

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

Annual Budgeted Expenditure
Limitation Report

Year Ended June 30, 2022



A Report to the Arizona Legislature

Lindsey A. Perry
Auditor General





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LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
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 (report) of Yuma/La Paz Counties Community College District for the year ended June 30, 2022, and the related notes to the report. The District's management is responsible for presenting this report in accordance with the Uniform Expenditure Reporting System as described in Note 1. Our responsibility is to express an opinion on this report based on our examination.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the Uniform Expenditure Reporting System in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Annual Budgeted Expenditure Limitation Report referred to above is presented in accordance with the Uniform Expenditure Reporting System as described in Note 1 in all material respects.

Stephanie Gerber


Stephanie Gerber, CPA
Director, Financial Audit Division

March 21, 2023

**Yuma/La Paz Counties Community College District
(Arizona Western College)
Annual Budgeted Expenditure Limitation Report—Part I
Year ended June 30, 2022**

- | | |
|------------------------------------------------------------------------|---------------------|
| 1. Economic Estimates Commission expenditure limitation | \$55,891,071 |
| 2. Amount subject to the expenditure limitation (from Part II, line C) | <u>47,409,203</u> |
| 3. Amount under the expenditure limitation | <u>\$ 8,481,868</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: Ross Poppenberger, VP of Finance and Administration

Telephone number: (928) 344-7521 Date: March 21, 2023

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, 2022**

Description	Current funds			Plant funds		Total
	Unrestricted		Restricted	Unexpended	Retirement of indebtedness	
	General	Auxiliary enterprises				
A. Total budgeted expenditures	\$ 52,538,489	\$ 6,732,325	\$ 38,148,171	\$ 4,156,355	\$ 5,143,787	\$ 106,719,127
B. Less exclusions claimed:						
Debt proceeds				159,870		159,870
Debt service requirements (Note 2)				323,991	5,133,087	5,457,078
Dividends, interest, and gains on the sale or redemption of investment securities (Note 3)	174,094	27,079	15,901	46,997	10,700	274,771
Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts (Note 4)			35,647,231			35,647,231
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes			1,700,247			1,700,247
Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements (Note 5)		94,955		2,287,198		2,382,153
Tuition and fees (Note 6)	8,282,117	4,755,293				13,037,410
Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472 (Note 7)			651,164			651,164
Total exclusions claimed	<u>8,456,211</u>	<u>4,877,327</u>	<u>38,014,543</u>	<u>2,818,056</u>	<u>5,143,787</u>	<u>59,309,924</u>
C. Amounts subject to the expenditure limitation	<u>\$ 44,082,278</u>	<u>\$ 1,854,998</u>	<u>\$ 133,628</u>	<u>\$ 1,338,299</u>	<u>\$ -</u>	<u>\$ 47,409,203</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, 2022**

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, and A.R.S. §§15-792.03, 15-795.01, 15-1444, and 15-1472, as applicable, 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

The following schedule presents revenues from which exclusions have been claimed for debt service requirements:

Statement of cash flows—primary government:

Principal paid on capital debt	\$3,578,991
Interest paid on capital debt	<u>2,028,823</u>
Total	<u>\$5,607,814</u>

Annual budgeted expenditure limitation report:

Retirement of indebtedness - excluded	
Principal paid on capital debt	\$3,255,000
Interest paid on capital debt	<u>1,878,087</u>
Retirement of indebtedness - excluded total	5,133,087

Unexpended Plant Fund	
Principal paid on capital debt	<u>323,991</u>
Debt service requirements total	5,457,078
Retirement of indebtedness - not excluded	
Amortized deferred charges on refunded debt	<u>150,736</u>
Total	<u>\$5,607,814</u>

Note 3

The following schedule presents revenues from which exclusions have been claimed for dividends, interest, and gains on the sale or redemption of investment securities:

**Yuma/La Paz Counties Community College District
 (Arizona Western College)
 Notes to Annual Budgeted Expenditure Limitation Report
 Year ended June 30, 2022**

Statement of revenues, expenses, and changes in net position—primary government:

Investment earnings	\$(124,557)
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Annual budgeted expenditure limitation report:

Dividends, interest, and gains on the sale or redemption of investment securities	\$ 274,771
Unrealized loss on investments - not excluded	<u>(399,328)</u>
Total	<u>\$(124,557)</u>

Note 4

The following schedule presents revenues from which exclusions have been claimed for government grants, aid, and contributions:

Statement of revenues, expenses, and changes in net position—primary government:

Government grants	\$35,399,383
Smart and Safe Arizona fund appropriations	<u>2,206,485</u>
Total	<u>\$37,605,868</u>

Annual budgeted expenditure limitation report:

Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts	<u>\$35,647,231</u>
Total	<u>\$35,647,231</u>

The remaining \$1,958,637 has been carried forward to future years.

Note 5

The exclusion of \$2,382,153 claimed for amounts accumulated for the purchase of land and the purchase or construction of buildings or improvements consists of monies accumulated with the District Governing Board's approval. These funds were used for building construction and improvements and are included in the amount reported as purchases of capital assets on the statement of cash flows-primary government.

Note 6

The auxiliary enterprise tuition and fees activities include bookstore, cafeterias, dormitories, and athletics. The District does not budget tuition and fees revenue net of scholarship allowances. The following schedule presents revenues from which exclusions have been claimed for tuition and fees:

**Yuma/La Paz Counties Community College District
(Arizona Western College)
Notes to Annual Budgeted Expenditure Limitation Report
Year ended June 30, 2022**

Statement of revenues, expenses, and changes in net position—primary government:

Tuition and fees (gross)	\$14,037,276
Bookstore income	119,595
Food service income (gross)	1,941,073
Dormitory rentals and fees (gross)	439,617
Other	<u>752,635</u>
Total	<u>\$17,290,196</u>

Annual budgeted expenditure limitation report:

Tuition and fees	\$10,527,958
Bookstore income	119,595
Food service income	1,941,073
Dormitory rentals and fees	439,617
Other	<u>9,167</u>
Total	<u>\$13,037,410</u>

The remaining \$4,217,058 has been carried forward to future years, with the difference of \$35,728 being not excludable revenue.

Note 7

Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472 are reported as the share of State sales taxes on the statement of revenues, expenses, and changes in net position—primary government. Of these excludable revenues, only \$651,164 was expended and claimed as an exclusion. The remaining unspent, excludable revenue of \$882,375 has been carried forward to future years.

Note 8

Revenues that are constitutionally excludable and unexpended in the year of receipt may be accumulated and excluded in future years. A summary of the excludable revenue sources and the changes in those balances is shown in the table below.

Description	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022
Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts		\$1,958,637		\$ 1,958,637
Tuition and fees	\$42,484,448	4,217,058		46,701,506
Amounts received from the State of Arizona for workforce development		<u>882,375</u>		<u>882,375</u>
Total	<u>\$42,484,448</u>	<u>\$7,058,070</u>		<u>\$49,542,518</u>

