

YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT

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

YEAR ENDED JUNE 30, 2012

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
REPORT ON AUDIT OF ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT
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YEAR ENDED JUNE 30, 2012**

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CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Auditor General of the State of Arizona
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, 2012. 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, 2012, 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.

A handwritten signature in cursive script that reads 'CliftonLarsonAllen LLP'.

CliftonLarsonAllen LLP

Mesa, Arizona
November 19, 2012

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT – PART I
YEAR ENDED JUNE 30, 2012**

1. Economic Estimates Commission expenditure limitation		\$ 47,208,739
2. Total amount subject to the expenditure limitation (from Part II, Line C)	\$ 47,733,171	
3. Less expenditures of monies received pursuant to Arizona Revised Statutes §15-1472 (workforce development)	<u>524,433</u>	
4. Adjusted amount subject to the expenditure limitation		<u>47,208,738</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 Finance and Administrative Services

Telephone Number: 928-776-2110 Date: November 19, 2012

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT – PART II
YEAR ENDED JUNE 30, 2012**

Description	Current Funds			Plant Funds		Total
	Unrestricted		Restricted	Unexpended	Retirement of Indebtedness	
	General	Auxiliary Enterprises				
A. Total Budgeted Expenditures:	\$ 38,161,900	\$ 5,969,300	\$ 12,638,000	\$ 25,116,100	\$ 5,477,000	\$ 87,362,300
B. Less Exclusions Claimed:						
Debt Service Requirements on Bonded Indebtedness (Note 2)					4,868,106	4,868,106
Debt Service Requirements on Other Long-term Obligations (Note 2)				3,018,491		3,018,491
Dividends, Interest, and Gains on the Sale or Redemption of Investment Securities (Note 3)	29,901	3		47,399		77,303
Grants and Aid from the Federal Government (Note 4)			11,680,382			11,680,382
Grants, Aid, Contributions, or Gifts from a Private Agency, Organization, or Individual, Except Amounts Received in Lieu of Taxes (Note 5)		367,009	343,230	505,035		1,215,274
Tuition and Fees (Note 6)	10,166,730	740,090				10,906,820
Refunds, Reimbursements, and Other Recoveries (Note 7)	162,243					162,243
Prior Years Carryforward (Note 8)				7,700,510		7,700,510
Total Exclusions Claimed	<u>10,358,874</u>	<u>1,107,102</u>	<u>12,023,612</u>	<u>11,271,435</u>	<u>4,868,106</u>	<u>39,629,129</u>
C. Amounts Subject to the Expenditure Limitation	<u>\$ 27,803,026</u>	<u>\$ 4,862,198</u>	<u>\$ 614,388</u>	<u>\$ 13,844,665</u>	<u>\$ 608,894</u>	<u>\$ 47,733,171</u>

See accompanying Notes to Report.

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2012**

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 Exclusions claimed for debt service requirements on bonded indebtedness and debt service requirements on other long-term obligations are \$4,868,106 and \$3,018,491, 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 \$256,221 in capitalized interest.

NOTE 3 The following schedule presents exclusions claimed for dividends, interest, and gains on the sale or redemption of investment securities:

Investment Earnings Reported on the Statement of Revenues, Expenses, and Changes in Net Assets - Primary Government	\$ 100,030
Interest Income Not Excludable	<u>(22,727)</u>
Total	<u><u>\$ 77,303</u></u>

**YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2012**

NOTE 4 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>\$ 11,892,501</u>	<u>\$ 11,680,382</u>
	Total Exclusions Claimed
	11,680,382
	Other Revenues (Non-Excludable)
	<u>\$ 212,119</u>
Total	Total
<u><u>\$ 11,892,501</u></u>	<u><u>\$ 11,892,501</u></u>

NOTE 5 The total amount of \$710,239 reported as private grants and gifts and the total amount of \$505,035 reported as 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 6 Yavapai County Community College District does not budget tuition and fees revenues net of scholarship allowances. The gross tuition and fees of \$10,906,820 reported on the Statement of Revenues, Expenses, and Changes in Net Assets – Primary Government was claimed as an exclusion.

NOTE 7 The amount of refunds, reimbursements, and other recoveries of \$162,243 represents attorney fees paid related to the litigation settlement of \$1,800,000 received in the current year. The \$162,243 is included in the \$8,322,159 of Institutional Support reported on the Statement of Revenues, Expenses, and Changes in Net Assets – Primary Government.

NOTE 8 The prior year carryforward consists of proceeds from pledged revenue obligations of \$7,700,510 which are constitutionally excludable revenues unexpended in the year of receipt that have been accumulated and were expended in the current year and are included as part of the \$22,880,708 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.