



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Expenditure Limitation Report

Mohave County Community College District

Year Ended June 30, 2002



Debra K. Davenport
Auditor General

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

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

DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

Independent Auditors' Report

Members of the Arizona State Legislature

The Governing Board of
Mohave County Community College District

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

November 6, 2003

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

1. Economic Estimates Commission expenditure limitation	\$17,652,638
2. Total amount subject to the expenditure limitation (from Part II, Line C)	\$17,804,450
3. Less expenditures of monies received pursuant to Arizona Revised Statutes §15-1472 (workforce development)	<u>362,756</u>
4. Adjusted amount subject to the expenditure limitation	<u>17,441,694</u>
5. Amount under the expenditure limitation	<u>\$ 210,944</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: William H. Lovejoy, Vice President for Administration

Telephone Number: (928) 715-4785 Date: November 6, 2003

See accompanying notes to report.

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

Description	Current Funds			Plant Funds		Total
	Unrestricted			Unexpended	Retirement of Indebtedness	
	General	Auxiliary Enterprises	Restricted			
A. Total budgeted expenditures	\$ 15,950,998	\$ 2,016,091	\$ 2,543,556	\$ 3,010,996	\$ 1,196,515	\$ 24,718,156
B. Less exclusions claimed:						
Bond proceeds (Note 2)				1,024,907		1,024,907
Debt service requirements on bonded indebtedness (Note 3)					189,000	189,000
Proceeds from other long-term obligations (Note 2)				1,415,347		1,415,347
Debt service requirements on other long-term obligations (Note 3)					779,737	779,737
Dividends, interest, and gains on the sale or redemption of investment securities	72,483	135				72,618
Grants and aid from the federal government (Note 4)			1,768,495			1,768,495
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 5)	93,511	61,096	195,387	47,530		397,524
Amounts received from the State of Arizona for the purchase of land, and the purchase or construction of buildings or improvements				470,900		470,900
Contracts with other political subdivisions (Note 6)	65,584					65,584
Tuition and fees (Note 7)	91,278	638,316				729,594
Total exclusions claimed	<u>322,856</u>	<u>699,547</u>	<u>1,963,882</u>	<u>2,958,684</u>	<u>968,737</u>	<u>6,913,706</u>
C. Amounts subject to the expenditure limitation	<u>\$ 15,628,142</u>	<u>\$ 1,316,544</u>	<u>\$ 579,674</u>	<u>\$ 52,312</u>	<u>\$ 227,778</u>	<u>\$ 17,804,450</u>

See accompanying notes to report.

Mohave 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 - The Statement of Cash Flows reports payments made to contractors and purchases of capital assets of \$2,135,562 and \$304,692, respectively. Of these payments, \$1,024,907 was expended from bond proceeds and claimed as an exclusion, and \$1,415,347 was expended from proceeds from other long-term obligations and claimed as an exclusion.

Note 3 - Exclusions claimed for debt service requirements on bonded indebtedness and debt service requirements on other long-term obligations are \$189,000 and \$779,737, respectively. Both amounts are included in the amounts reported as principal paid on capital debt and interest paid on capital debt on the Statement of Cash Flows.

Note 4 - The exclusion claimed for grants and aid from the federal government of \$1,768,495 was reported in the Statement of Revenues, Expenses, and Changes in Net Assets as government grants and contracts. The remaining government grants and contracts of \$112,969 consist of nonexcludable revenues.

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

Note 5 - The following schedule presents revenues reported on the Statement of Revenues, Expenses, and Changes in Net Assets from which an exclusion has been claimed for grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes.

Private grants and contracts	\$210,943
Private gifts	139,051
Capital grants and gifts	<u>47,530</u>
Total	<u>\$397,524</u>

Note 6 - The exclusion claimed for contracts with other political subdivisions of \$65,584 was reported in the Statement of Revenues, Expenses, and Changes in Net Assets as other sales and services. The remaining other sales and services revenues of \$25,066 are nonexcludable.

Note 7 - Of the gross tuition and fees of \$2,270,822 reported on the Statement of Revenues, Expenses, and Changes in Net Assets, only \$729,594 was expended and claimed as an exclusion. The remaining \$1,541,228 has been carried forward to future years.