



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Expenditure Limitation Report

Maricopa County Community College District

Year Ended June 30, 2013



Debra K. Davenport
Auditor General

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Maricopa County Community College District
Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2013

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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
Maricopa County Community College District

We have examined the accompanying Annual Budgeted Expenditure Limitation Report of Maricopa County Community College District for the year ended June 30, 2013. This report is the responsibility of the District's management. 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 of Maricopa County Community College District 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

May 29, 2014

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Maricopa County Community College District
Annual Budgeted Expenditure Limitation Report—Part I
Year Ended June 30, 2013

1. Economic Estimates Commission expenditure limitation		\$512,322,449
2. Total amount subject to the expenditure limitation (from Part II, Line C)	\$495,630,180	
3. Less expenditures of monies received pursuant to Arizona Revised Statutes §15-1472 (workforce development)	<u>7,948,950</u>	
4. Adjusted amount subject to the expenditure limitation		<u>487,681,230</u>
5. Amount under the expenditure limitation		<u>\$ 24,641,219</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: Debra Thompson, Vice Chancellor for Business Services

Telephone Number: (480) 731-8510 Date: May 29, 2014

See accompanying notes to report.

Maricopa County Community College District
Annual Budgeted Expenditure Limitation Report—Part II
Year Ended June 30, 2013

Description	Current Funds			Plant Funds		Total
	Unrestricted			Unexpended	Retirement of Indebtedness	
	General	Auxiliary Enterprises	Restricted			
A. Total budgeted expenditures	\$615,367,611	\$63,213,861	\$230,508,208	\$ 91,218,136	\$ 81,126,659	\$1,081,434,475
B. Less exclusions claimed:						
Debt service requirements on bonded indebtedness (Note 2)					81,126,659	81,126,659
Debt service requirements on other long-term obligations (Note 2)				26,061		26,061
Dividends, interest, and gains on the sale or redemption of investment securities (Note 3)	707,664	66,322	17,830	515,890		1,307,706
Grants and aid from the federal government (Note 4)			201,597,359			201,597,359
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 5)		243,171	13,196,071			13,439,242
Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements (Note 6)				7,777,167		7,777,167
Contracts with other political subdivisions (Note 4)		1,002,510	2,156,865			3,159,375
Tuition and fees (Note 7)	172,026,127	32,778,272	118,240			204,922,639
Prior years carryforward (Note 8)		1,774,288		70,673,799		72,448,087
Total exclusions claimed	<u>172,733,791</u>	<u>35,864,563</u>	<u>217,086,365</u>	<u>78,992,917</u>	<u>81,126,659</u>	<u>585,804,295</u>
C. Amounts subject to the expenditure limitation	<u>\$442,633,820</u>	<u>\$27,349,298</u>	<u>\$ 13,421,843</u>	<u>\$ 12,225,219</u>	<u>\$ -</u>	<u>\$ 495,630,180</u>

See accompanying notes to report.

Maricopa County Community College District
Notes to Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2013

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 debt service requirements on bonded indebtedness and debt service requirements on other long-term obligations are \$81,126,659 and \$26,061, respectively. Both amounts are included in the amounts reported as principal paid on capital debt and leases and interest paid on capital debt and leases on the Statement of Cash Flows—Primary Government.

Note 3 – The amount of \$1,488,524 was reported as investment earnings, net of investment expense on the Statement of Revenues, Expenses, and Changes in Net Position—Primary Government. The amount of exclusions claimed for dividends, interest, and gains on the sale or redemption of investment securities of \$1,307,706 is less than the amount reported on the Statement of Revenue, Expenses, and Changes in Net Position—Primary Government. The difference is explained below:

Statement of Revenues, Expenses, and Changes in Net Position— Primary Government:		Annual Budgeted Expenditure Limitation Report:	
Investment earnings, net of investment expense	<u>\$1,488,524</u>	Dividends, interest, and gains on the sale or redemption of investment securities	\$1,307,706
		Interest income on Retirement of Indebtedness fund—not taken as an exclusion and not carried forward to future years under the expenditure limitation requirements	43,179
		Investment income in Loan and Endowment funds—not reported on ABELR	<u>137,639</u>
Total	<u>\$1,488,524</u>	Total	<u>\$1,488,524</u>

Maricopa County Community College District
Notes to Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2013

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 grants and contracts	<u>\$208,100,797</u>	Grants and aid from the federal government	\$201,597,359
		Contracts with other political subdivisions	<u>3,159,375</u>
		Total exclusions claimed	<u>204,756,734</u>
		Other revenues (nonexcludable)	<u>3,344,063</u>
Total	<u>\$208,100,797</u>	Total	<u>\$208,100,797</u>

Note 5 – The exclusions claimed for grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes consists of amounts expended from private grants and contracts and private gifts reported on the Statement of Revenues, Expenses, and Changes in Net Position—Primary Government.

Note 6 – The Maricopa County Community College District Governing Board approved the accumulation of \$14,580,683 for the purpose of purchasing land, buildings, or improvements or construction of buildings or improvements. Of this amount, \$7,777,167 was expended and claimed as an exclusion while \$6,803,516 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 \$246,847,598 reported on the Statement of Revenues, Expenses, and Changes in Net Position—Primary Government, \$204,922,639 was expended in the General, Auxiliary Enterprises, and Restricted funds. In addition, \$863,000 was expended in the Retirement of Indebtedness fund for debt service requirements on bonded indebtedness, for a total exclusion amount of \$205,785,639. The remaining balance of \$41,061,959 has been carried forward to future years.

Note 8 – Prior years carry forward of \$70,673,799 in the Unexpended Plant Fund and \$1,774,288 in the Auxiliary Enterprises Fund consist of constitutionally excludable revenues unexpended in the year of receipt that have been accumulated and were expended in the current year.

