



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Expenditure Limitation Report

Yuma/La Paz Counties Community College District

(Arizona Western College)

Year Ended June 30, 2015



Debra K. Davenport
Auditor General

The **Auditor General** is appointed by the Joint Legislative Audit Committee, a bipartisan committee composed of five senators and five representatives. Her mission is to provide independent and impartial information and specific recommendations to improve the operations of state and local government entities. To this end, she provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits of school districts, state agencies, and the programs they administer.



The Auditor General's reports are available at:

www.azauditor.gov

Printed copies of our reports may be requested by contacting us at:

Office of the Auditor General

2910 N. 44th Street, Suite 410 • Phoenix, AZ 85018 • (602) 553-0333

Yuma/La Paz Counties Community College District
(Arizona Western College)
Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2015

Table of Contents	Page
Independent Accountants' Report	1
Annual Budgeted Expenditure Limitation Report—Part I	3
Annual Budgeted Expenditure Limitation Report—Part II	4
Notes to Annual Budgeted Expenditure Limitation Report	5



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, 2015. The District's management is responsible for this report. 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 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

February 18, 2016

(This page is left intentionally blank)

Yuma/La Paz Counties Community College District
(Arizona Western College)
Annual Budgeted Expenditure Limitation Report—Part I
Year Ended June 30, 2015

1. Economic Estimates Commission expenditure limitation		\$51,887,392
2. Total amount subject to the expenditure limitation (from Part II, Line C)	\$39,894,140	
3. Less expenditures of monies received pursuant to Arizona Revised Statutes (A.R.S.) §15-1472 (workforce development)	<u>(843,061)</u>	
4. Adjusted amount subject to the expenditure limitation		<u>39,051,079</u>
5. Amount under the expenditure limitation		<u>\$12,836,313</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: February 18, 2016

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, 2015

Description	Current Funds			Plant Funds		Total
	Unrestricted		Restricted	Unexpended	Retirement of Indebtedness	
	General	Auxiliary Enterprises				
A. Total budgeted expenditures	\$ 38,603,915	\$ 6,749,845	\$ 27,427,841	\$ 3,222,029	\$ 5,468,753	\$ 81,472,383
B. Less exclusions claimed:						
Bond proceeds					230,830	230,830
Debt service requirements on bonded indebtedness (Note 2)					5,237,923	5,237,923
Dividends, interest, and gains on the sale or redemption of investment securities (Note 3)	64,746	41,795		42,471		149,012
Grants and aid from the federal government (Note 4)			22,603,459			22,603,459
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes			629,574			629,574
Interfund transactions (Note 5)	259,330					259,330
Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements (Note 6)				2,040,366		2,040,366
Tuition and fees (Note 7)	<u>8,313,477</u>	<u>2,114,272</u>				<u>10,427,749</u>
Total exclusions claimed	<u>8,637,553</u>	<u>2,156,067</u>	<u>23,233,033</u>	<u>2,082,837</u>	<u>5,468,753</u>	<u>41,578,243</u>
C. Amounts subject to the expenditure limitation	<u>\$ 29,966,362</u>	<u>\$ 4,593,778</u>	<u>\$ 4,194,808</u>	<u>\$ 1,139,192</u>	<u>\$ -</u>	<u>\$ 39,894,140</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, 2015

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 ABELR's and the financial statements' formats 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 - The exclusion of \$5,237,923 reported as debt service requirements on bonded indebtedness consists of \$2,650,000 and \$2,334,985 reported as principal paid on capital debt and interest paid on capital debt, respectively, on the Statement of Cash Flows—Primary Government, and \$252,938 of amortized deferred charges on refunding recorded as interest expense.

Note 3 - Of the investment earnings of \$175,017 reported on the Statement of Revenues, Expenses and Changes in Net Position—Primary Government, only \$149,012 was expended and claimed as an exclusion. The remaining \$26,005 investment earnings in the Retirement of Indebtedness Fund has been carried forward to future years.

Note 4 - Of the \$23,399,162 reported as government grants on the Statement of Revenues, Expenses, and Changes in Net Position—Primary Government, only \$22,603,459 was expended and claimed as an exclusion. The remaining \$795,703 was not excludable revenue.

Note 5 - The exclusion of \$259,330 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.

Yuma/La Paz Counties Community College District
(Arizona Western College)
Notes to Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2015

Note 6 - The \$2,040,366 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.

Note 7 - The District does not budget tuition and fees revenue net of scholarship allowances. Of the gross tuition and fees of \$13,903,666 reported on the Statement of Revenues, Expenses, and Changes in Net Position—Primary Government, only \$10,427,749 was expended and claimed as an exclusion. The remaining \$3,475,917 has been carried forward to future years.

