



A REPORT
TO THE
ARIZONA LEGISLATURE

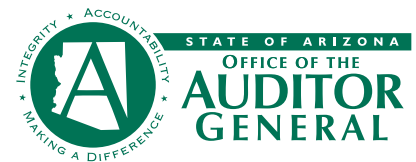
Financial Audit Division

Expenditure Limitation Report

Pinal County Community College District

(Central Arizona College)

Year Ended June 30, 2015



Debra K. Davenport
Auditor General

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Pinal County Community College District
(Central Arizona College)
Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2015

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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
Pinal County Community College District

We have examined the accompanying Annual Budgeted Expenditure Limitation Report of Pinal County Community College District for the year ended June 30, 2015. The District's management is responsible for this report. 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 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

May 19, 2016

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Pinal County Community College District
(Central Arizona College)
Annual Budgeted Expenditure Limitation Report—Part I
Year Ended June 30, 2015

| | |
|--|-------------------|
| 1. Economic Estimates Commission expenditure limitation | \$47,753,245 |
| 2. Total amount subject to the expenditure limitation (from Part II, Line C) | \$48,375,114 |
| 3. Less expenditures of monies received pursuant to Arizona Revised Statutes (A.R.S.) §15-1472 (workforce development) | <u>621,870</u> |
| 4. Adjusted amount subject to the expenditure limitation | <u>47,753,244</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: Chris Wodka, Vice President of Finance and Administration

Telephone Number: (520) 494-5230 Date: May 19, 2016

See accompanying notes to report.

Pinal County Community College District
(Central Arizona College)
Annual Budgeted Expenditure Limitation Report—Part II
Year Ended June 30, 2015

| Description | Current Funds | | | Plant Funds | | Total |
|---|----------------------|--------------------------|---------------------|---------------------|-------------------------------|----------------------|
| | Unrestricted | | Restricted | Unexpended | Retirement of Indebtedness | |
| | General | Auxiliary Enterprises | | | | |
| A. Total budgeted expenditures | \$ 39,217,000 | \$ 6,138,000 | \$ 19,065,311 | \$ 2,193,000 | \$ 16,090,000 | \$ 82,703,311 |
| B. Less exclusions claimed: | | | | | | |
| Debt service requirements on bonded indebtedness (Note 2) | | | | | 16,015,194 | 16,015,194 |
| Debt service requirements on other long-term obligations (Note 2) | 142,336 | | | 329,876 | | 472,212 |
| Dividends, interest, and gains on the sale or redemption of investment securities | 28,198 | | | 74,875 | 17,402 | 120,475 |
| Grants and aid from the federal government (Note 3) | | | 15,328,746 | | | 15,328,746 |
| Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes | | | 607,478 | | | 607,478 |
| Contracts with other political subdivisions (Note 3) | | | 19,830 | | | 19,830 |
| Tuition and fees (Note 4) | | 1,708,908 | | | | 1,708,908 |
| Prior years carryforward (Note 5) | | | 55,354 | | | 55,354 |
| Total exclusions claimed | <u>170,534</u> | <u>1,708,908</u> | <u>16,011,408</u> | <u>404,751</u> | <u>16,032,596</u> | <u>34,328,197</u> |
| C. Amounts subject to the expenditure limitation | <u>\$ 39,046,466</u> | <u>\$ 4,429,092</u> | <u>\$ 3,053,903</u> | <u>\$ 1,788,249</u> | <u>\$ 57,404</u> | <u>\$ 48,375,114</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, 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 the 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 \$16,015,194 and \$472,212, respectively. Of the total excluded, \$8,672,406 is included in principal and interest paid on capital debt and \$7,815,000 is in noncash investing, capital and noncapital financing activities on the Statement of Cash Flows—Primary Government. The District budgeted for and also excluded the principal and interest payments due on July 1 of the subsequent year reported as interest payable and the current portion of long-term debt on the Statement of Net Position—Primary Government.

Note 3 - The following schedule presents revenues from which an exclusion has been claimed for grants and aid from the federal government:

| Statement of Revenues, Expenses, and Changes in Net Position | | Annual Budgeted Expenditure Limitation Report: | |
|---|---------------------|---|---------------------|
| Government grants | <u>\$16,364,967</u> | Grants and aid from the federal government | \$15,328,746 |
| | | Contracts with other political subdivisions | 19,830 |
| | | Other revenues (nonex- cludable) | <u>1,016,391</u> |
| Total | <u>\$16,364,967</u> | Total | <u>\$16,364,967</u> |

Pinal County Community College District
 (Central Arizona College)
 Notes to Annual Budgeted Expenditure Limitation Report
 Year Ended June 30, 2015

Note 4 - The District does not budget tuition and fees revenue net of scholarship allowances. Of the gross tuition and fees of \$11,828,868 reported on the Statement of Revenues, Expenses, and Changes in Net Position—Primary Government, only \$1,708,908 was expended and claimed as an exclusion. Of the remaining balance of \$10,119,960, only \$8,402,088 has been carried forward to future years because \$1,717,872 was expended and claimed as an exclusion for debt service requirements on bonded indebtedness for pledged revenue bonds.

Note 5 - Prior years' carryforward consists of constitutionally excludable revenues unexpended in the year of receipt that have accumulated and were expended in the current year as follows:

| Description | Current Restricted Fund |
|---|--|
| Private grants and aid | \$52,435 |
| Contracts with political subdivisions | <u>2,919</u> |
| Total prior years carryforward expended | <u>\$55,354</u> |

