

# Graham County Community College District (Eastern Arizona College)

Annual Budgeted Expenditure  
Limitation Report

Year Ended June 30, 2020

A Report to the Arizona Legislature

Lindsey A. Perry  
Auditor General





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## Audit Staff

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LINDSEY A. PERRY  
AUDITOR GENERAL

ARIZONA  
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 (report) of Graham County Community College District for the year ended June 30, 2020, 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 Uniform Expenditure Reporting System as described in Note 1 in all material respects.

*Donna Miller*

Donna Miller, CPA  
Director, Financial Audit Division

August 19, 2021

**Graham County Community College District  
(Eastern Arizona College)  
Annual Budgeted Expenditure Limitation Report—Part I  
Year ended June 30, 2020**

1. Economic Estimates Commission expenditure limitation	\$37,870,050
2. Total amount subject to the expenditure limitation (from Part II, line C)	<u>29,570,979</u>
3. Amount under the expenditure limitation	<u>\$ 8,299,071</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: (Signature removed for website presentation.)

Name and title: Heston Welker, VP of Administration

Telephone number: (928) 428-8201 Date: August 19, 2021

See accompanying notes to report.

**Graham County Community College District  
(Eastern Arizona College)  
Annual Budgeted Expenditure Limitation Report—Part II  
Year ended June 30, 2020**

Description	Current funds			Plant funds	Total
	Unrestricted		Restricted	Unexpended	
	General	Auxiliary Enterprises			
A. Total budgeted expenditures	\$ 31,444,653	\$ 5,488,513	\$ 9,687,225	\$ 2,043,863	\$ 48,664,254
B. Less exclusions claimed:					
Dividends, interest, and gains on the sale or redemption of investment securities (Note 2)	162,780	79,487			242,267
Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts (Note 3)			8,030,462		8,030,462
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 4)	127,355	3,510			130,865
Contracts with other political subdivisions or tribal governments	4,480,892	30,000		1,752,077	6,262,969
Tuition and fees (Note 5)		3,031,868		225,471	3,257,339
Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472 (Note 6)			759,587		759,587
Prior years carryforward (Note 7)			409,786		409,786
Total exclusions claimed	<u>4,771,027</u>	<u>3,144,865</u>	<u>9,199,835</u>	<u>1,977,548</u>	<u>19,093,275</u>
C. Amounts subject to the expenditure limitation	<u>\$ 26,673,626</u>	<u>\$ 2,343,648</u>	<u>\$ 487,390</u>	<u>\$ 66,315</u>	<u>\$ 29,570,979</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, 2020**

**Note 1 - Summary of significant accounting policies**

The Annual Budgeted Expenditure Limitation Report (ABELR) is presented as prescribed by the Uniform Expenditure Reporting System (UERS), as required by Arizona Revised Statutes (A.R.S.) §41-1279.07. The ABELR excludes expenditures of certain revenues specified in the Arizona Constitution, Article IX, §21, and A.R.S. §§15-792.03, 15-795.01, 15-1444, and 15-1472, as applicable, from the total budgeted expenditures.

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 \$449,308 reported as investment earnings on the Statement of Revenues, Expenses, and Changes in Net Position—Primary Government, only \$242,267 was claimed as an exclusion, \$206,400 has been carried forward to future years, and \$641 of investment income of the Loan Fund is not excludable.

**Note 3**

Of the \$8,143,288 reported as government grants on the Statement of Revenues, Expenses, and Changes in Net Position—Primary Government, only \$8,030,462 was claimed as an exclusion. The remaining \$112,826 was not excludable.

**Note 4**

Of the \$168,962 reported as private contracts on the Statement of Revenues, Expenses, and Changes in Net Position—Primary Government, only \$130,865 was claimed as an exclusion. The remaining \$38,097 was not excludable.

**Note 5**

The District does not budget tuition and fees revenue net of scholarship allowances. Of the gross tuition and fees of \$7,496,253 reported on the Statement of Revenues, Expenses, and Changes in Net Position—Primary Government, only \$3,257,339 was expended and claimed as an exclusion. The remaining \$4,238,914 has been carried forward to future years.

**Graham County Community College District  
 (Eastern Arizona College)  
 Notes to Annual Budgeted Expenditure Limitation Report  
 Year ended June 30, 2020**

**Note 6**

Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472 are reported as the share of state sales taxes on the Statement of Revenues, Expenses, and Changes in Net Position—Primary Government. Of these excludable revenues, \$759,587 were expended and claimed as an exclusion.

**Note 7**

Prior years carryforward consists of constitutionally excludable revenues unexpended in the year of receipt that have been accumulated and were expended in the current year as follows:

<b>Description</b>	<b>Current restricted fund</b>
Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472	<u>\$409,786</u>
Total prior years carryforward expended	<u>\$409,786</u>

