

YUMA/LA PAZ COUNTIES COMMUNITY COLLEGE DISTRICT  
(ARIZONA WESTERN COLLEGE)

REPORT ON AUDIT OF ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT

YEAR ENDED JUNE 30, 2007

YUMA/LA PAZ COUNTIES COMMUNITY COLLEGE DISTRICT  
(ARIZONA WESTERN COLLEGE)  
REPORT ON AUDIT OF ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT  
YEAR ENDED JUNE 30, 2007

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**INDEPENDENT AUDITOR'S REPORT**

The Auditor General of the State of Arizona

The Governing Board of  
Yuma/La Paz Counties Community College District

We have audited the accompanying Annual Budgeted Expenditure Limitation Report of the Yuma/La Paz Counties Community College District (District) for the year ended June 30, 2007. 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 auditing standards generally accepted in the United States of America. 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 accounting principles generally accepted in the United States of America.

In our opinion, the Annual Budgeted Expenditure Limitation Report of the Yuma/La Paz Counties Community College District for the year ended June 30, 2007, 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 and the Governing Board, and for filing with the Auditor General of the State of Arizona, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Cronstrom, Osuch & Company, P.C.*

Cronstrom, Osuch & Company, P.C.

October 18, 2007

YUMA/LA PAZ COUNTIES COMMUNITY COLLEGE DISTRICT  
(ARIZONA WESTERN COLLEGE)  
ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT - PART I  
YEAR ENDED JUNE 30, 2007

|   |                            |
|---|----------------------------|
| 1. Economic Estimates Commission expenditure limitation   | \$ <u>36,674,268</u>       |
| 2. Total amount subject to the expenditure limitation<br>(from Part II, Line C)                                 | 28,440,854                 |
| 3. Less expenditures of monies received pursuant to Arizona<br>Revised Statutes 15-1472 (workforce development) | <u>(808,169)</u>           |
| 4. Adjusted amount subject to the expenditure limitation  | <u>27,632,685</u>          |
| 5. Amount under the expenditure limitation  | \$ <u><u>9,041,583</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: Daniel D. Hann, Vice President for Administrative Services

Telephone Number: (928) 344-7515 Date: 10/18/07

See accompanying notes to report.

YUMA/LA PAZ COUNTIES COMMUNITY COLLEGE DISTRICT  
(ARIZONA WESTERN COLLEGE)  
ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT - PART II  
YEAR ENDED JUNE 30, 2007

| Description   | Current Funds        |                          |                     | Plant Funds       |                               | Total                |
|---|----------------------|--------------------------|---------------------|-------------------|-------------------------------|----------------------|
|   | Unrestricted         |                          | Restricted          | Unexpended        | Retirement of<br>Indebtedness |                      |
|   | General              | Auxiliary<br>Enterprises |                     |                   |                               |                      |
| A. Total budgeted expenditures  | \$ 27,995,437        | \$ 3,198,495             | \$ 13,031,808       | \$ 30,822,198     | \$ 5,443,000                  | \$ 80,490,938        |
| B. Less exclusions claimed:   |                      |                          |                     |                   |                               |                      |
| Bond proceeds   |                      |                          |                     | 27,494,756        |                               | 27,494,756           |
| Debt service requirements on<br>bonded indebtedness   |                      |                          |                     |                   | 5,443,000                     | 5,443,000            |
| Dividends, interest and gains on sale or<br>redemption of investment securities   | 463,943              | 91,225                   | 4,273               | 2,693,769         |                               | 3,253,210            |
| Grants and aid from Federal<br>government   |                      | 30,988                   | 10,917,346          |                   |                               | 10,948,334           |
| Grants, aid, contributions or gifts<br>from a private agency, organization<br>or individual except amounts received<br>in lieu of taxes |                      |                          | 675,158             |                   |                               | 675,158              |
| Amounts received from the State<br>for the purchase of land, and the purchase<br>or construction of buildings or<br>improvements        |                      |                          |                     | 155,289           |                               | 155,289              |
| Interfund transactions  | 218,852              |                          |                     |                   |                               | 218,852              |
| Tuition and fees  | <u>2,147,823</u>     | <u>1,713,662</u>         |                     |                   |                               | <u>3,861,485</u>     |
| Total exclusions claimed  | <u>2,830,618</u>     | <u>1,835,875</u>         | <u>11,596,777</u>   | <u>30,343,814</u> | <u>5,443,000</u>              | <u>52,050,084</u>    |
| C. Amounts subject to expenditure limitation  | \$ <u>25,164,819</u> | \$ <u>1,362,620</u>      | \$ <u>1,435,031</u> | \$ <u>478,384</u> | \$ <u>-</u>                   | \$ <u>28,440,854</u> |

See accompanying notes to report.

YUMA/LA PAZ COUNTIES COMMUNITY COLLEGE DISTRICT  
(ARIZONA WESTERN COLLEGE)  
NOTES TO BUDGETED ANNUAL EXPENDITURE LIMITATION REPORT  
YEAR ENDED JUNE 30, 2007

**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 in 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 for the District as a whole in accordance with accounting principles generally accepted in the United States of America.

In accordance with the 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 in the annual financial statements.

**Note 2 -** Of the \$30,521,552 reported as purchases of capital assets on the Statement of Cash Flows – Primary Government, only \$11,545,563 was expended from current bond proceeds and claimed as an exclusion and \$15,949,193 was expended from bond proceeds carried forward from the prior year.

**Note 3 -** The exclusion claimed for debt service requirements on bonded indebtedness of \$5,443,000 is comprised of the amounts reported as principal paid on capital debt and interest paid on capital debt on the Statements of Cash Flows – Primary Government.

**Note 4 -** Of the investment income of \$3,473,288 reported on the Statement of Revenues, Expenses, and Changes in Net Assets – Primary Government, only \$3,253,210 was claimed as an exclusion. Of the remaining \$220,078, \$33,158 was interest of the Loan Fund, which was not excludable, and \$186,920 was investment income of the Retirement of Indebtedness Fund, which has been carried forward to future years.

**Note 5 -** Government grants and contracts revenues of \$11,727,543 reported on the Statement of Revenues, Expenses, and Changes in Net Assets – Primary Government include \$11,125,470 from federal grants and contracts. Of this amount only \$10,948,334 was claimed as an exclusion and \$177,136 of Restricted Fund revenues has been carried forward to future years.

YUMA/LA PAZ COUNTIES COMMUNITY COLLEGE DISTRICT  
(ARIZONA WESTERN COLLEGE)  
NOTES TO BUDGETED ANNUAL EXPENDITURE LIMITATION REPORT  
YEAR ENDED JUNE 30, 2007

- Note 6** - Amounts received from the State of Arizona for the purchase of land, and the purchase or construction of buildings or improvements of \$155,289 are included in capital appropriations on the Statement of Revenues, Expenses, and Changes in Net Assets – Primary Government.
- Note 7** - Interfund transactions expended and claimed in the General Fund as an exclusion are indirect costs recovered, that were budgeted as General Fund revenue and Restricted Fund expense. These interfund transactions were excluded from the financial statements.
- Note 8** - The District budgets scholarship allowances. Of the gross tuition and fees of \$6,609,766 reported on the Statement of Revenues, Expenses, and Changes in Net Assets – Primary Government, only \$3,861,485 was expended and claimed as an exclusion. The remaining \$2,748,281 has been carried forward to future years.