

Graham County Community College District (Eastern Arizona College)

Expenditure Limitation Report

Year Ended June 30, 2016



A Report to the Arizona Legislature

Debra K. Davenport
Auditor General





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DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent accountants' report

Members of the Arizona State Legislature

The Governing Board of
Graham County Community College District

We have examined the accompanying annual budgeted expenditure limitation report of Graham County Community College District for the year ended June 30, 2016. The District's management is responsible for this report. Our responsibility is to express an opinion on this report based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the amounts and disclosures in the report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the annual budgeted expenditure limitation report referred to above presents, in all material respects, the information prescribed by the uniform expenditure reporting system as described in Note 1.

Jay Zsorey, CPA
Financial Audit Director

April 28, 2017



**Graham County Community College District
(Eastern Arizona College)
Annual budgeted expenditure limitation report—part I
Year ended June 30, 2016**

| | | |
|--|------------------|---------------------|
| 1. Economic Estimates Commission expenditure limitation | | \$32,725,875 |
| 2. Total amount subject to the expenditure limitation (from Part II, Line C) | \$31,955,626 | |
| 3. Less expenditures of monies received pursuant to Arizona Revised Statutes (A.R.S.) §15-1472 (workforce development) | <u>1,162,332</u> | |
| 4. Adjusted amount subject to the expenditure limitation | | <u>30,793,294</u> |
| 5. Amount under the expenditure limitation | | <u>\$ 1,932,581</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: Timothy Curtis, Chief Business Officer

Telephone number: (928) 428-8220 Date: April 28, 2017

See accompanying notes to report.

**Graham County Community College District
(Eastern Arizona College)
Annual budgeted expenditure limitation report—part II
Year ended June 30, 2016**

| Description | Current funds | | | Plant funds | Total |
|---|----------------------|-----------------------|---------------------|---------------------|----------------------|
| | Unrestricted | | Restricted | Unexpended | |
| | General | Auxiliary enterprises | | | |
| A. Total budgeted expenditures | \$ 33,641,604 | \$ 5,847,231 | \$ 8,418,590 | \$ 1,708,948 | \$ 49,616,373 |
| B. Less exclusions claimed: | | | | | |
| Dividends, interest, and gains on the sale or redemption of investment securities (Note 2) | 12,432 | 10,247 | | 51,533 | 74,212 |
| Grants and aid from the federal government (Note 3) | | | 7,064,359 | | 7,064,359 |
| Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes | 340 | 500 | 4,175 | | 5,015 |
| Contracts with other political subdivisions | 5,748,981 | 30,000 | | | 5,778,981 |
| Tuition and fees (Note 4) | <u>1,164,819</u> | <u>3,573,361</u> | | | <u>4,738,180</u> |
| Total exclusions claimed | <u>6,926,572</u> | <u>3,614,108</u> | <u>7,068,534</u> | <u>51,533</u> | <u>17,660,747</u> |
| C. Amounts subject to the expenditure limitation | <u>\$ 26,715,032</u> | <u>\$ 2,233,123</u> | <u>\$ 1,350,056</u> | <u>\$ 1,657,415</u> | <u>\$ 31,955,626</u> |

See accompanying notes to report.

**Graham County Community College District
(Eastern Arizona College)
Notes to annual budgeted expenditure limitation report
Year ended June 30, 2016**

Note 1 - Summary of significant accounting policies

The annual budgeted expenditure limitation report (ABELR) is presented as prescribed by the uniform expenditure reporting system (UERS), as required by Arizona Revised Statutes (A.R.S.) §41-1279.07. The ABELR excludes expenditures of certain revenues specified in the Arizona Constitution, Article IX, §21, from the total budgeted expenditures.

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

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

Note 2

Of the \$74,308 reported as investment earnings on the statement of revenues, expenses, and changes in net position—primary government, only \$74,212 was claimed as an exclusion because \$96 of investment income of the loan fund is not excludable.

Note 3

Of the \$7,193,856 reported as government grants on the statement of revenues, expenses, and changes in net position—primary government, only \$7,064,359 was claimed as an exclusion. The remaining \$129,497 was not excludable.

Note 4

The District does not budget tuition and fees revenue net of scholarship allowances. Of the gross tuition and fees of \$7,024,858 reported as tuition and fees on the statement of revenues, expenses, and changes in net position—primary government, only \$4,738,180 was expended and claimed as an exclusion. The remaining \$2,286,678 has been carried forward to future years.

