

Yavapai County Community College District

CONCLUSION: Yavapai County Community College District is responsible for preparing its annual financial report and a federal expenditure schedule, maintaining effective internal controls, and being accountable for its use of public monies. Our Office is responsible for auditing the District's financial statements, schedule, and major federal programs annually. A summary of the District's financial statements and federal expenditure schedule is presented below.

Based on our audits, we issued opinions on the District's financial statements and federal expenditure schedule and issued reports on internal control and on compliance over financial reporting and major federal programs. The information in the District's fiscal year 2016 financial statements and schedule is reliable. Our Office did not report any weaknesses in the District's internal control or instances of noncompliance over financial reporting and major federal programs.

Condensed financial information

Statement of net position—This statement reports all of the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Net position is reported in three major categories:

- **Net investment in capital assets**—shows the equity in property, buildings, and equipment.
- **Restricted**—shows the resources that must be used for restricted purposes as specified by donors and other external entities, such as the federal government.
- **Unrestricted**—shows the remaining net position balance after allocating the net investment in capital assets and restricted balances.

Statement of revenues, expenses, and changes in net position—This statement reports all revenues, expenses, and other changes in net position. The increase or decrease in net position indicates whether financial health has improved or deteriorated as a result of current-year activities. Net position increased by \$11.4 million, or 13 percent, in fiscal year 2016.

Federal expenditure schedule— During fiscal year 2016, the District expended approximately \$16.4 million in federal awards, which consisted primarily of student financial assistance. The District's federal award expenditures decreased by \$2.5 million, or 13 percent, compared to fiscal year 2015.

Statement of net position As of June 30, 2016 (In thousands)

Assets and deferred outflows	
Current and other assets	\$ 29,277
Capital assets, net of depreciation	146,791
Deferred outflows of resources	4,190
Total assets and deferred outflows	180,258
Liabilities and deferred inflows	
Current liabilities	11,472
Noncurrent liabilities:	
Net pension liability	30,574
Other	35,023
Deferred inflows of resources	2,830
Total liabilities and deferred inflows	79,899
Net position	
Net investment in capital assets	107,846
Restricted	1,404
Unrestricted	(8,891)
Total net position	\$100,359

Statement of revenues, expenses, and changes in net position Year ended June 30, 2016 (In thousands)

Revenues	
Tuition and fees, net of scholarship allowances	\$ 8,308
Property taxes	47,421
State appropriations	1,696
Government grants	11,574
Other revenues	4,182
Total revenues	73,181
Expenses	
Educational and general	52,348
Depreciation	6,118
Other expenses	3,282
Total expenses	61,748
Increase in net position	11,433
Net position—beginning	88,926
Net position—ending	\$100,359

Federal expenditure schedule Year ended June 30, 2016 (In thousands)

Federal grantor agency	
Department of Education	\$15,667
Department of Labor	482
Small Business Administration	123
Department of Health and Human Services	109
Department of Agriculture	23
National Science Foundation	17
Total federal expenditures	\$16,421

Understanding the District's financial report

Understanding how to extract information from the District's financial report is important when reviewing financial performance and evaluating future financial decisions. As described below, our Office's financial report user guide and internal control and compliance reports user guide, available at azauditor.gov/under-reports-and-publications, help users identify and understand important and useful information in the District's financial report and in our reports on internal control and on compliance over financial reporting and federal programs. Specifically:

- **Financial report user guide**—describes key financial information contained in district financial reports and indicates where to find this information. Key components in a financial report include the independent auditors' report, management's discussion and analysis, financial statements, notes to financial statements, and other required supplementary information.
- **Internal control and compliance reports user guide**—describes our internal control and compliance reports over financial reporting and federal programs. Those reports, which are included in our single audit report, provide information about whether the District has effective internal control procedures and whether it has complied with certain financial- and federal-related laws and regulations.