



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Expenditure Limitation Report

Pima County Community College District

Year Ended June 30, 2013



Debra K. Davenport
Auditor General

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Pima County Community College District
Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2013

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DEBRA K. DAVENPORT, CPA
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
Pima County Community College District

We have examined the accompanying Annual Budgeted Expenditure Limitation Report of Pima County Community College District for the year ended June 30, 2013. This report is the responsibility of the District's management. Our responsibility is to express an opinion on this report based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and accordingly, included examining, on a test basis, evidence supporting the amounts and disclosures in the report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the Annual Budgeted Expenditure Limitation Report of Pima County Community College District referred to above presents, in all material respects, the information prescribed by the uniform expenditure reporting system as described in Note 1.

Jay Zsorey, CPA
Financial Audit Director

January 31, 2014

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Pima County Community College District
Annual Budgeted Expenditure Limitation Report—Part I
Year Ended June 30, 2013

1. Economic Estimates Commission expenditure limitation		\$126,021,541
2. Total amount subject to the expenditure limitation (from Part II, Line C)	\$127,417,399	
3. Less expenditures of monies received pursuant to Arizona Revised Statutes §15-1472 (workforce development)	<u>1,395,859</u>	
4. Adjusted amount subject to the expenditure limitation		<u>126,021,540</u>
5. 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: _____

Name and Title: David W. Bea, Executive Vice Chancellor for Finance and Administration

Telephone Number: (520) 206-4519 Date: January 31, 2014

See accompanying notes to report.

Pima County Community College District
Annual Budgeted Expenditure Limitation Report—Part II
Year Ended June 30, 2013

Description	Current Funds			Plant Funds		
	Unrestricted		Restricted	Unexpended	Retirement of Indebtedness	Total
	General	Auxiliary Enterprises				
A. Total budgeted expenditures	\$ 142,791,306	\$ 802,471	\$ 53,487,324	\$ 14,477,447	\$ 5,541,175	\$ 217,099,723
B. Less exclusions claimed:						
Debt service requirements on bonded indebtedness (Note 2)					2,098,625	2,098,625
Debt service requirements on other long-term obligations (Note 2)					3,398,679	3,398,679
Dividends, interest, and gains on the sale or redemption of investment securities (Note 3)	657,792	55	1,080	202	2,235	661,364
Grants and aid from the federal government (Note 4)	8,208		51,909,897		188	51,918,293
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 4)			895,476	800,000		1,695,476
Contracts with other political subdivisions (Note 4)	593,883					593,883
Tuition and fees (Notes 4 and 5)	28,166,080			1,149,924		29,316,004
Total exclusions claimed	29,425,963	55	52,806,453	1,950,126	5,499,727	89,682,324
C. Amounts subject to the expenditure limitation	\$ 113,365,343	\$ 802,416	\$ 680,871	\$ 12,527,321	\$ 41,448	\$ 127,417,399

See accompanying notes to report.

Pima County Community College District
Notes to Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2013

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.

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 - Exclusions claimed for debt service requirements on bonded indebtedness and debt service requirements on other long-term obligations are \$2,098,625 and \$3,398,679, respectively. Both amounts are included in the amounts reported as principal paid on capital debt and interest paid on capital debt on the Statement of Cash Flows – Primary Government.

Note 3 - Of the \$661,368 reported as investment income on the Statement of Revenues, Expenses and Changes in Net Position, only \$661,364 was claimed as an exclusion because \$4 is not eligible to be reported.

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; contracts with other political subdivisions; and tuition and fees:

Pima County Community College District
Notes to Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2013

**Statement of Revenues,
Expenses and Changes in
Net Position:**

Federal grants	\$51,918,293
State and local grants	770,688
Contracts	2,887,596
Gifts	895,476
Capital gifts and grants	<u>800,000</u>
 Total	 <u>\$57,272,053</u>

**Annual Budgeted Expenditure
Limitation Report:**

Grants and aid from the federal government	\$51,918,293
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	1,695,476
Contracts with other political subdivisions	593,883
Tuition and fees (Note 5)	<u>2,293,713</u>
Total exclusions claimed	<u>56,501,365</u>
Other revenues (nonexcludable)	770,688
Total	<u>\$57,272,053</u>

Note 5 - The District does not budget tuition and fees revenue net of scholarship allowances. Of the gross tuition and fees of \$47,891,755 reported on the Statement of Revenues, Expenses and Changes in Net Position, only \$27,022,291 was expended and claimed as an exclusion. Tuition and fees revenues of \$20,869,464 was spent and not claimed as an exclusion. In addition, \$2,293,713 of the exclusion claimed for tuition and fees is reported as part of the \$2,887,596 in contracts on the Statement of Revenues, Expenses and Changes in Net Position and was expended for contract instruction tuition.

