



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Expenditure Limitation Report

Maricopa County Community College District

Year Ended June 30, 2004



Debra K. Davenport
Auditor General

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Maricopa County Community College District
Report on Audit of Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2004

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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
Maricopa County Community College District

We have audited the accompanying Annual Budgeted Expenditure Limitation Report of Maricopa County Community College District for the year ended June 30, 2004. 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 Maricopa County Community College District for the year ended June 30, 2004, 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

January 31, 2005

Maricopa County Community College District
Annual Budgeted Expenditure Limitation Report—Part I
Year Ended June 30, 2004

1. Economic Estimates Commission expenditure limitation		\$299,676,873
2. Total amount subject to the expenditure limitation (from Part II, Line C)	\$305,142,001	
3. Less expenditures of monies received pursuant to Arizona Revised Statutes §15-1472 (workforce development)	<u>5,465,129</u>	
4. Adjusted amount subject to the expenditure limitation		<u>299,676,872</u>
5. 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: _____

Name and Title: Debra Thompson, Vice Chancellor for Business Services

Telephone Number: (480) 731-8510 Date: January 31, 2005

See accompanying notes to report.

Maricopa County Community College District
Annual Budgeted Expenditure Limitation Report—Part II
Year Ended June 30, 2004

Description	Current Funds			Plant Funds		Total
	Unrestricted		Restricted	Unexpended	Retirement of Indebtedness	
	General	Auxiliary Enterprises				
A. Total budgeted expenditures	\$ 373,641,749	\$ 57,075,622	\$ 89,745,849	\$ 24,112,496	\$ 41,326,622	\$ 585,902,338
B. Less exclusions claimed:						
Bond proceeds (Note 2)				10,178,716		10,178,716
Debt service requirements on bonded indebtedness (Note 3)					41,326,622	41,326,622
Debt service requirements on other long-term obligations (Note 3)				120,570		120,570
Dividends, interest, and gains on the sale or redemption of investment securities (Note 4)	1,144,895	559,613	95,195	1,808,542		3,608,245
Grants and aid from the federal government (Note 5)			67,330,969			67,330,969
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 6)		144,147	13,882,994	487,200		14,514,341
Amounts received from the State of Arizona for the purchase of land, and the purchase or construction of buildings or improvements (Note 7)				8,309,800		8,309,800
Contracts with other political subdivisions (Note 5)		2,196,347	1,220,828			3,417,175
Tuition and fees (Note 8)	<u>88,634,884</u>	<u>43,214,313</u>	<u>104,702</u>			<u>131,953,899</u>
Total exclusions claimed	<u>89,779,779</u>	<u>46,114,420</u>	<u>82,634,688</u>	<u>20,904,828</u>	<u>41,326,622</u>	<u>280,760,337</u>
C. Amounts subject to the expenditure limitation	<u>\$ 283,861,970</u>	<u>\$ 10,961,202</u>	<u>\$ 7,111,161</u>	<u>\$ 3,207,668</u>	<u>\$ -</u>	<u>\$ 305,142,001</u>

See accompanying notes to report.

Maricopa County Community College District
Notes to Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2004

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 \$17,604,509 reported as purchases of capital assets on the Statement of Cash Flows, only \$10,178,716 was expended from bond proceeds and claimed as an exclusion.

Note 3 - Exclusions claimed for debt service requirements on bonded indebtedness and debt service requirements on other long-term obligations 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.

Note 4 - The exclusion claimed for dividends, interest, and gains on the sale or redemption of investment securities is included in investment income, net of investment expense reported on the Statement of Revenues, Expenses, and Changes in Net Assets.

Maricopa County Community College District
Notes to Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2004

Note 5 - 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 Assets:**

ABELR:

Government grants and contracts	<u>\$73,149,655</u>	Grants and aid from the federal government	\$67,330,969
		Contracts with other political subdivisions	<u>3,417,175</u>
		Total exclusion claimed	<u>70,748,144</u>
		Other revenues (nonexcludable)	1,769,554
		Amount carried forward	<u>631,957</u>
Total	<u>\$73,149,655</u>	Total	<u>\$73,149,655</u>

Note 6 - Exclusions claimed for grants, aid, contributions, or gifts from a private agency, organization, or individual in the Auxiliary Enterprises and Restricted Funds are included in the amounts reported as operating private grants and contracts and nonoperating private gifts on the Statement of Revenues, Expenses, and Changes in Net Assets. The exclusion claimed in the Unexpended Plant Fund is included in the amount reported as capital grants and gifts on the Statement of Revenues, Expenses, and Changes in Net Assets. The remaining balances of these financial statement line items are not excludable.

Note 7 - Amounts received from the State of Arizona for the purchase of land, and the purchase or construction of buildings or improvements are included in capital appropriations reported on the Statement of Revenues, Expenses, and Changes in Net Assets.

Note 8 - The District budgets scholarships as revenues. Of the gross tuition and fees reported on the Statement of Revenues, Expenses, and Changes in Net Assets, only \$131,953,899 was expended and claimed as an exclusion. The remaining \$2,814,601 has been carried forward to future years.