



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, 2014

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**Debra K. Davenport**  
Auditor General

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Yuma/La Paz Counties Community College District  
(Arizona Western College)  
Annual Budgeted Expenditure Limitation Report  
Year Ended June 30, 2014

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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 Accountants' Report**

Members of the Arizona State Legislature

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

We have examined the accompanying Annual Budgeted Expenditure Limitation Report of Yuma/La Paz Counties Community College District for the year ended June 30, 2014. This report is the responsibility of the District's management. Our responsibility is to express an opinion on this report based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the amounts and disclosures in the report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the Annual Budgeted Expenditure Limitation Report of Yuma/La Paz Counties Community College District referred to above presents, in all material respects, the information prescribed by the uniform expenditure reporting system as described in Note 1.

Jay Zsorey, CPA  
Financial Audit Director

April 27, 2015

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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, 2014

1. Economic Estimates Commission expenditure limitation		\$52,228,002
2. Total amount subject to the expenditure limitation (from Part II, Line C)	\$40,563,105	
3. Less expenditures of monies received pursuant to Arizona Revised Statutes (A.R.S.) §15-1472 (workforce development)	<u>810,746</u>	
4. Adjusted amount subject to the expenditure limitation		<u>39,752,359</u>
5. Amount under the expenditure limitation		<u>\$12,475,643</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: April 27, 2015

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, 2014

Description	Current Funds			Plant Funds		Total
	Unrestricted		Restricted	Unexpended	Retirement of Indebtedness	
	General	Auxiliary Enterprises				
A. Total budgeted expenditures	\$ 39,532,088	\$ 6,332,491	\$ 28,296,056	\$ 2,381,961	\$ 2,911,409	\$ 79,454,005
B. Less exclusions claimed:						
Debt service requirements on bonded indebtedness					2,911,409	2,911,409
Dividends, interest, and gains on the sale or redemption of investment securities (Note 2)	98,854	28,609		1,470		128,933
Grants and aid from the federal government (Note 3)			24,061,268			24,061,268
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes			653,654			653,654
Interfund transactions (Note 4)	259,522					259,522
Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements (Note 5)				514,285		514,285
Tuition and fees (Note 6)	<u>8,060,937</u>	<u>2,300,892</u>				<u>10,361,829</u>
Total exclusions claimed	<u>8,419,313</u>	<u>2,329,501</u>	<u>24,714,922</u>	<u>515,755</u>	<u>2,911,409</u>	<u>38,890,900</u>
C. Amounts subject to the expenditure limitation	<u>\$ 31,112,775</u>	<u>\$ 4,002,990</u>	<u>\$ 3,581,134</u>	<u>\$ 1,866,206</u>	<u>\$ -</u>	<u>\$ 40,563,105</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, 2014

Note 1 - Summary of Significant Accounting Policies

The Annual Budgeted Expenditure Limitation Report (ABELR) is presented as prescribed by the Uniform Expenditure Reporting System (UERS), as required by Arizona Revised Statutes (A.R.S.) §41-1279.07. The ABELR 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 position, changes in net position, 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 - Of the \$149,197 in investment earnings reported on the Statement of Revenues, Expenses and Changes in Net Position—Primary Government, only \$128,933 was expended and claimed as an exclusion. The remaining \$20,264 consists of \$1,062 of interest income in the Loan Fund, which was not excludable, and \$19,202 of investment earnings in the Retirement of Indebtedness Fund, which has been carried forward to future years.

Note 3 - Of the \$24,940,079 reported as government grants on the Statement of Revenues, Expenses, and Changes in Net Position—Primary Government, only \$24,061,268 was expended and claimed as an exclusion. The remaining \$878,811 was not excludable revenue.

Note 4 - The \$259,522 exclusion 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 and Auxiliary Fund expenses. These indirect cost recoveries were eliminated from the financial statements for financial reporting purposes because they do not represent transactions to external parties.

Note 5 - The \$514,285 excluded 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. These funds were used for building improvements and are included in the amount reported as purchases of capital assets on the Statement of Cash Flows—Primary Government.

Yuma/La Paz Counties Community College District  
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Notes to Annual Budgeted Expenditure Limitation Report  
Year Ended June 30, 2014

Note 6 - The District does not budget tuition and fees revenue net of scholarship allowances. Of the gross tuition and fees of \$13,815,772 reported on the Statement of Revenues, Expenses, and Changes in Net Position—Primary Government, only \$10,361,829 was expended and claimed as an exclusion. The remaining \$3,453,943 has been carried forward to future years.

