

Gila County Provisional Community College District (Gila Community College)

Expenditure Limitation Report

Year Ended June 30, 2014



A Report to the Arizona Legislature

Lindsey Perry
Auditor General





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LINDSEY PERRY, CPA, CFE
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent accountants' report

Members of the Arizona State Legislature

The Governing Board of
Gila County Provisional Community College District

We have examined the accompanying annual budgeted expenditure limitation report of Gila County Provisional Community College District for the year ended June 30, 2014, 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 qualified opinion.

Gila County Provisional Community College District had inadequate internal controls over its accounting system and had incomplete and inadequate accounting records for revenues it reported as operating grants and contracts and related expenditures. As a result of these matters, we were unable to obtain sufficient appropriate examination evidence to determine whether any adjustments were necessary to the amounts reported as exclusions for expenditures of operating grants and contracts revenue.

In our opinion, except for the possible effects of the matters discussed in the preceding paragraph, the annual budgeted expenditure limitation report referred to above is presented in accordance with the information prescribed by the uniform expenditure reporting system as described in note 1 in all material respects.

Jay Zsorey, CPA
Director, Financial Audit Division

May 24, 2018



**Gila County Provisional Community College District
(Gila Community College)
Annual budgeted expenditure limitation report—part I
Year ended June 30, 2014**

1. Economic Estimates Commission expenditure limitation		\$5,834,553
2. Total amount subject to the expenditure limitation (from part II, line C)	\$3,739,011	
3. Less expenditures of monies received pursuant to Arizona Revised Statutes §15-1472 (workforce development)	<u>58,095</u>	
4. Adjusted amount subject to the expenditure limitation		<u>3,680,916</u>
5. Amount under the expenditure limitation		<u>\$2,153,637</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. Stephen Cullen, Senior Dean

Telephone number: (928) 425-8481 Date: May 24, 2018

See accompanying notes to report.

Gila County Provisional Community College District
(Gila Community College)
Annual budgeted expenditure limitation report—part II
Year ended June 30, 2014

Description	General fund
A. Total budgeted expenditures	\$4,510,587
B. Less exclusions claimed:	
Proceeds from other long-term obligations (Note 2)	17,746
Debt service requirements on other long-term obligations (Note 3)	20,610
Dividends, interest, and gains on the sale or redemption of investment securities	653
Grants and aid from the federal government (Note 4)	11,450
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 4)	127,067
Contracts with other political subdivisions (Note 4)	579,535
Prior years carryforward (Note 5)	<u>14,515</u>
Total exclusions claimed	<u>771,576</u>
C. Amounts subject to the expenditure limitation	<u>\$3,739,011</u>

See accompanying notes to report.

**Gila County Provisional Community College District
(Gila Community College)
Notes to annual budgeted expenditure limitation report
Year ended June 30, 2014**

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 from the total budgeted expenditures.

In accordance with UERS requirements, a note to the ABELR is presented below for any exclusion reported on part II that cannot be traced directly to an amount reported in the annual financial statements.

Note 2

The exclusion claimed for proceeds from other long-term obligations includes funds received for the acquisition of upgrades for energy efficiency of \$17,746 reported as an expenditure and other financing source on the statement of governmental fund revenues, expenditures, and changes in fund balance. The loan proceeds of \$63,632 have not yet been expended, and therefore will be carried forward to a future year.

Note 3

The exclusion claimed for debt service requirements on other long-term obligations is \$20,610. The amount is included in the amounts reported as principal retirement and interest on long-term debt on the statement of governmental fund revenues, expenditures, and changes in fund balance.

Note 4

The following schedule presents revenues from which exclusions have been claimed for grants and aid from the federal government, grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes, and contracts with other political subdivisions.

Gila County Provisional Community College District
(Gila Community College)
Notes to annual budgeted expenditure limitation report
Year ended June 30, 2014

**Statement of governmental fund
revenues, expenditures, and
changes in fund balance:**

Operating grants and contracts \$761,335

Total \$761,335

**Annual budgeted expenditure limitation
report:**

Grants and aid from the federal
government \$ 11,450

Grants, aid, contributions, or gifts from a
private agency, organization, or
individual, except amounts received in
lieu of taxes 127,067

Contracts with other political subdivisions 579,535

Other revenues (nonexcludable) 18,942

Amount carried forward 24,341

Total \$761,335

Note 5

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	General fund
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	\$10,178
Contracts with other political subdivisions	<u>4,337</u>
Total prior years' carryforward expended	<u>\$14,515</u>

