

Pinal County Community College District (Central Arizona College)

Annual Budgeted Expenditure
Limitation Report

Year Ended June 30, 2019

A Report to the Arizona Legislature

Lindsey A. Perry
Auditor General





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LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
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 (report) of Pinal County Community College District for the year ended June 30, 2019, 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 Uniform Expenditure Reporting System as described in Note 1 in all material respects.

Donna Miller

Donna Miller, CPA
Director, Financial Audit Division

November 22, 2021

**Pinal County Community College District
(Central Arizona College)
Annual Budgeted Expenditure Limitation Report—Part I
Year ended June 30, 2019**

1. Economic Estimates Commission expenditure limitation	\$41,566,098
2. Amount subject to the expenditure limitation (total amount from part II, line C)	<u>41,566,097</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: November 22, 2021

See accompanying notes to report.

Pinal County Community College District
(Central Arizona College)
Annual Budgeted Expenditure Limitation Report—Part II
Year ended June 30, 2019

Description	Current funds			Plant funds		Total
	Unrestricted		Restricted	Unexpended	Retirement of indebtedness	
	General	Auxiliary enterprises				
A. Total budgeted expenditures	\$ 41,531,000	\$ 5,739,000	\$ 15,929,798	\$ 8,534,282	\$ 10,132,950	\$ 81,867,030
B. Less exclusions claimed:						
Debt service requirements (Note 2)	88,461			387,601	6,727,271	7,203,333
Dividends, interest, and gains on the sale or redemption of investment securities	511,929			658,810	133,306	1,304,045
Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts (Note 3)			14,418,997			14,418,997
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes			141,201			141,201
Amounts accumulated for purchase of land, and the purchase or construction of buildings or improvements (Note 4)				245,449		245,449
Tuition and fees (Note 5)	2,865,243	5,233,873				8,099,116
Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472 (Note 6)			691,320			691,320
Prior years carryforward (Note 7)	88,912		43,498	5,274,739	2,790,323	8,197,472
Total exclusions claimed	<u>3,554,545</u>	<u>5,233,873</u>	<u>15,295,016</u>	<u>6,566,599</u>	<u>9,650,900</u>	<u>40,300,933</u>
C. Amounts subject to the expenditure limitation	<u>\$ 37,976,455</u>	<u>\$ 505,127</u>	<u>\$ 634,782</u>	<u>\$ 1,967,683</u>	<u>\$ 482,050</u>	<u>\$ 41,566,097</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, 2019**

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, and A.R.S. §§15-792.03, 15-795.01, 15-1472, and 15-1444, as applicable, 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 \$10,124,119 reported as principal and interest paid on capital debt on the statement of cash flows—primary government, and \$2,843 paid for trustee fees reported as instruction expenses on the statement of revenues, expenses, and changes in net position—primary government, \$7,202,333 was excluded as debt service requirements, \$133,306 as dividends, interest and gains on the sale or redemption of investment securities and \$2,790,323 as prior years carryforward.

Note 3

Of the \$14,694,123 reported as Government grants on the statement of revenues, expenses and changes in net position—primary government, \$14,418,997 was expended and claimed as an exclusion. The remaining \$275,126 has been carried forward to future uses.

Note 4

The Pinal County Community College District Governing Board approved the accumulation of money for the purpose of purchasing land or buildings, or construction of buildings or improvements. The District used revenue bond proceeds, interest accumulated over the life of the project and governing board approved accumulated funds to fund the construction from fiscal years 2017 through 2019. During fiscal year 2019, the District used \$245,449 in Board approved accumulated money to cover the remainder of the project and excluded that amount.

**Pinal County Community College District
 (Central Arizona College)
 Notes to Annual Budgeted Expenditure Limitation Report
 Year ended June 30, 2019**

Note 5

The District does not budget tuition and fees revenue net of scholarship allowances. Of the gross tuition and fees and dorm rental and fees of \$10,197,442, and \$183,574 of bookstore revenue reported as other revenues on the statement of revenues, expenses, and changes in net position—primary government, \$8,099,116 was expended and claimed as an exclusion. The remaining \$2,281,900 was used to pay debt service requirements and excluded (see Note 2).

Note 6

Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472 are reported as the share of state sales taxes on the statement of revenues, expenses, and changes in net position—primary government. Of these excludable revenues, only \$691,320 was expended and claimed as an exclusion. The remaining \$113,917 has been carried forward to future years.

Note 7

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 general fund	Current restricted fund	Unexpended plant fund	Retirement of indebtedness plant fund
Debt proceeds			\$5,274,739	
Grants and aid from the federal government		\$42,237		
Private grants and aid		1,261		
Tuition and fees	<u>\$88,912</u>			<u>\$2,790,323</u>
Total prior years carryforward expended	<u>\$88,912</u>	<u>\$43,498</u>	<u>\$5,274,739</u>	<u>\$2,790,323</u>

