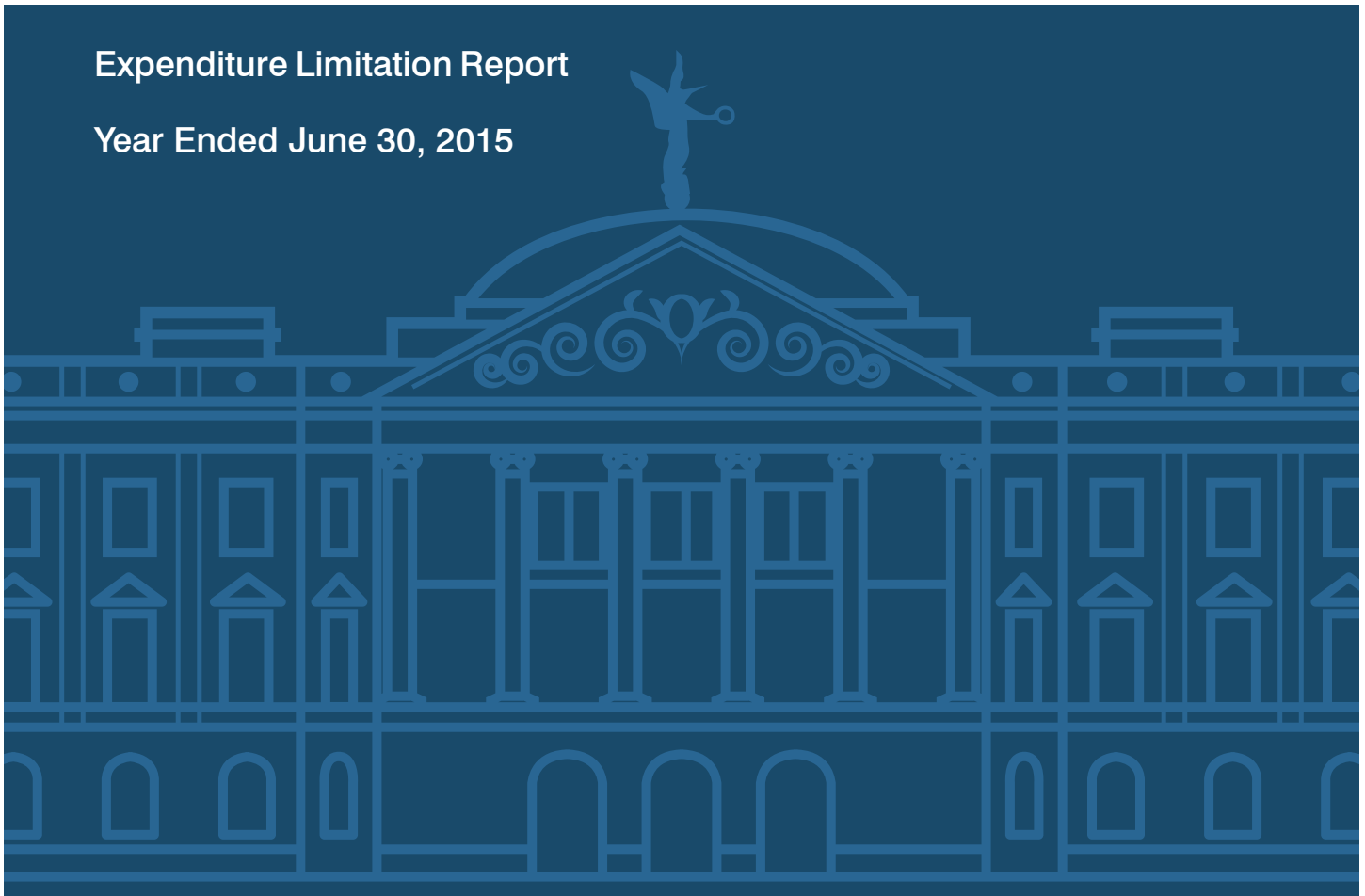


**Gila County Provisional Community College
District**
(Gila Community College)

Expenditure Limitation Report

Year Ended June 30, 2015



A Report to the Arizona Legislature

Lindsey Perry
Auditor General





The Arizona Office of the 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.

The Joint Legislative Audit Committee

Representative **Anthony Kern**, Chair

Representative **John Allen**

Representative **Rusty Bowers**

Representative **Rebecca Rios**

Representative **Athena Salman**

Representative **J.D. Mesnard** (ex officio)

Senator **Bob Worsley**, Vice Chair

Senator **Sean Bowie**

Senator **Judy Burges**

Senator **Lupe Contreras**

Senator **John Kavanagh**

Senator **Steve Yarbrough** (ex officio)

Audit Staff

Jay Zsorey, Director

Kathleen Wood, Manager and Contact Person

Contact Information

Arizona Office of the Auditor General

2910 N. 44th St.

Ste. 410

Phoenix, AZ 85018

(602) 553-0333

www.azauditor.gov



TABLE OF CONTENTS

Independent accountants' report	1
Annual budgeted expenditure limitation report—part I	3
Annual budgeted expenditure limitation report—part II	4
Notes to annual budgeted expenditure limitation report	5



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, 2015, 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 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, 2015**

1. Economic Estimates Commission expenditure limitation		\$5,779,415
2. Total amount subject to the expenditure limitation (from part II, line C)	\$4,261,688	
3. Less expenditures of monies received pursuant to Arizona Revised Statutes §15-1472 (workforce development)	<u>76,724</u>	
4. Adjusted amount subject to the expenditure limitation		<u>4,184,964</u>
5. Amount under the expenditure limitation		<u>\$1,594,451</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, 2015**

Description	General fund
A. Total budgeted expenditures	\$4,986,582
B. Less exclusions claimed:	
Debt service requirements on other long-term obligations (Note 2)	17,574
Dividends, interest, and gains on the sale or redemption of investment securities	1,988
Grants and aid from the federal government (Note 3)	11,442
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 3)	47,000
Contracts with other political subdivisions (Note 3)	557,417
Prior years carryforward (Note 4)	<u>89,473</u>
Total exclusions claimed	<u>724,894</u>
C. Amounts subject to the expenditure limitation	<u>\$4,261,688</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, 2015**

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 debt service requirements on other long-term obligations is \$17,574. 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 3

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.

Statement of governmental fund revenues, expenditures, and changes in fund balance:		Annual budgeted expenditure limitation report:	
Operating grants and contracts	<u>\$807,248</u>	Grants and aid from the federal government	\$ 11,442
		Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	47,000
		Contracts with other political subdivisions	557,417
		Other revenues (nonexcludable)	158,871
		Amount carried forward	<u>32,518</u>
Total	<u>\$807,248</u>	Total	<u>\$807,248</u>

**Gila County Provisional Community College District
(Gila Community College)
Notes to annual budgeted expenditure limitation report
Year ended June 30, 2015**

Note 4

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
Proceeds from other long-term obligations	\$63,632
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	4,652
Contracts with other political subdivisions	<u>21,189</u>
Total prior years' carryforward expended	<u><u>\$89,473</u></u>

