

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

Annual Budgeted Expenditure  
Limitation Report

Year Ended June 30, 2023



A Report to the Arizona Legislature

Lindsey A. Perry  
Auditor General





The Arizona Auditor General's mission is to provide independent and impartial information and specific recommendations to improve the operations of State and local government entities. To this end, the Office provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits and special reviews of school districts, State agencies, and the programs they administer.

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## Audit Staff

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# TABLE OF CONTENTS

<b>Independent accountants' report</b>	1
<b>Annual Budgeted Expenditure Limitation Report—Part I</b>	2
<b>Annual Budgeted Expenditure Limitation Report—Part II</b>	3
<b>Notes to Annual Budgeted Expenditure Limitation Report</b>	4



**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, 2023, 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.

*Lindsey A. Perry*

Lindsey A. Perry, CPA, CFE  
Auditor General

May 2, 2024

**Yuma/La Paz Counties Community College District  
(Arizona Western College)  
Annual Budgeted Expenditure Limitation Report—Part I  
Year ended June 30, 2023**

1. Economic Estimates Commission expenditure limitation	\$55,710,097
2. Amount subject to the expenditure limitation (from Part II, line C)	<u>46,624,651</u>
3. Amount under the expenditure limitation	<u>\$ 9,085,446</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: **Ross Poppenberger** Digitally signed by Ross Poppenberger  
Date: 2024.04.29 10:17:25 -07'00'

Name and title: Ross Poppenberger, Vice President of Financial and Administrative Services

Telephone number: (928) 344-7521 Date: May 2, 2024

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, 2023**

	<b>Description</b>	<b>Total</b>
A.	Total budgeted expenditures	\$ 122,937,218
B.	Less exclusions claimed:	
	Debt service requirements (Note 2)	5,819,997
	Dividends, interest, and gains on the sale or redemption of investment securities (Note 3)	2,134,523
	Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts (Note 4)	28,734,596
	Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	1,449,933
	Amounts accumulated for the purchase of land, buildings, or improvements (See Note 5)	23,398,341
	Tuition and fees (Note 6)	13,746,592
	Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472 (Note 7)	<u>1,028,585</u>
	Total exclusions claimed	<u>76,312,567</u>
C.	Amounts subject to the expenditure limitation	<u>\$ 46,624,651</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, 2023**

**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.

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	\$3,623,977
Interest paid on capital debt	<u>2,450,448</u>
Total	<u>\$6,074,425</u>

**Annual budgeted expenditure limitation report:**

Debt service requirements excluded	\$5,819,977
Not excluded	<u>254,448</u>
Total	<u>\$6,074,425</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:

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

Investment earnings	\$2,139,698
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**Annual budgeted expenditure limitation report:**

Dividends, interest, and gains on the sale or redemption of investment securities	\$2,134,523
Unrealized gain/loss on investments - not excluded	<u>5,175</u>
Total	<u>\$2,139,698</u>

**Yuma/La Paz Counties Community College District  
 (Arizona Western College)  
 Notes to Annual Budgeted Expenditure Limitation Report  
 Year ended June 30, 2023**

**Note 4**

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

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

Government grants	\$26,006,494
Smart and Safe Arizona fund appropriations	<u>3,410,765</u>
Total	<u>\$29,417,259</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>\$28,734,596</u>
Total	<u>\$28,734,596</u>

The remaining \$682,663 has been carried forward to future years.

**Note 5**

The exclusion of \$23,398,341 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:

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

Tuition and fees (gross)	\$14,711,449
Bookstore income	54,468
Food service income (gross)	2,214,198
Dormitory rentals and fees (gross)	444,339
Other	<u>839,144</u>
Total	<u>\$18,263,598</u>

**Annual budgeted expenditure limitation report:**

Tuition and fees	\$11,033,587
Bookstore income	54,468
Food service income	2,214,198
Dormitory rentals and fees	444,339
Other	
Total	<u>\$13,746,592</u>



**Yuma/La Paz Counties Community College District  
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 Notes to Annual Budgeted Expenditure Limitation Report  
 Year ended June 30, 2023**

\$3,677,862 of the remaining \$4,517,006 has been carried forward to future years, with the difference of \$839,144 being non-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 \$1,028,585 was expended and claimed as an exclusion. The remaining unspent, excludable revenues of \$880,862 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 balance is shown in the table below.

<b>Description</b>	<b>Balance July 1, 2022</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2023</b>
Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts	\$ 1,958,637	\$ 682,663		\$ 2,641,300
Tuition and fees	46,701,506	3,677,862		50,379,368
Amounts received from the State of Arizona for workforce development	<u>882,375</u>	<u>880,862</u>		<u>1,763,237</u>
Total	<u>\$49,542,518</u>	<u>\$5,241,387</u>		<u>\$54,783,905</u>

