

Pinal County Community College District (Central Arizona College)

Expenditure Limitation Report

Year Ended June 30, 2017



A Report to the Arizona Legislature

Lindsey Perry
Auditor General





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Audit Staff

Jay Zsorey, Director

Nicole Franjevic, 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



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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
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, 2017, 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.

In our opinion, 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 23, 2018



**Pinal County Community College District
(Central Arizona College)
Annual budgeted expenditure limitation report—part I
Year ended June 30, 2017**

1. Economic Estimates Commission expenditure limitation	\$44,851,258
2. Amount subject to the expenditure limitation (total amount from part II, line C)	<u>44,851,257</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: _____

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

Telephone number: (520) 494-5230 Date: May 23, 2018

See accompanying notes to report.

Pinal County Community College District
(Central Arizona College)
Annual budgeted expenditure limitation report—part II
Year ended June 30, 2017

Description	Current funds			Plant funds		Total
	Unrestricted		Restricted	Unexpended	Retirement of indebtedness	
	General	Auxiliary enterprises				
A. Total budgeted expenditures	\$ 41,211,000	\$ 6,616,540	\$ 20,698,421	\$ 8,498,000	\$ 6,341,000	\$ 83,364,961
B. Less exclusions claimed:						
Debt proceeds (Note 2)				3,836,020		3,836,020
Debt service requirements (Note 3)	120,306			353,479	6,285,397	6,759,182
Dividends, interest, and gains on the sale or redemption of investment securities	207,597			175,855	55,603	439,055
Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts (Note 4)			17,367,428			17,367,428
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes			122,261			122,261
Tuition and fees (Note 5)	3,030,690	5,146,146				8,176,836
Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472			748,221			748,221
Prior years carryforward (Note 6)		1,064,701				1,064,701
Total exclusions claimed	<u>3,358,593</u>	<u>6,210,847</u>	<u>18,237,910</u>	<u>4,365,354</u>	<u>6,341,000</u>	<u>38,513,704</u>
C. Amounts subject to the expenditure limitation	<u>\$ 37,852,407</u>	<u>\$ 405,693</u>	<u>\$ 2,460,511</u>	<u>\$ 4,132,646</u>	<u>\$ -</u>	<u>\$ 44,851,257</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, 2017**

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 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 \$30,000,000 reported as proceeds from the issuance of capital debt on the statement of cash flows—primary government, only \$3,836,020 was expended from debt proceeds and claimed as an exclusion. The remaining \$26,163,980 of debt proceeds has been carried forward to future years.

Note 3

Exclusions claimed for debt service requirements on bonded indebtedness and debt service requirements on other long-term obligations are \$6,285,397 and \$473,785. These amounts are reported as principal and interest paid on capital debt on the statement of cash flows—primary government of \$8,885,689.

Note 4

The following schedule presents revenues from which exclusions have been claimed for government grants, aid, contributions, and contracts:

Statement of revenues, expenses, and changes in net position:		Annual budgeted expenditure limitation report:	
Government grants	<u>\$19,360,337</u>	Grants and aid from the federal government	\$17,367,428
		Other revenues carried forward	2,463
		Other revenues (nonexcludable)	<u>1,990,446</u>
Total	<u>\$19,360,337</u>	Total	<u>\$19,360,337</u>

**Pinal County Community College District
(Central Arizona College)
Notes to annual budgeted expenditure limitation report
Year ended June 30, 2017**

Note 5

The District does not budget tuition and fees revenue net of scholarship allowances. Of the gross tuition and fees of \$10,828,338, reported on the statement of revenues, expenses, and changes in net position—primary government \$8,176,836 was expended and claimed as an exclusion. The remaining balance of \$2,651,502 was expended and claimed as an exclusion for debt service requirements on bonded indebtedness for pledged revenue bonds. There was no carryforward.

Note 6

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 auxiliary enterprises fund
Tuition and fees	<u>\$1,064,701</u>
Total prior years carryforward expended	<u>\$1,064,701</u>

