

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2024**



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**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024**

INDEPENDENT ACCOUNTANTS' REPORT	1
ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT – PART I	2
ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT – PART II	3
ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT – RECONCILIATION	4
NOTES TO ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT	5



INDEPENDENT ACCOUNTANTS' REPORT

Auditor General of the State of Arizona and
The Governing Board of
Yavapai County Community College District

We have examined the accompanying Annual Budgeted Expenditure Limitation Report (report) of Yavapai County Community College District (the District), for the year ended June 30, 2024, 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* (UERS) as described in Note 1. Our responsibility is to express an opinion on this report based on our examination.

Our examination was conducted 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 UERS 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 judgement, 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Annual Budgeted Expenditure Limitation Report of Yavapai County Community College District, referred to above is presented in accordance with the *Uniform Expenditure Reporting System* as described in Note 1, in all material respects.

CliftonLarsonAllen LLP

Phoenix, Arizona
October 21, 2025

Yavapai County Community College District
(Yavapai College)
Annual budgeted expenditure limitation report—Part I
Year ended June 30, 2024

1. Economic Estimates Commission expenditure limitation	\$51,167,433
2. Amount subject to the expenditure limitation (total amount from part II, line C)	<u>51,164,064</u>
3. Amount under the expenditure limitation	<u>\$ 3,369</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: Clint Ewell

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

Telephone number: (928) 776-2110 Date: October 21, 2025

Yavapai County Community College District
(Yavapai College)
Annual budgeted expenditure limitation report—Part II
Year ended June 30, 2024

Description	Total
A.	
Final adopted budgeted expenditures from Reconciliation, line E	\$104,100,400
B.	
Less exclusions claimed:	
1. Debt service requirements (Note 2)	1,256,462
2. Dividends, interest, and gains on the sale or redemption of investment securities	1,564,315
3. Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts (Note 3)	14,024,970
4. Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 4)	2,790,269
5. Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements (Note 5)	13,807,004
6. Tuition and fees (Note 6)	11,639,190
7. Amounts earned through research and entrepreneurial activities (Note 6)	2,731,949
8. Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472 (Note 7)	1,344,815
9. Prior years carryforward (Note 8)	3,777,362
Total exclusions claimed	<u>52,936,336</u>
C.	
Amount subject to the expenditure limitation	<u>\$ 51,164,064</u>

See accompanying notes to report.

Yavapai County Community College District
(Yavapai College)
Annual budgeted expenditure limitation report—Reconciliation
Year ended June 30, 2024

Description		Total
A.	Total operating and nonoperating expenses and applicable special items and extraordinary items reported within the financial statements	\$ 87,708,661
B.	Subtractions:	
	1. Items not requiring use of current financial resources:	
	a. Depreciation and amortization	8,326,242
	b. Loss on disposal of capital assets	567,611
	c. Bad debt expense	86,948
	d. Pension expense (Note 9)	4,400,077
	e. Compensated absences (Note 10)	1,386,246
	2. Total subtractions	14,767,124
C.	Additions:	
	1. Principal payments on long-term debt (Note 11)	1,414,968
	2. Capital asset acquisitions (Note 5)	13,807,004
	3. Amounts paid in the current year but reported as expenses in previous years:	
	a. Compensated absences (Note 10)	1,160,384
	4. Pension contributions paid in the current year (Note 9)	3,716,642
	5. Scholarship allowance	3,889,012
	6. Total additions	23,988,010
D.	Total financial statement expenses adjusted to UERS-basis actual expenditures (Line A. - Line B.2. + Line C.6.)	\$ 96,929,547
E.	Total budgeted expenditures	
	Original and final adopted budgeted expenditures reported on part II, line A (Note 12)	\$ 104,100,400

See accompanying notes to report.

Yavapai County Community College District
(Yavapai College)
Notes to Annual Budgeted Expenditure Limitation Report
Year ended June 30, 2024

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, 15-1444, and 15-1472, as applicable, from the total budgeted expenditures.

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

Note 2

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 3

Of the \$11,915,761 reported as government grants and \$2,456,945 reported as smart and safe Arizona fund appropriations on the statement of revenues, expenses, and changes in net position—primary government, \$14,024,970 was expended and claimed as an exclusion for grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts. The remaining \$347,736 has been carried forward to future years.

Note 4

Of the combined \$2,801,160 reported as private grants and gifts and capital grants and gifts on the statement of revenues, expenses, and changes in net position—primary government, \$2,790,269 was expended and claimed as an exclusion for grants, aid, contributions, or gifts from a private agency, organization, or individual except amounts received in lieu of taxes. Of the remaining \$10,891, \$5,865 was not excludable revenue and \$5,026 has been carried forward to future years.

Yavapai County Community College District
(Yavapai College)
Notes to Annual Budgeted Expenditure Limitation Report
Year ended June 30, 2024

Note 5

Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements of \$13,807,004 are included in the acquisition of capital assets on the Statement of Cash Flows-Primary Government. Of the \$16,045,500 reported as acquisition of capital assets in the Statement of Cash Flows-Primary Government, \$2,238,496 was not recorded as an exclusion since that amount was used for equipment, software, library books, and professional services expenditures.

Note 6

The District does not budget tuition and fees and dormitory rental revenues net of scholarship allowances. The following schedule presents revenues from which exclusions have been claimed for tuition and fees and amounts earned through research and entrepreneurial activities, which are included in other revenues:

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

Tuition and fees (gross)	\$13,430,344
Dormitory rentals (gross)	1,279,864
Bookstore income	38,422
Other operating revenues	2,924,811
Total	<u>\$17,673,441</u>

Annual budgeted expenditure limitation report:

Tuition and fees	\$11,639,190
Amounts earned through research and entrepreneurial activities	2,731,949
Other revenues (nonexcludable)	192,862
Unspent revenues carried forward	3,109,440
Total	<u>\$17,673,441</u>

Note 7

Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472 are reported as the share of State sales taxes on the statement of revenues, expenses, and changes in net position—primary government. Of the \$1,355,176 revenues received, \$1,344,815 was expended and claimed as an exclusion. The remaining \$10,361 has been carried forward to future years.

Yavapai County Community College District
(Yavapai College)
Notes to Annual Budgeted Expenditure Limitation Report
Year ended June 30, 2024

Note 8

Revenues that are constitutionally excludable and unexpended in the year of receipt may be accumulated and excluded in future years when spent. A summary of the excludable revenue sources and the changes in those balances is shown in the table below.

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts	\$5,216,443	\$347,736	\$89,829	\$5,474,350
Grants, aid, contributions, or gifts from private agency, organization, or individual, except amounts received in lieu of taxes	25,644	5,026	-	30,670
Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements	7,620,292	-	1,705,943	5,914,349
Tuition and fees	24,659,721	3,109,440	1,981,590	25,787,571
Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472	1,473,620	10,361	-	1,483,981
Total Carryforward	<u>\$38,995,720</u>	<u>\$3,472,563</u>	<u>\$3,777,362</u>	<u>\$38,690,921</u>

Yavapai County Community College District
(Yavapai College)
Notes to Annual Budgeted Expenditure Limitation Report
Year ended June 30, 2024

Note 9

The \$4,400,077 subtraction for pension expense consists of changes in the net pension liabilities and changes in deferred inflows and outflows related to pensions recognized in the current year. The \$3,716,642 addition for pension contributions paid in the current year consists of the required pension contributions made to the Arizona State Retirement System. The schedule below reconciles the net effect the subtraction and addition have on the expenditures subject to the limitation to the amounts reported on the statement of cash flows' net effect on cash.

Statement of cash flows—primary government:

Change in deferred inflows related to pensions	(\$199,374)
Change in deferred outflows related to pensions	127,412
Change in net pension liability	755,397
Total	<u>\$683,435</u>

Annual budgeted expenditure limitation report
reconciliation:

Pension contributions - addition	\$3,716,642
Pension expense - subtraction	(4,400,077)
Total	<u>(\$683,435)</u>

Note 10

The \$1,386,246 subtraction for compensated absences consists of the estimated costs of compensated absences incurred and expensed in the current year but not yet paid. The \$1,160,384 addition for compensated absences in the current year, but reported as expenses in previous years, consists of cash payments in the current year for compensated absences recognized as an expense in previous years.

Note 11

The \$1,414,968 reported as principal payments on long-term debt additions reported on the Reconciliation includes both the \$1,190,000 payments of general obligation debt and the payments of subscription based information technology arrangements of \$224,968 reported in payments to suppliers and providers of goods and services on the statement of cash flows.

Yavapai County Community College District
(Yavapai College)
Notes to Annual Budgeted Expenditure Limitation Report
Year ended June 30, 2024

Note 12

The District's final adopted budget is equal to its original adopted budget. Therefore, the District does not have any budgetary adjustment to report. The difference of \$7,170,853 between the UERS-basis actual expenditures of \$96,929,547 and the final adopted budgeted expenditures of \$104,100,400 is attributable primarily to an underspend of building renovations of \$5,181,422, lower than expected spend for services of \$819,060, and no use of the tuition contingency budget of \$630,000.



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