

**Yuma/La Paz Counties
Community College District
(Arizona Western College)**

**Report on Audit of Annual Budgeted
Expenditure Limitation Report**

Year Ended June 30, 2003

**Yuma/La Paz Counties Community College District
(Arizona Western College)
Report on Audit of Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2003**

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(1931 - 1992)

Independent Auditor's Report

The Auditor General of the State of Arizona

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, 2003. 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, 2003, 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.



November 6, 2003

**Yuma/La Paz Counties Community College District
(Arizona Western College)
Annual Budgeted Expenditure Limitation Report - Part I
Year Ended June 30, 2003**

1. Economic Estimates Commission expenditure limitation		\$ 27,901,968
2. Total amount subject to the expenditure limitation (from Part II, Line C)	20,634,174	
3. Less expenditures of monies received pursuant to Arizona Revised Statutes §15-1472 (workforce development)	<u>(521,439)</u>	
4. Adjusted amount subject to the expenditure limitation		<u>20,112,735</u>
5. Amount under the expenditure limitation		<u>\$ 7,789,233</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 Business and Administration Services

Telephone No (928) 344-7515 Date 2/6/04

**Yuma/La Paz Counties Community College District
(Arizona Western College)
Annual Budgeted Expenditure Limitation Report – Part II
Year Ended June 30, 2003**

Description	Current Funds			Plant Funds		Total
	Unrestricted		Restricted	Unexpended	Retirement of Indebtedness	
	General	Auxiliary Enterprises				
A. Total budgeted expenditures	\$ 20,994,412	\$2,547,041	\$ 10,963,335	\$ 2,344,955	\$ 2,305,689	\$ 39,155,432
B. Less exclusions claimed:						
Debt service requirements on bonded indebtedness (Note 2)					2,305,689	2,305,689
Dividends, interest, and gains on the sale or redemption of investment securities (Note 3)		44,011				44,011
Grants and aid from the federal government (Note 4)		30,988	9,531,610			9,562,598
Grants, aid, contributions or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes			261,083			261,083
Amounts received from the State of Arizona for the purchase of land, and the purchase or construction of buildings or improvements (Note 7)				756,400		756,400
Interfund transactions (Note 5)	183,698					183,698
Tuition and fees (Note 6)	3,108,945	1,557,262				4,666,207
Prior years carryforward (Note 8)	538,123		15,677	187,772		741,572
Total exclusions claimed	3,830,766	1,632,261	9,808,370	944,172	2,305,689	18,521,258
C. Amounts subject to the expenditure limitation	\$ 17,163,646	\$ 914,780	\$ 1,154,965	\$ 1,400,783	\$ -0-	\$ 20,634,174

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, 2003**

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 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 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 \$2,305,689 is comprised of the amounts reported as principal paid on capital debt and interest paid on capital debt on the Statement of Cash Flows.

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

	General	Auxiliary Enterprises	Loan	Restricted	Unexpended	Retirement of Indebtedness	Total
Investment income (loss) reported in the financial statements	\$ (245,118)	\$ 44,011	\$ 1,098	\$ (1,272)	\$ (14,367)	\$ (13,806)	\$ (229,454)
Investment loss	245,118	-	-	1,272	14,367	13,806	274,563
Interest income not excludible	-	-	(1,098)	-	-	-	(1,098)
Total	\$ -0-	\$ 44,011	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 44,011

Note 4 - Government grants and contracts revenues of \$10,140,202 reported on the Statement of Revenues, Expenses, and Changes in Net Assets include \$9,702,073 from federal grants and contracts. Of these excludable revenues, only \$9,562,598 was expended and claimed as an exclusion. The remaining \$139,475 has been carried forward to future years.

**Yuma/La Paz Counties Community College District
(Arizona Western College)
Notes to Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2003**

- Note 5 -** 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 6 -** Of the tuition and fees revenues of \$4,769,370 reported on the Statement of Revenues, Expenses, and Changes in Net Assets, only \$4,666,207 was expended and claimed as an exclusion. The remaining \$103,163 has been carried forward to future years.
- Note 7 -** Amounts received from the State of Arizona for the purchase of land, and the purchase of construction of buildings or improvements of \$756,400 is reported as capital appropriations on the Statement of Revenues, Expenses, and Changes in Net Assets.
- Note 8 -** Prior year carryforward consists of constitutionally excludable revenues unexpended in the year of receipt that have been accumulated and were expended in the current year as follows:

Description	Current General Fund	Current Restricted Fund	Unexpended Plant Fund
Grants and aid from the federal government		\$ 15,677	
Amounts received from the State of Arizona			\$ 187,772
Tuition and fees	\$ 538,123		
Total prior years carryforward expended	<u>\$ 538,123</u>	<u>\$ 15,677</u>	<u>\$ 187,772</u>