



A REPORT  
TO THE  
ARIZONA LEGISLATURE

Financial Audit Division

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Expenditure Limitation Report

# Graham County Community College District

(Eastern Arizona College)

Year Ended June 30, 2011

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**Debra K. Davenport**  
Auditor General

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Graham County Community College District  
(Eastern Arizona College)  
Report on Audit of Annual Budgeted Expenditure Limitation Report  
Year Ended June 30, 2011

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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 Auditors' Report**

Members of the Arizona State Legislature

The Governing Board of  
Graham County Community College District

We have audited the accompanying Annual Budgeted Expenditure Limitation Report of Graham County Community College District for the year ended June 30, 2011. 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 Graham County Community College District for the year ended June 30, 2011, 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, the Governing Board, management, and others within the District 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.

Jay Zsorey, CPA  
Financial Audit Director

May 14, 2012

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Graham County Community College District  
(Eastern Arizona College)  
Annual Budgeted Expenditure Limitation Report—Part I  
Year Ended June 30, 2011

1. Economic Estimates Commission expenditure limitation		\$32,545,806
2. Total amount subject to the expenditure limitation (from Part II, Line C)	\$32,451,649	
3. Less expenditures of monies received pursuant to Arizona Revised Statutes §15-1472 (workforce development)	<u>144,639</u>	
4. Adjusted amount subject to the expenditure limitation		<u>32,307,010</u>
5. Amount under the expenditure limitation		<u>\$ 238,796</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: May 14, 2012

See accompanying notes to report.

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Graham County Community College District  
(Eastern Arizona College)  
Annual Budgeted Expenditure Limitation Report—Part II  
Year Ended June 30, 2011

Description	Current Funds			Unexpended Plant Fund	Total
	Unrestricted		Restricted		
	General	Auxiliary Enterprises			
A. Total budgeted expenditures	\$ 29,588,199	\$ 4,868,250	\$ 9,370,657	\$ 1,968,715	\$ 45,795,821
B. Less exclusions claimed:					
Dividends, interest, and gains on the sale or redemption of investment securities (Note 2)		23,915		15,133	39,048
Grants and aid from the federal government (Note 4)			9,070,745		9,070,745
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes		124,879	19,947		144,826
Contracts with other political subdivisions (Note 3)		2,116,673		989,156	3,105,829
Tuition and fees (Note 5)		19,298		964,426	983,724
Total exclusions claimed		<u>2,284,765</u>	<u>9,090,692</u>	<u>1,968,715</u>	<u>13,344,172</u>
C. Amounts subject to the expenditure limitation	<u>\$ 29,588,199</u>	<u>\$ 2,583,485</u>	<u>\$ 279,965</u>	<u>\$ -</u>	<u>\$ 32,451,649</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, 2011

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 net assets, 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 \$39,098 reported as investment earnings on the Statement of Revenues, Expenses, and Changes in Net Assets—Primary Government, only \$39,048 was claimed as an exclusion because \$50 of investment earnings of the Loan Fund was not excludable.

Note 3 - Of the \$4,826,298 reported as government contracts on the Statement of Revenues, Expenses, and Changes in Net Assets—Primary Government, only \$3,105,829 was expended and claimed as an exclusion. The remaining \$1,720,469 has been carried forward to future years.

Note 4 - Of the \$9,141,719 reported as government grants on the Statement of Revenues, Expenses, and Changes in Net Assets—Primary Government, only \$9,070,745 was expended and claimed as an exclusion. The remaining \$70,974 was not excludable revenue.

Note 5 - The District does not budget tuition and fees revenue net of scholarship allowances. Of the gross tuition and fees of \$7,030,142 reported on the Statement of Revenues, Expenses, and Changes in Net Assets—Primary Government, only \$983,724 was expended and claimed as an exclusion. The remaining \$6,046,418 has been carried forward to future years.



