

Cochise County Community College District

Annual Budgeted Expenditure
Limitation Report

Year Ended June 30, 2024

A Report to the Arizona Legislature

Lindsey A. Perry
Auditor General





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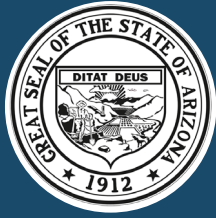
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ARIZONA AUDITOR GENERAL

Lindsey A. Perry, 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 (report) of Cochise County Community College District for the year ended June 30, 2024, and the related notes to the report. The District's management is responsible for presenting this report in accordance with the Uniform Expenditure Reporting System as described in Note 1. Our responsibility is to express an opinion on this report based on our examination.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the Uniform Expenditure Reporting System in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Annual Budgeted Expenditure Limitation Report referred to above is presented in accordance with the Uniform Expenditure Reporting System as described in Note 1 in all material respects.

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

August 26, 2025

Cochise County Community College District
Annual Budgeted Expenditure Limitation Report—Part I
Year ended June 30, 2024

- | | |
|--|---------------------|
| 1. Economic Estimates Commission expenditure limitation | \$73,550,812 |
| 2. Total amount subject to the limitation (from Part II, line C) | <u>59,568,583</u> |
| 3. Amount under the expenditure limitation | <u>\$13,982,229</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: Dr. Wendy F. Davis, Executive Vice President for Administration

Telephone number: (520) 515-5464 Date: August 26, 2025

See accompanying notes to report.

Cochise County Community College District
Annual Budgeted Expenditure Limitation Report—Part II
Year ended June 30, 2024

Description	Total
A. Final adopted budgeted expenditures from Reconciliation, line E.3	\$78,381,909
B. Less exclusions claimed:	
Debt service requirements (Note 3)	2,273,320
Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts (Note 4)	9,642,299
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 5)	5,493,172
Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472 (Note 6)	1,154,374
Prior years carryforward (Note 8)	<u>250,161</u>
Total exclusions claimed	<u>18,813,326</u>
C. Amount subject to the expenditure limitation	<u>\$59,568,583</u>

See accompanying notes to report.

Cochise County Community College District

Annual Budgeted Expenditure Limitation Report—Reconciliation

Year ended June 30, 2024

Description	Total
A. Total operating and nonoperating expenses and applicable special items and extraordinary items reported within the financial statements	\$ 60,850,889
B. Subtractions:	
1. Items not requiring use of current financial resources:	
a. Depreciation and amortization	6,314,329
b. Bad debt expense (Note 7)	148,609
c. Pension and other postemployment benefits (OPEB) expense	2,745,431
d. Compensated absences	<u>1,720,913</u>
2. Total subtractions	<u>10,929,282</u>
C. Additions:	
1. Principal payments on long-term debt	2,039,073
2. Capital asset acquisitions	18,426,180
3. Compensated absences	1,766,152
4. Pension and OPEB contributions paid in the current year	2,960,604
5. Scholarship allowance	<u>3,268,293</u>
6. Total additions	<u>28,460,302</u>
D. Total financial statement expenses adjusted to UERS-basis actual expenditures (Line A. - Line B.2. + Line C.6.)	<u>78,381,909</u>
E. Total budgeted expenditures	
1. Original adopted budgeted expenditures	\$110,469,603
2. Budgetary adjustment (Note 2)	<u>(32,087,694)</u>
3. Final adopted budgeted expenditures (reported on part II, line A)	<u>\$ 78,381,909</u>

See accompanying notes to report.

Cochise County Community College District
Notes to Annual Budgeted Expenditure Limitation Report
Year ended June 30, 2024

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, and A.R.S. §§15-792.03, 15-795.01, 15-1444, and 15-1472, as applicable, from the total budgeted expenditures.

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 and each subtraction or addition in the Reconciliation that cannot be traced directly to an amount reported in the annual financial statements.

Note 2

The District has adopted a final budget equal to its UERS-basis actual expenditures as part of its standard year end procedures.

Note 3

The exclusion claimed for debt service requirements includes the amounts reported as principal paid on capital debt and interest paid on capital debt on the statement of cash flows—primary government. The \$2,273,320 exclusion claimed for debt service requirements includes principal and interest paid on capital debt of \$1,970,000 and \$303,320, respectively.

Note 4

The following schedule presents revenues from which exclusions have been claimed for government grants and contracts:

Statement of revenues, expenses, and changes in net position—primary government:

Government grants and contracts	<u>\$11,037,119</u>
Total	<u>\$11,037,119</u>

Annual Budgeted Expenditure Limitation Report:

Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts	\$ 9,642,299
Nonexcludable revenues	<u>1,394,820</u>
Total	<u>\$11,037,119</u>

Cochise County Community College District

Notes to Annual Budgeted Expenditure Limitation Report

Year ended June 30, 2024

Note 5

Of the \$10,064,143 recorded as private gifts on the statement of revenues, expenses, and changes in net position—primary government, only \$5,493,172 was expended and claimed as an exclusion for grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes. The remaining unspent, excludable revenues of \$4,570,971 have been carried forward to future years.

Note 6

Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472 are reported as the share of State sales tax on the statement of revenues, expenses, and changes in net position—primary government. Of these excludable revenues, only \$1,154,374 was expended and claimed as an exclusion. The remaining unspent excludable revenues of \$967,892 have been carried forward to future years.

Note 7

The subtraction of bad debt expense of \$148,609 consists of uncollectible balances written off by the College that were recorded in the expense line item for institutional support on the statement of revenues, expenses, and changes in net position—primary government.

Note 8

Revenues that are constitutionally excludable and unexpended in the year of receipt may be accumulated and excluded in future years when spent. Unspent, excludable revenues of \$2,632,957 for dividends, interest, and gains on the sale or redemption of investment securities and \$6,903,045 for tuition and fees have been carried forward to future years. Prior years carryforward of excludable revenues of \$250,161 for grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts was used in the current year. A summary of the accumulated revenue sources and their balances is shown in the table below:

Description	Balance June 30, 2023	Carryforward added	Carryforward used	Balance June 30, 2024
Dividends, interest, and gains on the sale or redemption of investment securities	\$ 2,488,532	\$ 2,632,957		\$ 5,121,489
Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts	693,688		\$250,161	443,527
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	1,478,130	4,570,971		6,049,101
Tuition and fees	27,458,239	6,903,045		34,361,284
Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472	1,688,436	967,892		2,656,328
Total	<u>\$33,807,025</u>	<u>\$15,074,865</u>	<u>\$250,161</u>	<u>\$48,631,729</u>

