



A REPORT  
TO THE  
ARIZONA LEGISLATURE

Financial Audit Division

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Annual Budgeted Expenditure Limitation Report

# Graham County Community College District

Year Ended June 30, 2002

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**Debra K. Davenport**  
Auditor General

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Graham 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  
Graham County Community College District

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

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

1. Economic Estimates Commission expenditure limitation		\$19,691,706
2. Total amount subject to the expenditure limitation (from Part II, Line C)	17,841,096	
3. Less expenditures of monies received pursuant to Arizona Revised Statutes §15-1472 (workforce development)	<u>(438,357)</u>	
4. Adjusted amount subject to the expenditure limitation		<u>17,402,739</u>
5. Amount under (in excess of) the expenditure limitation.		<u>\$ 2,288,967</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: Brent McEuen, Executive Vice President

Telephone Number: (928) 428-8233 Date: February 28, 2003

See accompanying notes to report.

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

Description	Current Funds			Unexpended Plant Fund	Total
	Unrestricted		Restricted		
	General	Auxiliary Enterprises			
A. Total budgeted expenditures	\$ 16,423,659	\$ 3,015,812	\$ 4,070,206	\$ 11,772,851	\$ 35,282,528
B. Less exclusions claimed:					
Dividends, interest, and gains on the sale or redemption of investment securities (Note 2)	146,045	72,915		507,428	726,388
Grants and aid from the federal government (Note 3)			3,498,736		3,498,736
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes		15,350	2,808		18,158
Contracts with other political subdivisions (Note 3)	1,393,704	1,309,480			2,703,184
Tuition and fees (Note 4)	145,140	8,422		2,419,365	2,572,927
Prior years carryforward (Note 5)				7,922,039	7,922,039
Total exclusions claimed	<u>1,684,889</u>	<u>1,406,167</u>	<u>3,501,544</u>	<u>10,848,832</u>	<u>17,441,432</u>
C. Amounts subject to the expenditure limitation	<u>\$ 14,738,770</u>	<u>\$ 1,609,645</u>	<u>\$ 568,662</u>	<u>\$ 924,019</u>	<u>\$ 17,841,096</u>

See accompanying notes to report.

Graham 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 \$727,522 reported as investment income on the Statement of Revenues, Expenses and Changes in Net Assets, only \$726,388 applied to monies subject to the expenditure limitation and was claimed as an exclusion.

Note 3 - Of the \$6,362,961 reported as government grants and contracts revenue on the Statement of Revenues, Expenses and Changes in Net Assets, \$3,498,736 was expended and claimed as an exclusion for grants and aid from the federal government; \$2,703,184 was expended and claimed as an exclusion for contracts with political subdivisions; \$114,617 has been carried forward to future years; and \$46,424 applied to state grants, which are not excludable revenues.

Note 4 - Of the gross tuition and fees of \$3,089,315 reported in the Statement of Revenues, Expenses, and Changes in Net Assets, \$2,572,927 was expended and claimed as an exclusion, and \$516,388 has been carried forward to future years.

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

Note 5 - 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	<b>Unexpended <u>Plant Fund</u></b>
Dividends, interest, and gains on the sale or redemption of investment securities	\$ 614,017
Amounts received from the State of Arizona for the purchase of land, and the purchase or construction of buildings or improvements	229,656
Contracts with other political subdivisions	<u>7,078,366</u>
Total prior years carryforward expended	<u>\$7,922,039</u>