



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Annual Budgeted Expenditure Limitation Report

Cochise County Community College District

Year Ended June 30, 2002



Debra K. Davenport
Auditor General

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Cochise County Community College District
Report on Audit of Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2002

Table of Contents	Page
Independent Auditors' Report	1
Annual Budgeted Expenditure Limitation Report—Part I	2
Annual Budgeted Expenditure Limitation Report—Part II	3
Notes to Annual Budgeted Expenditure Limitation Report	4



**STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL**

DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

Independent Auditors' Report

Members of the Arizona State Legislature

The Governing Board of
Cochise County Community College District

We have audited the accompanying Annual Budgeted Expenditure Limitation Report of Cochise County Community College District for the year ended June 30, 2002. This report is the responsibility of the District's management. Our responsibility is to express an opinion on this report based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the report. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall report presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Annual Budgeted Expenditure Limitation Report was prepared for the purpose of complying with the uniform expenditure reporting system as discussed in Note 1, and is not intended to be a presentation in conformity with U.S. generally accepted accounting principles.

In our opinion, the Annual Budgeted Expenditure Limitation Report of Cochise County Community College District for the year ended June 30, 2002, referred to above presents fairly, in all material respects, the information required by the uniform expenditure reporting system on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the members of the Arizona State Legislature and the Governing Board, and for filing with the Auditor General of the State of Arizona, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Dennis L. Mattheisen, CPA
Financial Audit Director

April 10, 2003

Cochise County Community College District
Annual Budgeted Expenditure Limitation Report—Part I
Year Ended June 30, 2002

1. Economic Estimates Commission expenditure limitation		\$21,370,511
2. Total amount subject to the expenditure limitation (from Part II, Line C)	\$21,723,939	
3. Less expenditures of monies received pursuant to Arizona Revised Statutes §15-1472 (workforce development)	<u>353,429</u>	
4. Adjusted amount subject to the expenditure limitation		<u>21,370,510</u>
5. Amount under the expenditure limitation		<u>\$ 1</u>

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the uniform expenditure reporting system.

Signature of Chief Fiscal Officer: _____

Name and Title: Michael J. Carter, Ph.D., CPA, Vice President for Administration

Telephone Number: (520) 417-4007 Date: _____

See accompanying notes to report.

Cochise County Community College District
Annual Budgeted Expenditure Limitation Report—Part II
Year Ended June 30, 2002

Description	Current Funds			Plant Funds		Total
	Unrestricted			Unexpended	Retirement of Indebtedness	
	General	Auxiliary Enterprises	Restricted			
A. Total budgeted expenditures	\$ 20,359,912	\$ 1,704,906	\$ 6,329,344	\$ 480,218	\$ 299,690	\$ 29,174,070
B. Less exclusions claimed:						
Debt service requirements on other long-term obligations (Note 2)					297,570	297,570
Dividends, interest, and gains on the sale or redemption of investment securities (Note 3)	195,132				2,120	197,252
Grants and aid from the federal government (Note 4)		212,815	5,665,212			5,878,027
Contracts with other political subdivisions (Note 4)	440,175	376	289,545			730,096
Tuition and fees (Note 5)	315,301	31,885				347,186
Total exclusions claimed	950,608	245,076	5,954,757	-	299,690	7,450,131
C. Amounts subject to the expenditure limitation	\$ 19,409,304	\$ 1,459,830	\$ 374,587	\$ 480,218	\$ -	\$ 21,723,939

See accompanying notes to report.

Cochise County Community College District
Notes to Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2002

Note 1 - Summary of Significant Accounting Policies

The Annual Budgeted Expenditure Limitation Report (ABELR) is presented on the basis of accounting prescribed by the uniform expenditure reporting system (UERS), as required by Arizona Revised Statutes (A.R.S.) §41-1279.07, which excludes expenditures of certain revenues specified in the Arizona Constitution, Article IX, §21 from the total budgeted expenditures.

The information reported in both the ABELR and the financial statements is derived from the same underlying accounting data. However, the formats of the ABELR and the financial statements differ. The ABELR presents budgeted expenditures, exclusions, and amounts subject to the limitation by fund type as required by A.R.S. §41-1279.07. The financial statements present the net assets, changes in the net assets and cash flows for the District as a whole in accordance with U.S. generally accepted accounting principles.

In accordance with the UERS requirements, a note to the ABELR is presented below for any exclusion reported in the Total column on Part II that cannot be traced directly to an amount reported in the annual financial statements.

Note 2 - The exclusion claimed for debt service requirements on other long-term obligations of \$297,570 is reported in the Statement of Cash Flows as principal and interest paid on capital debt.

Note 3 - Of the \$197,523 reported as investment income on the Statement of Revenues, Expenses, and Changes in Net Assets, \$197,252 was expended and claimed as an exclusion. The remaining \$271 has been carried forward to future years.

Note 4 - The exclusions claimed for grants and aid from the federal government of \$5,878,027, and contracts with other political subdivisions of \$730,096, are reported in the Statement of Revenues, Expenses, and Changes in Net Assets as government grants and contracts and private grants and contracts revenues.

Note 5 - Gross tuition and fees revenue reported on the Statement of Revenues, Expenses, and Changes in Net Assets totaled \$4,556,461. The District expended \$3,075,360 of the revenues and carried forward the remaining \$1,481,101 to future years. Of the amount expended, only \$347,186 was claimed as an exclusion.