

# Cochise County Community College District

Annual Budgeted Expenditure  
Limitation Report

Year Ended June 30, 2023

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, 2023, 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

January 16, 2025

**Cochise County Community College District  
Annual Budgeted Expenditure Limitation Report—Part I  
Year ended June 30, 2023**

1. Economic Estimates Commission expenditure limitation	\$69,226,449
2. Total amount subject to the limitation (from Part II, line C)	<u>55,296,508</u>
3. Amount under the expenditure limitation	<u>\$13,929,941</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 financial officer: 

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

Telephone number: (520) 515-5408 Date: January 16, 2025

See accompanying notes to report.

**Cochise County Community College District  
Annual Budgeted Expenditure Limitation Report—Part II  
Year ended June 30, 2023**

Description	Total
A. Total budgeted expenditures	\$70,039,364
B. Less exclusions claimed:	
Debt service requirements (Note 2)	2,564,450
Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts (Note 3)	10,954,256
Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472 (Note 4)	<u>1,224,150</u>
Total exclusions claimed	<u>14,742,856</u>
C. Amounts subject to the expenditure limitation	<u>\$55,296,508</u>

See accompanying notes to report.

# Cochise County Community College District

## Notes to Annual Budgeted Expenditure Limitation Report

### Year ended June 30, 2023

#### 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 that cannot be traced directly to an amount reported in the annual financial statements.

#### Note 2

The \$2,564,450 exclusion claimed for debt service requirements includes principal and interest paid on capital debt of \$1,885,000 and \$679,450, respectively. The interest exclusion is reported within the \$505,272 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>\$11,290,109</u>
Total	<u>\$11,290,109</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	\$10,954,256
Nonexcludable revenues	325,082
Unspent, excludable revenues carried forward	<u>10,771</u>
Total	<u>\$11,290,109</u>

#### 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 \$1,224,150, was expended and claimed as an exclusion. The remaining unspent, excludable revenues of \$1,076,948 have been carried forward to future years.

**Cochise County Community College District**  
**Notes to Annual Budgeted Expenditure Limitation Report**  
**Year ended June 30, 2023**

**Note 5**

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 \$785,720 for dividends, interest, and gains on the sale or redemption of investment securities have been carried forward to future years. Unspent, excludable revenues of \$313,693 for grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes have been carried forward to future years. Unspent, excludable revenues of \$6,770,204 for tuition and fees have been carried forward to future years and a \$2,167,380 adjustment was made to correct an ending carryforward balance that was no longer available for exclusion by the District. A summary of the accumulated revenue sources and their balances is shown in the table below:

<b>Description</b>	<b>Balance June 30, 2022</b>	<b>Carryforward added</b>	<b>Carryforward used</b>	<b>Balance June 30, 2023</b>
Dividends, interest, and gains on the sale or redemption of investment securities	\$ 1,702,812	\$ 785,720		\$ 2,488,532
Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts	682,917	10,771		693,688
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	1,164,437	313,693		1,478,130
Tuition and fees	22,855,415	6,770,204	\$(2,167,380)	27,458,239
Amounts received from the State of Arizona for workforce development	<u>611,488</u>	<u>1,076,948</u>		<u>1,688,436</u>
Total	<u>\$27,017,069</u>	<u>\$8,957,336</u>	<u>\$(2,167,380)</u>	<u>\$33,807,025</u>



