

Cochise County Community College District

Annual Budgeted Expenditure
Limitation Report

Year Ended June 30, 2022

A Report to the Arizona Legislature

Lindsey A. Perry
Auditor General





The Arizona Auditor General’s mission is to provide independent and impartial information and specific recommendations to improve the operations of State and local government entities. To this end, the Office provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits and special reviews of school districts, State agencies, and the programs they administer.

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LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
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, 2022, 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

July 31, 2023

**Cochise County Community College District
Annual Budgeted Expenditure Limitation Report—Part I
Year ended June 30, 2022**

1. Economic Estimates Commission expenditure limitation	\$67,578,287
2. Amount subject to the expenditure limitation (total from Part II, line C)	<u>43,416,911</u>
3. Amount under the expenditure limitation	<u>\$24,161,376</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.

DocuSigned by:
Wendy Davis
DD2947C3BB70444...

Signature of chief financial officer: _____

Name and title: Dr. Wendy F. Davis, Vice President for Administration

Telephone number: (520) 515-3623 Date: July 31, 2023

See accompanying notes to report.

**Cochise County Community College District
Annual Budgeted Expenditure Limitation Report—Part II
Year ended June 30, 2022**

Description	Current funds			Plant funds		Total
	Unrestricted		Restricted	Unexpended	Retirement of indebtedness	
	General	Auxiliary enterprises				
A. Total budgeted expenditures	\$ 35,962,832	\$ 1,011,814	\$ 18,967,856	\$ 5,061,508	\$ 2,566,700	\$ 63,570,710
B. Less exclusions claimed:						
Debt service requirements (Note 2)					2,564,200	2,564,200
Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts (Note 3)			16,316,739			16,316,739
Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472 (Note 4)			1,272,860			1,272,860
Total exclusions claimed			17,589,599		2,564,200	20,153,799
C. Amounts subject to the expenditure limitation	<u>\$ 35,962,832</u>	<u>\$ 1,011,814</u>	<u>\$ 1,378,257</u>	<u>\$ 5,061,508</u>	<u>\$ 2,500</u>	<u>\$ 43,416,911</u>

See accompanying notes to report.

**Cochise County Community College District
Notes to Annual Budgeted Expenditure Limitation Report
Year ended June 30, 2022**

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.

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

The \$2,564,200 exclusion claimed for debt service requirements includes principal and interest paid on capital debt of \$1,795,000 and \$769,200 respectively. The interest exclusion is reported within the \$595,022 interest expense amount on the statement of revenues, expenses, and changes in net position—primary government which is net of amortizations for bond premium and deferred charge on debt refunding totaling \$174,178.

Note 3

The following schedule presents revenues from which exclusions have been claimed for government grants, aid, or contributions:

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

Government grants	<u>\$16,503,103</u>
Total	<u>\$16,503,103</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	\$16,316,739
Other revenues (nonexcludable)	183,046
Unspent revenues carried forward	<u>3,318</u>
Total	<u>\$16,503,103</u>

Cochise County Community College District

Notes to Annual Budgeted Expenditure Limitation Report

Year ended June 30, 2022

Note 4

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 \$1,272,860, was expended and claimed as an exclusion. The remaining unspent revenues of \$611,488 have been carried forward to future years.

Note 5

Revenues that are constitutionally excludable and unexpended in the year of receipt may be accumulated and excluded in future years. In the current year, \$9,658,258 in tuition and fees, \$361,657 in private gifts, and \$70,789 of investment earnings remained unspent and are carried forward. A summary of the excludable revenue sources and the changes in those balances is shown in the table below:

Description	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022
Dividends, interest, and gains on the sale or redemption of investment securities	\$ 1,632,023	\$ 70,789		\$ 1,702,812
Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts	679,599	3,318		682,917
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	802,780	361,657		1,164,437
Tuition and fees	17,802,494	9,658,528	\$4,605,607	22,855,415
Amounts received from the State of Arizona for workforce development		611,488		611,488
Total	<u>\$20,916,896</u>	<u>\$10,705,780</u>	<u>\$4,605,607</u>	<u>\$27,017,069</u>

