

Cochise County Community College District

Expenditure Limitation Report

Year Ended June 30, 2016



A Report to the Arizona Legislature

Debra K. Davenport
Auditor General





The Auditor General is appointed by the Joint Legislative Audit Committee, a bipartisan committee composed of five senators and five representatives. Her mission is to provide independent and impartial information and specific recommendations to improve the operations of state and local government entities. To this end, she provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits and special reviews of school districts, state agencies, and the programs they administer.

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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 accountants' report

Members of the Arizona State Legislature

The Governing Board of
Cochise County Community College District

We have examined the accompanying annual budgeted expenditure limitation report of Cochise County Community College District for the year ended June 30, 2016. The District's management is responsible for this report. Our responsibility is to express an opinion on this report based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the amounts and disclosures in the report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the annual budgeted expenditure limitation report referred to above presents, in all material respects, the information prescribed by the uniform expenditure reporting system as described in Note 1.

Jay Zsorey, CPA
Financial Audit Director

March 29, 2017



**Cochise County Community College District
(Cochise College)
Annual budgeted expenditure limitation report—part I
Year ended June 30, 2016**

1. Economic Estimates Commission expenditure limitation		\$50,816,985
2. Total amount subject to the expenditure limitation (from Part II, Line C)	\$29,833,456	
3. Less expenditures of monies received pursuant to Arizona Revised Statutes (A.R.S.) §15-1472 (workforce development)	<u>1,009,459</u>	
4. Adjusted amount subject to the expenditure limitation		<u>28,823,997</u>
5. Amount under the expenditure limitation		<u>\$21,992,988</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: LaMont Schiers, Vice President for Administrative Affairs

Telephone number: (520) 515-5395 Date: March 29, 2017

See accompanying notes to report.

**Cochise County Community College District
(Cochise College)
Annual budgeted expenditure limitation report—part II
Year ended June 30, 2016**

Description	Current funds			Plant funds		Total
	Unrestricted			Unexpended	Retirement of indebtedness	
	General	Auxiliary enterprises	Restricted			
A. Total budgeted expenditures	\$ 34,664,623	\$ 731,877	\$ 12,465,286	\$ 12,859,829	\$ 2,341,382	\$ 63,062,997
B. Less exclusions claimed:						
Bond proceeds (Note 2)				8,000,000	173,267	8,173,267
Debt service requirements on bonded indebtedness (Note 3)					661,650	661,650
Debt service requirements on other long-term obligations (Note 3)					1,196,053	1,196,053
Dividends, interest, and gains on the sale or redemption of investment securities	185,378			46,024		231,402
Grants and aid from the federal government (Note 4)			8,018,597			8,018,597
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 5)			373,388			373,388
Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements (Note 6)				4,494,177		4,494,177
Contracts with other political subdivisions (Note 4)			854,211			854,211
Tuition and fees (Note 7)	8,232,933	169,358	814,793			9,217,084
Refunds, reimbursements, and other recoveries (Note 8)	9,712					9,712
Total exclusions claimed	<u>8,428,023</u>	<u>169,358</u>	<u>10,060,989</u>	<u>12,540,201</u>	<u>2,030,970</u>	<u>33,229,541</u>
C. Amounts subject to the expenditure limitation	<u>\$ 26,236,600</u>	<u>\$ 562,519</u>	<u>\$ 2,404,297</u>	<u>\$ 319,628</u>	<u>\$ 310,412</u>	<u>\$ 29,833,456</u>

See accompanying notes to report.

**Cochise County Community College District
(Cochise College)
Notes to annual budgeted expenditure limitation report
Year ended June 30, 2016**

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, 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

Exclusions claimed for bond proceeds are included in the amounts reported as proceeds from issuance of revenue bonds and proceeds from revenue bond premiums on the statement of cash flows—primary government.

Note 3

Exclusions claimed for debt service requirements on bonded indebtedness and debt service requirements on other long-term obligations are \$661,650 and \$1,196,053, 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 4

The following schedule presents revenues from which exclusions have been claimed for grants and aid from the federal government and contracts with other political subdivisions:

Statement of revenues, expenses and changes in net position—primary government:		Annual budgeted expenditure limitation report:	
Government contracts	\$ 854,211	Grants and aid from the federal government	\$8,018,597
Government grants	<u>8,626,294</u>	Contracts with other political subdivisions	<u>854,211</u>
		Total exclusions claimed	8,872,208
		Other revenues (nonexcludable)	<u>607,697</u>
Total	<u>\$9,480,505</u>	Total	<u>\$9,480,505</u>

**Cochise County Community College District
(Cochise College)
Notes to annual budgeted expenditure limitation report
Year ended June 30, 2016**

Note 5

The exclusion claimed for grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes, consists of \$339,999 in private scholarships and \$33,389 in other contributions reported within private contracts or other operating revenues on the statement of revenues, expenses, and changes in net position—primary government.

Note 6

The \$4,494,177 excluded for amounts accumulated for the purchase of land and the purchase or construction of buildings or improvements consist of monies accumulated in the unexpended plant fund, with the District Governing Board's approval. These funds were used for building or improvements and are included in the amount reported as purchases of capital assets on the statement of cash flows—primary government.

Note 7

The District does not budget tuition and fees revenues net of scholarship allowances. Gross tuition and fees of \$9,217,084 reported on the statement of revenues, expenses, and changes in net position—primary government were expended and claimed as an exclusion.

Note 8

Amounts claimed as an exclusion from refunds, reimbursements, and other recoveries include insurance loss recoveries of \$9,712 reported on the statement of revenues, expenses, and changes in net position—primary government in other operating revenues.

