

# Yavapai County Community College District

Annual Budgeted Expenditure  
Limitation Report

Year Ended June 30, 2019



A Report to the Arizona Legislature

Lindsey A. Perry  
Auditor General





The Arizona Office of the Auditor General's mission is to provide independent and impartial information and specific recommendations to improve the operations of State and local government entities. To this end, the Office 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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## Audit Staff

**Donna Miller**, Director  
**David Glennon**, Manager

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**MELANIE M. CHESNEY**  
DEPUTY AUDITOR GENERAL

**ARIZONA AUDITOR GENERAL**  
**LINDSEY A. PERRY**

**JOSEPH D. MOORE**  
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, 2019, 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 Uniform Expenditure Reporting System as described in Note 1 in all material respects.

Donna Miller, CPA  
Director, Financial Audit Division

February 21, 2020

**Yavapai County Community College District  
(Yavapai College)  
Annual Budgeted Expenditure Limitation Report—Part I  
Year ended June 30, 2019**

1. Economic Estimates Commission expenditure limitation	\$45,090,861
2. Total amount subject to the expenditure limitation (from Part II, Line C)	<u>40,721,980</u>
3. Amount under the expenditure limitation	<u>\$ 4,368,881</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: (Signature removed for website presentation.)

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

Telephone number: (928) 776-2110 Date: February 21, 2020

See accompanying notes to report.

**Yavapai County Community College District  
(Yavapai College)  
Annual Budgeted Expenditure Limitation Report—Part II  
Year ended June 30, 2019**

Description	Current funds			Plant funds		Total
	Unrestricted		Restricted	Unexpended	Retirement of indebtedness	
	General	Auxiliary enterprises				
A. Total budgeted expenditures	\$ 46,918,900	\$ 4,752,000	\$ 13,844,200	\$ 15,088,200	\$ 6,887,700	\$ 87,491,000
B. Less exclusions claimed:						
Debt service requirements (Note 3)				4,020,000	6,774,013	10,794,013
Dividends, interest, and gains on the sale or redemption of investment securities	262,453			146,115	49,214	457,782
Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts			10,894,560			10,894,560
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 4)	59,515	444,739	922,362			1,426,616
Amounts accumulated for purchases of land, and the purchase or construction of buildings or improvements (Note 2)				7,021,961		7,021,961
Tuition and fees (Note 5)	11,410,577	2,329,619				13,740,196
Amounts earned through research and entrepreneurial activities (Note 7)		1,258,976				1,258,976
Amounts received from the State of Arizona on workforce development in accordance with A.R.S. §15-1472			778,901			778,901
Carryforwards (Note 6)			396,015			396,015
Total exclusions claimed	<u>11,732,545</u>	<u>4,033,334</u>	<u>12,991,838</u>	<u>11,188,076</u>	<u>6,823,227</u>	<u>46,769,020</u>
C. Amounts subject to the expenditure limitation	<u>\$ 35,186,355</u>	<u>\$ 718,666</u>	<u>\$ 852,362</u>	<u>\$ 3,900,124</u>	<u>\$ 64,473</u>	<u>\$ 40,721,980</u>

See accompanying notes to report.

**Yavapai County Community College District  
(Yavapai College)  
Notes to Annual Budgeted Expenditure Limitation Report  
Year ended June 30, 2019**

**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.

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 \$7,021,961 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 \$9,953,148 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 and the principal portion of the payment to escrow agent for defeasance of GO bonds reported on the statement of cash flows—primary government.

**Note 4**

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:

<b>Statement of revenues, expenses and changes in net position—primary government:</b>		<b>Annual Budgeted Expenditure Limitation Report:</b>	
Capital grants and gifts	\$1,200,124	Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	\$1,426,616
Private grants and gifts	<u>1,444,067</u>	Grants and gifts not excludable	<u>1,217,575</u>
Total	<u>\$2,644,191</u>	Total	<u>\$2,644,191</u>

**Yavapai County Community College District  
(Yavapai College)  
Notes to Annual Budgeted Expenditure Limitation Report  
Year ended June 30, 2019**

**Note 5**

The District does not budget tuition and fees and dormitory rentals revenues net of scholarship allowances. Of the gross tuition and fees and dormitory rentals revenues of \$12,387,695 and \$1,183,007, respectively, reported on the statement of revenues, expenses, and changes in net position—primary government, the entire amount was claimed as an exclusion. The District also claimed the entire amount of bookstore income of \$162,945 on the statement of revenues, expenses, and changes in net position—primary government and food and cafeteria income included in other revenue on the statement of revenues, expenses, and changes in net position—primary government for a total of \$13,740,196 excluded as tuition and fees.

**Note 6**

The prior years carryforward consists of constitutionally excludable revenues unexpended in the year of receipt that have been accumulated and were expended in the current year. The \$396,015 was received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472 in prior years and was expended and claimed as an exclusion.

**Note 7**

Amounts earned through research and entrepreneurial activities are included in other revenues on the statement of revenues, expenses, and changes in net position—primary government. Of these excludable revenues, \$1,258,976 was expended and claimed as an exclusion.

