

Yavapai County Community College District

Expenditure Limitation Report

Year Ended June 30, 2017



A Report to the Arizona Legislature

Debra K. Davenport
Auditor General





The Auditor General is appointed by the Joint Legislative Audit Committee, a bipartisan committee composed of five senators and five representatives. Her mission is to provide independent and impartial information and specific recommendations to improve the operations of state and local government entities. To this end, she provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits and special reviews of school districts, state agencies, and the programs they administer.

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DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent accountants' report

Members of the Arizona State Legislature

The Governing Board of
Yavapai County Community College District

We have examined the accompanying annual budgeted expenditure limitation report of Yavapai County Community College District for the year ended June 30, 2017, and the related notes to the report. The District's management is responsible for presenting this report in accordance with the uniform expenditure reporting system as described in note 1. Our responsibility is to express an opinion on this report based on our examination.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the uniform expenditure reporting system in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the annual budgeted expenditure limitation report referred to above is presented in accordance with the information prescribed by the uniform expenditure reporting system as described in note 1 in all material respects.

Jay Zsorey, CPA
Financial Audit Director

March 1, 2018



**Yavapai County Community College District
(Yavapai College)
Annual budgeted expenditure limitation report—part I
Year ended June 30, 2017**

1. Economic Estimates Commission expenditure limitation	\$41,393,014
2. Amount subject to the expenditure limitation (total amount from part II, line C)	<u>39,317,198</u>
3. Amount under the expenditure limitation	<u>\$ 2,075,816</u>

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the uniform expenditure reporting system.

Signature of chief fiscal officer: _____

Name and Title: Clint Ewell, Vice President of Finance and Administrative Services

Telephone number: (928) 776-2110 Date: March 1, 2018

See accompanying notes to report.

**Yavapai County Community College District
(Yavapai College)
Annual budgeted expenditure limitation report—part II
Year ended June 30, 2017**

Description	Current funds			Plant funds		Total
	Unrestricted		Restricted	Unexpended	Retirement of indebtedness	
	General	Auxiliary enterprises				
A. Total budgeted expenditures	\$ 44,161,000	\$ 4,300,900	\$ 14,275,400	\$ 11,648,400	\$ 6,896,000	\$ 81,281,700
B. Less exclusions claimed:						
Debt service requirements (Note 3)					6,892,859	6,892,859
Dividends, interest, and gains on the sale or redemption of investment securities (Note 4)	48,118			49,606	3,141	100,865
Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts (Note 5)			10,624,112			10,624,112
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 6)	6,200	407,192	769,846	103,635		1,286,873
Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements (Note 2)				11,495,159		11,495,159
Tuition and fees (Note 7)	10,030,509	837,197				10,867,706
Amounts received from the State of Arizona on workforce development in accordance with A.R.S. §15-1472			696,928			696,928
Total exclusions claimed	<u>10,084,827</u>	<u>1,244,389</u>	<u>12,090,886</u>	<u>11,648,400</u>	<u>6,896,000</u>	<u>41,964,502</u>
C. Amounts subject to the expenditure limitation	<u>\$ 34,076,173</u>	<u>\$ 3,056,511</u>	<u>\$ 2,184,514</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,317,198</u>

See accompanying notes to report.

**Yavapai County Community College District
(Yavapai College)
Notes to annual budgeted expenditure limitation report
Year ended June 30, 2017**

Note 1 - Summary of significant accounting policies

The annual budgeted expenditure limitation report (ABELR) is presented as prescribed by the uniform expenditure reporting system (UERS), as required by Arizona Revised Statutes (A.R.S.) §41-1279.07. The ABELR excludes expenditures of certain revenues specified by the Arizona Constitution, Article IX, §21, and A.R.S. §§15-792.03, 15-795.01, 15-1472, and 15-1444 from the total budgeted expenditures.

The information reported in both the ABELR and the financial statements is derived from the same underlying accounting data. However, the formats of the ABELR and the financial statements differ. The ABELR presents budgeted expenditures, exclusions, and amounts subject to the limitation by fund type as required by A.R.S. §41-1279.07. The financial statements present the net position, changes in net position, and cash flows in accordance with U.S. generally accepted accounting principles.

In accordance with UERS requirements, a note to the ABELR is presented below for any exclusion reported in the total column on part II that cannot be traced directly to an amount reported on the annual financial statements.

Note 2

The District claimed an exclusion of \$11,495,159 for amounts accumulated for the purchase of land and the purchase or construction of buildings or improvements. This amount is included as part of the \$17,344,659 reported as purchases of capital assets on the statement of cash flows—primary government.

Note 3

The exclusion claimed for debt service requirements includes the amounts reported as principal and interest paid on capital debt on the statement of cash flows—primary government.

Note 4

The following schedule presents exclusions claimed for dividends, interest, and gains on the sale or redemption of investment securities:

Investment earnings reported on the statement of revenues, expenses, and changes in net position—primary government	\$110,841
Interest income not excludable	<u>(9,976)</u>
Total	<u>\$100,865</u>

Note 5

The following schedule presents revenues from which exclusions have been claimed for grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts:

**Yavapai County Community College District
(Yavapai College)
Notes to annual budgeted expenditure limitation report
Year ended June 30, 2017**

**Statement of revenues,
expenses and changes in net
position—primary government:**

Government grants	<u>\$10,937,647</u>
Total	<u>\$10,937,647</u>

**Annual budgeted expenditure
limitation report:**

Grants and aid from the federal government	\$10,624,112
Other revenues (nonexcludable)	<u>313,535</u>
Total	<u>\$10,937,647</u>

Note 6

The following schedule presents revenues from which exclusions have been claimed for grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes:

**Statement of revenues,
expenses, and changes in net
position—primary government:**

Capital grants and gifts	\$ 110,161
Private grants and gifts	<u>1,199,853</u>
Total	<u>\$1,310,014</u>

**Annual budgeted expenditure
limitation report:**

Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	\$1,286,873
Grants and gifts not excludable	<u>23,141</u>
Total	<u>\$1,310,014</u>

Note 7

The District does not budget tuition and fees revenues net of scholarship allowances. Of the gross tuition and fees of \$11,442,951 reported on the statement of revenues, expenses, and changes in net position—primary government, only \$10,867,706 was expended and claimed as an exclusion. Revenues of \$571,210 have been carried forward to future years.

