

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 2017 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 because of current-year activities. Net position increased by \$12.1 million, or 12 percent, in fiscal year 2017.

Federal expenditure schedule—During fiscal year 2017, the District expended approximately \$15.3 million in federal awards, which consisted primarily of student financial assistance. The District's federal award expenditures decreased by \$1.2 million, or 7 percent, compared to fiscal year 2016.

Statement of net position As of June 30, 2017 (In thousands)

Assets and deferred outflows	
Current and other assets	\$ 26,091
Capital assets, net of depreciation	158,479
Deferred outflows of resources	6,807
Total assets and deferred outflows	191,377
Liabilities and deferred inflows	
Current liabilities	14,157
Noncurrent liabilities:	
Net pension liability	31,657
Other	29,128
Deferred inflows of resources	3,948
Total liabilities and deferred inflows	78,890
Net position	
Net investment in capital assets	121,900
Restricted	1,277
Unrestricted (deficit)	(10,690)
Total net position	\$112,487

Statement of revenues, expenses, and changes in net position Year ended June 30, 2017 (In thousands)

Revenues	
Tuition and fees, net of scholarship allowances	\$ 8,279
Property taxes	48,541
State appropriations	1,574
Government grants and contracts	10,938
Other revenues	4,383
Total revenues	73,715
Expenses	
Instruction and academic support	22,584
Scholarships and student services	12,672
Institutional support and operation and maintenance of plant	14,983
Other expenses	11,347
Total expenses	61,586
Increase in net position	12,129
Net position—beginning	100,358
Net position—ending	\$112,487

Federal expenditure schedule Year ended June 30, 2017 (In thousands)

Federal grantor agency	
Department of Education	\$14,675
National Science Foundation	386
Small Business Administration	102
Department of Health and Human Services	62
Department of Agriculture	43
Total federal expenditures	\$15,268

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, help users identify and understand important and useful information in the District's financial report and in our reports on internal control and 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.