



A REPORT  
TO THE  
ARIZONA LEGISLATURE

Financial Audit Division

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Expenditure Limitation Report

# **Yuma/La Paz Counties Community College District**

(Arizona Western College)  
Year Ended June 30, 2011

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**Debra K. Davenport**  
Auditor General

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Yuma/La Paz Counties Community College District  
(Arizona Western College)  
Report on Audit of Annual Budgeted Expenditure Limitation Report  
Year Ended June 30, 2011

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**DEBRA K. DAVENPORT, CPA**  
AUDITOR GENERAL

**STATE OF ARIZONA**  
OFFICE OF THE  
**AUDITOR GENERAL**

**MELANIE M. CHESNEY**  
DEPUTY AUDITOR GENERAL

**Independent Auditors' Report**

Members of the Arizona State Legislature

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

We have audited the accompanying Annual Budgeted Expenditure Limitation Report of Yuma/La Paz Counties Community College District for the year ended June 30, 2011. 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 Yuma/La Paz Counties Community College District for the year ended June 30, 2011, 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 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.

Jay Zsorey, CPA  
Financial Audit Director

June 11, 2012

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Yuma/La Paz Counties Community College District  
(Arizona Western College)  
Annual Budgeted Expenditure Limitation Report—Part I  
Year Ended June 30, 2011

1. Economic Estimates Commission expenditure limitation		\$44,551,029
2. Total amount subject to the expenditure limitation (from Part II, Line C)	\$37,008,605	
3. Less expenditures of monies received pursuant to Arizona Revised Statutes (A.R.S.) §15-1472 (workforce development)	<u>624,303</u>	
4. Adjusted amount subject to the expenditure limitation		<u>36,384,302</u>
5. Amount under the expenditure limitation		<u>\$ 8,166,727</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: Carole T. Coleman, Vice President for Finance and Administrative Services

Telephone Number: (928) 344-7521 Date: June 11, 2012

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, 2011

Description	Current Funds			Plant Funds		Total
	Unrestricted		Restricted	Unexpended	Retirement of Indebtedness	
	General	Auxiliary Enterprises				
A. Total budgeted expenditures	\$ 35,262,844	\$ 5,419,426	\$ 29,404,115	\$ 1,243,292	\$ 9,027,154	\$ 80,356,831
B. Less exclusions claimed:						
Debt service requirements on bonded indebtedness (Note 2)					9,027,154	9,027,154
Dividends, interest, and gains on the sale or redemption of investment securities (Note 3)	122,409	4,970	48	20,871		148,298
Grants and aid from the federal government (Note 4)			24,102,412			24,102,412
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes			557,654			557,654
Interfund transactions (Note 5)	221,702					221,702
Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements (Note 6)				179,420		179,420
Tuition and fees (Note 7)	<u>6,663,236</u>	<u>2,448,350</u>				<u>9,111,586</u>
Total exclusions claimed	<u>7,007,347</u>	<u>2,453,320</u>	<u>24,660,114</u>	<u>200,291</u>	<u>9,027,154</u>	<u>43,348,226</u>
C. Amounts subject to the expenditure limitation	<u>\$ 28,255,497</u>	<u>\$ 2,966,106</u>	<u>\$ 4,744,001</u>	<u>\$ 1,043,001</u>	<u>\$ -</u>	<u>\$ 37,008,605</u>

See accompanying notes to report.

Yuma/La Paz Counties Community College District  
(Arizona Western College)  
Notes to Annual Budgeted Expenditure Limitation Report  
Year Ended June 30, 2011

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 in accordance with U.S. generally accepted accounting principles.

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 - The exclusion claimed for debt service requirements on bonded indebtedness of \$9,027,154 is composed of the amounts reported as principal paid on capital debt and interest paid on capital debt on the Statement of Cash Flows—Primary Government.

Note 3 - Of the investment earnings of \$190,033 reported on the Statement of Revenues, Expenses, and Changes in Net Assets—Primary Government, only \$148,298 was expended and claimed as an exclusion. The remaining \$41,735 consists of \$743 of interest income in the Loan Fund, which was not excludable, and \$40,992 of investment earnings in the Retirement of Indebtedness Fund, which has been carried forward to future years.

Note 4 - Government grants revenue of \$24,715,650 reported on the Statement of Revenues, Expenses, and Changes in Net Assets—Primary Government includes \$24,102,412 from federal grants.

Note 5 - The exclusion of \$221,702 claimed for interfund transactions in the General Fund consists of amounts expended from indirect cost recoveries that were budgeted as General Fund revenue and Restricted Fund expense. These indirect cost recoveries were eliminated from the financial statements for financial reporting purposes because they do not represent transactions to external parties.



Yuma/La Paz Counties Community College District  
(Arizona Western College)  
Notes to Annual Budgeted Expenditure Limitation Report  
Year Ended June 30, 2011

Note 6 - The exclusion of \$179,420 claimed for amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements consists of monies accumulated in the Unexpended Plant Fund, with the District Governing Board's approval, used for building improvements and is included in the amount reported as purchases of capital assets on the Statement of Cash Flows—Primary Government.

Note 7 - The District does not budget tuition and fees revenue net of scholarship allowances. Of the gross tuition and fees of \$12,148,781 reported on the Statement of Revenues, Expenses, and Changes in Net Assets—Primary Government, only \$9,111,586 was expended and claimed as an exclusion. The remaining \$3,037,195 has been carried forward to future years.



