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

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2024

CPAs | CONSULTANTS | WEALTH ADVISORS

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YUMA/LA PAZ COUNTIES COMMUNITY COLLEGE DISTRICT
(ARIZONA WESTERN COLLEGE)
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INDEPENDENT AUDITORS' REPORT

The Arizona Auditor General and
The Governing Board of
Yuma/La Paz Counties Community College District
Yuma, Arizona

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of the Yuma/La Paz Counties Community College District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Yuma/La Paz Counties Community College District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the Yuma/La Paz Counties Community College District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the discretely presented component unit. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the other auditors' report.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Yuma/La Paz Counties Community College District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The other auditors did not audit the discretely presented component unit's financial statements in accordance *with Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Yuma/La Paz Counties Community College District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Yuma/La Paz Counties Community College District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Yuma/La Paz Counties Community College District's ability to continue as a going concern for a reasonable period of time.

The Arizona Auditor General and
The Governing Board of
Yuma/La Paz Counties Community College District

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the District's proportionate share of the net pension liability, and schedule of District pension contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2025, on our consideration of the Yuma/La Paz Counties Community College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Yuma/La Paz Counties Community College District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Yuma/La Paz Counties Community College District's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
April 14, 2025

Our discussion and analysis of Yuma/La Paz Counties Community College District's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the District's basic financial statements, which immediately follow.

Basic Financial Statements

The District's annual financial statements are presented in accordance with the GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments and Statement No. 35, Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities.* These statements allow for the presentation in a consolidated, single-column, entity-wide format. This format is similar to the type of financial statements typical of a business enterprise or a not-for-profit organization. The basic financial statements consist of the following:

The Statement of Net Position reflects the financial position of the District at June 30, 2024. It shows the various assets owned or controlled, outflows of resources applicable to future reporting periods, related liabilities and other obligations, inflows of resources applicable to future reporting periods, and the various categories of net position. Net position is an accounting concept defined as total assets and deferred outflows of resources less total liabilities and deferred inflows of resources, and as such, represents institutional equity or ownership in the District's total assets. Over time, increases or decreases in net position may serve as a useful indicator of whether the District's financial position is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position reflects the results of operations and other changes for the year ended June 30, 2024. It shows the various revenues and expenses, both operating and nonoperating, reconciling the beginning net position amount to the ending net position amount, which is shown on the Statement of Net Position described above.

The Statement of Cash Flows presents the inflows and outflows of cash and cash equivalents for the year ended June 30, 2024. It shows the various cash activities by type, reconciling the beginning cash and cash equivalents amount to the ending cash and cash equivalents amount, which is shown on the Statement of Net Position described above. In addition, this statement reconciles cash flows from operating activities to operating income/loss on the Statement of Revenues, Expenses and Changes in Net Position described above.

This document's primary focus is on the results of activity for the fiscal year ended June 30, 2024. This Management's Discussion and Analysis (MD&A) uses prior fiscal year information for comparison purposes and illustrates where the District's financial performance may have changed.

Condensed Financial Information

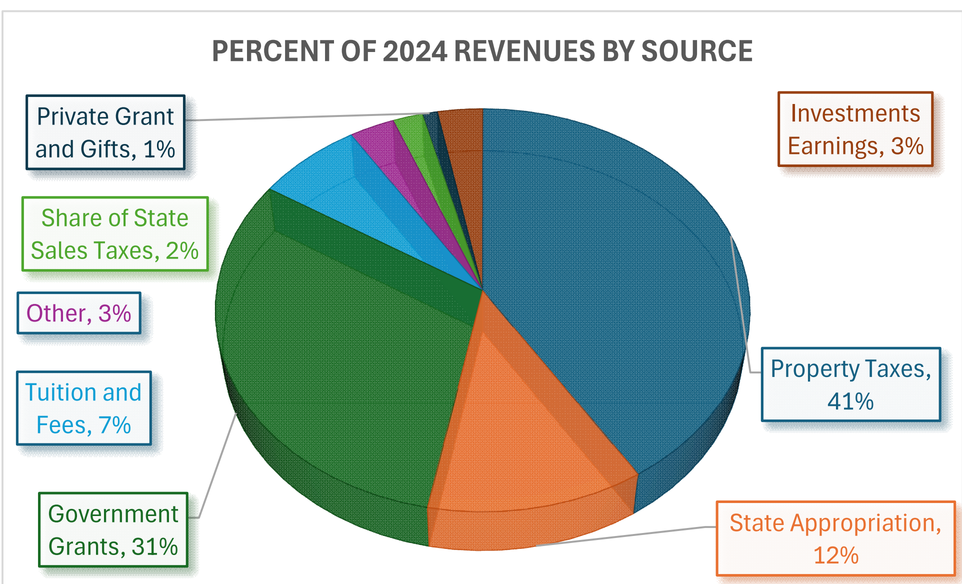
Net Position – Primary Government
June 30, 2024 and 2023

	2024	2023
ASSETS		
Current Assets	$ 80,955,767	$ 68,844,164
Noncurrent Assets, Other than Capital Assets	1,288,572	15,121,430
Capital Assets, Net	119,390,734	97,608,567
Total Assets	201,635,073	181,574,161
DEFERRED OUTFLOWS OF RESOURCES	4,974,045	6,418,113
LIABILITIES		
Current Liabilities	36,456,330	22,658,984
Long-Term Liabilities	102,619,616	108,532,749
Total Liabilities	139,075,946	131,191,733
DEFERRED INFLOWS OF RESOURCES	2,635,363	2,200,990
NET POSITION		
Net Investments in Capital Assets	43,605,400	37,333,969
Restricted	17,132,978	11,470,964
Unrestricted	4,159,431	5,794,618
Total Net Position	$ 64,897,809	$ 54,599,551

Condensed Financial Information (Continued)

Changes in Net Position – Primary Government
Years Ended June 30, 2024 and 2023

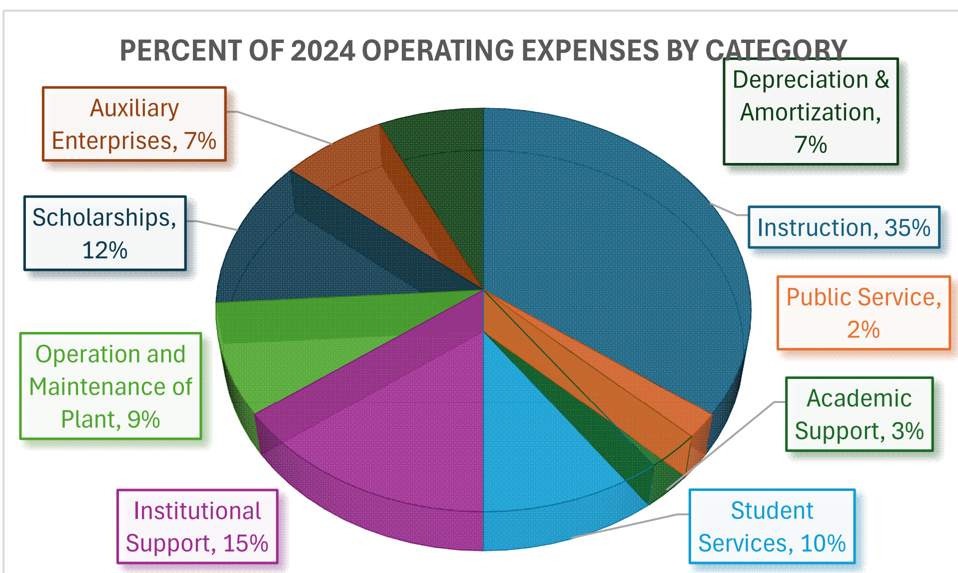
	2024	2023
REVENUES		
Operating:		
Tuition and Fees, Net of Scholarship Allowances	$ 6,595,057	$ 5,940,147
Other, Net of Scholarship Allowances	3,474,592	2,840,512
Nonoperating:		
Property Taxes	41,450,941	40,750,441
State Appropriation	12,041,313	10,674,165
Government Grants	31,128,124	26,006,494
Share of State Sales Taxes	2,026,684	1,909,447
Private Grant and Gifts	1,017,155	1,449,933
Investments Earnings	2,980,500	2,139,698
Gain on Disposal of Capital Assets	4,388	3,143
Capital Grants and Gifts	9,773	406
Total Revenues	100,728,527	91,714,386
EXPENSES		
Operating	88,362,474	82,953,485
Nonoperating	2,067,795	2,348,807
Total Expenses	90,430,269	85,302,292
INCREASE IN NET POSITION	10,298,258	6,412,094
Net Position - July 1	54,599,551	48,187,457
NET POSITION - June 30	$ 64,897,809	$ 54,599,551



Condensed Financial Information (Continued)

Expenses by Category – Primary Government
Years Ended June 30, 2024 and 2023

	2024	2023
OPERATING EXPENSES		
Educations and General:		
Instruction	$ 30,594,119	$ 26,663,867
Public Service	1,554,456	1,510,372
Academic Support	3,047,527	2,650,831
Student Services	8,649,889	7,593,177
Institutional Support	13,547,864	15,557,860
Operation and Maintenance of Plant	7,908,681	6,983,544
Scholarships	10,265,800	10,138,306
Auxiliary Enterprises	6,531,975	5,772,055
Depreciation/Amortization	6,262,163	6,083,473
Total Operating Expenses	88,362,474	82,953,485
NONOPERATING EXPENSES		
Interest Expense on Debt	2,064,510	2,342,868
Other Nonoperating Expenses	3,285	5,939
Total Nonoperating Expenses	2,067,795	2,348,807
Total Expenses	$ 90,430,269	$ 85,302,292



Financial Highlights and Analysis

Financial Position

The District's overall financial position improved in 2024. Total assets and deferred outflows of resources increased by approximately $18.6 million from fiscal year 2023 to fiscal year 2024. This change includes a $3.1 million decrease in cash and cash equivalents, along with noncurrent assets and deferred outflows. However, there was a significant $21.7 million increase in capital assets, driven by construction taking place in fiscal year 2024.

Total liabilities and deferred inflows of resources increased by over $8.3 million. This increase is due to an increase in accounts payable and accrued payroll of nearly $1.4 million, an increase in unearned revenues of almost $13.0 million, an increase in employee compensated absences payable of nearly $0.2 million, a decrease of over $1.0 million in current payments due on long term debt, and a decrease of over $4.3 million in long-term debt. The unearned revenue increase was due to funding received from the Arizona Department of Education for Career and Technical Education grants. These funds will be used to develop new programs and courses at the District. This decrease was primarily due to paying down approximately $3.5 million of General Obligation Bonds and amortizing nearly $548,000 of bond premiums. In addition, the net pension liability decreased $1.6 million and the subscription-based information technology liabilities decreased $1.0 million.

Total net position for the District improved from fiscal year 2023 to fiscal year 2024 with an increase of nearly $10.3 million. By net position category, there was an increase in net investment in capital assets of nearly 6.3 million due to ongoing construction projects in planned grant funded construction activity and Smart and Safe Act revenues, exceeding budget expectations. An increase in restricted net position of approximately $5.6 million is due to an increase in state appropriations and government grants. Unrestricted net position has decreased by $1.6 million offset by an increase in instructional services, student services, and operations and maintenance.

The District's financial position remains strong with adequate resources to meet all current obligations.

Results of Operations

The District has four major revenue sources. These are property taxes, tuition and fees, state appropriations, and government grants. These revenues are further identified as operating or nonoperating revenues.

For fiscal year 2024 the District's total revenues and capital gifts increased by approximately $9.0 million from fiscal year 2023. The following revenue sources make up a significant portion of this total increase:

- Tuition and fees increased by nearly $0.7 million as a result of increased scholarship allowances of nearly $1.1 million.
- Other operating revenues increased approximately $0.6 million primarily in food service and laptop rental revenues.
- Property taxes increased by over $0.7 million due to increased property valuations and increased new construction.
- State appropriations consisting of the Maintenance and Operations, Equalization Aid, Rural Community College State Aid, and STEM increased over $1.3 million.
- Government grants increased by approximately $5.1 million due to increased funding from the Department of Education.

Financial Highlights and Analysis (Continued)

Results of Operations (Continued)

Total operating expenses increased by just over $5.4 million from fiscal year 2023 to fiscal year 2024. This reflects approximately $3.9 million increase in instruction, as a result of the new Entrepreneurial College, nearly $400,000 increase in academic support, approximately $1.0 million increase in student services, approximately $800,000 increase in Auxiliary Enterprise, nearly $1.0 million increase in operations and maintenance, and approximately $2.0 million decrease in institutional support. The decrease was due to the Department of Education Higher Education Emergency Relief Fund (HEERF) support coming to a close during fiscal year 2023 and no new funding to offset the decrease. The Entrepreneurial College was launched in fall of 2023 and is composed of a blend of credit- and non-credit-based course offerings and not all classes are tied to the usual semester schedule. This more flexible structure better accommodates learners with complex schedules.

Nonoperating expenses decreased by approximately $0.3 million primarily because of decreased bond interest due on a lower long-term General Obligation debt balance offset by the Revenue bond interest due.

Capital Assets and Debt Administration

The District's capital assets, net of accumulated depreciation, totaled $119.4 million as of June 30, 2024. Capital assets include land, buildings, improvements other than buildings, equipment, construction in progress, library books, and intangible right-to-use subscription and lease assets. Additional information on capital assets can be found in detail in Note 3 to the District's basic financial statements.

At June 30, 2024, the District had outstanding three general obligation bond issues totaling $32.4 million and two revenue bond issues totaling $32.9 million. Additional information on the District's long-term debt can be found in Note 6 to the basic financial statements.

Current Factors Having Probable Future Financial Significance

The Yuma/La Paz Counties Community College District continuously evaluates programmatic and institutional changes necessary to serve as a college of the community for providing excellence in 100 and 200 course levels for undergraduate degree programs. College leadership has been diligently working to develop long and short-term strategic plans to address these programmatic and institutional changes and other challenges to the financial health of the institution. The Entrepreneurial College will grow its relationships with local employers who, through innovative partnerships, will co-create a robust and reliable pipeline of qualified workers who come to the workplace with industry-recognized knowledge, experience, and necessary credentials and certifications. At the same time, the Arizona Board of Regents, the three State universities, and Arizona community colleges are actively evaluating creative solutions to contain costs and generate new revenues in order to continue providing quality and affordable education.

Current Factors Having Probable Future Financial Significance (Continued)

The District Full-Time Equivalent Student (FTSE) numbers continue to increase each year. Leadership believes these numbers will continue to increase as financial experts predict a flattening economy. There are several new initiatives leadership believes will add to our FTSE numbers and the associated revenue with head count increases. Coming online is our Entrepreneurial College that will offer certificate and corporate training. Under this concept, the college will charge market rates for these types of training in various industries including the medical and dental fields. In addition to increased headcount, the rates charged will commensurate with market rates above our current per credit hour rate. Leadership anticipates this construct will generate revenue where some of our state aid is softening. Another draw to future financial significance is our newly constructed Matador Activity Center (the MAC). The MAC is our state of the art 45,000 square foot student center with eight classrooms, a 100-person tiered seating lecture hall, a 'Maker Space' that will enable students to work on projects and be equipped with all necessary equipment for various training environments. The MAC will offer a touchless convenience store to enable our non-traditional students the opportunity for a grab and go or heat and eat meal enroute to their evening classes. With this building coming online leadership anticipates increased headcounts and ultimately increased revenue generation. This project was funded with Revenue Bonds at no cost to our taxpayers.

On October 10, 2024 we celebrated the grand opening of the new DeAnza Residence Hall. The 48,000-square-foot residence hall houses 168 beds and features community-centered spaces including a grill deck, theater room, and rooftop terrace with a view of the valley. This project was funded with Revenue Bonds and a financial contribution from Northern Arizona University (NAU) in partnership for housing for NAU-Yuma students. Increased revenue for this state-of-the-art facility will repay the bond at no cost to our taxpayers, while providing affordable housing for our students and NAU students. Leadership believes this facility will add to headcounts and revenue in perpetuity.

In fiscal year 2024 AWC received $15 million for CTE funding from the state; these funds will develop new programs that are anticipated to generate revenue and create new and needed training opportunities. Already under development is our Cyber Security, Dental Hygienist, and Dental Assistant programs with this funding. Additionally, AWC has renovated space to house our University Transfer Center to enable seamless transition from AWC into one of the three State Universities co-located on our campus. This effort ties into our community betterment plan in doubling the number of bachelor's degrees in Yuma and LaPaz Counties by 2035.

On October 28, 2024 we celebrated the grand opening of the new Law Enforcement Training Academy (LETA) facility. This 19,216-square-foot includes 4 classrooms, each with 32 student capacity, 2 defensive tactics room, practical applications room, and lockers and showers for cadets and instructors. LETA will provide Law Enforcement training for all state agencies on our Yuma campus. This program has grown significantly since inception in 2018 and our new facility is anticipated to offer opportunities for continued growth and a significant cost reduction to various state Law Enforcement agencies.

AWC continues to partner and create opportunities for future students within our community. AWC signed a 10-year affiliation agreement with our Yuma Regional Medical Center (YRMC) to build and equip an allied health facility estimated to be 60,000 square feet. This facility will create additional space and opportunities to grow our Allied Health programs at no cost to the college yet generating revenue and providing our community trained health care workers. This building is scheduled to come online in summer of 2026. In addition to the two-year programs, AWC recently included NAU in this partnership to create a transition into their four-year programs.

Current Factors Having Probable Future Financial Significance (Continued)

The college continually works to implement efficiencies and identify savings opportunities. It is committed to its students, parents, employees, and the State to provide the most efficient and effective services. Since the college is ultimately subject to the same economic variables that affect other financial entities, it is difficult to predict future outcomes. Leadership is working diligently to continue providing quality instruction and public service to the Yuma and La Paz Counties within the State of Arizona, and the nation. AWC offers a comprehensive benefits package to attract and retain talent; however, with significant economic pressures to increase salaries to remain competitive, labor costs remain the single highest costs paid by the college. The college seeks to increase wages in order to remain competitive but looks for efficiencies and revenue generation to offset.

This discussion and analysis are designed to provide a general overview of the Yuma/La Paz Counties Community College District's finances for all those with an interest in such matters.

Questions concerning any of the information provided in this Annual Financial Report or requests for additional financial information should be addressed to the Vice President for Finance and Administrative Services, PO Box 929, Yuma, AZ 85366.

YUMA/LA PAZ COUNTIES COMMUNITY COLLEGE DISTRICT
(ARIZONA WESTERN COLLEGE)
STATEMENT OF NET POSITION
PRIMARY GOVERNMENT
JUNE 30, 2024

	Business-Type Activities
ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 61,569,777
Investments	10,916,973
Receivables, Net of Allowance for Uncollectible Accounts:	
Property Taxes	1,803,876
Government Grants and Contracts	3,916,506
Interest	22,487
Other	2,162,541
Prepaid Items	563,607
Total Current Assets	80,955,767
Noncurrent Assets:	
Restricted Assets:	
Cash and Cash Equivalents	519,059
Cash and Cash Equivalents Held by Trustee	518,893
Property Taxes Receivable, Net of Allowances for Uncollectible Accounts	250,620
Capital Assets, Not Being Depreciated/Amortized	8,382,537
Capital Assets, Being Depreciated/Amortized, Net	111,008,197
Total Noncurrent Assets	120,679,306
Total Assets	201,635,073
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions	4,455,737
Deferred Charge on Debt Refunding	518,308
Total Deferred Outflows of Resources	4,974,045
LIABILITIES	
Current Liabilities:	
Accounts Payable	6,473,266
Accrued Payroll and Employee Benefits	1,712,854
Interest Payable	1,699,274
Deposits Held in Custody for Others	383,546
Unearned Revenues	21,526,273
Current Portion of Compensated Absences Payable	248,486
Current Portion of Leases Payable	66,211
Current Portion of Subscriptions Liability	70,793
Current Portion of Financed Purchases	8,470
Current Portion of Long-Term Debt	4,267,157
Total Current Liabilities	36,456,330

See accompanying Notes to Financial Statements.

YUMA/LA PAZ COUNTIES COMMUNITY COLLEGE DISTRICT
(ARIZONA WESTERN COLLEGE)
STATEMENT OF NET POSITION (CONTINUED)
PRIMARY GOVERNMENT
JUNE 30, 2024

	Business-Type Activities
LIABILITIES (CONTINUED)	
Noncurrent Liabilities:	
Compensated Absences Payable	$ 1,705,254
Leases Payable	485,610
Financed Purchases	2,933
Long-Term Debt	65,048,326
Net Pension Liability	35,377,493
Total Noncurrent Liabilities	102,619,616
Total Liabilities	139,075,946
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pensions	2,607,460
Deferred Credit on Debt Refunding	27,903
Total Deferred Inflows of Resources	2,635,363
NET POSITION	
Net Investments in Capital Assets	43,605,400
Restricted:	
Expendable:	
Grants and Contracts	17,132,978
Unrestricted	4,159,431
Total Net Position	$ 64,897,809

See accompanying Notes to Financial Statements.

YUMA/LA PAZ COUNTIES COMMUNITY COLLEGE DISTRICT
(ARIZONA WESTERN COLLEGE)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PRIMARY GOVERNMENT
YEAR ENDED JUNE 30, 2024

	Business-Type Activities
OPERATING REVENUES	
Tuition and Fees, Net of Scholarship Allowances of $9,901,303	$ 6,595,057
Food Service Income, Net of Scholarship Allowances of $477,435	2,539,852
Dormitory Rentals and Fees, Net of Scholarship Allowances of $184,638	327,648
Other	607,092
Total Operating Revenues	10,069,649
OPERATING EXPENSES	
Educational and General:	
Instruction	30,594,119
Public Service	1,554,456
Academic Support	3,047,527
Student Services	8,649,889
Institutional Support	13,547,864
Operation and Maintenance of Plant	7,908,681
Scholarships	10,265,800
Auxiliary Enterprises	6,531,975
Depreciation and Amortization	6,262,163
Total Operating Expenses	88,362,474
OPERATING LOSS	(78,292,825)
NONOPERATING REVENUES (EXPENSES)	
Property Taxes	41,450,941
State Appropriations	8,625,900
Smart and Safe Arizona Fund Appropriations	3,415,413
Government Grants	31,128,124
Share of State Sales Taxes	2,026,684
Private Grants and Gifts	1,017,155
Investments Earnings	2,980,500
Interest Expense on Debt	(2,064,510)
Other Nonoperating Expenses	(3,285)
Gain on Disposal of Capital Assets	4,388
Total Nonoperating Revenues (Expenses)	88,581,310
INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	10,288,485
CAPITAL GRANTS AND GIFTS	9,773
INCREASE IN NET POSITION	10,298,258
Net Position - July 1, 2023	54,599,551
NET POSITION - JUNE 30, 2024	$ 64,897,809

See accompanying Notes to Financial Statements.

YUMA/LA PAZ COUNTIES COMMUNITY COLLEGE DISTRICT
(ARIZONA WESTERN COLLEGE)
STATEMENT OF CASH FLOWS
PRIMARY GOVERNMENT
YEAR ENDED JUNE 30, 2024

	Business-Type Activities
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and Fees	$ 6,776,862
Food Services Receipts	2,539,852
Dormitory Rentals and Fees	327,648
Other Receipts	566,804
Other Custodial Receipts	2,616,506
Other Custodial Disbursements	(2,618,276)
Payments to Suppliers and Providers of Goods and Services	(21,803,629)
Payments for Employee Wages and Benefits	(48,299,716)
Payments to Students for Scholarships	(10,265,798)
Net Cash Used by Operating Activities	(70,159,747)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Property Taxes	41,352,567
State Appropriations	12,041,313
Grants	45,341,563
Share of State Sales Taxes	2,026,684
Private Grants and Gifts	1,017,155
Other Nonoperating Expenses	(3,285)
Federal Direct Lending Receipts	292,808
Federal Direct Lending Disbursements	(292,808)
Net Cash Provided by Noncapital Financing Activities	101,775,997
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal Paid on Capital Debt/Obligations	(4,915,578)
Interest Paid on Capital Debt/Obligations	(1,883,995)
Purchases of Capital Assets	(28,030,169)
Net Cash Used by Capital and Related Financing Activities	(34,829,742)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received on Investments	2,987,757
Net Proceeds from Sales and Maturities of Investments	2,056,719
Purchase of Investments	(8,930)
Net Cash Provided by Investing Activities	5,035,546
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,822,054
Cash and Cash Equivalents - July 1, 2023	60,785,675
CASH AND CASH EQUIVALENTS - June 30, 2024	$ 62,607,729

See accompanying Notes to Financial Statements.

YUMA/LA PAZ COUNTIES COMMUNITY COLLEGE DISTRICT
(ARIZONA WESTERN COLLEGE)
STATEMENT OF CASH FLOWS (CONTINUED)
PRIMARY GOVERNMENT
YEAR ENDED JUNE 30, 2024

	Business-Type Activities
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES	
Operating Loss	$ (78,292,825)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation and Amortization	6,262,163
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:	
Deposits Held in Custody for Others	(1,770)
Other Receivables	37,722
Prepaid Items	178,102
Deferred Outflows of Resources Related to Pensions	1,146,902
Accounts Payable	1,012,676
Accrued Payroll and Employee Benefit	368,522
Unearned Revenues	103,795
Compensated Absences Payable	160,990
Net Pension Liability	(1,574,383)
Deferred Inflow of Resources Related to Pensions	438,359
Net Cash Used for Operating Activities	$ (70,159,747)
NONCASH INVESTING, CAPITAL, AND NONCAPITAL FINANCING ACTIVITIES	
Gifts of Depreciable and Nondepreciable Assets	$ 9,773
Amortization of Premium on General Obligation Bonds	443,916
Amortization of Premium on Revenue Bonds	103,710
Amortization of Deferred Inflows/Outflows from General Obligation Bonds	(293,180)
RECONCILIATION OF CASH AND CASH EQUIVALENTS, AS PRESENTED ON THE STATEMENT OF NET POSITION	
Cash and Cash Equivalents	$ 61,569,777
Restricted Assets:	
Cash and Cash Equivalents	519,059
Cash and Cash Equivalents Held by Trustee	518,893
Total Cash and Cash Equivalents - End of Year	$ 62,607,729

See accompanying Notes to Financial Statements.

YUMA/LA PAZ COUNTIES COMMUNITY COLLEGE DISTRICT
(ARIZONA WESTERN COLLEGE)
STATEMENT OF FINANCIAL POSITION
COMPONENT UNIT
JUNE 30, 2024

	Arizona Western College Foundation
ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	$ 294,968
Accounts Receivable	800
Pledges Receivable	116,700
Prepaid Expenses	1,879
Other Assets	956
Total Current Assets	415,303
NONCURRENT ASSETS	
Pledges Receivable - Noncurrent	339,000
Investments	6,862,250
Total Noncurrent Assets	7,201,250
Total Assets	$ 7,616,553
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable	$ 39,086
Total Current Liabilities	39,086
NONCURRENT LIABILITIES	
Compensated Absences	23,158
Total Noncurrent Liabilities	23,158
Total Liabilities	62,244
NET ASSETS	
Without Donor Restrictions:	
Undesignated	1,318,417
Designated by the Board	401,814
With Donor Restrictions:	
Perpetual in Nature	3,003,668
Purpose Restricted	2,364,135
Time Restricted	466,275
Total Net Assets	7,554,309
Total Liabilities and Net Assets	$ 7,616,553

See accompanying Notes to Financial Statements.

YUMA/LA PAZ COUNTIES COMMUNITY COLLEGE DISTRICT
(ARIZONA WESTERN COLLEGE)
STATEMENT OF ACTIVITIES
COMPONENT UNIT
YEAR ENDED JUNE 30, 2024

	Arizona Western College Foundation		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Contributions	$ 631	$ 1,178,422	1,179,053
Contributions - In Kind	476,081	-	476,081
Special Events	18,173	112,092	130,265
Other Income	23	2,593	2,616
Investments Return, Net	45,150	331,349	376,499
Net Assets, Released from Restrictions	753,949	(753,949)	-
Total Revenue, Support, and Gains	1,294,007	870,507	2,164,514
EXPENSES AND LOSSES			
Program Services:			
Scholarships	406,228	-	406,228
Instruction	766,453	-	766,453
Total Program Services	1,172,681	-	1,172,681
Support Services:			
Management and General	74,039	-	74,039
Fundraising	68,922	-	68,922
Cost of Direct Benefits to Donors	19,875	-	19,875
Total Supporting Services	162,836	-	162,836
Total Expenses and Losses	1,335,517	-	1,335,517
CHANGE IN NET ASSETS	(41,510)	870,507	828,997
Net Assets - Beginning of Year	1,761,741	4,963,571	6,725,312
NET ASSETS - END OF YEAR	$ 1,720,231	$ 5,834,078	$ 7,554,309

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Yuma/La Paz Counties Community College District's (the District) accounting policies conform to generally accepted accounting principles applicable to public institutions engaged only in business-type activities adopted by the Governmental Accounting Standards Board (GASB).

A. Reporting Entity

The District is a special-purpose government that a separately elected governing body governs. It is legally separate and fiscally independent of other state and local governments. The accompanying financial statements present the activities of the District (the primary government) and its discretely presented component unit, the Arizona Western College Foundation (the Foundation).

The Foundation is a legally separate, tax-exempt organization. It acts primarily as a fund-raising organization that receives gifts and bequests, administers those resources, and disburses payments to or on behalf of the District for scholarships and other special projects. Although the District does not control the timing or amount of receipts from the Foundation, the Foundation's restricted resources can be used only by or for the benefit of the District or its constituents. Consequently, the Foundation is considered a component unit of the District and is discretely presented in the District's financial statements.

For financial reporting purposes, the Foundation follows the Financial Accounting Standards Board (FASB) statements for not-for-profit organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information included in the District's financial report.

Accordingly, those financial statements have been reported on separate pages following the District's financial statements. For financial reporting purposes, only the Foundation's statements of financial position and activities are included in the District's financial statements as required by generally accepted accounting principles for public colleges and universities. The Foundation has a June 30 year-end.

During the year ended June 30, 2024, the Foundation distributed $476,081 to the District for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from the Foundation Office, PO Box 929, Yuma, AZ, 85364-0929.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation and Accounting

The financial statements include a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows.

A statement of net position provides information about the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at the end of the year. Assets and liabilities are classified as either current or noncurrent. Net position is classified according to external donor restrictions or availability of assets to satisfy the District's obligations. Net investment in capital assets represents the value of capital assets, net of accumulated depreciation/amortization, less any outstanding liabilities incurred to acquire or construct the assets. Expendable restricted net position represents grants, contracts, gifts, and other resources that have been externally restricted for specific purposes. Unrestricted net position consists of all other resources, including those that have been designated by management to be used for other than general operating purposes.

A statement of revenues, expenses, and changes in net position provides information about the District's financial activities during the year. Revenues and expenses are classified as either operating or nonoperating, and all changes in net position are reported, including capital contributions and additions to endowments. Operating revenues and expenses generally result from exchange transactions.

Accordingly, revenues, such as tuition, food service, and dormitory charges, in which each party receives and gives up essentially equal values, are considered operating revenues. Other revenues, such as property taxes, state appropriations, and government grants, result from transactions in which the parties do not exchange equal values and are considered nonoperating revenues. Operating expenses include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. Other expenses, such as interest expense, are considered nonoperating expenses.

A statement of cash flows provides information about the District's sources and uses of cash and cash equivalents during the year. Increases and decreases in cash and cash equivalents are classified as either operating, noncapital financing, capital financing, or investing.

The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. State appropriations are recognized as revenue in the year in which the appropriation is first made available for use. Grants and donations are recognized as revenue as soon as all eligibility requirements the provider imposed have been met.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation and Accounting (Continued)

Internal activity is eliminated using a charge-back method, charging user departments, and reducing expenses in the department providing the service.

When both unrestricted and restricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Cash and Investments

For the statement of cash flows, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, cash and investments held by the County Treasurer, investments in the State Treasurer's Local Government Investment Pool, and only those highly liquid investments with a maturity of three months or less when purchased.

All investments are stated at fair value.

D. Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or market.

E. Capital Assets

Capital assets are reported at actual cost (or estimated historical cost if historical records are not available). Donated assets are reported at acquisition value.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation/amortization methods, and estimated useful lives of capital assets are as follows:

	Capitalization Threshold	Depreciation/ Amortization Method	Estimated Useful Life
Land	$ 5,000	N/A	N/A
Land Improvements	5,000	N/A	N/A
Buildings	5,000	Straight-Line	20-40 Years
Construction in Progress	5,000	N/A	N/A
Improvements Other Than Buildings	5,000	Straight-Line	15 Years
Equipment	5,000	Straight-Line	5 Years
Library Books	-	Straight-Line	10 Years
Intangibles:			
Right-to-Use Subscription Assets	75,000	Straight-Line	See Below
Right-to-Use Lease Assets:			
Buildings, Equipment	75,000	Straight-Line	See Below

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Capital Assets (Continued)

Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying IT assets.

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the District has determined is reasonably certain of being exercised—then the lease asset is amortized over the useful life of the underlying asset.

F. Postemployment Benefits

For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

G. Investment Earnings

Investment earnings is composed of interest, dividends, and net changes in the fair value of applicable investments.

H. Scholarship Allowances

A scholarship allowance is the difference between the stated charge for goods and services the District provides and the amount that the student or third parties making payments on the student's behalf pays. Accordingly, some types of student financial aid, such as Pell grants and scholarships the District awards, are considered scholarship allowances. These allowances are netted against tuition and fees revenues in the statement of revenues, expenses, and changes in net position.

I. Compensated Absences

Compensated absences payable consists of vacation leave employees earned base on services already rendered.

Employees may accumulate up to 330 or 352 hours of vacation depending on years of service, but they forfeit any unused vacation hours in excess of the maximum amount at fiscal year-end. Upon terminating employment, the District pays all unused and unforfeited vacation benefits to employees. Accordingly, vacation benefits are accrued as a liability in the financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Compensated Absences (Continued)

Employees may accumulate an unlimited number of sick leave hours. Generally, sick leave benefits provide for ordinary sick pay and are cumulative, but employees forfeit them upon terminating employment. Because sick leave benefits do not vest with employees, a liability for sick leave is not accrued in the financial statements.

J. Leases and Subscription-Based Information Technology Arrangements

Leases

As lessee, the District recognizes lease liabilities with an initial, individual value of $75,000 or more. Key estimates and judgments include the determination of the discount rate to calculate the present value of lease payments, the lease term, and the lease payments. The District utilizes the rate implicit in the lease when it is readily determinable; otherwise, the District has used professional judgment to determine the best estimate of its incremental borrowing rate based on the District's most recent debt issuance rating.

Subscription-Based Information Technology Arrangements

The District recognizes subscription liabilities with an initial, individual value of $75,000 or more. Key estimates and judgments include the determination of the discount rate to calculate the present value of subscription payments, the subscription term, and the subscription payments. The District utilizes the rate implicit in the subscription when it is readily determinable; otherwise, the District has used professional judgment to determine the best estimate of its incremental borrowing rate based on the District's most recent debt issuance rating.

NOTE 2 DEPOSITS AND INVESTMENTS

Arizona Revised Statutes (A.R.S.) requires the District to deposit special tax levies for the District's maintenance or capital outlay with the County Treasurer. A.R.S. does not require the District to deposit other public monies in its custody with the County Treasurer; however, the District must act as a prudent person dealing with another's property when making investment decisions about those monies. A.R.S. requires collateral for deposits at 102% of all deposits not covered by federal depository insurance.

A.R.S. does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the District's investments.

Deposits

At June 30, 2024, the total cash on hand was $5,140, certificates of deposit held totaled $768,170, and the carrying amount of the District's deposits was $16,914,519 and the bank balance was $19,045,208. The District does not have a formal policy with respect to custodial credit risk for deposits.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

The District had total investments of $55,836,873 at June 30, 2024. The District categorizes certain investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles as follows.

		Fair Value Measurement Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
U.S. Treasury Securities	$ 3,889,264	$ -	$ 3,889,264	$ -
U.S. Agency Securities	6,259,540	-	6,259,540	-
Total Investments Categorized by Fair Value Level	$ 10,148,804	$ -	$ 10,148,804	$ -

Investments categorized as Level 2 are valued using the observed market transactions, independent pricing service, third party counterparty evaluations and discounted cash flow, matrix or model prices with appropriate assumptions based on observable market inputs.

The District also had the following investments in external investment pools measured at fair value:

State Treasurer's Investment Pools	$ 36,162,649
County Treasurer's Investment Pool	9,525,420
Total External Investment Pools Measured at Fair Value	$ 45,688,069

Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the District held. The fair value of a participant's position in the pools approximates the value of that participant's pool shares. The investment in the County Treasurer's pool is valued using the District's proportionate participation in the pool because the pool's structure does not provide for shares. The State Board of Investment provides oversight for the State Treasurer's investment pools. No comparable oversight is provided for the County Treasurer's investment pool.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk

The District does not have a formal policy with respect to credit risk. As of June 30, 2024, credit risk for the District's investments was as follows:

Investment Type	Rating	Rating Agency	Amount
State Treasurer's Investment Pool 7	Unrated	N/A	$ 36,162,649
County Treasurer's Investment Pool	Unrated	N/A	9,525,420
U.S. Agency Securities	AAA/AA+	M's/S&P's	6,259,540
Total			$ 51,947,609

M's/S&P's - Moody's/Standards & Poor's

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the counterparty's failure, the District will not be able to recover the value of its investments or collateral securities that are in an outside party's possession. The District does not have a formal policy with respect to custodial credit risk.

Concentration of Credit Risk

The District does not have a formal policy regarding concentration of credit risk. The District had investments at June 30, 2024, of 5% or more in Federal National Mortgage Association. These investments were 8.0% of the District's total investments.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's policy limits the District's investment portfolio to maturities of one to three years.

At June 30, 2024, the District had the following investments in debt securities:

	Investment Maturities		
Investment Type	Less Than One Year	One-Five Years	Total
State Treasurer's Investment Pools	$ 36,162,649	$ -	$ 36,162,649
County Treasurer's Investment Pool	9,525,420	-	9,525,420
U.S. Treasury Securities	3,889,264	-	3,889,264
U.S. Agency Securities	3,761,849	2,497,691	6,259,540
Total	$ 53,339,182	$ 2,497,691	$ 55,836,873

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

A reconciliation of cash, deposits, and investments to amounts shown on the statement of net position follows:

Cash, Deposits, and Investments	
Cash on Hand	$ 5,140
Amount of Deposits	17,682,689
Amount of Investments	55,836,873
Total	$ 73,524,702
Statement of Net Position	
Cash and Cash Equivalents	$ 61,569,777
Current Investments	10,916,973
Restricted Assets:	
Cash and Cash Equivalents	519,059
Cash and Cash Equivalents Held by Trustee	518,893
Total	$ 73,524,702

NOTE 3 UNEARNED REVENUE

Unearned revenue consists primarily of amounts received for grants that have not yet been earned under the terms of the agreements as well as tuition and fees received in advance. During the year ended June 30, 2024, unearned revenue increased significantly due to $15 million of funding received from the Arizona Department of Education for Career and Technical Education grants. These funds will be used to develop new programs and courses at the District.

Unearned revenue at June 30, 2024, consisted of the following:

Tuition and Fees Received in Advance	$ 787,944
Unexpended Cash Advances from Grants and Contracts	20,738,329
Total Unearned Revenue	$ 21,526,273

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balance (Restated)	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated/Amortized				
Land	$ 504,690	$ -	$ -	$ 504,690
Construction in Progress	24,900,321	6,332,180	23,354,654	7,877,847
Total Capital Assets Not Being Depreciated/ Amortized	25,405,011	6,332,180	23,354,654	8,382,537
Capital Assets Being Depreciated/Amortized				
Buildings	118,477,434	41,520,169	-	159,997,603
Equipment	14,817,811	2,888,263	18,669	17,687,405
Improvements Other Than Buildings	24,190,418	555,488	-	24,745,906
Library Books	1,465,617	102,884	90,349	1,478,152
Intangibles:				
Right-to-Use Subscription Assets	2,416,790	-	1,650,960	765,830
Right-to-Use Lease Assets:				
Land	250,000	-	-	250,000
Equipment	414,181	-	-	414,181
Total	162,032,251	45,066,804	1,759,978	205,339,077
Less Accumulated Depreciation/Amortization for:				
Buildings	55,330,232	2,840,331	-	58,170,563
Equipment	10,649,481	1,600,456	18,669	12,231,268
Improvements Other Than Buildings	21,713,560	547,705	-	22,261,265
Library Books	970,755	94,004	90,349	974,410
Intangibles:				
Right-to-Use Subscription Assets	1,102,946	1,102,945	1,650,960	554,931
Right-to-Use Lease Assets:				
Land	26,721	26,722	-	53,443
Equipment	35,000	50,000	-	85,000
Total	89,828,695	6,262,163	1,759,978	94,330,880
Total Capital Assets Being Depreciated/ Amortized	72,203,556	38,804,641	-	111,008,197
Capital Assets, Net	$ 97,608,567	$ 45,136,821	$ 23,354,654	$ 119,390,734

NOTE 4 CAPITAL ASSETS (CONTINUED)

The beginning balance of the right-to-use assets were restated for the reclassification of leased assets previously presented as equipment to land assets.

NOTE 5 CONSTRUCTION AND OTHER COMMITMENTS

The District had major contractual commitments related to various capital projects at June 30, 2024, for the construction of the following: the Matador Activity Center construction, the DeAnza residence hall replacement, and the furniture purchase for the Matador Activity Center. At June 30, 2024, the District had spent $28,732,366 on these projects and had remaining contractual commitments with contractors of $4,302,932. The three capital projects are financed by revenue bonds.

NOTE 6 LONG-TERM LIABILITIES

The following schedule details the District's long-term liability and obligation activity for the year ended June 30, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds	$ 36,135,000	$ -	$ 3,535,000	$ 32,600,000	$ 3,720,000
Revenue Bonds	32,955,000	-	-	32,955,000	-
Discounts/Premiums	4,308,109	-	547,626	3,760,483	547,157
Total Long-Term Debt	73,398,109	-	4,082,626	69,315,483	4,267,157
Financed Purchases	276,279	-	264,876	11,403	8,470
Lease Payable	616,540	-	64,719	551,821	66,211
Subscriptions Liability	1,121,776	-	1,050,983	70,793	70,793
Net Pension Liability	36,951,876	-	1,574,383	35,377,493	-
Compensated Absences Payable	1,792,750	1,578,813	1,417,823	1,953,740	248,486
Total Long-Term Liabilities	$ 114,157,330	$ 1,578,813	$ 8,455,410	$ 107,280,733	$ 4,661,117

Bonds

The District's bonded debt consists of various issues of general obligation bonds and revenue bonds that are generally callable with interest payable semiannually. Bond proceeds pay primarily for acquiring or constructing capital facilities. Bonds have also been issued to advance-refund previously issued bonds. The District repays general obligation bonds from voter-approved property taxes. Revenue bonds are repaid from tuition and fees and dormitory rentals and fees.

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Bonds (Continued)

The District has pledged its gross revenues towards the payment of debt related to all revenue bonds outstanding at June 30, 2024. The bonds generally provide financing for various capital projects of the college. These pledged revenues include student tuition and fees, auxiliary enterprise revenue, sales and service revenue, and other operating revenues, such as indirect cost recovery and certain investment income. Pledged revenues do not include state appropriations, property taxes, gifts, or restricted revenues. At June 30, 2024, pledged revenues totaled $10.3 million, of which 10% ($1,039,000) was required to cover current year debt service. Future pledged revenues required to pay all remaining debt service for the bonds through the final maturity of July 1, 2046, is $46 million.

The following bonds were outstanding at June 30, 2024:

Description	Original Amount Issued	Interest Rates	Maturity Ranges	Outstanding Principal
General Obligation Bonds - Series 2014	$ 28,665,000	3.00-5.00%	7/1/2023-2036	$ 6,330,000
General Obligation Refunding Bonds - Series 2014A	16,035,000	4.00-5.00%	7/1/2023-2031	16,035,000
General Obligation Refunding Bonds - Series 2016	10,895,000	2.60%	7/1/2023-2032	10,235,000
Revenue Bonds - Series 2021	17,790,000	2.00-4.00%	7/1/2025-2046	17,790,000
Revenue Bonds - Series 2022	15,165,000	2.75%	7/1/2025-2046	15,165,000
Total	$ 88,550,000			$ 65,555,000

The following schedule details debt service requirements to maturity for the District's bonds payable at June 30, 2024:

	General Obligation Bonds		Revenue Bonds	
Year Ending June 30,	Principal	Interest	Principal	Interest
2025	$ 3,720,000	$ 1,182,250	$ -	$ 1,038,638
2026	3,825,000	996,565	1,050,000	1,020,825
2027	4,135,000	800,565	1,085,000	984,594
2028	4,370,000	612,200	1,125,000	947,050
2029	4,570,000	435,255	1,165,000	908,094
2030-2034	11,980,000	443,300	6,430,000	3,907,913
2035-2039	-	-	7,590,000	2,743,469
2040-2044	-	-	8,645,000	1,680,938
2045-2048	-	-	5,865,000	306,975
Total	$ 32,600,000	$ 4,470,135	$ 32,955,000	$ 13,538,496

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Financed Purchases

The District has acquired equipment under contract agreements at a total purchase price of $1,387,886. The following schedule details debt service requirements to maturity for the District's financed purchases at June 30, 2024:

Year Ending June 30,	Principal	Interest
2025	$ 8,470	$ 434
2026	2,933	35
Total	$ 11,403	$ 469

Leases

The District has obtained right to use land and equipment under the provisions of various lease agreements. Leases extend from 60 to 186 months with fixed monthly payments up to $4,167.

The total amount of lease assets and the related accumulated amortization are as follows:

Total Intangible Right-to-Use Lease Assets	$ 664,181
Less: Accumulated Amortization	(138,443)
Carrying Value	$ 525,738

The following schedule details minimum lease payments to maturity for the District's leases payable at June 30, 2024:

Year Ending June 30,	Principal	Interest
2025	$ 66,211	$ 10,967
2026	67,789	10,475
2027	69,458	9,937
2028	37,888	9,349
2029	23,085	8,709
2030-2034	147,205	31,888
2035-2038	140,185	7,577
Total	$ 551,821	$ 88,902

Subscription-Based Information Technology Arrangements (SBITAs)

The District has obtained the right to use institutional and instructional software applications under the provisions of various subscription-based information technology arrangements. The software subscriptions are paid annually from 2023-25.

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

The total amount of subscription assets and the related accumulated amortization are as follows:

Total Intangible Right-to-Use Subscription Assets	$	765,830
Less: Accumulated Amortization		(554,931)
Carrying Value	$	210,899

The following schedule details minimum subscription payments to maturity for the District's subscriptions liability at June 30, 2024:

Year Ending June 30,	Principal		Interest	
2025	$	70,793	$	124
Total	$	70,793	$	124

NOTE 7 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates with seven other Arizona community college districts and more than 200 Arizona school districts in the Arizona School Risk Retention Trust, Inc. (Trust), a public-entity risk pool. The Trust insures the District against liabilities arising from general liability, professional liability, property, cyber, automobile, boiler, and machinery liability, and commercial crime risks. The coverage limits and deductibles are listed below:

Coverage	Limit	Deductible
General	$10,000,000/Occurrence	None
	Employer's Liability: $2,000,000/Accident or Disease	$500,000/Accident or Disease
	Cyber Liability: $5,000,000/Occurrence	$5,000/Occurrence
Professional	Administrative Practices: $150,000/Claim, $300,000 Aggregate	None
	Criminal Legal Defense: $100,000/Claim, $200,000 Aggregate	None
Property	Total Insurable Value: $137,457,657	$1,000/Occurrence
Automobile	$10,000,000/Occurrence	None
	$1,000 Each Person/$250,000 Each Accident Underinsured/Uninsured Motorist	
Commercial Crime	$1,500,000/Occurrence	$100/Occurrence

NOTE 7 RISK MANAGEMENT (CONTINUED)

The Trust's operating agreement includes a provision for the member to be charged an additional assessment in the event that total claims paid by the Trust exceed the members' contributions and reserves in any single year. The District will be charged for any such assessment in the following year. The District also carries commercial insurance for other risks of loss, including workers' compensation, employees' health, accidental death and dismemberment for students and employees, employee travel, and student athlete injuries. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

In addition, the District is a member of the Yuma Area Benefit Consortium (the Consortium), which provides basic or major medical coverage for accidents or sicknesses, as well as dental and vision insurance coverage to its employees through the Consortium. The Consortium, currently composed of three voting entities and some small non-voting agencies, provides benefits up to $250,000 per individual per calendar year through a self-funding agreement with its participants and purchases commercial insurance to cover claims in excess of this limit. An independent administrator provides the Consortium with claims and recordkeeping services. The District is responsible for paying a set amount to the Consortium for each eligible employee. The District charges participating employees a contribution rate, depending on the health plan chosen by the employee. The District would be assessed an additional amount (to what was submitted as contributions) to fund the deficiency should the Consortium become insolvent. This additional contribution shall not exceed the amount of the District's annual contribution (i.e., premium), and once made, thereby releases the District from further legal obligations of any type. Should the District withdraw from the Consortium, it would then be responsible for its proportional share of claims run-out costs that exceed the Consortium reserves established for the incurred but not reported claims liability. If the Consortium were to terminate, the District would be responsible for its proportional share of any Consortium deficit. The District's proportional share upon termination shall not exceed the amount of the District's annual contributions, and once made, releases the District from all further legal obligations of any type. No additional contributions to the Consortium have been made in any of the past three fiscal years.

NOTE 8 PENSIONS

Plan Description

District employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azasrs.gov.

NOTE 8 PENSIONS (CONTINUED)

Benefits Provided

The ASRS provides retirement and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Retirement Initial Membership Date	
	Before July 1, 2011	On or After July 1, 2011
Years of Service and Age Required to Receive Benefit	Sum of Years and Age Equals 80 10 Years, Age 62 5 Years, Age 50* Any Years, Age 65	30 Years, Age 55 25 Years, Age 60 10 Years, Age 62 5 Years, Age 50* Any Years, Age 65
Final Average Salary is Based on	Highest 36 Consecutive Months of last 120 Months	Highest 60 Consecutive Months of last 120 Months
Benefit Percent Per Year of Service	2.1% to 2.3%	2.1% to 2.3%

* With Actuarially Reduced Benefits.

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the retirement benefit option chosen determines the survivor benefit. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Contributions

In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2024, statute required active ASRS members to contribute at the actuarially determined rate of 12.14% for retirement of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 12.03% for retirement of the active members' annual covered payroll. In addition, the District was required by statute to contribute at the actuarially determined rate of 9.94% for retirement of annual covered payroll of retired members who worked for the District in positions that an employee who contributes to the ASRS would typically fill. The District's contributions to the pension plan for the year ended June 30, 2024, was $3,656,347.

NOTE 8 PENSIONS (CONTINUED)

Liability

At June 30, 2024, the District reported the following liability for its proportionate share of the ASRS' net pension liability.

	Net Pension Liability
ASRS	
Pension	$ 35,377,493

The net liability was measured as of June 30, 2023. The total liability used to calculate the net liability was determined using the update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2022, to the measurement date of June 30, 2023.

The District's proportion of the net liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2023. The District's proportion measured as of June 30, 2023, and the change from its proportions measured as of June 30, 2022, was:

	Proportion June 30, 2023	Decrease from June 30, 2022
ASRS		
Pension	0.21863%	-0.00776%

Expense

For the year ended June 30, 2024, the District recognized the following pension expense.

	Pension Expense
ASRS	
Pension	$ 3,900,750

Deferred Outflows/Inflows of Resources

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 799,390	$ -
Net Difference Between Projected and Actual Earnings on Plan Investments	-	1,251,686
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	-	1,355,774
District Contributions Subsequent to the Measurement Date	3,656,347	-
Total	$ 4,455,737	$ 2,607,460

NOTE 8 PENSIONS (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

The amounts reported as deferred outflows of resources related to ASRS pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized as expenses as follows:

Year Ending June 30,	Amount
2025	$ (1,185,287)
2026	(1,816,189)
2027	1,348,948
2028	(155,542)

Actuarial Assumptions

The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial Valuation Date	June 30, 2022
Actuarial Roll Forward Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.0%
Projected Salary Increases	2.9%-8.4%
Inflation	2.3%
Permanent Benefit Increases	Included for Pensions
Mortality Rates	2017 SRA Scale U-MP

Actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the five year period ended June 30, 2020.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0% using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Public Equity	44 %	3.50 %
Fixed Income - Credit	23	5.90
Fixed Income - Interest Rate Sensitive Bonds	6	1.50
Private Equity	10	6.70
Real Estate	17	5.90
Total	100 %	

NOTE 8 PENSIONS (CONTINUED)

Discount Rate

At June 30, 2023, the discount rate used to measure the ASRS total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate

The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's Proportionate Share of the Net Pension Liability	$ 52,990,289	$ 35,377,493	$ 20,691,537

Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued ASRS financial report.

NOTE 9 OPERATING EXPENSES

The District's operating expenses are presented by functional classification in the statement of revenues, expenses, and changes in net position—primary government. The operating expenses can also be classified into the following:

Personnel Services	$ 48,840,106
Contract Services	10,259,029
Supplies	3,844,017
Communications and Utilities	2,676,862
Scholarships	10,265,798
Depreciation/Amortization	6,262,164
Other	6,214,498
Total	$ 88,362,474

The District uses credit cards to pay certain vendors for goods and services. The District received $45,644 in rebates resulting from credit card payments for the year ended June 30, 2024.

NOTE 10 DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES

The District's discretely presented component unit is composed of the Arizona Western College Foundation.

Summary of Significant Accounting Policies

Nature of Activities

Arizona Western College Foundation (the Foundation) provides funding for educational needs and individual scholarships through Arizona Western College and other special projects. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader. The Foundation's offices are located on the campus of Arizona Western College in Yuma, Arizona. The Foundation provides services to residents of Yuma and La Paz counties. The Foundation's primary source of revenue is from contributions.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The financial statements of the Foundation have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to not-for-profit entities. The FASB is the accepted standard-setting body for establishing not-for-profit accounting and financial reporting principles. The Foundation is required to report information regarding its financial position and activities according to two classes based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified as follows:

Net Assets Without Donor Restrictions - are not subject to donor-imposed stipulations. The Governing Board has designated, from net assets without donor restrictions, net assets for the purpose of matching donated contributions for the Dreams to Reality Program. These assets are held in investments in a board designated endowment fund.

Net Assets With Donor Restrictions - are subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of the Foundation and/or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds must be maintained in perpetuity.

NOTE 10 DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

The Foundation reports investments at fair value. Net investment income return is reported in the Statement of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment expense.

Concentration of Credit and Market Risk

Financial instruments that potentially expose the Foundation to concentrations of credit and market risk consist primarily of cash equivalents and investments. The Foundation maintains its cash and cash equivalents in bank deposit accounts, which, for short periods of time, may exceed federally insured limits. There was no uninsured cash at year end. To minimize risk, cash accounts are maintained at high-quality financial institutions and credit exposure is limited to any one institution. The Foundation’s investments do not represent significant concentrations of market risk inasmuch as the Foundation’s investment portfolio is adequately diversified among issuers.

Revenue Recognition

Contributions

The Foundation recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. The Foundation did not have any conditional promises to give at June 30, 2024.

NOTE 10 DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Special Events

Special events revenue consists of sponsorships, sales of tickets or registration for the events, and proceeds from auctions. Revenue is recognized when the performance obligations have been met, which is the point in time that the event occurs.

Contributions Receivable

Unconditional promises to give that are expected to be collected in less than one year are reported at net realizable value. Unconditional promises to give that are expected to be collected in periods greater than one year are recorded at net present value of expected cash flows. As of June 30, 2024, management does not believe an allowance for uncollectible amounts is necessary based on historical experience with donors, and accordingly has made no allowance for doubtful accounts.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Accounts receivable are considered by management to be collectible in full and, accordingly, an allowance for doubtful accounts is not considered necessary.

Property and Equipment

All acquisitions of property and equipment with a cost in excess of $5,000 and all expenses for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective asset. No assets met the Foundation’s capitalization threshold, and therefore, depreciation expense for the current fiscal year was zero.

The Foundation reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Management does not believe impairment indicators are present.

NOTE 10 DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Compensated Absences

Employees are entitled to personal time off (PTO), depending on job classification, length of service, and other factors. It is the Foundation's policy to recognize the cost of compensated absence when leave is earned by employees.

Deferred Revenue

The Foundation holds an annual event around October of each year. Payments received for sponsorships and tickets prior to year end of the next year's event are recorded as deferred revenue and recognized at the time of the event. The Foundation recorded $2,000 of deferred revenue related to the October 2024 annual event as of June 30, 2024.

In-Kind Contributions

Contributed nonfinancial assets include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. The Foundation does not sell donated gifts-in-kind it receives. In addition to contributed nonfinancial assets, volunteers may contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and Wages	Time and Effort
Office Supplies and Technology	Time and Effort
Rent	Time and Effort
Professional Development	Time and Effort
Professional Services	Time and Effort

Advertising

The Foundation uses advertising to promote its programs and special events among the audiences it serves. The production costs of advertising are expensed as incurred. During the current fiscal year, advertising costs totaled $572.

NOTE 10 DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Income Tax Status

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and similar State of Arizona tax provisions. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). The Foundation's Form 990, *Return of Organization Exempt from Income Taxes* is generally subject to examination by the Internal Revenue Service for three years after the date filed.

Management has evaluated the tax positions taken or expected to be taken, if any, on its exempt organization filings, and the likelihood that upon examination those positions would be sustained. Based on the results of this evaluation, management believes there are no uncertain tax positions.

Liquidity and Availability

The following represents the Foundation's financial assets at fiscal year-end:

Financial Assets at Year-End	
Cash and Cash Equivalents	$ 294,968
Pledges Receivable - Current	116,700
Accounts Receivable	800
Investments	6,862,250
Total Financial Assets	7,274,718
Less Amounts Not Available to be Used Within One Year:	
Net Assets With Donor Restrictions	(5,834,078)
Quasi-Endowment Established by the Board	(401,814)
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	$ 1,038,826

The Foundation does not have a formal policy regarding operating reserves, however the Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Although the Foundation does not intend to spend from its quasi-endowment, amounts could be made available if necessary. The Foundation did not have any lines of credit during the current fiscal year.

Investments and Fair Value Measurements

Fair value is defined as the price that the Foundation would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date.

NOTE 10 DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

Investments and Fair Value Measurements (Continued)

Accounting standards establish a three-tier fair value hierarchy that prioritizes the inputs to valuation techniques. Inputs refer broadly to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Observable inputs are those that reflect the assumptions that market participants would use in pricing the asset and are based on market data obtained from independent sources. Unobservable inputs reflect the Foundation's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

Level 1 - assets use quoted prices in active markets for identical investments.
Level 2 - assets use quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability.
Level 3 - assets use unobservable inputs for the asset or liability.

The level of fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair Values Measured on Recurring Basis

Fair values of assets measured on a recurring basis at year-end are as follows:

	Hierarchy Level	Fair Value
Investments		
Mutual Funds	Level 1	$ 1,141,793
Fixed Income Investments	Level 1	1,654,871
Equities	Level 1	4,065,586
Total Assets		$ 6,862,250

The following methods and assumptions were used to estimate the fair value for each class of financial instrument measured at fair value.

Investments

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

Endowments

The Foundation's endowment consists of approximately 152 individual funds established for student scholarships. Its endowment includes both donor-restricted funds and funds designated by the Board to meet matching requirements. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

NOTE 10 DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

Endowments (Continued)

Interpretation of Relevant Law

The Board of Directors of the Foundation has interpreted the State of Arizona's version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gifts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor- restricted amounts not retained in perpetuity are subject to appropriation for expenditures by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

a. The duration and preservation of the fund
b. The purpose of the donor-restricted endowment fund
c. General economic conditions
d. The possible effect of inflation and deflation
e. The expected total return from income and the appreciation of investments
f. Other resources of the Foundation
g. The investment policies of the Foundation

Endowment Net Asset Composition by Type of Fund as of year-end:

	Without Donor Restriction	Without Donor Restriction	Total
Donor-Restricted Funds			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	$ -	$ 3,003,668	$ 3,003,668
Accumulated Investment Gains and Contributions	-	1,448,139	1,448,139
Board-Designated Endowment Funds			
Title V Match	401,814	-	401,814
Total Funds	$ 401,814	$ 4,451,807	$ 4,853,621

NOTE 10 DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

Endowments (Continued)

Investment Return Objectives, Risk Parameters and Strategies

The Foundation has adopted investment and spending policies, approved by the Board, for endowment assets that attempt to provide a predictable stream of funding for scholarships supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of three to four percent, while growing the funds if possible.

Therefore, the Foundation expects its endowment assets, over time, to produce an average rate of return of approximately six to eight percent annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy

The Foundation has a policy of appropriating for distribution each year between 3% and 4% of its endowment funds' average fair value, provided that the value of the particular endowment is at least 105% of its principal. Any income in excess of annual spending is to be reinvested in the endowment account. Money reinvested in the endowment account shall not be considered principal of that account unless so designated by the Board or as stipulated by the donor. In establishing this policy, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Foundation expects the current spending policy to be consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Changes in Endowment Net Assets as of year-end:

	Without Donor Restriction	Without Donor Restriction	Total
Endowment Net Assets - Beginning of Year	$ 401,522	$ 3,899,637	$ 4,301,159
Contributions	-	738,708	738,708
Reclassification	(4,208)	(599)	(4,807)
Investment Return, Net	21,415	224,796	246,211
Amounts Appropriated for Expenditure	(16,915)	(410,735)	(427,650)
Endowment Net Assets - End of Year	$ 401,814	$ 4,451,807	$ 4,853,621

NOTE 10 DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

Net Assets

Net assets without donor restrictions are as follows:

Designated for Title V Match	$ 401,814
Undesignated	1,318,417
Total	$ 1,720,231

Net assets with donor restrictions were as follows:

Perpetual and Specific Purpose	
Endowments	$ 4,451,807
Title V Dreams to Reality	5,112
Instruction	910,884
Passage of Time	
Title V Dreams to Reality	466,275
Total	$ 5,834,078

Net assets released from donor restrictions are as follows:

Satisfaction of Purpose Restrictions	
Scholarships	$ 410,735
Instruction	329,516
Title V Dreams to Reality	13,698
Total	$ 753,949

Contributed Nonfinancial Assets

The Foundation received the following contributions of nonfinancial assets during the fiscal year:

Salaries and Benefits	$ 377,820
Rent	35,952
Services	25,546
Other	31,143
Auction Items	5,620
Total	$ 476,081

Arizona Western College contributes office space to the Foundation on a month-to-month basis. During the fiscal year, the Foundation utilized 966.5 square feet of office space and storage. Through reference to other lease agreements the College has with outside renters, the market value of the Foundation's space is estimated at $5 per square foot. The contributed office space is used for program, management & general, and fundraising services and is allocated based upon time and effort for each service.

NOTE 10 DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONTINUED)

Contributed Nonfinancial Assets (Continued)

In addition, Arizona Western College pays 100% of the salaries and benefits for the Chief Operating Officer and the Development Manager of the Foundation, as well as 60% of the salaries and benefits for the Executive Director and 60-80% of the salaries and benefits for the Grants Writer and Coordinator, which is based on time and effort spent between the College and the Foundation.

In-Kind Contributions

Contributed services consisted of consulting services for coaching/professional development for the Foundation's employees. Contributed services were allocated to program and supporting services based on the same methodology used to allocate the salaries of the employees receiving the services and were recognized at fair value based on current rates for similar services.

Other nonfinancial assets consisted of office expenses, paid memberships, travel accommodations, and other minimal expenses paid for by Arizona Western College.

All donated services and goods were utilized by the Foundation's programs and supporting services. There were no donor-imposed restrictions associated with the donated services and goods.

The Foundation also receives donated auction items to be sold at their special event. There were no unsold auction items after the event. Contributed auction items are initially valued at their estimated fair value and adjusted to the sale price received during the auction on the day of the event.

Concentrations

The Foundation relies on support from Arizona Western College for a significant portion of its operating expenses for services performed by the Foundation. The loss of such support could have a material impact on the operations of the Foundation.

YUMA/LA PAZ COUNTIES COMMUNITY COLLEGE DISTRICT
(ARIZONA WESTERN COLLEGE)
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement Date	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.218630%	0.226390%	0.238220%	0.232260%	0.237730%	0.237050%	0.234410%	0.253700%	0.258180%	0.253189%
District's Proportionate Share of the Net Pension Liability	$ 35,377,493	$ 36,951,876	$ 31,301,050	$ 40,242,575	$ 34,592,481	$ 33,060,133	$ 36,516,509	$ 40,949,729	$ 40,216,044	$ 37,463,394
District's Covered Payroll	$ 27,716,463	$ 26,314,332	$ 26,139,986	$ 25,141,739	$ 25,109,014	$ 23,654,893	$ 23,355,636	$ 23,105,663	$ 24,188,420	$ 22,952,857
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	128%	140%	120%	160%	138%	140%	156%	177%	166%	163%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.47%	74.26%	78.58%	59.66%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%

YUMA/LA PAZ COUNTIES COMMUNITY COLLEGE DISTRICT
(ARIZONA WESTERN COLLEGE)
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily Required Contribution	$ 3,656,347	$ 3,168,407	$ 3,191,441	$ 3,245,199	$ 3,095,566	$ 2,919,511	$ 2,552,655	$ 2,573,271	$ 2,710,797	$ 2,674,695
District's Contributions in Relation to the Statutorily Required Contributions	3,656,347	3,168,407	3,191,441	3,270,335	3,036,260	2,919,511	2,552,655	2,573,271	2,710,797	2,674,695
District's Contribution Deficiency (Excess)	$ -	$ -	$ -	$ (25,136)	$ 59,306	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 31,572,631	$ 27,716,463	$ 26,314,332	$ 26,139,986	$ 25,141,739	$ 25,109,014	$ 23,654,893	$ 23,355,636	$ 23,105,663	$ 24,188,420
District's Contributions as a Percentage of Covered Payroll	11.58%	11.43%	12.13%	12.41%	12.31%	11.63%	10.79%	11.02%	11.73%	11.06%