



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Expenditure Limitation Report

Mohave County Community College District

Year Ended June 30, 2003



Debra K. Davenport
Auditor General

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Mohave County Community College District
Report on Audit of Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2003

Table of Contents	Page
Independent Auditors' Report	1
Annual Budgeted Expenditure Limitation Report—Part I	2
Annual Budgeted Expenditure Limitation Report—Part II	3
Notes to Annual Budgeted Expenditure Limitation Report	4



**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
Mohave County Community College District

We have audited the accompanying Annual Budgeted Expenditure Limitation Report of Mohave County Community College District for the year ended June 30, 2003. 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 Mohave County Community College District for the year ended June 30, 2003, 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

August 13, 2004

Mohave County Community College District
Annual Budgeted Expenditure Limitation Report—Part I
Year Ended June 30, 2003

1. Economic Estimates Commission expenditure limitation		\$18,472,189
2. Total amount subject to the expenditure limitation (from Part II, Line C)	\$15,720,001	
3. Less expenditures of monies received pursuant to Arizona Revised Statutes §15-1472 (workforce development)	<u>382,268</u>	
4. Adjusted amount subject to the expenditure limitation		<u>15,337,733</u>
5. Amount under the expenditure limitation		<u>\$ 3,134,456</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: William H. Lovejoy, Vice President for Administration

Telephone Number: (928) 692-3095 Date: August 13, 2004

See accompanying notes to report.

Mohave County Community College District
Annual Budgeted Expenditure Limitation Report—Part II
Year Ended June 30, 2003

Description	Current Funds			Plant Funds		Total
	Unrestricted			Unexpended	Retirement of Indebtedness	
	General	Auxiliary Enterprises	Restricted			
A. Total budgeted expenditures	\$16,991,429	\$1,928,663	\$2,198,412	\$523,020	\$803,040	\$22,444,564
B. Less exclusions claimed:						
Bond proceeds (Note 2)				38,383		38,383
Debt service requirements on bonded indebtedness (Note 3)					189,000	189,000
Debt service requirements on other long-term obligations (Note 3)				221,373	614,040	835,413
Dividends, interest, and gains on the sale or redemption of investment securities (Note 4)	83,408			17,930		101,338
Grants and aid from the federal government (Note 5)			2,026,597			2,026,597
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 6)	46,309	43,891	26,087	18,000		134,287
Contracts with other political subdivisions (Note 7)	124,000					124,000
Tuition and fees (Note 8)	1,939,474	619,419				2,558,893
Prior years carryforward (Note 9)	<u>358,922</u>	<u>130,396</u>		<u>227,334</u>		<u>716,652</u>
Total exclusions claimed	<u>2,552,113</u>	<u>793,706</u>	<u>2,052,684</u>	<u>523,020</u>	<u>803,040</u>	<u>6,724,563</u>
C. Amounts subject to the expenditure limitation	<u>\$14,439,316</u>	<u>\$1,134,957</u>	<u>\$ 145,728</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$15,720,001</u>

See accompanying notes to report.

Mohave County Community College District
Notes to Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2003

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 - The Statement of Cash Flows reports payments made to contractors of \$38,383 that were expended from bond proceeds.

Note 3 - Exclusions claimed for debt service requirements on bonded indebtedness and debt service requirements on other long-term obligations are \$189,000 and \$835,413, 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.

Note 4- Exclusions claimed for dividends, interest, and gains on the sale or redemption of investment securities of \$101,338 were reported as investment income, net of investment expense on the Statement of Revenues, Expenses, and Changes in Net Assets. The remaining investment income of \$449 consists of nonexcludable revenues.

Note 5- The exclusion claimed for grants and aid from the federal government of \$2,026,597 was reported as government grants and contracts on the Statement of Revenues, Expenses, and Changes in Net Assets. The remaining government grants and contracts revenues of \$155,778 are nonexcludable.

Mohave County Community College District
Notes to Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2003

Note 6 - The following schedule presents revenues from which exclusions have been claimed for grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes:

Statement of Revenues, Expenses, and Changes in Net Assets:		ABELR:
Private grants and contracts	\$ 67,934	Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes
Private gifts	84,887	
Capital grants and gifts	<u>229,018</u>	<u>\$134,287</u>
		Total exclusion claimed
		<u>134,287</u>
		Other nonexcludable revenues (capital asset donation)
		211,018
		Amount carried forward
		<u>36,534</u>
Total	<u>\$381,839</u>	Total
		<u>\$381,839</u>

Note 7- The exclusion claimed for contracts with other political subdivisions of \$124,000 was reported as other sales and services on the Statement of Revenues, Expenses, and Changes in Net Assets. The remaining other sales and services revenues of \$97,298 are nonexcludable.

Note 8- Exclusions claimed for tuition and fees include the amount of scholarship allowance reported on the Statement of Revenues, Expenses, and Changes in Net Assets.

Note 9 - 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	<u>Current General Fund</u>	<u>Current Auxiliary Enterprises Fund</u>	<u>Unexpended Plant Fund</u>
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes			\$227,334
Tuition and fees	<u>\$358,922</u>	<u>\$130,396</u>	_____
Total prior years carryforward expended	<u>\$358,922</u>	<u>\$130,396</u>	<u>\$227,334</u>