



A REPORT  
TO THE  
ARIZONA LEGISLATURE

Financial Audit Division

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Annual Budgeted Expenditure Limitation Report

**Maricopa County**  
**Community College District**  
Year Ended June 30, 2002

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**Debra K. Davenport**  
Auditor General

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

Table of Contents	Page
<a href="#">Independent Auditors' Report</a>	1
<a href="#">Annual Budgeted Expenditure Limitation Report—Part I</a>	2
<a href="#">Annual Budgeted Expenditure Limitation Report—Part II</a>	3
<a href="#">Notes to Annual Budgeted Expenditure Limitation Report</a>	4



DEBRA K. DAVENPORT, CPA  
AUDITOR GENERAL

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

WILLIAM THOMSON  
DEPUTY AUDITOR GENERAL

**Independent Auditors' Report**

Members of the Arizona State Legislature

The Governing Board of  
Maricopa County Community College District

We have audited the accompanying Annual Budgeted Expenditure Limitation Report of Maricopa 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 Maricopa 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

February 28, 2003

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

1. Economic Estimates Commission expenditure limitation		\$253,260,557
2. Total amount subject to the expenditure limitation (from Part II, Line C)	\$271,035,553	
3. Less expenditures of monies received pursuant to Arizona Revised Statutes §15-1472 (workforce development)	<u>2,446,090</u>	
4. Adjusted amount subject to the expenditure limitation		<u>268,589,463</u>
5. Amount under (in excess of) the expenditure limitation		<u>\$(15,328,906)</u>

(The District claimed just enough exclusions to have the amount in excess of the expenditure limitation to be an amount that allows the District to take full advantage of the reduced penalty under Senate Bill 1246, Laws 2001, Chapter 362.)

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: Dr. Rufus Glasper, Ph.D., CPA, CGFM, Executive Vice Chancellor for Human Resources and Administration

Telephone Number: (480) 731-8555 Date: February 28, 2003

See accompanying notes to report.

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

Description	Current Funds			Plant Funds		Total
	Unrestricted		Restricted	Unexpended	Retirement of Indebtedness	
	General	Auxiliary Enterprises				
A. Total budgeted expenditures	\$ 320,504,456	\$ 45,083,226	\$ 71,058,792	\$ 41,437,560	\$ 34,022,506	\$ 512,106,540
B. Less exclusions claimed:						
Bond proceeds (Note 2)				27,790,242		27,790,242
Debt service requirements on bonded indebtedness (Note 3)					34,022,506	34,022,506
Debt service requirements on other long-term obligations (Note 3)				83,167		83,167
Dividends, interest, and gains on the sale or redemption of investment securities (Note 4)	3,065,003	1,151,309	284,660	3,701,112		8,202,084
Trustee or custodian (Note 5)			701,398			701,398
Grants and aid from the federal government (Note 6)			44,679,341			44,679,341
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 7)		166,260	11,453,953	124,745		11,744,958
Amounts received from the State of Arizona for the purchase of land, and the purchase or construction of buildings or improvements (Note 8)				8,237,400		8,237,400
Contracts with other political subdivisions (Note 6)			1,420,741			1,420,741
Tuition and fees (Note 9)	64,699,819	35,231,805	2,932,398			102,864,022
Prior years carryforward (Note 10)				1,325,128		1,325,128
Total exclusions claimed	<u>67,764,822</u>	<u>36,549,374</u>	<u>61,472,491</u>	<u>41,261,794</u>	<u>34,022,506</u>	<u>241,070,987</u>
C. Amounts subject to the expenditure limitation	\$ <u>252,739,634</u>	\$ <u>8,533,852</u>	\$ <u>9,586,301</u>	\$ <u>175,766</u>	\$ <u>-</u>	\$ <u>271,035,553</u>

See accompanying notes to report.

Maricopa 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 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 - Of the \$30,892,576 reported as a purchase of capital assets on the Statement of Cash Flows, only \$27,790,242 was expended from bond proceeds and claimed as an exclusion. The remaining \$3,102,334 has been carried forward to future years.

Note 3 - Exclusions claimed for debt service requirements on bonded indebtedness and debt service requirements on other long-term obligations are \$34,022,506 and \$83,167, respectively. Both amounts are included in the amounts reported as principal paid on capital debt and leases and interest paid on capital debt and leases on the Statement of Cash Flows.

Note 4 - The exclusion claimed for dividends, interest, and gains on the sale or redemption of investment securities is included in investment income, net of investment expense reported on the Statement of Revenues, Expenses, and Changes in Net Assets.

Note 5 - The exclusion claimed for trustee or custodian is included in state appropriations reported on the Statement of Revenues, Expenses, and Changes in Net Assets.

Note 6 - Government grants and contracts revenues of \$50,495,322 reported on the Statement of Revenues, Expenses, and Changes in Net Assets include \$44,679,341 from federal grants and contracts and \$1,420,741 from state appropriations received pursuant to a contract with the State Board of Education for operating a charter school that is not a legal entity separate from the District.

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

- Note 7 - Exclusions claimed for grants, aid, contributions, or gifts from a private agency, organization, or individual, in the Auxiliary Enterprises and Restricted Funds are included in the amounts reported as private grants and contracts and private gifts on the Statement of Revenues, Expenses, and Changes in Net Assets. The exclusion claimed in the Unexpended Plant Fund is included in the amount reported as capital grants and gifts on the Statement of Revenues, Expenses, and Changes in Net Assets.
- Note 8 - Amounts received from the State of Arizona for the purchase of land and the construction of buildings or improvements of \$8,237,400 are included in capital appropriations reported on the Statement of Revenues, Expenses, and Changes in Net Assets.
- Note 9 - Exclusions claimed for tuition and fees include the amount of scholarship allowance reported on the Statement of Revenues, Expenses, and Changes in Net Assets.
- Note 10 - Prior years carryforward of \$1,325,128 in the Unexpended Plant Fund consists of constitutionally excludable revenues unexpended in the year of receipt that have been accumulated and were expended in the current year.