

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

REPORT ON AUDIT OF ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT

YEAR ENDED JUNE 30, 2006

YUMA/LA PAZ COUNTIES COMMUNITY COLLEGE DISTRICT
(ARIZONA WESTERN COLLEGE)
REPORT ON AUDIT OF ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2006

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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, 2006. 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, 2006, 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 19, 2006

YUMA/LA PAZ COUNTIES COMMUNITY COLLEGE DISTRICT
(ARIZONA WESTERN COLLEGE)
ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT - PART I
YEAR ENDED JUNE 30, 2006

1. Economic Estimates Commission expenditure limitation	\$ <u>34,040,530</u>	
2. Total amount subject to the expenditure limitation (from Part II, Line C)	25,623,305	
3. Less expenditures of monies received pursuant to Arizona Revised Statutes 15-1472 (workforce development)	<u>(637,473)</u>	
4. Adjusted amount subject to the expenditure limitation		<u>24,985,832</u>
5. Amount under the expenditure limitation		<u>\$ <u>9,054,698</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 Business and Administration

Telephone No: (928) 344-7515 Date: October 19, 2006

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, 2006

Description	Current Funds				Plant Funds		Total
	Unrestricted		Auxiliary Enterprises	Restricted	Unexpended	Retirement of Indebtedness	
	General						
A. Total budgeted expenditures	\$ 26,008,245	\$ 3,090,989	\$ 12,165,743	\$ 5,691,728	\$ 2,273,310	\$ 49,230,015	
B. Less exclusions claimed:							
Bond proceeds				4,050,807		4,050,807	
Debt service requirements on bonded indebtedness					2,273,310	2,273,310	
Dividends, interest and gains on sale or redemption of investment securities	154,698	82,393	5,382	577,377		819,850	
Grants and aid from Federal government		30,988	10,190,778			10,221,766	
Grants, aid, contributions or gifts from a private agency, organization or individual except amounts received in lieu of taxes			703,931			703,931	
Amounts received from the State for the purchase of land, and the purchase or construction of buildings or improvements				112,139		112,139	
Interfund transactions	217,367					217,367	
Tuition and fees	3,494,944	1,712,596				5,207,540	
Total exclusions claimed	3,867,009	1,825,977	10,900,091	4,740,323	2,273,310	23,606,710	
C. Amounts subject to expenditure limitation	\$ 22,141,236	\$ 1,265,012	\$ 1,265,652	\$ 951,405	\$ -	\$ 25,623,305	

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, 2006

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 \$5,417,837 reported as purchases of capital assets on the Statement of Cash Flows – Primary Government, only \$4,050,807 was expended from bond proceeds and claimed as an exclusion.

Note 3 - The exclusion claimed for debt service requirements on bonded indebtedness of \$2,273,310 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 \$918,265 reported on the Statement of Revenues, Expenses, and Changes in Net Assets – Primary Government, only \$819,850 was claimed as an exclusion. Of the remaining \$98,415, \$12,186 was interest of the Loan Fund, which was not excludable, and \$86,229 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 \$10,864,986 reported on the Statement of Revenues, Expenses, and Changes in Net Assets – Primary Government include \$10,289,694 from federal grants and contracts. Of this amount only \$10,221,766 was claimed as an exclusion and \$67,928 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, 2006

- Note 6** - Amounts received from the State of Arizona for the purchase of land, and the purchase or construction of buildings or improvements of \$112,139 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 scholarships as revenues. Of the gross tuition and fees of \$6,113,767 reported on the Statement of Revenues, Expenses, and Changes in Net Assets – Primary Government, only \$5,207,540 was expended and claimed as an exclusion. The remaining \$906,227 has been carried forward to future years.