

Overview of Yavapai College Comprehensive Annual Financial Report & Audit Results

FY 2015–16

YC

Yavapai College

February 2017

Audit Results and CAFR Highlights:

- ▶ Financial Audit & Internal Controls Report over Financial Reporting
 - No audit findings
- ▶ Unmodified Audit Opinion
- ▶ The Certificate of Achievement for Excellence in Financial Reporting award from GFOA
- ▶ Federal Single Audit
 - No audit findings



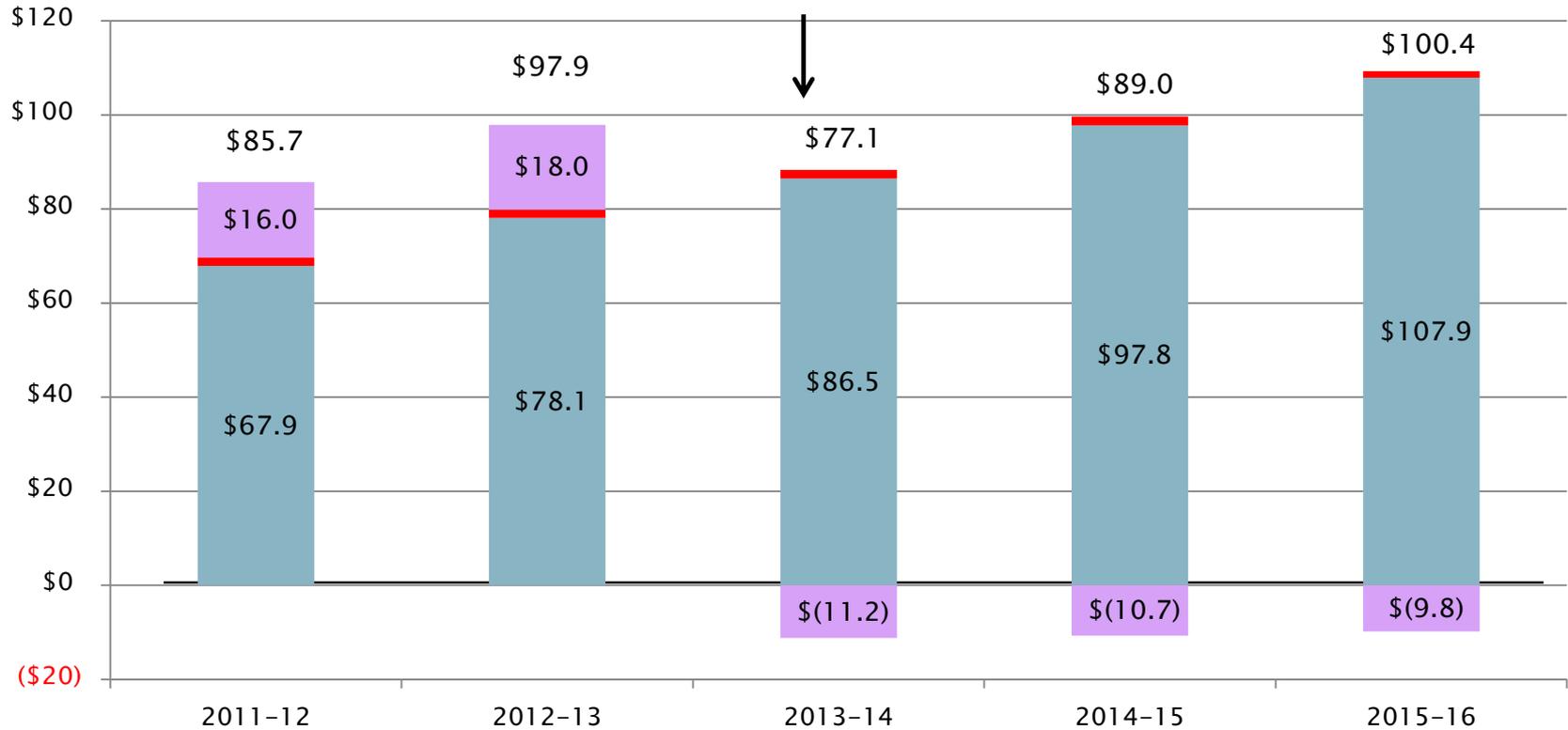
CAFR Financial Statements

- ▶ Positive Financial Results
 - ❖ Statement of Net Position (Balance Sheet)
 - ❖ Statement of Revenues, Expenses, and Changes in Net Position (Income Statement)
 - ❖ Statement of Cash flows

Statement of Net Position (page 26 of CAFR)

(in millions of dollars)

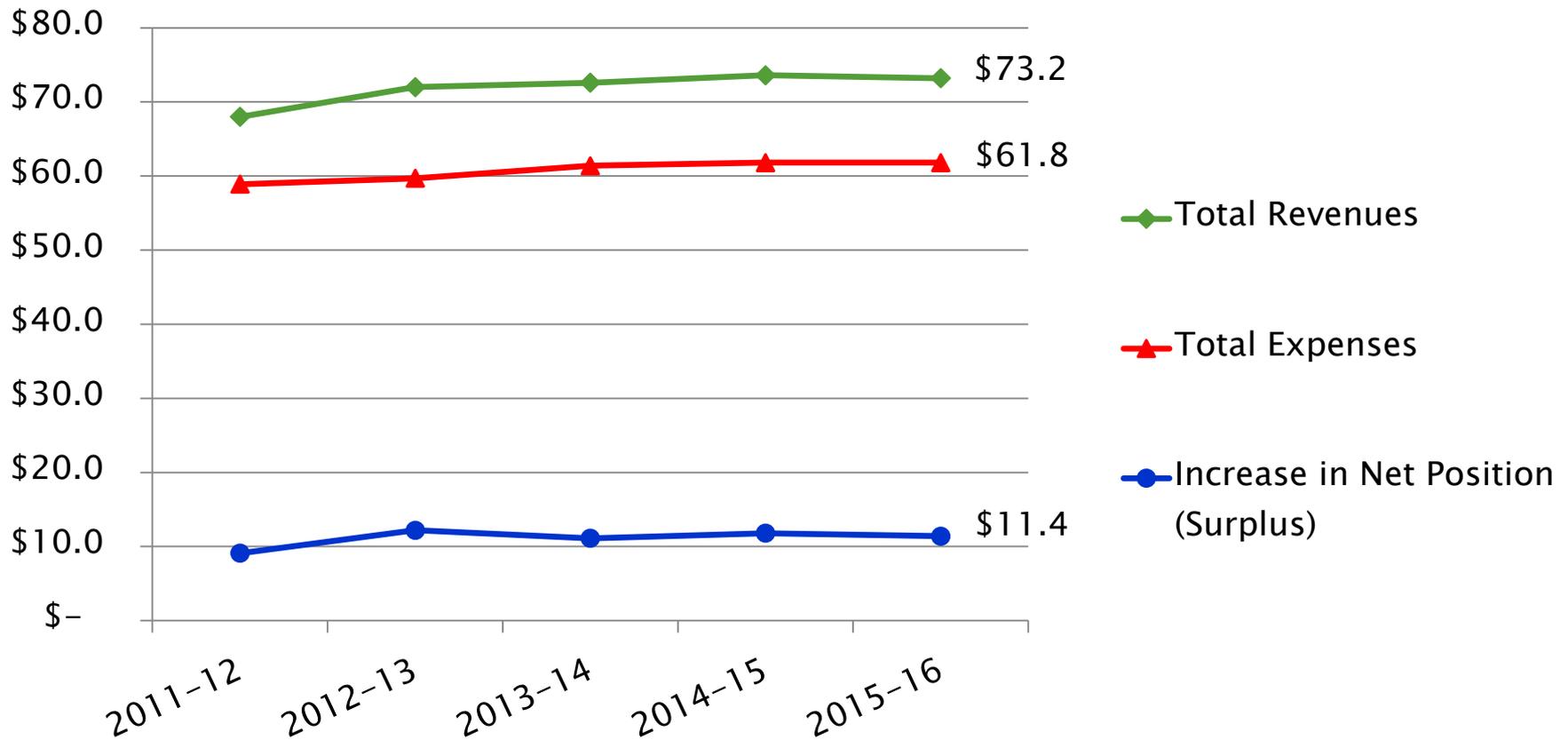
GASB 68 Effect
N/P Decreased by
\$30M



■ Net Investment in capital assets
 ■ Restricted Net Assets
 ■ Unrestricted Net Assets

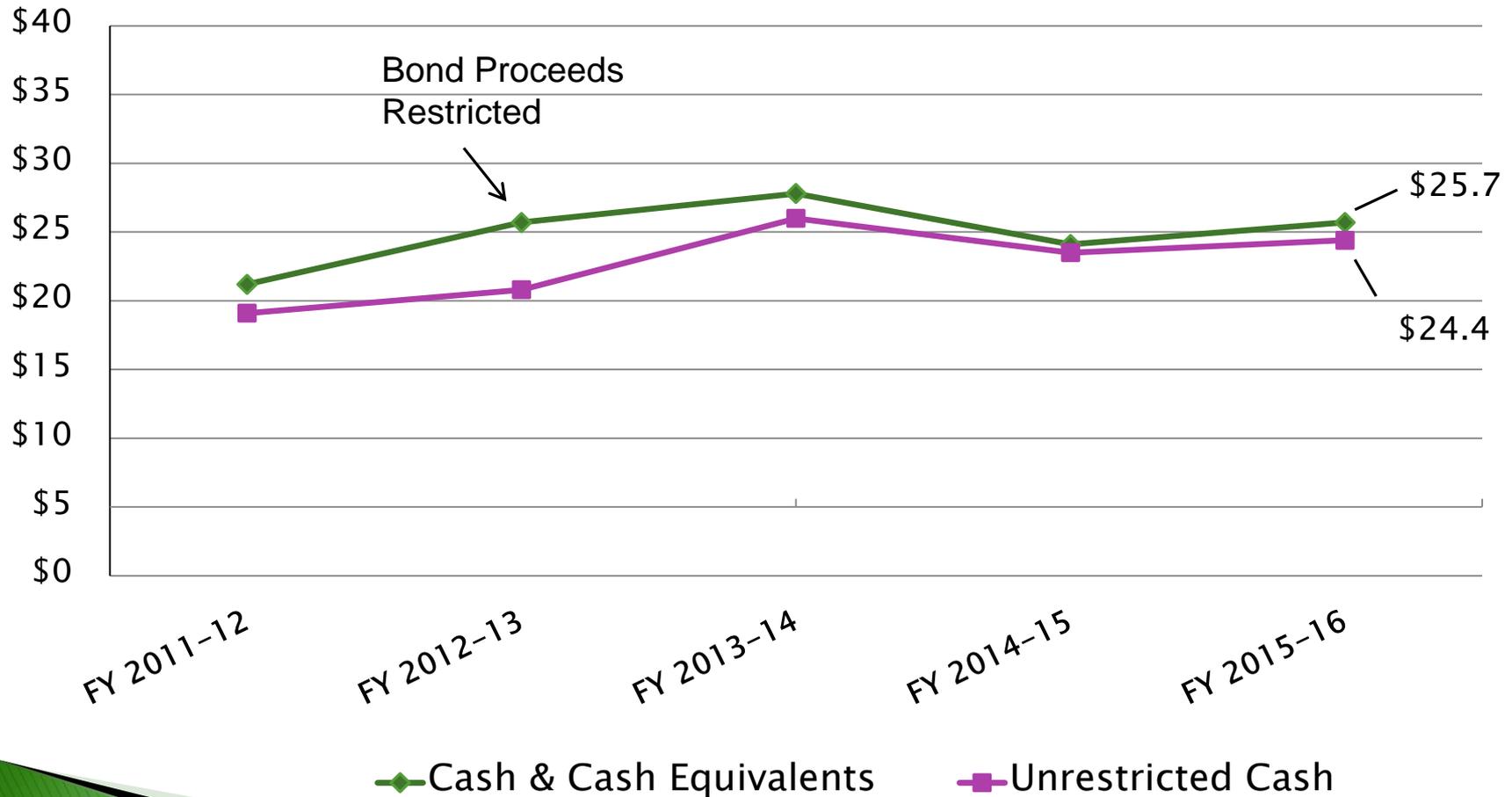
Statement of Revenues, Expenses, and Changes in Net Position (page 28 of CAFR)

(in millions of dollars)



Statement of Cash Flows (page 30 of CAFR)

(in millions of dollars)



NACUBO Ratios

- ▶ Report to HLC annually
- ▶ Provides insight on the financial health of the District
- ▶ Each ratio has a benchmark
- ▶ Present with and w/o GASB 68 Pension Liabilities
- ▶ Trends are as important as the numbers

Primary Reserve Ratio

Viability Reserve Ratio

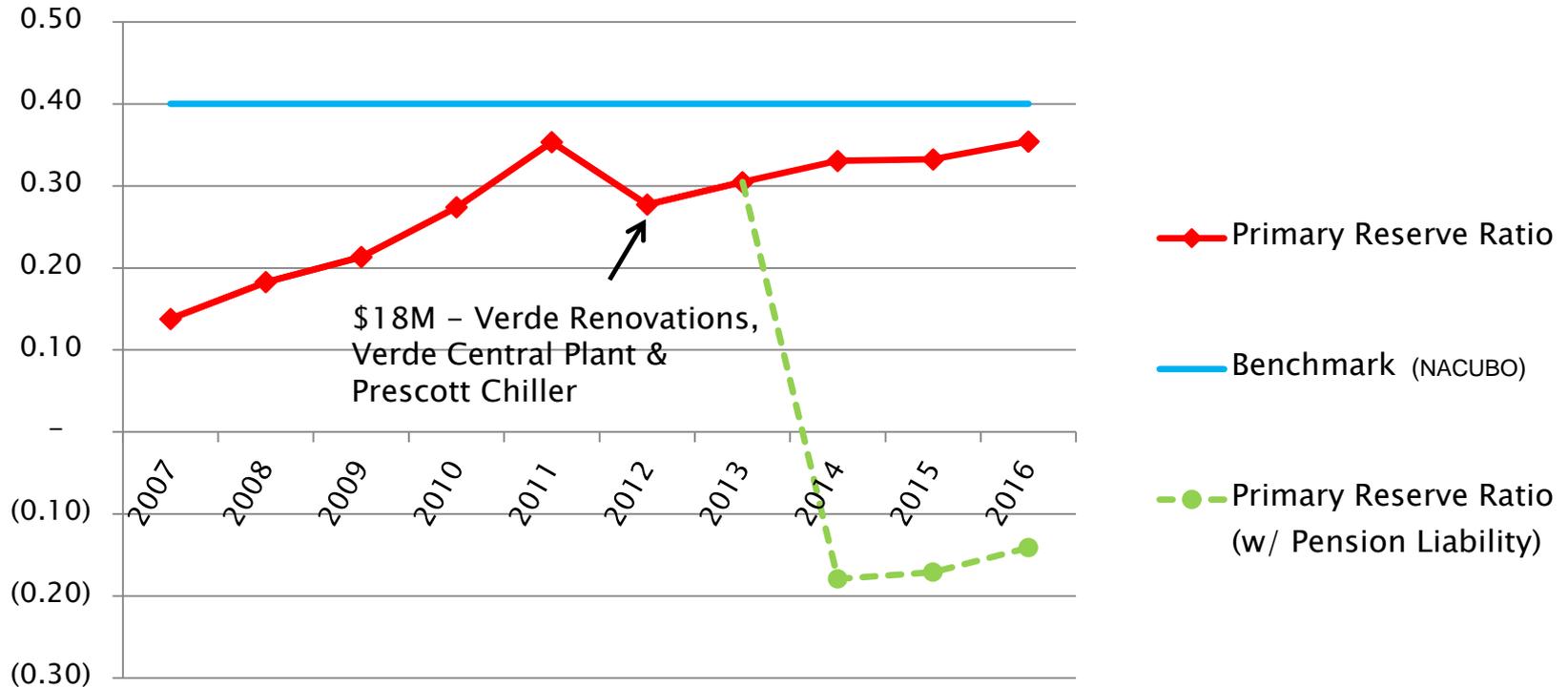


Return on Net Assets Ratio

Net Operating Revenue Ratio

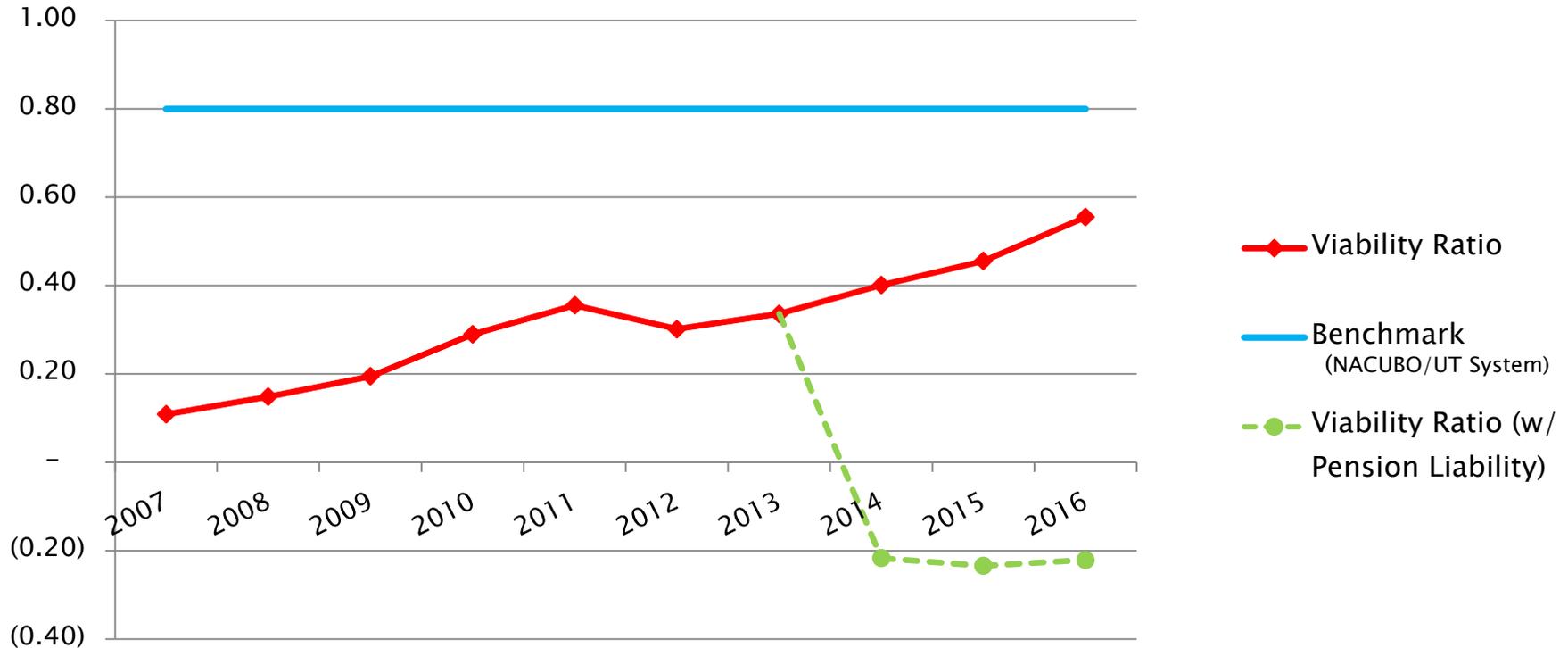
Composite Financial Index

Resource Sufficiency Primary Reserve Ratio



Primary Reserve Ratio - measures total available resources that an institution could spend on operations as a percentage of total expenses. This is the portion of an entire year the institution could meet financial obligations with assets readily available.

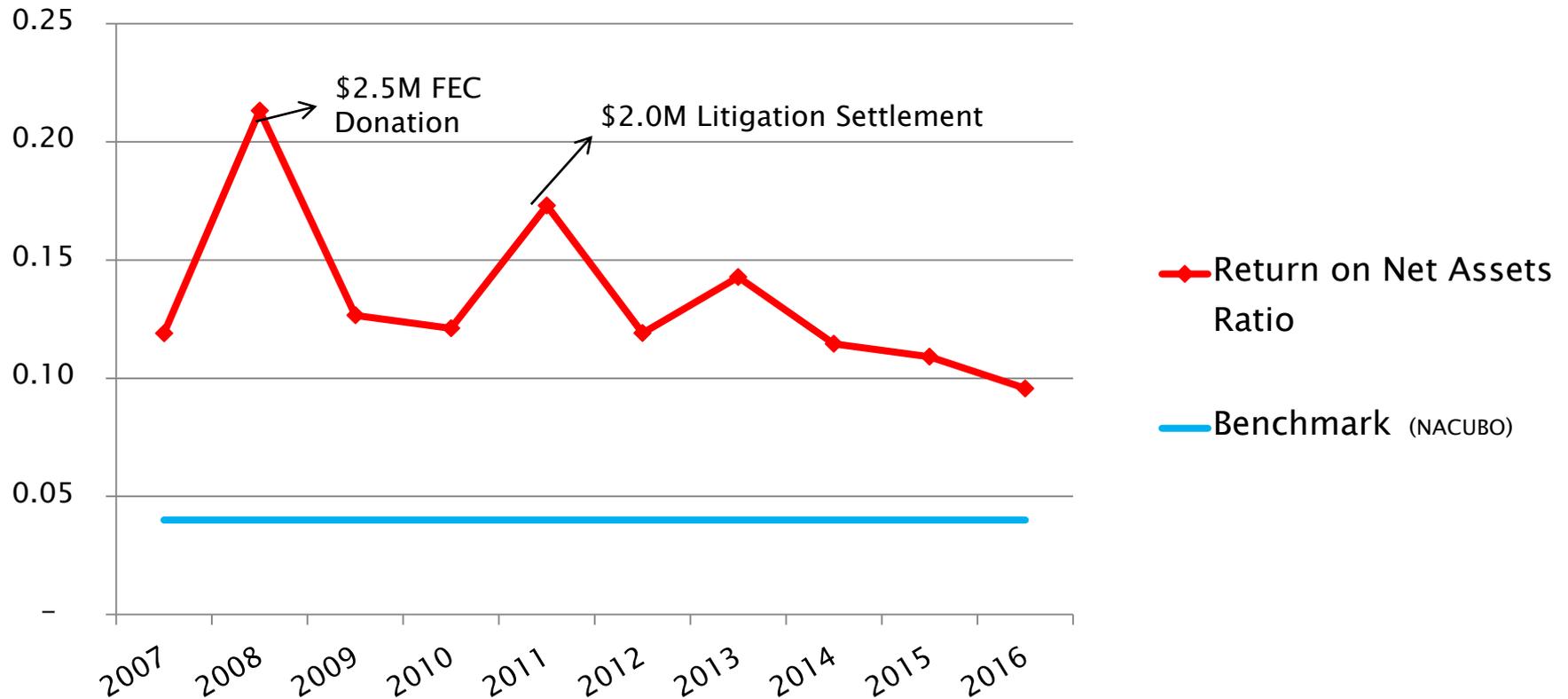
Debt Management Viability Ratio



Viability Ratio - measures capability to meet debt obligations with expendable assets. Also measures an institution's ability to fund new initiatives through debt and is a factor in determining the District's level of credit risk.

Asset Performance

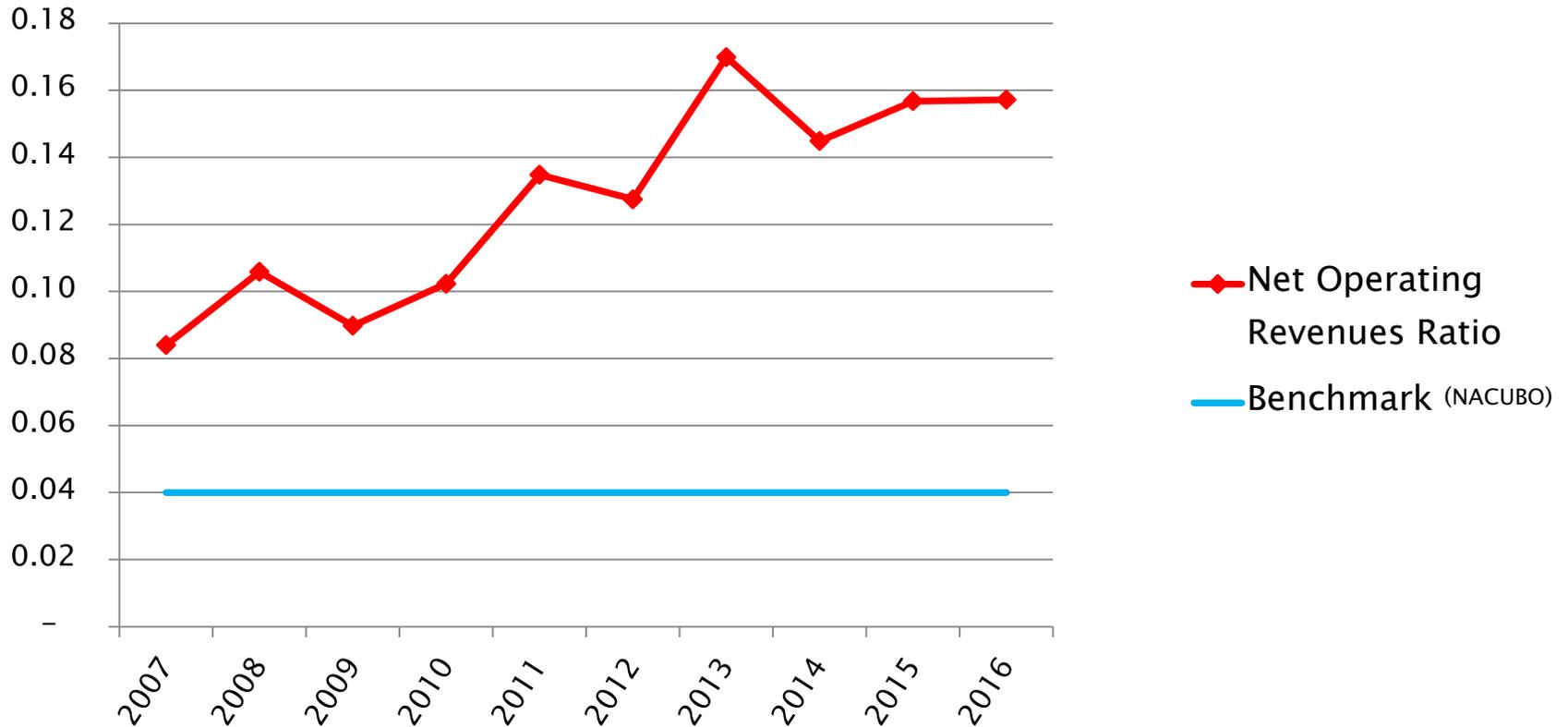
Return on Net Assets Ratio



Return on Net Assets - measures the rate that the District's assets (restricted and unrestricted) are increasing or decreasing.

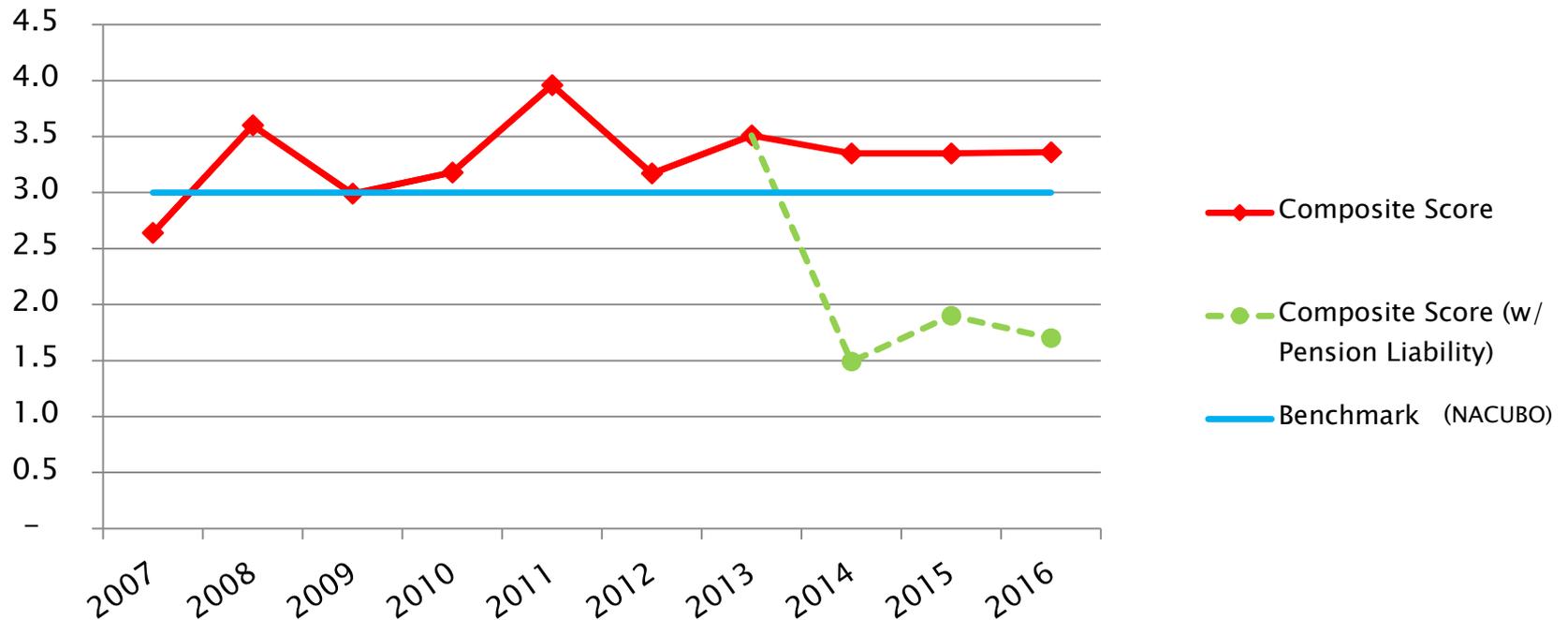
Operating Results

Net Operating Revenues



Net Operating Revenues Ratio - measures the ability of an institution to operate within available resources in basic day-to-day functions. It measures the surplus or deficit resulting from institutional operations.

Composite Financial Index



The CFI is a combination of the four core ratios using a prescribed weighting that is an indicator of the overall financial health of an institution. Historically, pre-GASB 68, a CFI of 3 or greater indicated that an institution is in good financial health. The District's CFI score with the GASB 68 pension liability dipped below the recommended industry target, a target which was set well before GASB 68 was written and has not been updated since GASB 68 was implemented.

Questions ?