

Mohave County Community College District

**Report on Audit of Annual Budgeted
Expenditure Limitation Report**

Year Ended June 30, 2005

Mohave County Community College District
Report on Audit of Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2005

Table of Contents

| | Page |
|--|-------------|
| Independent Auditor's Report..... | 1 |
| Annual Budgeted Expenditure Limitation Report - Part I..... | 2 |
| Annual Budgeted Expenditure Limitation Report - Part II..... | 3 |
| Notes to Annual Budgeted Expenditure Limitation Report | 4 |

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Independent Auditor's Report

The Auditor General of the State of Arizona

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, 2005. 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, 2005, 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.


February 9, 2006

Mohave County Community College District
Annual Budgeted Expenditure Limitation Report - Part I
Year Ended June 30, 2005

| | |
|--|---------------------|
| 1. Economic Estimates Commission expenditure limitation | \$ 16,619,702 |
| 2. Total amount subject to the expenditure limitation (from Part II, Line C) | \$ 15,259,701 |
| 3. Less expenditures of monies received pursuant to Arizona Revised Statutes §15-1472 (workforce development) | <u>(418,297)</u> |
| 4. Adjusted amount subject to the expenditure limitation | <u>14,841,404</u> |
| 5. Amount under the expenditure limitation | <u>\$ 1,778,298</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 No: (928) 692-3095

Date: _____

3/15/06

See accompanying notes to report.

Mohave County Community College District
Annual Budgeted Expenditure Limitation Report – Part II
Year Ended June 30, 2005

| Description | Current Funds | | | Plant Funds | | Total |
|---|---------------|-----------------------|--------------|-------------|----------------------------|---------------|
| | Unrestricted | | Restricted | Unexpended | Retirement of Indebtedness | |
| | General | Auxiliary Enterprises | | | | |
| A. Total budgeted expenditures | \$ 19,599,436 | \$ 1,194,435 | \$ 2,633,201 | \$ 534,566 | \$ 954,910 | \$ 24,916,548 |
| B. Less exclusions claimed: | | | | | | |
| Debt service requirements on bonded indebtedness (Note 2) | | | | | 189,000 | 189,000 |
| Debt service requirements on other long-term obligations (Note 2) | | | | 115,831 | 765,910 | 881,741 |
| Dividends, interest, and gains on the sale or redemption of investment securities (Note 3) | 75,675 | | | 14,391 | | 90,066 |
| Grants and aid from the federal government (Note 4) | 9,475 | 3,158 | 2,633,201 | | | 2,645,834 |
| Grants, aid, contributions, or gifts from a private agency, organization, or individual except amounts received in lieu of taxes (Note 5) | 34,293 | 6,300 | | 404,344 | | 444,937 |
| Contracts with other political subdivisions (Note 6) | 124,000 | | | | | 124,000 |
| Tuition and fees (Note 7) | 4,505,463 | 775,806 | | | | 5,281,269 |
| Total exclusions claimed | 4,748,906 | 785,264 | 2,633,201 | 534,566 | 954,910 | 9,656,847 |
| C. Amounts subject to the expenditure limitation | \$ 14,850,530 | \$ 409,171 | \$ - | \$ - | \$ - | \$ 15,259,701 |

See accompanying notes to report.

Mohave County Community College District
Notes to Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2005

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 - Exclusions claimed for debt service requirements on bonded indebtedness and debt service requirements on other long-term obligations are \$189,000 and \$881,741, 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 – Primary Government.

Note 3 - Exclusions claimed for dividends, interest, and gains on the sale or redemption of investment securities of \$90,066 were reported as investment income, net of investment expense on the Statement of Revenues, Expenses, and Changes in Net Assets – Primary Government. The remaining investment income of \$60 consists of nonexcludable revenues.

Note 4 - The exclusion claimed for grants and aid from the federal government of \$2,645,834 was reported as government grants and contracts on the Statement of Revenues, Expenses, and Changes in Net Assets – Primary Government. The remaining government grants and contracts revenues of \$2,525,087 are nonexcludable revenues.

Mohave County Community College District
Notes to Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2005

Note 5 - The following schedule presents revenues from which exclusions have been claimed for grants, aid, contributions, or gifts from a private agency, organization, or individual except amounts received in lieu of taxes.

**Statement of Revenues,
Expenses, and Changes
in Net Assets – Primary
Government:**

ABELR:

| | | | |
|------------------------------|-------------------|--|-------------------|
| Private grants and contracts | \$ 346,216 | Grants, aid, contributions, or gifts from a private agency, organization, or individual except amounts received in lieu of taxes | |
| Capital grants and gifts | <u>596,226</u> | | |
| | | | <u>\$ 444,937</u> |
| | | Total exclusion claimed | 444,937 |
| | | Other nonexcludable revenues | 109,813 |
| | | Amount carried forward | <u>387,692</u> |
| Total | <u>\$ 942,442</u> | Total | <u>\$ 942,442</u> |

Note 6 - The exclusion claimed for contracts with other political subdivisions of \$124,000 was reported as other sales and services on the Statement of Revenues, Expenses, and Changes in Net Assets – Primary Government. The remaining other sales and services revenues of \$154,613 are nonexcludable.

Note 7 - The District budgets scholarships as revenues, therefore, exclusions claimed for tuition and fees include the amount of scholarship allowances reported on the Statement of Revenues, Expenses, and Changes in Net Assets - Primary Government.