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GRAHAM COUNTY

COMMUNITY COLLEGE DISTRICT

ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT

FOR THE YEAR ENDED JUNE 30, 2024

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GRAHAM COUNTY COMMUNITY COLLEGE DISTRICT
ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT
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JUNE 30, 2024

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INDEPENDENT ACCOUNTANTS' REPORT

Members of the Arizona State Legislature
The Arizona Auditor General
Governing Board of
Graham County Community College District

Annual Budget Expenditure Limitation Report

We have examined the accompanying Annual Budgeted Expenditure Limitation Report (ABELR) of Graham County Community College District (the "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 (UERS) as described in Note 1. Our responsibility is to express an opinion on this report based on our examination.

Accountants' Responsibilities

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 UERS 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.

Opinion

In our opinion, the ABELR referred to above is presented in accordance with the UERS as described in Note 1 in all material respects.

CWDL, Certified Public Accountants

Mesa, Arizona
July 24, 2026

GRAHAM COUNTY COMMUNITY COLLEGE DISTRICT
ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT – PART I
FOR THE YEAR ENDED JUNE 30, 2024

1. Economic Estimates Commission expenditure limitation	$	33,994,988
2. Total amount subject to the limitation (from Part II, line C)		33,892,132
3. Amount under the expenditure limitation	$	102,856

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 financial officer:

Name and title: Heston Welker, Vice President of Administration/Chief Business Officer

Telephone number: (928) 428-8201 Date: July 24, 2026

GRAHAM COUNTY COMMUNITY COLLEGE DISTRICT
ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT – PART II
FOR THE YEAR ENDED JUNE 30, 2024

Description		Total
A.	Final adopted budgeted expenditures from Reconciliation, line E. 3	$ 65,853,530
B.	Less exclusions claimed:	
	1. Dividends, interest, and gains on the sale or redemption of investment securities	2,831,818
	2. Trustee or custodian (Note 3)	303,019
	3. Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts (Note 4)	1,013,201
	4. Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	369,046
	5. Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements (Note 5)	4,466,835
	6. Contracts with other political subdivisions or tribal governments	8,886,926
	7. Tuition and fees (Note 6)	9,925,074
	8. Amounts earned through research and entrepreneurial activities (Note 6)	4,061,088
	9. Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472 (Note 8)	104,391
	10. Total exclusions claimed	31,961,398
C.	Amount subject to the expenditure limitation	$ 33,892,132

See accompanying notes to the report.

GRAHAM COUNTY COMMUNITY COLLEGE DISTRICT
ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT – RECONCILIATION
FOR THE 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	$ 60,786,368
B. Subtractions:	
1. Items not requiring use of current financial resources:	
a. Depreciation and amortization	2,936,764
b. Loss on disposal of capital assets (Note 11)	25,190
c. Bad debt expense (Note 12)	99,382
d. Pension and other postemployment benefits (OPEB) expense (Note 9)	2,960,484
e. Claims incurred but not reported (IBNR)	4,292,294
f. Compensated absences (Note 7)	918,074
2. Total Subtractions	11,232,188
C. Additions:	
1. Capital asset acquisitions	3,208,690
2. Amounts paid in the current year but reported as expenses in previous years:	
a. Claims previously recognized as IBNR	4,070,439
b. Compensated absences (Note 7)	770,693
3. Pension and OPEB contributions paid in the current year (Note 9)	2,676,989
4. Scholarship allowance	5,572,539
5. Total additions	16,299,350
D. Total financial statement expenses adjusted to UERS-basis actual expenditures (Line A. - Line B.2. + Line C.5.)	65,853,530
E. Total budgeted expenditures	
1. Original adopted budgeted expenditures	77,979,460
2. Budgetary adjustment (Note 2)	(12,125,930)
3. Final adopted budgeted expenditures (reported on part II, line A)	$ 65,853,530

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. The District's original budget is developed with the assumption that all costs associated with active capital projects will be due within the current fiscal year. The difference between the original budget and final adopted budget is associated with timing of expenses.

NOTE 3 – The $303,019 exclusion claimed for trustee or custodian consists of $181,981 attributed to clubs at the District and $121,038 of funds attributed to Gila Community College.

NOTE 4 - Of the $9,307,170 reported as government grants or Smart and Safe Arizona Fund on the Statement of Revenues, Expenses, and Changes in Net Position - Primary Government ($8,387,447 and $919,723 respectively), only $8,813,201 was eligible for exclusion. The district elected to exclude $1,013,201 while the remaining $7,800,000 was carried forward to future years.

NOTE 5 - The District claimed an exclusion of $4,466,835 for land, building, and building improvements. The total amount of this exclusion consists of Land, Construction in Progress, less ERP costs, and Buildings. Full details are reported in Note 3 of the financial statements.

NOTE 6 - The District does not budget tuition and fees revenue net of scholarship allowances. The following schedule presents revenues from which exclusions have been claimed from tuition and fees, dormitory rentals, bookstore income, and amounts earned through research and entrepreneurial activities, which are included in other revenues:

Statement of revenues, expenses, and changes in net position—primary government:		
Tuition and fees (gross)	$	9,925,074
Dormitory rentals (gross)		553,245
Bookstore income		769,952
Food services income (gross)		2,737,892
Total	$	13,986,162
Annual budgeted expenditure limitation report:		
Tuition and fees	$	9,925,074
Amounts earned through research and entrepreneurial activities		4,061,088
Total	$	13,986,162

NOTE 7 - The $918,074 subtraction of compensated absences consists of the estimated costs of compensated absences incurred and expensed in the current year but not yet paid. The $770,693 addition for compensated absences in the current year, but reported as expenses in previous years, consists of cash payments in the current year for compensated absences recognized as an expense in previous years.

NOTE 8 - 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 taxes on the statement of revenues, expenses, and changes in net position—primary government. Of these excludable revenues, only $104,391 was expended and claimed as an exclusion. The remaining unspent, excludable revenues of $815,331 have been carried forward to future years.

NOTE 9 - The $2,960,484 subtraction for pension and other post-employment benefit (OPEB) expense consists of changes in the net pension and OPEB assets and liabilities and changes in deferred inflows and outflows related to pensions and OPEB recognized in the current year. The $2,676,989 addition for pension and OPEB contributions paid in the current year consists of the required pension and OPEB contributions made to the Arizona State Retirement System. The schedule below reconciles the net effect the subtraction and addition have on the expenditures subject to the limitation to the amounts reported on the statement of cash flows' net effect on cash.

	Total
Statement of cash flows	
Change in deferred inflows related to pensions and OPEB	$ (316,765)
Change in deferred outflows related to pensions and OPEB	587,380
Change in net pension and OPEB liability	12,880
Total	$ 283,495
ABELR–Reconciliation	
Pension/OPEB contributions–addition	$ 2,676,989
Pension/OPEB expense(income)–subtraction	(2,960,484)
Total	$ (283,495)

NOTE 10 - Revenues that are constitutionally excludable and unexpended in the year of receipt may be accumulated and excluded in future years when spent. 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	$514,805			$514,805
Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts:	$8,534,879	$7,800,000		$16,334,879
Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements	$9,969,831	$0	$0	$9,969,831
Contracts with other political subdivisions or tribal governments	$756,769	$0	$0	$756,769
Tuition and fees	$26,340,268	$0	$0	$26,340,268
Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472	$2,508,093	$815,331		$3,323,424
Total carryforward	$48,624,645	$8,615,331	$0	$57,239,976

NOTE 11 - A loss on disposal of capital assets in the amount of $25,190 represents the net book value of capital assets that were retired, disposed of, or otherwise removed from service during the fiscal year for which no significant proceeds were received. These disposals primarily relate to assets that were no longer in use, obsolete, damaged, or replaced as part of normal College operations. The financial statements reflect an ending overall gain of $15,602 which reflects the loss of $25,190 and associated gains of $40,792.

NOTE 12 - Bad debt expense in the amount of $99,382 represents amounts determined to be uncollectible and is associated specifically with student tuition and fee receivables. These amounts were recorded in accordance with the College's established policies for accounts receivable and allowance for doubtful accounts.