>Current liabilities:</b>	
Accounts payable	1,651,316
Accrued payroll and employee benefits	1,428,197
Deposits held in custody for others	135,785
Unearned revenues	1,171,618
Dormitory and other deposits	50,471
Current portion of compensated absences payable	239,930
Current portion of subscription liability	224,967
Current portion of long-term debt	1,190,000
Current portion of other long-term liabilities	17,137
Total current liabilities	6,109,421
<b>Noncurrent liabilities:</b>	
Compensated absences payable	1,810,320
Subscription liability	224,907
Long-term debt	2,360,000
Net pension liability	32,677,086
Other	110,943
Total noncurrent liabilities	37,183,256
Total liabilities	43,292,677
<b>Deferred Inflows of Resources</b>	
Deferred inflows related to pensions	1,382,244
Total deferred inflows of resources	1,382,244
<b>NET POSITION:</b>	
Net investment in capital assets	160,848,532
Restricted:	
Nonexpendable:	
Employee loans	100,000
Expendable:	
Grants and contracts	4,748,246
Debt service	7,801
Unrestricted	7,547,283
Total net position	\$ 173,251,862

See accompanying notes to financial statements.



**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Statement of Financial Position - Component Unit  
June 30, 2023**

	<b>Yavapai College Foundation</b>
<b>ASSETS:</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 536,294
Restricted cash	457,634
Promises to give, current portion	1,150,515
Prepaid expenses	71,783
Total current assets	2,216,226
<b>Other long-term assets:</b>	
Promises to give, net of current portion	741,114
Investments	22,220,611
Property and equipment, net	23,084
Beneficial interest in perpetual trust	476,442
Total other long-term assets	23,461,251
Total assets	25,677,477
<b>LIABILITIES AND NET ASSETS:</b>	
<b>Current liabilities:</b>	
Accounts payable	13,161
Accrued expenses	13,765
Due to Yavapai College	495,671
Scholarships payable	693,038
Deferred revenue	612,697
Total liabilities	1,828,332
<b>Net assets:</b>	
Without donor restrictions	
Undesignated	212,553
Board designated	1,312,646
Total without donor restrictions	1,525,199
With donor restrictions	22,323,946
Total net assets	23,849,145
Total liabilities and net assets	\$ 25,677,477

See accompanying notes to financial statements.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT**  
**(YAVAPAI COLLEGE)**  
**Statement of Revenues, Expenses, and Changes in Net Position - Primary Government**  
**For the Fiscal Year Ended June 30, 2023**

	<b>Business Type Activities</b>
<b>Operating revenues:</b>	
Tuition and fees (net of scholarship allowances of \$2,878,735)	\$ 8,433,893
Bookstore income	48,597
Dormitory rentals (net of scholarship allowances of \$327,670)	890,870
Other	2,706,444
Total operating revenues	12,079,804
<b>Operating expenses:</b>	
Educational and general:	
Instruction	22,092,462
Public service	3,379,051
Academic support	5,391,109
Student services	11,248,405
Institutional support	11,740,897
Operation and maintenance of plant	8,428,425
Scholarships	5,850,966
Auxiliary enterprises	2,147,701
Depreciation and amortization	7,818,078
Total operating expenses	78,097,094
Operating loss	(66,017,290)
<b>Nonoperating revenues (expenses):</b>	
Property taxes	49,988,538
State appropriations	3,693,700
Government grants	10,099,147
Share of state sales taxes	1,305,900
Smart and safe Arizona fund appropriations	2,457,079
Private grants and gifts	2,338,638
Investment earnings	992,715
Interest expense on debt	(81,638)
Gain on disposal of capital assets	14,005
Total nonoperating revenues (expenses)	70,808,084
Income before other revenues, expenses, gains or losses	4,790,794
Capital grants and gifts	6,197
Increase in net position	4,796,991
Net position, beginning of year	168,454,871
Net position, end of year	\$ 173,251,862

See accompanying notes to financial statements.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Statement of Activities - Component Unit  
For the Fiscal Year Ended June 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Yavapai College Foundation
<b>Revenue and other support:</b>			
Contributions, memberships and grants	\$ 67,558	\$ 3,365,207	\$ 3,432,765
Noncash contributions	63,242	500	63,742
Program service income	148,110	-	148,110
JLLPAC events	768,682	-	768,682
Investment return	296,751	1,948,618	2,245,369
Change in fair value of perpetual trust	-	14,206	14,206
Other income	(176)	-	(176)
Net assets released from purpose restrictions	1,891,286	(1,891,286)	-
	3,235,453	3,437,245	6,672,698
Special events:			
Revenues from special events	46,092	14,700	60,792
Costs of direct donor benefits	(22,106)	-	(22,106)
	23,986	14,700	38,686
Gross profit on special events	23,986	14,700	38,686
	3,259,439	3,451,945	6,711,384
<b>Operating expenses:</b>			
Program expenses			
Grants and scholarships	612,590	-	612,590
JLLPAC events	838,589	-	838,589
Osher Endowment for Osher Lifelong Learning Institute	136,201	-	136,201
Foundation Auxiliaries	104,139	-	104,139
Other programs	1,016,981	-	1,016,981
	2,708,500	-	2,708,500
Supporting expenses			
Administration	297,396	-	297,396
Fundraising	145,049	-	145,049
Total supporting expenses	442,445	-	442,445
	3,150,945	-	3,150,945
Total operating expenses	3,150,945	-	3,150,945
Change in net assets	108,494	3,451,945	3,560,439
Net assets - beginning of year	1,416,705	18,872,001	20,288,706
Net assets - end of year	\$ 1,525,199	\$ 22,323,946	\$ 23,849,145

See accompanying notes to financial statements.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Statement of Cash Flows - Primary Government  
For the Fiscal Year Ended June 30, 2023**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	<b>Business Type Activities</b>
Tuition and fees	\$ 8,445,561
Bookstore receipts	34,758
Dormitory rentals	890,320
Other receipts	3,782,219
Payments to suppliers and providers of goods and services	(14,248,093)
Payments for employee wages and benefits	(50,427,404)
Scholarship payments to students	(5,850,966)
Deposits held in custody for others received	877,775
Deposits held in custody for others disbursed	(868,597)
Net cash used for operating activities	(57,364,427)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Property taxes	50,094,441
Grants	12,541,869
State and smart & safe of Arizona fund appropriations	6,150,779
Share of state sales taxes	1,305,900
Private gifts	2,384,349
Federal direct lending receipts	2,325,041
Federal direct lending disbursements	(2,307,090)
Net cash provided by noncapital financing activities	72,495,289
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital grants and gifts	459
Proceeds from sale of capital assets	14,005
Principal paid on capital debt/obligations	(1,175,000)
Interest paid on capital debt/obligations	(81,638)
Purchases of capital assets	(6,710,759)
Net cash used for capital and related financing activities	(7,952,933)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest received on investments	975,074
Net cash provided by investing activities	975,074
Net increase in cash and cash equivalents	8,153,003
Cash and cash equivalents, beginning of year	34,127,833
Cash and cash equivalents, end of year	\$ 42,280,836
	(Continued)

See accompanying notes to financial statements.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Statement of Cash Flows - Primary Government  
For the Fiscal Year Ended June 30, 2023  
(Continued)**

<b>Reconciliation of operating loss to net cash used for operating activities:</b>	<b>Business Type Activities</b>
Operating loss	\$ (66,017,290)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation and amortization	7,818,078
Provision for uncollectible accounts	85,559
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:	
Increase in accounts receivables	(162,637)
Increase in other receivables	(71,731)
Increase in deposits held in custody for others	9,179
Increase in accounts payable	676,701
Increase in unearned revenues	88,745
Increase in dormitory & other deposits	399
Increase in net pension liability	6,708,068
Increase in other liabilities (accrued retiree)	4,083
Decrease in other receivables	1,053,220
Decrease in prepaid expenses	177,366
Decrease in deferred outflows of resources related to pensions	1,488,756
Decrease in accrued payroll and employee benefits	(1,234,514)
Decrease in compensated absences	(41,811)
Decrease in deferred inflows of resources related to pensions	(7,946,598)
Net cash used for operating activities	<u>\$ (57,364,427)</u>

**Noncash investing, capital, and noncapital financing activities:**

The District recorded the receipt of gifts of depreciable assets of \$5,738.  
Intangible subscription asset additions of \$449,874.

See accompanying notes to financial statements.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2023**

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

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

For the year ended June 30, 2023, the District implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which (1) defines a subscription-based information technology arrangement (SBITA); (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. As a result, the District's financial statements have been modified to reflect the implementation of this new standard.

**A. Reporting Entity**

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

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

For financial reporting purposes, the Foundation follows the Financial Accounting Standards Board standards for not-for-profit organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information included in the District's financial report. Accordingly, those financial statements have been reported on separate pages following the District's respective

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT**  
**(YAVAPAI COLLEGE)**  
**Notes to Financial Statements**  
**June 30, 2023**

counterpart financial statements. For financial reporting purposes, only the Foundation's statements of financial position and activities are included in the District's financial statements as required by GAAP for public colleges and universities. The Foundation has a June 30 year end.

During the year ended June 30, 2023, the Foundation gifted property and distributed funds in the amount of \$1,533,281 to or on behalf of the District for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from the Yavapai College Foundation, 1100 East Sheldon Street, Prescott, Arizona 86301.

**B. Basis of Presentation and Accounting**

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

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

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

A statement of cash flows provides information about the District's sources and uses of cash and cash equivalents during the year. Increases and decreases in cash and cash

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2023**

equivalents are classified as either operating, noncapital financing, capital financing, or investing.

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

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

**C. Cash and Investments**

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

**D. Capital Assets**

Capital assets are reported at actual cost or historical cost if historical records are not available. Donated assets are reported at acquisition value.

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

	<b><u>Capitalization Threshold</u></b>	<b><u>Depreciation/ Amortization 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
Intangibles			
Right-to-use subscription assets	75,000	Straight line	Varies*
Other	75,000	Straight line	30 years
Library books	1	Straight line	10 years

\* Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying IT assets.



**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2023**

**E. Postemployment Benefits**

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

**F. Investment Earnings**

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

**G. Compensated Absences**

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

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

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

**H. Scholarship Allowances**

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

**I. Subscription-based Information Technology Arrangements**

The District recognizes subscription liabilities with an initial, individual value of \$75,000 or more. The District uses its estimated incremental borrowing rate to measure subscription

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2023**

liabilities unless it can readily determine the interest rate implicit in the arrangement. The District uses professional judgement to determine its estimated incremental borrowing rate, which is predominately based upon current market rates for similar rated bonds and maturities and the District's most recent debt issuance.

**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. A.R.S. does 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 another's property when making investment decisions about those monies. A.R.S. requires collateral for deposits at 102 percent of all deposits not covered by federal depository insurance. A.R.S. does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the District's investments.

**Deposits** – At June 30, 2023, the carrying amount of the District's deposits was (\$2,291,253), and the District's bank balance was \$139,340. The District does not have a formal policy with respect to custodial credit risk.

**Investments** – The District had total investments of \$44,565,739 at June 30, 2023. The District has some investments measured within the fair value level 1 hierarchy established by generally accepted accounting principles. The District's investments categorized as Level 1 are valued using prices quoted in active markets for those investments as following:

**Fair value investments – Level 1**

Government Money Market Fund	<u>\$6,503,586</u>
Total investments measured at fair value	<u>\$6,508,586</u>

The District also had the following investments in external investment pools measured at fair value:

**External investment pool measured at fair value**

County Treasurer's investment pool	<u>\$38,062,153</u>
Total external investment pools measured at fair value	<u>\$38,062,153</u>

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

**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 an outside party's possession. The District does not have a formal policy with respect to custodial credit risk. The \$6,503,586 of

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2023**

Government Money Market Funds was not registered in the District's name and held by the counterparty trustee.

**Credit risk** – The District does not have a formal policy with respect to credit risk. At June 30, 2023, credit risk for the District's investments was as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Amount</u>
County Treasurer's investment pool	Unrated	Not applicable	\$38,062,153
Wells Fargo Government Money Market Fund	AAAm	S&P	<u>6,503,586</u>
Total			<u>\$44,565,739</u>

**Interest rate risk** – The District does not have a formal policy with respect to interest rate risk. At June 30, 2023, the District had the following investments in debt securities:

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity (Months)</u>
County Treasurer's investment pool	\$38,062,153	22.0
Wells Fargo Government Money Market Fund	<u>6,503,586</u>	1.0
Total	<u>\$44,565,739</u>	

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

<u>Cash, Deposits, and Investments</u>	<u>Amount</u>	<u>Statement of Net Position</u>	<u>Amount</u>
Cash on hand	\$ 6,350	Cash and cash equivalents	<u>\$42,280,836</u>
Deposits	(2,291,253)	Total	<u>\$42,280,836</u>
Investments	<u>44,565,739</u>		
Total	<u>\$42,280,836</u>		

**Note 3 – Receivables**

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

<u>Account Name</u>	<u>Gross Receivable</u>	<u>Allowance for Uncollectibles</u>	<u>Net Receivable</u>
Accounts - current	\$ 1,351,223	\$ (889,665)	\$ 461,558
Government grants and contracts - current	994,200	-	994,200
Other	750,715	-	750,715
Property taxes			
Current	977,502	(127,428)	850,074
Noncurrent	24,140	(16,648)	7,492

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2023**

**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 to 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 - Capital Assets**

Capital asset activity for the year ended June 30, 2023, was as follows:

	<u>Balance July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Reclassification</u>	<u>Balance June 30, 2023</u>
<b>Capital assets not being depreciated/amortized:</b>					
Land	\$ 7,828,893	\$ 5,000	\$ -	\$ -	\$ 7,833,893
Construction in progress	258,529	975,776	-	(195,088)	1,039,217
Total capital assets not being depreciated/amortized	<u>8,087,422</u>	<u>980,776</u>	<u>-</u>	<u>(195,088)</u>	<u>8,873,110</u>
<b>Capital assets being depreciated/amortized:</b>					
Buildings	210,052,476	2,227,770	-	-	212,280,246
Improvements other than buildings	30,966,537	1,640,890	-	195,088	32,802,515
Equipment	18,845,961	1,842,849	429,643	-	20,259,167
Intangibles					
Right-to-use subscription assets	-	449,874	-	-	449,874
Other	273,587	-	-	-	273,587
Library books	2,357,981	27,898	1,152,900	-	1,232,979
Total capital assets being depreciated/amortized	<u>262,496,542</u>	<u>6,189,281</u>	<u>1,582,543</u>	<u>195,088</u>	<u>267,298,368</u>
Less accumulated depreciation/amortization for:					
Buildings	66,716,828	5,125,652	-	-	71,842,480
Improvements other than buildings	20,273,470	1,134,257	-	-	21,407,727
Equipment	15,196,982	1,435,522	429,643	-	16,202,861
Intangibles					
Right-to-use subscription assets	-	12,496	-	-	12,496
Other	109,436	9,120	-	-	118,556
Library books	1,825,771	101,031	1,152,900	-	773,902
Total accumulated depreciation/amortization	<u>104,122,487</u>	<u>7,818,078</u>	<u>1,582,543</u>	<u>-</u>	<u>110,358,022</u>
Total capital assets being depreciated/amortized, net	<u>158,374,055</u>	<u>(1,628,797)</u>	<u>-</u>	<u>195,088</u>	<u>156,940,346</u>
<b>Capital assets, net</b>	<u>\$ 166,461,477</u>	<u>\$ (648,021)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165,813,456</u>

The District had active construction projects as of June 30, 2023. At year end, the District's commitments with contractors are as follows:

<u>Project</u>	<u>Source of Payment</u>	<u>Costs-to-date</u>	<u>Remaining Commitment</u>
Verde Valley Center for Learning	Capital Projects Accumulation Account	\$500,888	\$3,533,099
Verde Valley RV Park	Capital Projects Accumulation Account	163,324	230,109
Prescott Bldg 32 HVAC	Capital Projects Accumulation Account	80,283	329,580

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2023**

The District had contractual commitments related to subscription-based information technology arrangements for which the subscription term had not yet commenced at June 30, 2023, for a college-wide ERP system. At June 30, 2023, the District had made payments of \$238,290 to the vendor and had remaining contractual commitments with the vendor of \$449,874, including the subscription liabilities that will be recognized at the commencement of the subscription terms.

**Note 5 - Long-Term Liabilities**

Long-term liability and obligation activity for the year ended June 30, 2023, was as follows:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2023</u>	<u>Due Within One Year</u>
Long-term debt:					
Revenue bonds from direct placements	\$4,725,000	\$ -	\$1,175,000	\$3,550,000	\$1,190,000
Total bonds payable	<u>4,725,000</u>	<u>-</u>	<u>1,175,000</u>	<u>3,550,000</u>	<u>1,190,000</u>
Subscription liability	-	449,874	-	449,874	224,967
Net pension liability	25,969,018	6,708,068	-	32,677,086	-
Compensated absences payable	2,092,061	1,126,890	1,168,701	2,050,250	239,930
Other	123,997	27,666	23,583	128,080	17,137
Total long-term liabilities	<u>\$ 32,910,076</u>	<u>\$ 8,312,498</u>	<u>\$ 2,367,284</u>	<u>\$ 38,855,290</u>	<u>\$ 1,672,034</u>

The District also had an unused line of credit in the amount of \$2,000,000.

**Bonds** – The District’s debt consists of various issues of revenue bonds from direct placements that are generally callable with interest payable semiannually. Debt proceeds pay primarily for acquiring or constructing capital facilities, remodeling existing facilities, furnishing buildings and facilities and purchasing land adjacent to existing facilities. The District repays revenue bonds from tuition, fees, rentals, and other charges to students, faculty, and others. The original amount of outstanding revenue bonds was \$8,910,000.

The Arizona Constitution, Article 9, Section 8, states that a county or school district may become indebted for an amount not to exceed fifteen percent of taxable property. For fiscal year 2022-23, the District could issue \$499,984,270 of debt and remain within the legal debt margin.

The District has pledged future tuition, fees, dormitory rentals, bookstore income and other charges to students, faculty and others to repay the June 2013 and April 2021 revenue bonds. The revenue bonds are payable solely from these revenue sources and are payable through 2028 and 2025, respectively. Annual principal and interest payments on the revenue bonds are expected to require less than 9.9% of tuition, fees, dormitory rentals, bookstore, and other income. In the current year, total revenues of \$12,752,456 were pledged to cover the principal and interest paid of \$1,256,638.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2023**

Revenue bonds outstanding at June 30, 2023, were as follows:

<u>Description</u>	<u>Original Amount Issued</u>	<u>Maturity Ranges</u>	<u>Interest Rates</u>	<u>Outstanding Principal</u>
<b>Revenue bonds from direct placements</b>				
Series 2013	\$5,000,000	7/1/23-7/1/28	2.45%	\$1,875,000
Series 2021	3,910,000	7/1/23-7/1/25	.80% - 1.35%	1,675,000

The following schedule details debt service requirements to maturity for the District's revenue bonds payable at June 30, 2023:

Year Ending June 30,	<b>Revenue Bonds from Direct placements</b>	
	<u>Principal</u>	<u>Interest</u>
2024	\$1,190,000	\$ 66,463
2025	1,205,000	48,580
2026	375,000	28,298
2027	385,000	19,110
2028	<u>395,000</u>	<u>9,677</u>
Total	<u>\$3,550,000</u>	<u>\$172,128</u>

**Subscription-based information technology arrangements (SBITAs)** – The District has obtained the right to use a college-wide ERP system under the provisions of a subscription-based information technology arrangement.

The total amount of subscription assets and the related accumulated amortization are as follows:

Total intangible right-to-use subscription asset	\$449,874
Less: accumulated amortization	<u>12,496</u>
Carrying value	<u>\$437,378</u>

The following schedule details minimum subscription payments to maturity for the District's subscription liability at June 30, 2023:

Year ending June 30	Principal	Interest
2024	\$224,967	\$ -
2025	224,907	6,809

**Note 6 - Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all such risks of loss, including workers'

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2023**

compensation, employees' health, and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

**Note 7 - Pensions**

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

**Defined Benefit Plan**

**Plan description** - The ASRS administers a cost-sharing multiple-employer defined benefit pension plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 2. The ASRS is a component unit of the State of Arizona.

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

	<b>Retirement</b>	
	<b><u>Initial membership date:</u></b>	
	<b><u>Before July 1, 2011</u></b>	<b><u>On or after July 1, 2011</u></b>
Years of service and age required to receive benefit	Sum of years and age equals 80	30 years, age 55
	10 years, age 62	25 years, age 60
	5 years, age 50*	10 years, age 62
	any years, age 65	5 years, age 50*
		any years, age 65

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2023**

Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

\*With actuarially reduced benefits.

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

**Contributions** - In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2023, statute required active ASRS members to contribute at the actuarially determined rate of 12.03 percent for retirement of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 11.92 percent for retirement of the active members' annual covered payroll. In addition, the District was required by statute to contribute at the actuarially determined rate of 9.62 percent for retirement of annual covered payroll of retired members who worked for the District in positions that an employee who contributes to the ASRS would typically fill. The District's contributions to the pension plan for the year ended June 30, 2023, were \$3,201,288.

**Pension liability** - At June 30, 2023, the District reported a liability of \$32,677,086 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2022. The total liability used to calculate net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2021, to the measurement date of June 30, 2022.

The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The District's proportion measured as of June 30, 2022, was .2002 percent which was an increase of .0026 from its proportion measured as of June 30, 2021.



**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2023**

**Pension expense and deferred outflows/inflows of resources** - For the year ended June 30, 2023, the District recognized pension expense for ASRS of \$3,483,084. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ 278,428	\$ -
Changes of assumptions or other inputs	1,621,827	-
Net differences between projected and actual earnings on plan investments	-	860,746
Changes in proportion and differences between district contributions and proportionate share of contributions	255,661	521,498
District contributions subsequent to the measurement date	<u>3,201,288</u>	<u>-</u>
Total	<u>\$5,357,204</u>	<u>\$1,382,244</u>

The \$3,201,288 reported as deferred outflows of resources related to ASRS pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in expense as follows:

<b>Year ending <u>June 30</u></b>	
2024	\$1,160,889
2025	(270,425)
2026	(1,494,457)
2027	1,377,665

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

Actuarial valuation date	June 30, 2021
Actuarial roll forward date	June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9–8.4%
Inflation	2.3%
Permanent benefit increase	Included
Mortality rates	2017 SRA Scale U-MP

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2023**

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected geometric real rate of return</u>
Equity	50%	3.90%
Fixed income - credit	20%	5.30%
Fixed income - interest rate sensitive	10%	(0.20%)
Real estate	<u>20%</u>	6.00%
Total	<u>100%</u>	

**Discount rate** – At June 30, 2022, the discount rate used to measure the ASRS total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the District’s proportionate share of the ASRS net pension liability to changes in the discount rate** - The following table presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

	<u>1% Decrease (6.0%)</u>	<u>Current discount rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
District’s proportionate share of Net pension liability	\$48,214,070	\$32,677,086	\$19,721,670

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2023**

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

**Contributions payable** - The District's accrued payroll and employee benefits included \$267,688 of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2023.

**Defined Contribution Plans**

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

**Funding policy** - The Arizona State Legislature allows the District to establish contribution rates each year that are at least as much as the ASRS contribution amounts. For the year ended June 30, 2023, the District and employees contributed at the rate of 12.03 percent of the member's annual covered payroll. Amounts collected from both employees and the District are remitted to the three plans on a bi-weekly basis.

**Pension expense** – For the year ended June 30, 2023, the District recognized pension expense for defined contribution plans of \$676,713. For the year ended June 30, 2023, forfeitures reduced the District's pension expense by \$1,876.

**Pension contributions payable** - The District's accrued payroll and employee benefits included \$56,615 of outstanding pension contribution amounts payable to TIAA/CREF, VALIC, and VOYA Financial for the year ended June 30, 2023.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2023**

**Note 8 - Operating Expenses**

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

Salaries and benefits	\$ 49,401,303
Contract services	4,180,736
Supplies and non-capitalized equipment	6,154,835
Communications and utilities	2,147,981
Scholarships	5,850,966
Depreciation and amortization	7,818,078
Other	<u>2,543,195</u>
Total	<u>\$78,097,094</u>

A.R.S. §35-391 requires the disclosure of the amount of any reward, discount, incentive or other financial consideration received resulting from the use of credit card payments by governmental entities. During the current fiscal year, the District received \$78,869 in rebates from the use of credit cards.

**Note 9 - Discretely Presented Component Unit Disclosures**

**Nature of Activities and Summary of Significant Accounting Policies**

**Nature of Activities**

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

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

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

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2023**

- FRIENDS of the Family Enrichment Center – The purpose of this group is to support and raise funds for the Family Enrichment Center (FEC). The FEC offers quality learning experiences to a diverse group of children while providing invaluable teacher training to the College’s early and elementary education students.
- FRIENDS of the Southwest Wine Center – The purpose of this group is to support the viticulture and enology program.

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

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

**Basis of Accounting and Financial Statement Presentation**

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

**Fair Value Measurements**

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

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

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2023**

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

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

### **Investments**

Investments are recorded at fair value as determined by quoted prices in active markets or other valuation inputs. Investment income or loss is included in the change in net assets without donor restrictions, on the statement of activities, unless restricted by donor or law. Investment income or loss consists of interest and dividend income and realized and unrealized gains and losses, less external investment expenses.

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

### **Endowment Funds**

The Foundation's endowment funds consist of 180 funds established for a variety of purposes. The endowment funds include both endowment funds restricted by donors and funds designated by the Board of Directors as endowments. Net assets associated with these endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

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

The Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The donor-restricted endowment fund also includes

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2023**

accumulated earnings in the fund that are also classified as net assets with donor restrictions until those amounts are appropriated for the expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by MCFA.

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

*Investment Return Objectives, Risk Parameters and Strategies.* The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding for programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. The Foundation's primary objective is to obtain the best possible return on investments with the appropriate degree of risk and to meet the priorities of the Foundation and Yavapai College over time. Endowment assets are invested in a well-diversified asset mix that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 4%, while growing the funds if possible. Therefore, the Foundation expects its endowment assets, over time, to produce results that exceed the price and yield results of a custom index made up of approximately 70% equities and 30% fixed income. Actual returns may vary from year to year. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

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

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2023**

**Investments**

The following is a summary of the value of investments at June 30, 2023:

Money market funds	\$ 236,003
Fixed Income	6,201,329
Equity funds	9,705,471
International equity funds	<u>6,077,808</u>
	<u>\$22,220,611</u>

The following schedule summarizes the investment return for the year ended June 30, 2023:

Interest and dividend income	\$ 496,769
Net realized gains	295,574
Net unrealized gains (losses)	1,478,543
Income distribution from perpetual trust	27,090
Investment fees	<u>(52,607)</u>
	<u>\$2,245,369</u>

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

**Fair Value of Financial Instruments**

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

The following is a summary of financial instruments measured at fair value on a recurring basis at June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 236,003	\$ -	\$ -	\$ 236,003
Fixed Income	6,201,329	-	-	6,201,329
Equity funds	9,705,471	-	-	9,705,471
International equity funds	<u>6,077,808</u>	<u>-</u>	<u>-</u>	<u>6,077,808</u>
Total investments	22,220,611	-	-	22,220,611
Beneficial interest in perpetual trust	<u>-</u>	<u>-</u>	<u>476,442</u>	<u>476,442</u>
	<u>\$22,220,611</u>	<u>\$ -</u>	<u>\$ 476,442</u>	<u>\$22,697,053</u>



**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
(YAVAPAI COLLEGE)  
Notes to Financial Statements  
June 30, 2023**

**Endowment Funds**

Endowment funds include funds restricted in perpetuity by the donors, funds restricted for a specified period (term endowments) and a board designated fund. As of June 30, 2023, there were 13 funds that were underwater for a total of \$31,521.

Endowment net asset composition at June 30, 2023, are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Endowment Funds</u>
Board designated fund	\$ 908,693	\$ -	\$ 908,693
Donor restricted funds:			
Permanently restricted funds	-	18,149,315	18,149,315
Term endowment funds	<u>-</u>	<u>1,111,353</u>	<u>1,111,353</u>
	<u>\$ 908,693</u>	<u>\$19,260,668</u>	<u>\$20,169,361</u>

Changes in endowment funds are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Endowment Funds</u>
Balance, June 30, 2022	\$ 800,249	\$15,553,140	\$ 16,353,389
Contributions	-	2,576,561	2,576,561
Board designations	16,603	(14,274)	2,329
Interest and dividend income	19,113	398,675	417,788
Realized gains	11,834	247,140	258,974
Unrealized gains	59,718	1,263,432	1,323,150
Amounts appropriated for expenditure	<u>1,176</u>	<u>(764,006)</u>	<u>(762,830)</u>
Balance, June 30, 2023	<u>\$ 908,693</u>	<u>\$19,260,668</u>	<u>\$ 20,169,361</u>

# Required Supplementary Information Section



YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 June 30, 2023

	Reporting Fiscal Year (Measurement Date)									
	2022/23 (2021/22)	2021/22 (2020/21)	2020/21 (2019/20)	2019/20 (2018/19)	2018/19 (2017/18)	2017/18 (2016/17)	2016/17 (2015/16)	2015/16 (2014/15)	2014/15 (2013/14)	2013/14
District's proportion of the net pension liability	0.2002%	0.1976%	0.2085%	0.2033%	0.1969%	0.1975%	0.1961%	0.1963%	0.1968%	Information not available
District's proportionate share of the net pension liability	\$ 32,677,086	\$ 25,969,018	\$ 36,118,864	\$ 29,585,426	\$ 27,460,621	\$ 30,763,535	\$ 31,657,352	\$ 30,574,152	\$ 29,124,740	
District's covered payroll	23,875,608	22,263,493	22,743,998	21,475,349	19,631,503	18,617,192	18,437,842	18,155,456	17,826,189	
District's proportion share of the net pension liability as a percentage of its covered payroll	136.86%	116.64%	158.81%	137.76%	139.88%	165.24%	171.70%	168.40%	163.38%	
Plan fiduciary net position as a percentage of the total pension liability	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%	

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

	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
Statutorily required contributions	\$ 3,201,288	\$ 2,830,591	\$ 2,558,750	\$ 2,630,912	\$ 2,392,974	\$ 2,132,540	\$ 2,003,934	\$ 2,007,043	\$ 1,976,968	\$ 1,905,579
Contributions in relation to the statutorily required contribution	(3,201,288)	(2,830,591)	(2,558,750)	(2,630,912)	(2,392,974)	(2,132,540)	(2,003,934)	(2,007,043)	(1,976,968)	(1,905,579)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 27,050,509	\$ 23,875,608	\$ 22,263,493	\$ 22,743,998	\$ 21,475,349	\$ 19,631,503	\$ 18,617,192	\$ 18,437,842	\$ 18,155,456	\$ 17,826,189
Contributions as a percentage of covered payroll	11.83%	11.86%	11.49%	11.57%	11.14%	10.86%	10.76%	10.89%	10.89%	10.69%

# Statistical Section



## STATISTICAL SECTION

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	56
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	59
These schedules contain trend information to help the reader assess the District's most significant revenue sources, property tax, and tuition.	
<b>Debt Capacity</b>	65
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	71
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
<b>Operating Information</b>	76
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

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

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

	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17 (1)	2015/16	2014/15	2013/14
Net investment in capital assets	\$ 160,848,532	\$ 161,537,817	\$ 157,481,991	\$ 152,382,909	\$ 143,098,963	\$ 133,877,780	\$ 121,457,300	\$ 107,845,781	\$ 97,808,266	\$ 86,471,782
Restricted - expendable	4,756,047	4,281,185	1,882,365	510,989	878,339	1,200,234	1,076,477	1,203,553	1,369,160	1,310,624
Restricted - nonexpendable	100,000	100,000	100,000	100,000	100,000	100,000	200,000	200,462	495,124	516,894
Unrestricted	7,547,283	2,535,869	(5,764,720)	(7,412,603)	(6,617,780)	(11,235,524)	(10,689,678)	(8,891,326)	(10,746,840)	(11,174,451)
Total net position	\$ 173,251,862	\$ 168,454,871	\$ 153,699,636	\$ 145,581,295	\$ 137,459,522	\$ 123,942,490	\$ 112,044,099	\$ 100,358,470	\$ 88,925,710	\$ 77,124,849

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

Note 1: The balance of net investment in capital assets has been restated and reduced by \$442,740 to remove several older, mostly prefabricated, impaired buildings that were demolished in prior years.

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

	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
<b>Operating expenses:</b>										
Educational and general:										
Instruction	\$ 22,092,462	\$ 19,788,002	\$ 18,844,972	\$ 20,257,487	\$ 18,627,532	\$ 18,372,048	\$ 18,094,814	\$ 17,901,745	\$ 18,066,535	\$ 17,783,284
Public service	3,379,051	2,948,761	1,800,557	2,247,444	2,191,127	1,735,370	1,772,188	1,591,489	1,474,787	1,499,841
Academic support	5,391,109	5,215,523	5,082,592	4,959,894	4,602,601	4,347,184	4,489,410	4,904,174	4,268,016	4,211,551
Student services	11,248,405	9,207,312	8,482,718	8,359,344	7,430,277	6,905,853	6,351,387	6,322,124	6,116,857	5,886,627
Institutional support	11,740,897	10,695,803	10,828,921	11,447,171	10,067,807	8,941,261	8,957,750	8,648,787	8,670,047	8,759,934
Operation and maintenance of plant	8,428,425	8,122,436	6,970,800	7,347,099	6,742,118	6,413,053	6,025,815	6,267,373	6,527,970	6,177,478
Scholarships	5,850,966	10,409,119	6,809,891	5,790,516	5,950,319	6,287,936	6,320,185	6,712,073	7,611,455	8,180,284
Auxiliary enterprises	2,147,701	1,895,159	1,822,706	1,943,218	2,033,663	1,947,162	1,923,756	1,880,689	1,752,743	1,472,356
Depreciation	7,818,078	7,628,745	7,728,980	7,588,582	7,174,803	6,599,726	6,401,955	6,118,198	5,731,591	5,780,151
Total operating expenses	78,097,094	75,910,860	68,372,137	69,940,755	64,820,247	61,549,593	60,337,260	60,346,652	60,220,001	59,751,506
<b>Operating revenues:</b>										
Tuition and fees pledged as security for revenue bonds	8,433,893	7,223,360	7,845,535	8,408,631	8,957,444	8,428,264	8,278,893	8,308,480	8,930,193	8,799,116
Bookstore income	48,597	78,420	74,540	133,991	162,945	195,656	180,954	196,417	209,632	211,418
Food Service income	-	137,770	-	-	-	-	-	-	-	-
Dormitory rentals pledged as security for revenue bonds	890,870	753,840	263,569	772,731	823,156	796,861	828,212	773,805	779,073	619,166
Other	2,706,444	1,979,277	487,994	1,402,117	1,563,697	1,542,733	1,243,645	1,143,191	1,242,302	1,069,747
Total operating revenues	12,079,804	10,172,667	8,671,638	10,717,470	11,507,242	10,963,514	10,531,704	10,421,893	11,161,200	10,699,447
Operating loss	(66,017,290)	(65,738,193)	(59,700,499)	(59,223,285)	(53,313,005)	(50,586,079)	(49,805,556)	(49,924,759)	(49,058,801)	(49,052,059)
<b>Nonoperating revenues (expenses):</b>										
Property taxes	49,988,538	49,449,575	49,433,560	50,705,820	50,561,375	48,584,970	48,540,679	47,420,835	45,967,654	45,571,425
Government grants	10,099,147	20,963,403	13,582,961	11,191,331	10,894,560	11,316,220	10,937,647	11,573,903	12,610,675	13,241,015
State appropriations	3,693,700	4,876,600	1,283,300	3,065,800	1,288,900	1,356,400	1,574,600	1,696,000	1,689,900	893,900
Share of state sales taxes	1,305,900	1,150,633	1,031,911	838,562	778,901	725,010	696,928	682,641	666,264	597,221
Smart and safe Arizona fund appropriations	2,457,079	1,658,906	769,131	-	-	-	-	-	-	-
Private grants and gifts	2,338,638	1,692,953	1,705,565	1,611,282	1,444,067	1,393,012	1,199,853	1,254,889	1,056,495	761,844
Investment earnings	992,715	70,831	66,444	464,145	457,782	195,500	110,841	100,452	93,256	91,630
Interest expense on debt	(81,638)	(136,397)	(367,066)	(570,657)	(780,289)	(1,101,584)	(1,249,134)	(1,389,862)	(1,544,711)	(1,695,668)
Loss on defeasance of debt	-	-	-	-	(346,595)	-	-	-	-	-
Gain (loss) on disposal of capital assets	14,005	1,804	12,195	7,185	1,331,212	10,513	12,350	(11,504)	10,766	8,389
Total nonoperating revenues	70,808,084	79,728,308	67,518,001	67,313,468	65,629,913	62,480,041	61,823,764	61,327,354	60,550,299	59,469,756
Income before other revenues, expenses, gains or losses	4,790,794	13,990,115	7,817,502	8,090,183	12,316,908	11,893,962	12,018,208	11,402,595	11,491,498	10,417,697
Capital appropriations	-	-	-	-	-	-	-	-	-	248,600
Capital grants and gifts	6,197	765,120	300,839	31,590	1,200,124	4,429	110,161	30,165	309,363	475,770
Increase in net position	\$ 4,796,991	\$ 14,755,235	\$ 8,118,341	\$ 8,121,773	\$ 13,517,032	\$ 11,898,391	\$ 12,128,369	\$ 11,432,760	\$ 11,800,861	\$ 11,142,067

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



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
2013/14	43,747,725	43,747,724	1
2014/15	42,036,867	42,036,866	1
2015/16	42,312,883	41,937,884	374,999
2016/17	41,393,014	39,317,198	2,075,816
2017/18	45,586,098	44,870,438	715,660
2018/19	45,090,861	40,721,980	4,368,881
2019/20	46,385,213	43,838,630	2,546,583
2020/21	49,097,736	49,097,736	-
2021/22	48,002,250	48,002,250	-
2022/23	48,401,894	48,401,894	-

Source: Audited Reports on Annual Budgeted Expenditure Limitation except for the most recent year which is unaudited.

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

Note 2: Budgeted expenditures are net of allowable exclusions.

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

Fiscal Year	Original Tax Levy <sup>2</sup>	Adjustments	Adjusted Levy	Collections Initial Tax Year	Percentage of Original Tax Levy	Collections in Subsequent Years	Total Collections To Date	Percent of Total Tax Collections to Adjusted Levy
2013/14	\$ 45,803,400	\$ (385,712)	\$ 45,417,688	\$ 44,576,740	97.32%	\$ 825,906	\$ 45,402,646	99.97%
2014/15	46,313,200	(454,186)	45,859,014	44,829,589	96.80%	1,022,180	45,851,769	99.98%
2015/16	47,635,600	(170,311)	47,465,289	46,611,360	97.85%	844,348	47,455,708	99.98%
2016/17	48,203,300	274,892	48,478,192	47,542,093	98.63%	923,851	48,465,944	99.97%
2017/18	48,839,300	(211,540)	48,627,760	47,816,314	97.91%	798,606	48,614,920	99.97%
2018/19	50,628,300	(60,073)	50,568,227	49,818,650	98.40%	736,043	50,554,693	99.97%
2019/20	50,911,500	(259,719)	50,651,781	49,655,293	97.53%	963,924	50,619,217	99.94%
2020/21	49,959,700	(231,065)	49,728,635	48,928,364	97.94%	758,088	49,686,452	99.92%
2021/22	49,309,600	23,532	49,333,132	48,521,190	98.40%	776,271	49,297,461	99.93%
2022/23	50,055,100	(66,892)	49,988,208	49,255,886	98.40%	-	49,255,886	98.54%

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

Note 1: Includes both primary and secondary taxes.

Note 2: Taxes levied for the fiscal year is the budgeted levy. The actual levy is generally lower when assessed because of a decrease in net assessed values due to taxpayer appeals.

Note 3: Amounts collected are on a cash basis.

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

Fiscal Year	Primary Assessed Value (1)				Total Direct Tax Rate (2)	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
	Residential and Vacant Property	Commercial Property	Unattached Personal Property	Total Taxable Assessed Value			
2013/14	\$ 1,819,990,776	\$ 325,100,587	\$ 87,538,236	\$ 2,232,629,599	2.0468	\$ 19,088,929,991	11.70%
2014/15	1,840,982,742	295,068,513	81,221,556	2,217,272,811	2.0837	19,418,863,184	11.42%
2015/16	1,929,113,529	263,001,270	87,068,649	2,279,183,448	2.0901	20,061,477,030	11.36%
2016/17	2,012,130,501	251,908,085	80,371,356	2,344,409,942	2.0561	21,142,413,672	11.09%
2017/18	2,131,382,392	238,029,643	93,738,001	2,463,150,036	1.9828	22,327,112,822	11.03%
2018/19	2,267,175,515	249,865,108	82,497,218	2,599,537,841	1.9476	23,680,652,430	10.98%
2019/20	2,414,473,528	260,089,904	91,113,641	2,765,677,073	1.8408	25,260,274,257	10.95%
2020/21	2,578,773,696	295,973,631	83,007,380	2,957,754,707	1.6891	27,104,661,346	10.91%
2021/22	2,757,762,120	304,563,551	80,895,529	3,143,221,200	1.5688	28,946,138,131	10.86%
2022/23	2,936,015,572	311,958,819	85,254,073	3,333,228,464	1.5017	30,915,392,632	10.78%

Source: Yavapai County Assessor's Office.

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

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

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

Fiscal Year	Yavapai College			Overlapping Rates (2)						
	Primary Levy	Secondary Levy	Total	Yavapai County	Cities and Towns From	To	Fire and Special Districts From	To	School Districts From	To
2013/14	1.8241	0.2227	2.0468	2.9084	0.3351	1.6000	0.0622	16.2403	1.1401	7.8940
2014/15	1.8606	0.2231	2.0837	2.9305	0.3149	1.5739	0.0627	16.5100	2.4776	7.7759
2015/16	1.8721	0.2180	2.0901	2.9098	0.3047	1.7165	0.0642	17.1800	2.3885	7.7757
2016/17	1.8439	0.2122	2.0561	2.8920	0.3025	1.7316	0.0616	19.9088	2.0177	7.7737
2017/18	1.7827	0.2001	1.9828	2.8431	0.2821	1.6612	0.0583	8.3655	2.0537	8.5411
2018/19	1.7584	0.1892	1.9476	2.7437	0.2699	1.6455	0.0557	12.7400	2.2376	8.5394
2019/20	1.6883	0.1525	1.8408	2.9472	0.2599	1.6150	0.0565	12.1200	2.2348	8.4380
2020/21	1.6131	0.0760	1.6891	2.8201	0.2484	1.5841	0.0000	11.6000	1.9434	7.7737
2021/22	1.5557	0.0131	1.5688	2.7160	0.2378	1.5318	0.0000	4.2365	0.0000	7.5223
2022/23	1.5017	0.0000	1.5017	2.2086	0.2281	1.4765	0.0653	9.7739	1.9900	7.5300

Source: Yavapai County Assessor's Office.

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

Note 2: Rates include primary and secondary.

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

Fiscal Year	Primary			Secondary		
	Assessed Valuation	Tax Rate	Tax Levy	Assessed Valuation	Tax Rate	Tax Levy
2013/14	\$ 2,232,629,599	1.8241	\$ 40,725,397	\$ 2,279,676,521	.2227	\$ 5,076,840
2014/15	2,217,272,811	1.8606	41,254,578	2,267,389,484	.2231	5,058,546
2015/16	2,279,183,448	1.8721	42,668,593	2,279,183,448	.2180	4,968,620
2016/17	2,344,409,942	1.8439	43,228,575	2,344,409,942	.2122	4,974,838
2017/18	2,463,150,036	1.7827	43,910,576	2,463,150,036	.2001	4,928,763
2018/19	2,599,537,841	1.7584	45,710,273	2,599,537,841	.1892	4,918,326
2019/20	2,765,677,073	1.6883	46,692,926	2,765,677,073	.1525	4,217,658
2020/21	2,957,724,707	1.6131	47,711,057	2,957,724,707	.0760	2,247,871
2021/22	3,143,221,200	1.5557	48,899,092	3,143,221,200	.0131	411,762
2022/23	3,333,228,464	1.5017	50,055,092	3,333,228,464	-	-

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

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

Taxpayer	2022 Primary Assessed Valuation	Rank	Percent of Yavapai County's 2022/23 Primary Assessed Valuation	2013 Primary Assessed Valuation	Rank	Percent of Yavapai County's 2013/14 Primary Assessed Valuation
Freeport McMoran (previously Phelps Dodge)	\$ 142,535,061	1	4.28%	\$ 146,649,680	1	6.57%
Arizona Public Service	120,128,857	2	3.60%	87,066,710	2	3.90%
Unisource Energy Corporation	20,222,148	3	0.61%	15,204,320	5	0.68%
Drake Cement LLC	19,630,433	4	0.59%	11,949,882	6	0.54%
Transwestern Pipeline Company LLC	17,654,414	5	0.53%	31,600,298	3	1.42%
Burlington Northern Santa Fe Railway Company	13,607,491	6	0.41%	10,625,479	7	0.48%
Phoenix Cement Co	10,887,406	7	0.33%	24,927,738	4	1.12%
EL Paso Natural Gas Company	9,951,104	8	0.30%	8,943,116	8	0.40%
Wal-Mart	7,860,104	9	0.24%			
New Enchantment LLC	7,346,165	10	0.22%			
Qwest Corporation				8,606,911	9	0.39%
TWC II - Prescott Mall LLC				5,074,990	10	0.23%
Total Top Ten	<u>\$ 369,823,183</u>		<u>11.11%</u>	<u>\$ 350,649,124</u>		<u>15.73%</u>

Source: Yavapai County Assessor.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
 TUITION SCHEDULE  
 Last Ten Fiscal Years

Fiscal Year	Annual Tuition Rates (1)	Tuition per Credit Hour
2013/14	\$ 2,100	\$ 70
2014/15	2,160	72
2015/16	2,250	75
2016/17	2,370	79
2017/18	2,490	83
2018/19	2,610	87
2019/20	2,184	91
2020/21	2,280	95
2021/22	2,280	95
2022/23	2,352	98

Source: District records.

Note 1: Tuition based on one year of full-time equivalent credit (30) for in-state students at District's base tuition rate. Beginning FY 2019/20, credits 13 and beyond were offered at no charge per semester.

For FY 2022/23, tier 1 classes were \$113 per credit hour and tier 2 classes were \$126 per credit hour.

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

<b>Fiscal Year</b>	<b>General Obligation Bonds (1)</b>	<b>Revenue Bonds (1)</b>	<b>Pledged Revenue Obligations (1)</b>	<b>Capital Lease Obligations</b>	<b>Total Outstanding Debt</b>	<b>Percentage of Personal Income (2)</b>	<b>Per Capita (2)</b>
2013/14	\$ 34,439,498	\$ 4,725,000	\$ 11,405,646	\$ 40,505	\$ 50,610,649	0.75%	\$ 235
2014/15	30,181,593	4,440,000	10,448,313	-	45,069,906	0.64%	206
2015/16	25,798,688	4,145,000	9,450,982	-	39,394,670	0.47%	177
2016/17	21,315,784	3,845,000	8,413,651	-	33,574,435	0.40%	149
2017/18	16,732,878	3,535,000	7,331,319	-	27,599,197	0.32%	121
2018/19	7,724,331	3,220,000	6,208,988	-	17,153,319	0.20%	74
2019/20	3,040,715	2,895,000	5,036,657	-	10,972,372	0.11%	47
2020/21	639,099	6,395,000	-	-	7,034,099	0.06%	30
2021/22	-	4,725,000	-	-	4,725,000	0.04%	20
2022/23	-	3,550,000	-	-	3,550,000	0.03%	14

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

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

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



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

	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
<b>Secondary Assessed Value</b>	\$ 3,333,228,464	\$ 3,143,221,200	\$ 2,957,724,707	\$ 2,765,677,073	\$ 2,599,537,841	\$ 2,463,150,036	\$ 2,344,409,942	\$ 2,279,183,448	\$ 2,553,473,159	\$ 2,279,676,521
<b>Legal Debt Margin</b>										
Debt limit - 15% of secondary assessed value	499,984,270	471,483,180	443,658,706	414,851,561	508,070,699	463,292,759	432,296,793	409,121,073	383,020,974	341,951,478
Amount of debt applicable to debt limit:										
General obligation bonded debt	0	0	(470,000)	(2,670,000)	(7,150,000)	(15,715,000)	(20,110,000)	(24,405,000)	(28,600,000)	(32,670,000)
Legal debt margin	\$ 499,984,270	\$ 471,483,180	\$ 443,188,706	\$ 412,181,561	\$ 500,920,699	\$ 447,577,759	\$ 412,186,793	\$ 384,716,073	\$ 354,420,974	\$ 309,281,478
Total general obligation bonded debt as a percentage of legal debt limit	0.00%	0.00%	0.11%	0.64%	1.41%	3.39%	4.65%	5.97%	7.47%	9.55%

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

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

Fiscal Year	Estimated Population (Yavapai County) (1)	Secondary Assessed Value of Real Estate	General Obligation Bonds (2)	Amount Available For Retirement of General Obligation Bond Debt	Net Bonded Debt	Percentage of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2013/14	213,557	\$ 2,279,676,521	\$ 34,439,498	\$ 964,317	\$33,475,181	1.47%	\$ 155.68
2014/15	216,582	2,267,389,484	30,181,593	892,170	29,289,423	1.29%	134.11
2015/16	219,393	2,279,183,448	25,798,688	783,958	25,014,730	1.10%	112.89
2016/17	222,867	2,344,409,942	21,315,784	747,020	20,568,764	0.88%	91.19
2017/18	226,100	2,463,150,036	16,732,878	623,576	16,109,302	0.65%	70.60
2018/19	229,820	2,599,537,841	7,724,331	704,697	7,019,634	0.27%	30.26
2019/20	233,062	2,765,677,073	3,040,715	246,608	2,794,107	0.10%	11.99
2020/21	237,067	2,957,724,707	637,099	173,066	464,033	0.02%	1.96
2021/22	242,253	3,143,221,200	-	-	-	-	-
2022/23	246,191	3,333,228,464	-	-	-	-	-

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

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

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

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

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Total Operating Expenses</b>	<b>Percentage of Debt Service to Operating Expenses</b>
2013/14	\$ 3,940,000	\$ 1,109,600	\$ 5,049,600	\$ 59,759,430	8.45%
2014/15	4,070,000	965,400	5,035,400	60,220,001	8.36%
2015/16	4,195,000	850,850	5,045,850	60,346,652	8.36%
2016/17	4,295,000	756,750	5,051,750	60,337,260	8.37%
2017/18	4,395,000	660,800	5,055,800	61,549,593	8.21%
2018/19	4,545,000	334,550	4,879,550	64,820,247	7.53%
2019/20	4,480,000	230,600	4,710,600	69,940,755	6.74%
2020/21	2,200,000	89,750	2,289,750	68,372,137	3.35%
2021/22	470,000	18,800	488,800	75,910,860	0.64%
2022/23	-	-	-	78,097,094	0.00%

Source: District records.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
 GENERAL OBLIGATION BONDS  
 June 30, 2022

<b>Jurisdiction</b>	<b>Debt Outstanding</b>
<u>Direct Debt:</u>	
Yavapai County Community College District GO Bonds	\$ -
Total direct debt	<u>-</u>
<u>Overlapping Debt(1):</u>	
School Districts	74,010,000
Fire Districts	<u>9,991,306</u>
Total overlapping debt	<u>84,001,306</u>
Total direct and overlapping debt	<u>\$ 84,001,306</u>

Source: Yavapai County Treasurer's Office.

Note 1: Excludes improvement districts.

Note 2: All jurisdictions are within the boundaries of the District.

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

Fiscal Year	Pledged Revenues (1)	Debt Service Requirements (2)		Total	Coverage
		Principal	Interest		
2013/14	\$ 10,751,131	\$ 1,190,000	\$ 656,981	\$ 1,846,981	5.82
2014/15	11,214,479	1,230,000	607,518	1,837,518	6.10
2015/16	10,479,162	1,280,000	562,736	1,842,736	5.69
2016/17	10,579,821	1,325,000	516,109	1,841,109	5.75
2017/18	11,072,125	1,380,000	464,509	1,844,509	6.00
2018/19	11,769,695	1,425,000	414,114	1,839,114	6.40
2019/20	10,979,198	1,485,000	361,996	1,846,996	5.94
2020/21	8,710,400	1,530,000	214,168	1,744,168	4.99
2021/22	10,217,259	1,670,000	98,613	1,768,613	5.78
2022/23	12,752,456	1,175,000	81,638	1,256,638	10.15

Source: District records.

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

Note 2: Fiscal year 2022/23 principal and interest payments resulted from the series 2013 and 2021 revenue bonds.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
 ECONOMIC INDICATORS FOR YAVAPAI COUNTY  
 June 30, 2023

<b>Employment by Sector</b>	<b>Employees</b>
Trade, Transportation and Utilities	13,300
Education and Health Services	12,400
Leisure and Hospitality	10,700
Government	10,100
Mining and Construction	7,200
Professional and Business Services	5,300
Manufacturing	3,900
Financial Activities	2,800
Other Services	2,500
Information	500

<b>Employment by Occupation</b>	<b>Percent of Total</b>
Food Preparation and Serving Related	14.5%
Office and Administrative	14.4%
Sales and Related	11.9%
Transportation and Material Moving	8.8%
Construction and Extraction	8.0%
Management	7.7%
Healthcare Practitioners and Technical	6.5%
Education, Training, and Library	6.4%
Other	6.2%
Installation, Maintenance, and Repair	5.4%
Production	4.8%
Healthcare Support	4.7%
Business and Financial Operations	4.2%
Building, Grounds and Maintenance	4.1%
Protective Service	2.9%
Personal Care and Service	2.3%
Community and Social Services	1.6%

<b>Unemployment Rate</b>	4.2%
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<b>Labor Force</b>	110,135
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Source: Arizona Department of Commerce and United States Department of Labor.

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

Major Employers	FY 2022/23			FY 2013/14		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
Yavapai Regional Medical Center	1,980	1	1.80%	1,353	2	1.48%
Yavapai County	1,522	2	1.38%	1,424	1	1.56%
Walmart	1,188	3	1.08%	585	8	0.64%
Veterans Medical Center	1,164	4	1.06%	932	3	1.02%
Freeport McMoran Copper Mine	1,150	5	1.04%	876	4	0.96%
Verde Valley Medical Center	756	6	0.69%	839	5	0.92%
Embry-Riddle University	670	7	0.61%			
State of Arizona	664	8	0.60%	558	10	0.61%
Humbolt Unified School District	632	9	0.57%	644	6	0.70%
Yavapai College	604	10	0.55%	560	9	0.61%
Sturm Ruger & Company	-	-	-	631	7	0.69%
<b>Total</b>	<b>10,330</b>		<b>9.38%</b>	<b>8,402</b>		<b>9.19%</b>

Source: District and the listed employers records.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
 MISCELLANEOUS STATISTICS  
 June 30, 2023

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

<b>Population</b>	<b>2010</b>	<b>2020</b>	<b>2022</b>
Yavapai County	211,144	236,209	246,191
State of Arizona	6,392,017	7,151,502	7,359,197

<b>Age Distribution</b>	<b>% of Total</b>
0-14	12.3%
15-24	9.4%
25-44	18.3%
45-64	25.8%
65+	34.2%

<b>Population Composition</b>	<b>% of Total</b>
<u>RACE</u>	
White	77.1%
Hispanic	15.7%
African American	1.0%
Native American	2.2%
Asian or Pacific Islander	1.6%
Other	2.4%
<b>TOTAL</b>	<b>100.0%</b>

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



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

Fiscal Year	Population	Personal Income (amounts expressed in thousands)	Per Capita Personal Income (1)
2013/14	213,557	\$ 6,956,439	\$ 32,574
2014/15	216,582	7,548,122	34,851
2015/16	219,393	7,923,856	36,117
2016/17	222,867	8,318,748	37,326
2017/18	226,100	8,926,016	39,478
2018/19	229,820	9,410,073	40,945
2019/20	233,062	10,092,937	43,306
2020/21	237,067	11,190,206	47,203
2021/22	242,253	11,884,929	49,060
2022/23	246,191	12,500,990	51,121

Source: Bureau of Economic Analysis and US Census Bureau.

Note 1: Personal Income and Per Capita Personal Income were not available for fiscal year 2022/23. Amounts were estimated based upon the prior years average net change.

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

Fiscal Year	Attendance		Gender		Residency			
	Full-Time	Part-Time	Male	Female	Resident	Out of County	Out of State	Foreign
2013/14	20.0%	80.0%	44.0%	56.0%	85.9%	11.4%	2.6%	0.1%
2014/15	22.0%	78.0%	43.0%	57.0%	85.6%	11.6%	2.7%	0.1%
2015/16	26.0%	74.0%	44.9%	55.1%	83.7%	14.1%	2.1%	0.1%
2016/17	24.0%	76.0%	45.4%	54.6%	82.3%	15.2%	2.4%	0.1%
2017/18	23.0%	77.0%	46.3%	53.7%	87.7%	9.2%	3.0%	0.1%
2018/19	23.0%	77.0%	41.0%	59.0%	86.9%	11.0%	2.0%	0.1%
2019/20	20.0%	80.0%	41.0%	59.0%	83.9%	9.0%	7.0%	0.1%
2020/21	18.0%	82.0%	40.0%	60.0%	84.3%	8.2%	7.4%	0.1%
2021/22	15.0%	85.0%	41.0%	59.0%	85.2%	8.0%	6.7%	0.1%
2022/23	16.0%	84.0%	42.0%	58.0%	87.0%	8.0%	4.9%	0.1%

Fiscal Year	Degrees Awarded	Certificates Awarded
2013/14	571	1068
2014/15	569	1084
2015/16	567	1197
2016/17	539	1212
2017/18	520	1237
2018/19	558	1332
2019/20	745	1466
2020/21	825	1426
2021/22	581	1303
2022/23	504	1134

Fiscal Year	Age		Ethnic Background					
	Median	Mean	American Indian	Asian American	Hispanic	African American	White	Other/Unknown
2013/14	25	33	2.0%	0.9%	12.4%	0.9%	53.3%	30.5%
2014/15	26	33	2.0%	0.9%	12.4%	0.9%	53.2%	30.6%
2015/16	25	32	2.0%	1.1%	14.0%	0.8%	53.1%	29.0%
2016/17	24	32	2.1%	1.1%	14.7%	0.8%	55.0%	26.3%
2017/18	23	32	2.1%	1.2%	16.2%	0.9%	57.4%	22.2%
2018/19	24	32	2.0%	1.1%	18.0%	0.8%	58.9%	19.2%
2019/20	22	31	1.8%	1.2%	17.7%	0.8%	60.5%	18.0%
2020/21	22	28	1.9%	1.3%	19.0%	0.8%	62.5%	14.4%
2021/22	22	30	1.9%	1.3%	19.7%	0.9%	66.8%	9.4%
2022/23	21	31	2.0%	1.7%	20.6%	1.2%	65.1%	9.4%

Source: District records.

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT  
HISTORIC ENROLLMENT  
Last Ten Fiscal Years

Headcount	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
Credit	9,352	9,713	8,393	10,086	9,809	10,116	10,000	10,245	10,970	11,518
Non-Credit	2,633	2,319	1,334	3,340	4,427	4,185	4,351	4,126	4,348	4,013

FTSE by Campus	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
Prescott	692	670	137	1,109	1,127	1,154	1,149	1,229	1,357	1,446
Verde	167	178	52	211	209	242	262	270	271	278
Sedona	14	20	19	18	21	22	1	1	1	21
Prescott Valley	72	65	26	99	96	125	134	155	135	208
Chino Valley	84	63	50	69	67	60	66	70	85	79
CTEC	264	222	167	240	266	267	272	287	298	305
Online	1,459	1,541	2,236	1,283	1,253	1,205	1,163	1,111	1,183	1,162
Dual enrollment	386	376	325	406	313	324	339	341	323	331
Other (1)	36	38	31	53	76	72	60	84	153	173
Total District	3,174	3,173	3,043	3,488	3,428	3,471	3,446	3,548	3,806	4,003

Source: District records.

Note 1: Other primarily includes courses held at non-campus locations.

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

	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
<b>Faculty</b>										
Regular	98	96	99	105	105	97	97	101	104	106
Adjunct	73	82	57	66	75	93	90	98	96	99
<b>Staff</b>										
Regular	367	342	321	325	330	319	301	306	300	297
Temporary	66	64	45	57	54	57	58	56	64	58

Source: District records.

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

Asset Type	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
Computers and Peripherals	\$ 1,507,717	\$ 1,537,801	\$ 1,616,147	\$ 1,631,024	\$ 1,546,901	\$ 1,295,356	\$ 1,142,010	\$ 1,150,495	\$ 1,233,762	\$ 1,196,160
Network Equipment	2,725,852	2,535,318	2,701,523	2,477,802	2,883,050	3,064,437	2,913,689	2,654,860	2,677,376	2,359,675
Audio Visual Equipment	1,242,743	1,317,197	1,651,268	1,528,311	1,516,487	1,296,684	1,249,516	1,229,944	1,225,266	831,455
Office Equipment & Furniture	9,449,080	8,245,683	8,004,528	6,799,055	6,020,864	5,545,699	5,197,832	4,811,720	4,904,479	4,435,695
Software	2,149,149	2,149,149	2,149,149	2,149,149	2,149,149	2,149,149	2,149,149	2,149,149	2,149,148	2,149,148
Vehicles	3,184,626	3,060,813	2,855,762	2,673,598	2,438,450	2,187,536	1,987,405	1,928,094	1,702,607	1,597,998
Intangibles	723,461	273,587	273,587	273,587	273,587	273,587	273,587	273,587	273,587	273,587
Library Books	1,232,979	2,357,981	2,487,785	2,628,385	2,671,516	2,821,116	2,937,130	2,943,627	2,911,534	2,931,383
Buildings <sup>(1)</sup>	212,280,246	210,052,476	201,902,654	192,612,218	190,931,114	188,925,334	168,515,842	168,842,849	153,119,356	146,564,885
Construction in Progress	1,039,217	258,529	4,769,641	7,503,553	1,343,304	150,275	14,601,323	1,041,996	10,889,328	6,072,505
Site Improvements	32,802,515	30,966,537	30,227,383	29,039,709	27,772,836	25,342,107	23,687,737	21,081,294	20,032,047	17,367,536
Land	7,833,893	7,828,893	5,628,526	5,628,526	5,628,526	5,628,526	5,628,526	5,628,526	5,628,526	5,415,888
	\$ 276,171,478	\$ 270,583,964	\$ 264,267,953	\$ 254,944,917	\$ 245,175,784	\$ 238,679,806	\$ 230,283,746	\$ 213,736,141	\$ 206,747,016	\$ 191,195,915

Source: District records.

Note 1: The balance of buildings for FY 2016/17 has been restated and reduced by \$1,300,990 to remove several older, mostly prefabricated, impaired buildings that were demolished in prior years.