

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT

**REPORT ON AUDIT OF ANNUAL BUDGETED
EXPENDITURE LIMITATION REPORT**

YEAR ENDED JUNE 30, 2010

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
REPORT ON AUDIT OF ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2010**

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

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying Annual Budgeted Expenditure Limitation Report of Yavapai County Community College District (the District) for the year ended June 30, 2010. This report is the responsibility of the District's management. Our responsibility is to express an opinion on this report based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the report. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall report presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Annual Budgeted Expenditure Limitation Report was prepared for the purpose of complying with the uniform expenditure reporting system as discussed in Note 1, and is not intended to be a presentation in conformity with U.S. generally accepted accounting principles.

In our opinion, the Annual Budgeted Expenditure Limitation Report of Yavapai County Community College District for the year ended June 30, 2010, referred to above presents fairly, in all material respects, the information required by the uniform expenditure reporting system on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the members of the Arizona State Legislature, the Governing Board, management, and others within the District and for filing with the Auditor General of the State of Arizona, and is not intended to be or should not be used by anyone other than these specified parties.

LarsonAllen LLP

LarsonAllen LLP

Mesa, Arizona
December 10, 2010



(1)

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**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT – PART I
YEAR ENDED JUNE 30, 2010**

1. Economic Estimates Commission expenditure limitation		\$ 40,285,827
2. Total amount subject to the expenditure limitation (from Part II, Line C)	\$ 40,811,531	
3. Less expenditures of monies received pursuant to Arizona Revised Statutes §15-1472 (workforce development)	<u>(525,705)</u>	
4. Adjusted amount subject to the expenditure limitation		<u>40,285,826</u>
5. Amount under the expenditure limitation		<u><u>\$ 1</u></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 Administrative Services

Telephone Number: 928-776-2110 Date: January 24, 2011

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT – PART II
YEAR ENDED JUNE 30, 2010**

<u>Description</u>	<u>Current Funds</u>			<u>Plant Funds</u>		<u>Total</u>
	<u>Unrestricted</u>		<u>Restricted</u>	<u>Unexpended</u>	<u>Retirement of Indebtedness</u>	
	<u>General</u>	<u>Auxiliary Enterprises</u>				
A. Total Budgeted Expenditures:	\$ 34,406,641	\$ 7,327,572	\$ 10,750,115	\$ 6,996,425	\$ 5,464,754	\$ 64,945,507
B. Less Exclusions Claimed:						
Debt Service Requirements on Bonded Indebtedness (Note 3)					5,444,733	5,444,733
Proceeds from Other Long-term Obligations (Note 4)				361,509		361,509
Debt Service Requirements on Other Long-term Obligations (Note 3)		63,430		1,878,798		1,942,228
Dividends, Interest, and Gains on the Sale or Redemption of Investment Securities (Note 5)	48,902	13		15,602	17,128	81,645
Grants and Aid from the Federal Government (Note 6)			9,779,620			9,779,620
Grants, Aid, Contributions or Gifts from a Private Agency, Organization or Individuals, Except Amounts Received in Lieu of Taxes (Note 7)		302,843	388,354	318,367		1,009,564
Amounts Accumulated for the Purchase of Land, and the Purchase or Construction of Buildings or Improvements (Note 2)				1,609,088		1,609,088
Tuition and Fees (Note 8)	2,317,335	702,396				3,019,731
Prior Years Carryforward (Note 9)	152,330			733,528		885,858
Total Exclusions Claimed	<u>2,518,567</u>	<u>1,068,682</u>	<u>10,167,974</u>	<u>4,916,892</u>	<u>5,461,861</u>	<u>24,133,976</u>
C. Amounts Subject to the Expenditure Limitation	<u>\$ 31,888,074</u>	<u>\$ 6,258,890</u>	<u>\$ 582,141</u>	<u>\$ 2,079,533</u>	<u>\$ 2,893</u>	<u>\$ 40,811,531</u>

See accompanying Notes to Report.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Annual Budgeted Expenditure Limitation Report (ABELR) is presented on the basis of accounting prescribed by the uniform expenditure reporting system (UERS), as required by Arizona Revised Statutes (A.R.S.) §41-1279.07, which excludes expenditures of certain revenues specified by the Arizona Constitution, Article IX, §21 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 assets, changes in net assets, 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 Yavapai County Community College District claimed an exclusion of \$1,609,088 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 \$3,589,806 reported as purchases of capital assets on the Statement of Cash Flows – Primary Government, except that the purchases of capital assets amount includes amounts financed with other, non-excludable revenues and prior year's carryforward (see Note 9).

NOTE 3 Exclusions claimed for debt service requirements on bonded indebtedness and debt service requirements on other long-term obligations are \$5,444,733 and \$1,942,228, respectively.

Both amounts are included in the amounts reported as principal paid on capital debt on the Statement of Cash Flows – Primary Government and interest expense on debt on the Statement of Revenues, Expenses, and Changes in Net Assets – Primary Government, except that interest expense did not include \$14,214 in capitalized interest.

NOTE 4 Exclusions claimed for proceeds from other long-term obligations are \$361,509.

This amount is included in the amount reported as proceeds from issuance of capital debt on the Statement of Cash Flows – Primary Government.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2010**

NOTE 5 The following schedule presents exclusions claimed for dividends, interest, and gains from the sale or redemption of investment securities:

Investment Earnings Reported on the Statement of Revenues, Expenses, and Changes in Net Assets - Primary Government	\$ 85,984
Interest Income Not Excludable	<u>(4,339)</u>
Total	<u><u>\$ 81,645</u></u>

NOTE 6 The following schedule presents revenues from which exclusions have been claimed for grants and aid from the federal government:

Statement of Revenues, Expenses, and Changes in Net Assets - Primary Government:	ABELR:		
Government Grants and Contracts		Grants and Aid from the Federal Government	
<u>\$ 9,945,752</u>			<u>\$ 9,779,620</u>
		Total Exclusions Claimed	9,779,620
		Other Revenues (Non-Excludable)	<u>\$ 166,132</u>
Total	<u><u>\$ 9,945,752</u></u>	Total	<u><u>\$ 9,945,752</u></u>

NOTE 7 The total amount of \$1,009,564 reported as private gifts and capital grants and gifts on the Statement of Revenues, Expenses, and Changes in Net Assets – Primary Government was expended and claimed as an exclusion.

NOTE 8 Yavapai County Community College District does not budget tuition and fees revenues net of scholarship allowances. Of the gross tuition and fees of \$8,642,499 reported on the Statement of Revenues, Expenses, and Changes in Net Assets – Primary Government, only \$3,019,731 was expended and claimed as an exclusion. The remaining \$5,622,768 has been carried forward to future years.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2010**

NOTE 9 Prior year's carryforward consists of constitutionally excludable revenues unexpended in the year of receipt that have been accumulated and were expended in the current year as follows:

Description	Unexpended Plant Fund
Bond Proceeds	\$ 418,633
Lease Proceeds	467,225
Total Prior Years Carryforward	<u>\$ 885,858</u>