

# Maricopa County Community College District

Annual Budgeted Expenditure  
Limitation Report

Year Ended June 30, 2021

A Report to the Arizona Legislature

Lindsey A. Perry  
Auditor General





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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  
Maricopa County Community College District

We have examined the accompanying Annual Budgeted Expenditure Limitation Report (report) of Maricopa County Community College District for the year ended June 30, 2021, 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.

*Stephanie Gerber*

Stephanie Gerber, CPA  
Director, Financial Audit Division

July 21, 2022

**Maricopa County Community College District  
Annual Budgeted Expenditure Limitation Report—Part I  
Year ended June 30, 2021**

1. Economic Estimates Commission expenditure limitation	\$472,388,062
2. Total amount subject to the limitation (from Part II, line C)	<u>472,388,061</u>
3. Amount under the expenditure limitation	<u>\$ 1</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: Kimberly Brainard Granio, Chief Financial Officer

Telephone number: (480) 731-8584 Date: July 21, 2022

See accompanying notes to report.

**Maricopa County Community College District**  
**Annual Budgeted Expenditure Limitation Report—Part II**  
**Year ended June 30, 2021**

Description	Current funds			Plant funds		Total
	Unrestricted		Restricted	Unexpended	Retirement of indebtedness	
	General	Auxiliary enterprises				
A. Total budgeted expenditures	\$ 677,306,512	\$ 34,949,279	\$ 219,035,934	\$ 42,392,188	\$ 74,205,925	\$ 1,047,889,838
B. Less exclusions claimed:						
Debt service requirements (Note 2)					74,205,925	74,205,925
Dividends, interest, and gains on the sale or redemption of investment securities (Note 3)	249,012	64,011	16,323	138,824		468,170
Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts (Note 4)	38,404,600	3,423,458	167,806,788			209,634,846
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 5)	20,500	88,561	15,291,960			15,401,021
Amounts accumulated for the purchase of land, and the purchase or construction of buildings and improvements (Note 6)				13,909,346		13,909,346
Contracts with other political subdivisions or tribal governments (Notes 4 and 10)		982,206	4,677,579			5,659,785
Tuition and fees (Note 7)	158,087,701	19,595,019				177,682,720
Amounts earned through research and entrepreneurial activities (Note 9)		1,491,455				1,491,455
Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472 (Note 10)			16,331,818			16,331,818
Prior years carryforward (Note 8)	<u>47,652,401</u>	<u>9,304,569</u>	<u>3,759,721</u>			<u>60,716,691</u>
Total exclusions claimed	<u>244,414,214</u>	<u>34,949,279</u>	<u>207,884,189</u>	<u>14,048,170</u>	<u>74,205,925</u>	<u>575,501,777</u>
C. Amounts subject to the expenditure limitation	<u>\$ 432,892,298</u>	<u>\$ -</u>	<u>\$ 11,151,745</u>	<u>\$ 28,344,018</u>	<u>\$ -</u>	<u>\$ 472,388,061</u>

See accompanying notes to report.

# Maricopa County Community College District

## Notes to Annual Budgeted Expenditure Limitation Report

### Year ended June 30, 2021

#### 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

The exclusion claimed for debt service requirements includes 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

The exclusions claimed for expended dividends, interest, and gains on the sale or redemption of investment securities of \$468,170 is less than the revenue amount reported on the statement of revenues, expenses, and changes in net position—primary government. The difference is explained below:

<b>Statement of revenues, expenses, and changes in net position—primary government:</b>		<b>Annual budgeted expenditure limitation report:</b>	
Investment earnings, net of investment expense	<u>\$512,113</u>	Dividends, interest, and gains on the sale or redemption of investment securities	\$468,170
		Interest income on retirement of indebtedness fund—not taken as an exclusion and not carried forward to future years under the expenditure limitation requirements	7,140
		Investment income in loan and endowment funds—not reported on ABELR	<u>36,803</u>
Total	<u>\$512,113</u>	Total	<u>\$512,113</u>

# Maricopa County Community College District

## Notes to Annual Budgeted Expenditure Limitation Report

### Year ended June 30, 2021

#### Note 4

The following schedule presents revenues from which exclusions have been claimed for government grants, aid, contributions, and contracts:

<b>Statement of revenues, expenses, and changes in net position— primary government:</b>		<b>Annual budgeted expenditure limitation report:</b>	
Government grants and contracts	<u>\$230,448,888</u>	Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts	\$209,634,846
		Contracts with other political subdivisions or tribal governments	<u>5,328,355</u>
		Total exclusions claimed	<u>214,963,201</u>
		Other revenues (nonexcludable)	<u>15,485,687</u>
Total	<u>\$230,448,888</u>	Total	<u>\$230,448,888</u>

#### Note 5

Of the amounts expended from private grants and contracts and private gifts reported on the statement of revenues, expenses, and changes in net position—primary government of \$15,440,263, exclusions claimed of \$15,401,021 are amounts for grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes. The difference of \$39,242 represents fiduciary activities that are reported on the financial statements but not included for ABELR purposes.

#### Note 6

The Maricopa County Community College District Governing Board approved the accumulation of \$22,214,802 for the purpose of capital expenditures. Of this amount, \$13,909,346 was expended on the purchase of land, buildings, or improvements or construction of buildings or improvements and claimed as an exclusion while \$8,305,456 was not eligible to be carried forward under the expenditure limitation requirements.

#### Note 7

The District does not budget tuition and fees revenues net of scholarship allowances. Of the gross tuition and fees of \$177,482,371 reported on the statement of revenues, expenses, and changes in net position—primary government, \$177,481,171 was primarily expended in the General and Auxiliary Enterprises funds. The entire amount of the gross bookstore, concessions, and athletic ticket sales revenue of \$201,549 that is included in other revenue on the statement of revenues, expenses, and changes in net position—primary government was also claimed as an exclusion for a total of \$177,682,720 excluded as tuition and fees.



**Maricopa County Community College District**  
**Notes to Annual Budgeted Expenditure Limitation Report**  
**Year ended June 30, 2021**

**Note 8**

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:

Description	Current general fund	Current auxiliary enterprises fund	Current restricted fund
Tuition and fees	\$47,652,401	\$9,304,569	
Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472			\$3,759,721
Total prior years carryforward expended	<u>\$47,652,401</u>	<u>\$9,304,569</u>	<u>\$3,759,721</u>

**Note 9**

Amounts earned through research and entrepreneurial activities are included in other revenue on the statement of revenues, expenses, and changes in net position-primary government. Of the excludable revenue, \$1,491,455 was expended and claimed as an exclusion.

**Note 10**

The District recorded \$16,663,248 for proposition 301 sales tax revenues received for the District and its charter schools as share of State sales taxes on the statement of revenues, expenses, and changes in net position-primary government. \$16,331,818 received for the District is reported as amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472 and \$331,430 is recorded in the line item contracts with other political subdivisions or tribal governments.

