

Graham County Community College District (Eastern Arizona College)

Expenditure Limitation Report

Year Ended June 30, 2017



A Report to the Arizona Legislature

Lindsey Perry
Auditor General





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Audit Staff

Jay Zsorey, Director

Kathleen Wood, Manager and Contact Person

Contact Information

Arizona Office of the Auditor General

2910 N. 44th St.

Ste. 410

Phoenix, AZ 85018

(602) 553-0333

www.azauditor.gov



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LINDSEY PERRY, CPA, CFE
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, 2017, and the related notes to the report. The District's management is responsible for presenting this report in accordance with the uniform expenditure reporting system as described in note 1. Our responsibility is to express an opinion on this report based on our examination.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the uniform expenditure reporting system in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the annual budgeted expenditure limitation report referred to above is presented in accordance with the information prescribed by the uniform expenditure reporting system as described in note 1 in all material respects.

Jay Zsorey, CPA
Director, Financial Audit Division

June 25, 2018



**Graham County Community College District
(Eastern Arizona College)
Annual budgeted expenditure limitation report—part I
Year ended June 30, 2017**

1. Economic Estimates Commission expenditure limitation	\$32,185,254
2. Amount subject to the expenditure limitation (total amount from part II, line C)	<u>27,846,326</u>
5. Amount under the expenditure limitation	<u>\$ 4,338,928</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, Vice President of Finance

Telephone number: (928) 428-8915 Date: June 25, 2018

See accompanying notes to report.

**Graham County Community College District
(Eastern Arizona College)
Annual budgeted expenditure limitation report—part II
Year ended June 30, 2017**

Description	Current funds			Plant funds	Total
	Unrestricted		Restricted	Unexpended	
	General	Auxiliary enterprises			
A. Total budgeted expenditures	\$ 33,383,446	\$ 5,686,300	\$ 9,409,448	\$ 1,496,758	\$ 49,975,952
B. Less exclusions claimed:					
Dividends, interest, and gains on the sale or redemption of investment securities (Note 2)	29,902	22,313		88,289	140,504
Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts (Note 3)			7,855,369		7,855,369
Contracts with other political subdivisions	5,515,982	30,000			5,545,982
Tuition and fees (Note 4)	4,187,599	3,399,650			7,587,249
Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472 (Note 5)			603,632		603,632
Prior years carryforward (Note 6)			396,890		396,890
Total exclusions claimed	<u>9,733,483</u>	<u>3,451,963</u>	<u>8,855,891</u>	<u>88,289</u>	<u>22,129,626</u>
C. Amounts subject to the expenditure limitation	<u>\$ 23,649,963</u>	<u>\$ 2,234,337</u>	<u>\$ 553,557</u>	<u>\$ 1,408,469</u>	<u>\$ 27,846,326</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, 2017**

Note 1 - Summary of significant accounting policies

The annual budgeted expenditure limitation report (ABELR) is presented as prescribed by the uniform expenditure reporting system (UERS), as required by Arizona Revised Statutes (A.R.S.) §41-1279.07. The ABELR excludes expenditures of certain revenues specified in the Arizona Constitution, Article IX, §21, and A.R.S. §§15-792.03, 15-795.01, 15-1472, and 15-1444 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 \$140,708 reported as investment earnings on the statement of revenues, expenses, and changes in net position—primary government, only \$140,504 was claimed as an exclusion because \$204 of investment income of the loan fund is not excludable.

Note 3

Of the \$8,066,856 reported as government grants on the statement of revenues, expenses, and changes in net position—primary government, only \$7,855,369 was claimed as an exclusion. The remaining \$211,487 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 \$7,818,833 reported as tuition and fees on the statement of revenues, expenses, and changes in net position—primary government, only \$7,587,249 was expended and claimed as an exclusion. The remaining \$231,584 has been carried forward to future years.

Note 5

Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472 are reported as the share of state sales taxes on the statement of revenues, expenses, and changes in net position—primary government. The excludable revenues of \$603,632 were expended and claimed as an exclusion.

Graham County Community College District
(Eastern Arizona College)
Notes to annual budgeted expenditure limitation report
Year ended June 30, 2017

Note 6

Prior years carryforward of \$396,890 in the restricted fund consist of constitutionally excludable revenues (amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472) unexpended in the year of receipt that have been accumulated and were expended in the current year.

