

**YUMA/LA PAZ COUNTIES COMMUNITY COLLEGE DISTRICT
ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2024**



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**YUMA/LA PAZ COUNTIES COMMUNITY COLLEGE DISTRICT
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INDEPENDENT ACCOUNTANTS' REPORT

Auditor General of the State of Arizona and
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 (the District), for the year ended June 30, 2024, 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* (UERS) as described in Note 1. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the UERS 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 judgement, 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 of Yuma/La Paz Counties Community College District, referred to above is presented in accordance with the *Uniform Expenditure Reporting System* as described in Note 1, in all material respects.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
January 14, 2026

Yuma/La Paz Counties Community College District
Annual budgeted expenditure limitation report—part I
Year ended June 30, 2024

1. Economic Estimates Commission expenditure limitation	\$ 60,908,539
2. Total amount subject to the limitation (from Part II, line C)	<u>46,766,623</u>
3. Amount under the expenditure limitation	<u>\$ 14,141,916</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: Czarina Gallegos, Vice President of Finance and Administrative Services

Telephone number: (928) 344-7522 Date: 1/14/2026

Yuma/La Paz Counties Community College District

Annual budgeted expenditure limitation report—part II

Year ended June 30, 2024

Description	<u>Total</u>
A. Final adopted budgeted expenditures from Reconciliation, line E.3	\$ 127,502,076
B. Less exclusions claimed:	
Debt service requirements (Note 3)	5,429,426
Dividends, interest, and gains on the sale or redemption of investment securities (Note 4)	2,672,545
Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts (Note 5)	34,543,537
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	1,017,155
Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements (Note 6)	19,657,431
Tuition and fees (Note 7)	15,901,843
Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472 (Note 8)	1,513,516
Total exclusions claimed	<u>80,735,453</u>
C. Amount subject to the expenditure limitation	<u>\$ 46,766,623</u>

See accompanying notes to report.

Yuma/La Paz Counties Community College District
 Annual budgeted expenditure limitation report—Reconciliation
 Year ended June 30, 2024

	Description	Total
A. Total operating and nonoperating expenses and applicable special items and extraordinary items reported within the financial statements		\$ 90,430,269
B. Subtractions:		
1. Items not requiring use of current financial resources:		
a. Depreciation and amortization	6,262,163	
b. Bad debt expense	3,285	
c. Pension expense (Note 10)	3,900,750	
d. Compensated absences (Note 11)	1,578,813	
2. Total subtractions		<u>11,745,011</u>
C. Additions:		
1. Principal payments on long-term debt	4,915,578	
2. Capital asset acquisitions	28,030,169	
3. Amounts paid in the current year but reported as expenses in previous years:		
a. Compensated absences (Note 11)	1,417,823	
4. Pension and OPEB contributions paid in the current year (Note 10)	3,889,872	
5. Scholarship allowance	10,563,376	
6. Total additions		<u>48,816,818</u>
D. Total financial statement expenses adjusted to UERS-basis actual expenditures (Line A. - Line B.2. + Line C.6.)		<u>\$ 127,502,076</u>
E. Total budgeted expenditures		
1. Original adopted budgeted expenditures	\$ 141,881,693	
2. Budgetary adjustment (Note 2)	(14,379,617)	
3. Final adopted budgeted expenditures (reported on part II, line A)		<u>\$ 127,502,076</u>

See accompanying notes to report.

Yuma/La Paz Counties Community College District
Notes to Annual Budgeted Expenditure Limitation Report
Year ended June 30, 2024

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 and each subtraction or addition in the reconciliation that cannot be traced directly to an amount reported in the annual financial statements.

Note 2

The District has adopted a final budget equal to its UERS-basis actual expenditures. The District's original budget included funding and expenditures expected for construction projects that did not progress as expected in fiscal year 2024. In addition, the original budget included expected expenditures associated with grant funding that was not received.

Note 3

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	\$ 4,915,578
Interest paid on capital debt	1,883,996
Total	\$ 6,799,574

Annual budgeted expenditure limitation report:

Debt service requirements excluded	\$ 5,429,426
Not excluded	1,370,148
Total	\$ 6,799,574

Yuma/La Paz Counties Community College District
Notes to Annual Budgeted Expenditure Limitation Report
Year ended June 30, 2024

Note 4

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	\$ 2,980,500
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Annual budgeted expenditure limitation report:

Dividends, interest, and gains on the sale or redemption of investment securities	\$ 2,672,545
Unrealized Gain/Loss on investments - non-excludable	307,955
Total	\$ 2,980,500

Note 5

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	\$ 31,128,124
Smart and Safe Arizona fund appropriations	3,415,413
Total	\$ 34,543,537

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	\$ 34,543,537
Total	\$ 34,543,537

Note 6

The exclusion of \$19,657,431 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.

Yuma/La Paz Counties Community College District
Notes to Annual Budgeted Expenditure Limitation Report
Year ended June 30, 2024

Note 7

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)	\$ 16,496,360
Food service income (gross)	3,017,287
Dormitory rentals and fees (gross)	512,286
Other	607,092
Total	\$ 20,633,025

Annual budgeted expenditure limitation report:

Tuition and fees	\$ 12,372,271
Food service income	3,017,286
Dormitory rentals and fees	512,286
Total	\$ 15,901,843

\$4,124,090 of the remaining \$4,731,182 has been carried forward to future years, with the difference of \$607,092 being non-excludable revenue.

Note 8

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 \$1,513,516 was expended and claimed as an exclusion. The remaining unspent, excludable revenues of \$513,168 have been carried forward to future years.

Yuma/La Paz Counties Community College District
Notes to Annual Budgeted Expenditure Limitation Report
Year ended June 30, 2024

Note 9

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

Description	Balance June 30, 2023	Carryforward added	Carryforward used	Balance June 30, 2024
Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts	\$ 2,641,300	\$ -	\$ -	\$ 2,641,300
Tuition and fees	50,379,368	4,124,090	-	54,503,458
Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472	1,763,237	513,168	-	2,276,405
Total carryforward	<u>\$ 54,783,905</u>	<u>\$ 4,637,258</u>	<u>\$ -</u>	<u>\$ 59,421,163</u>

Note 10

The \$3,900,750 subtraction for pension expense consists of changes in the net pension liabilities and changes in deferred inflows and outflows related to pensions recognized in the current year. The \$3,889,872 addition for pension and OPEB contributions paid in the current year consists of the required pension and OPEB contributions made to the Arizona State Retirement System. The schedule below reconciles the net effect the subtraction and addition have on the expenditures subject to the limitation to the amounts reported on the statement of cash flows' net effect on cash:

Statement of cash flows—primary government:

Change in deferred inflows related to pensions	\$ 438,359
Change in deferred outflows related to pensions	1,146,902
Change in net pension liability	(1,574,383)
Total	<u>\$ 10,878</u>

Annual budgeted expenditure limitation reconciliation

Pension contributions - addition	\$ 3,889,872
Pension expense (income) - subtraction	(3,900,750)
Total	<u>\$ (10,878)</u>

**Yuma/La Paz Counties Community College District
Notes to Annual Budgeted Expenditure Limitation Report
Year ended June 30, 2024**

Note 11

The \$1,578,813 subtraction for compensated absences consists of the estimated costs of compensated absences incurred and expensed in the current year but not yet paid. The \$1,417,823 addition for compensated absences in the current year, but reported as expenses in previous years, consists of cash payments in the current year for compensated absences recognized as an expense in previous years.



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