

Pinal County Community College District (Central Arizona College)

Annual Budgeted Expenditure
Limitation Report

Year Ended June 30, 2021

A Report to the Arizona Legislature

Lindsey A. Perry
Auditor General





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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
Pinal County Community College District

We have examined the accompanying Annual Budgeted Expenditure Limitation Report (report) of Pinal County Community College District for the year ended June 30, 2021, 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

May 8, 2023

**Pinal County Community College District
(Central Arizona College)
Annual Budgeted Expenditure Limitation Report—Part I
Year ended June 30, 2021**

1. Economic Estimates Commission expenditure limitation	\$37,550,407
2. Amount subject to the expenditure limitation (total amount from Part II, line C)	<u>37,550,406</u>
3. Amount under the expenditure limitation	<u>\$ 1</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: (Signature removed for website presentation.)

Name and Title: Chris Wodka, Vice President of Finance and Administration

Telephone number: (520) 494-5230 Date: May 8, 2023

See accompanying notes to report.

**Pinal County Community College District
(Central Arizona College)
Annual Budgeted Expenditure Limitation Report—Part II
Year ended June 30, 2021**

Description	Current funds			Plant funds		Total
	Unrestricted		Restricted	Unexpended	Retirement of indebtedness	
	General	Auxiliary enterprises				
A. Total budgeted expenditures	\$ 40,187,700	\$ 4,037,000	\$ 15,942,423	\$ 1,197,272	\$ 8,635,244	\$ 69,999,639
B. Less exclusions claimed:						
Debt service requirements (Note 2)	53,543			424,996	6,267,402	6,745,941
Dividends, interest, and gains on the sale or redemption of investment securities (Note 2)	366,545			187,183	16,039	569,767
Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts (Note 3)			13,988,211			13,988,211
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 4)			561,184			561,184
Tuition and fees (Note 2 and 5)	1,735,561	3,587,407			2,283,300	7,606,268
Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472 (Note 6)			599,928			599,928
Prior years carryforward (Note 7)	<u>2,232,542</u>		<u>145,392</u>			<u>2,377,934</u>
Total exclusions claimed	<u>4,388,191</u>	<u>3,587,407</u>	<u>15,294,715</u>	<u>612,179</u>	<u>8,566,741</u>	<u>32,449,233</u>
C. Amounts subject to the expenditure limitation	<u>\$ 35,799,509</u>	<u>\$ 449,593</u>	<u>\$ 647,708</u>	<u>\$ 585,093</u>	<u>\$ 68,503</u>	<u>\$ 37,550,406</u>

See accompanying notes to report.

**Pinal County Community College District
(Central Arizona College)
Notes to Annual Budgeted Expenditure Limitation Report
Year ended June 30, 2021**

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, 15-1472, and 15-1444, 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

Of the \$50,096,769 reported as principal and interest paid on capital debt on the statement of cash flows—primary government and \$2,515 paid for trustee fees reported as instruction expenses on the statement of revenues, expenses, and changes in net position—primary government, \$41,005,000 was debt refinancing, \$6,745,941 was expended and excluded as debt service requirements, \$2,283,300 was expended and excluded as tuition and fees in the Plant funds, and \$16,039 was expended and excluded as dividends, interest and gains on the sale or redemption of investment securities in the Plant funds. The \$41,005,000 was unbudgeted debt refinancing and therefore was not included in the exclusions. The remaining \$49,004 was not claimed as an exclusion.

Note 3

Of the \$14,842,027 reported as Government grants and Smart and Safe Arizona Fund appropriations on the statement of revenues, expenses and changes in net position—primary government, \$13,988,211 was expended and claimed as an exclusion. Of the remaining \$853,816, \$852,460 has been carried forward to future years.

Note 4

Of the \$627,817 reported as Private grants and gifts on the statement of revenues, expenses and changes in net position—primary government, \$561,184 was expended and claimed as an exclusion. The remaining \$66,663 has been carried forward to future years.

**Pinal County Community College District
 (Central Arizona College)
 Notes to Annual Budgeted Expenditure Limitation Report
 Year ended June 30, 2021**

Note 5

The District does not budget tuition and fees revenue net of scholarship allowances. Of the gross tuition and fees and dormitory rental and fees of \$7,509,516 and \$96,752 of bookstore revenue reported as other revenues on the statement of revenues, expenses, and changes in net position—primary government, \$5,322,968 was expended and claimed as an exclusion in the Current funds and \$2,283,300 was used to pay debt service requirements.

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 taxes on the statement of revenues, expenses, and changes in net position—primary government. Of these excludable revenues, only \$599,928 was expended and claimed as an exclusion. The remaining \$437,667 has been carried forward to future years.

Note 7

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	Current general fund	Current restricted fund
Grants and aid from the federal government		\$145,392
Tuition and fees	<u>\$2,232,542</u>	
Total prior years carryforward expended	<u>\$2,232,542</u>	<u>\$145,392</u>

**Pinal County Community College District
 (Central Arizona College)
 Notes to Annual Budgeted Expenditure Limitation Report
 Year ended June 30, 2021**

Note 8

Revenues that are constitutionally excludable and unexpended in the year of receipt may be accumulated and excluded in future years. A summary of the excludable revenue sources and the changes in those balances is shown in the table below:

Description	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021
Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts	\$ 478,409	\$ 852,460	\$ 145,392	\$ 1,185,477
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes		66,633		66,633
Contracts with other political subdivisions or tribal governments	15,337			15,337
Tuition and fees	22,506,774		2,232,542	20,274,232
Amounts accumulated for the purchase of land, buildings, or improvements	39,838,085			39,838,085
Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472	348,082	437,667		785,749
Total carryforward	<u>\$63,186,687</u>	<u>\$1,356,760</u>	<u>\$2,377,934</u>	<u>\$62,165,513</u>

