



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Expenditure Limitation Report

**Pinal County Community
College District**
(Central Arizona College)
Year Ended June 30, 2004



Debra K. Davenport
Auditor General

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Pinal County Community College District
(Central Arizona College)
Report on Audit of Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2004

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**STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL**

DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

Independent Auditors' Report

Members of the Arizona State Legislature

The Governing Board of
Pinal County Community College District

We have audited the accompanying Annual Budgeted Expenditure Limitation Report of Pinal County Community College District for the year ended June 30, 2004. This report is the responsibility of the District's management. Our responsibility is to express an opinion on this report based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the report. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall report presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Annual Budgeted Expenditure Limitation Report was prepared for the purpose of complying with the uniform expenditure reporting system as discussed in Note 1, and is not intended to be a presentation in conformity with U.S. generally accepted accounting principles.

In our opinion, the Annual Budgeted Expenditure Limitation Report of Pinal County Community College District for the year ended June 30, 2004, referred to above presents fairly, in all material respects, the information required by the uniform expenditure reporting system on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the members of the Arizona State Legislature and the Governing Board, and for filing with the Auditor General of the State of Arizona, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Debbie Davenport
Auditor General

May 18, 2005

Pinal County Community College District
 (Central Arizona College)
 Annual Budgeted Expenditure Limitation Report—Part I
 Year Ended June 30, 2004

1. Economic Estimates Commission expenditure limitation		\$25,732,287
2. Total amount subject to the expenditure limitation (from Part II, Line C)	\$26,212,447	
3. Less expenditures of monies received pursuant to Arizona Revised Statutes §15-1472 (workforce development)	<u>480,161</u>	
4. Adjusted amount subject to the expenditure limitation		<u>25,732,286</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: Dennis A. Jenkins, Vice President for Finance and Community Development

Telephone Number: (520) 426-4230 Date: May 18, 2005

See accompanying notes to report.

Pinal County Community College District
(Central Arizona College)
Annual Budgeted Expenditure Limitation Report—Part II
Year Ended June 30, 2004

Description	Current Funds			Plant Funds		Total
	Unrestricted		Restricted	Unexpended	Retirement of Indebtedness	
	General	Auxiliary Enterprises				
A. Total budgeted expenditures	\$ 24,889,000	\$ 4,679,578	\$ 7,496,406	\$ 1,550,000	\$ 2,550,000	\$ 41,164,984
B. Less exclusions claimed:						
Bond proceeds (Note 2)				148,501		148,501
Debt service requirements on bonded indebtedness (Note 3)					2,443,643	2,443,643
Dividends, interest, and gains on the sale or redemption of investment securities	46,799			10,534	31,791	89,124
Grants and aid from the federal government (Note 4)			5,320,613		74,566	5,395,179
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes			230,489			230,489
Amounts received from the State of Arizona for the purchase of land, and the purchase or construction of buildings or improvements (Note 5)				351,060		351,060
Contracts with other political subdivisions (Note 6)	298,845					298,845
Tuition and fees (Note 7)	3,328,568	2,233,159				5,561,727
Prior years carryforward (Note 8)	77,809		356,160			433,969
Total exclusions claimed	<u>3,752,021</u>	<u>2,233,159</u>	<u>5,907,262</u>	<u>510,095</u>	<u>2,550,000</u>	<u>14,952,537</u>
C. Amounts subject to the expenditure limitation	<u>\$ 21,136,979</u>	<u>\$ 2,446,419</u>	<u>\$ 1,589,144</u>	<u>\$ 1,039,905</u>	<u>\$ -</u>	<u>\$ 26,212,447</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, 2004

Note 1 - Summary of Significant Accounting Policies

The Annual Budgeted Expenditure Limitation Report (ABELR) is presented on the basis of accounting prescribed by the uniform expenditure reporting system (UERS), as required by Arizona Revised Statutes (A.R.S.) §41-1279.07, which 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 assets, changes in net assets, and cash flows for the District as a whole 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 - The exclusion claimed for bond proceeds is included in the amount reported as proceeds from issuance of capital debt, net on the Statement of Cash Flows. Of these excludable revenues, only \$148,501 was expended and claimed as an exclusion. The remaining proceeds of \$5,033,750 will be excluded when expended in future years.

Note 3 - The exclusion claimed for debt service requirements on bonded indebtedness is included in the amounts reported as the current portion of long-term debt on the Statement of Net Assets, and as interest expense on debt on the Statement of Revenues, Expenses, and Changes in Net Assets.

Note 4 - The following schedule presents revenues from which exclusions have been claimed for grants and aid from the federal government:

Statement of Revenues, Expenses, and Changes in Net Assets:		ABELR:	
Government grants and contracts		Grants and aid from the federal government	\$5,395,179
Operating	\$6,021,714	Other revenues (nonexcludable)	157,732
Nonoperating	<u>74,566</u>	Amount carried forward	<u>543,369</u>
Total	<u>\$6,096,280</u>	Total	<u>\$6,096,280</u>

Pinal County Community College District
 (Central Arizona College)
 Notes to Annual Budgeted Expenditure Limitation Report
 Year Ended June 30, 2004

Note 5 - Amounts received from the State of Arizona for the purchase of land, and the purchase or construction of buildings or improvements of \$658,000 are included in capital appropriations reported on the Statement of Revenues, Expenses, and Changes in Net Assets. Of these excludable revenues, only \$351,060 was expended and claimed as an exclusion. The remaining \$306,940 has been carried forward to future years.

Note 6 - The exclusion claimed for contracts with other political subdivisions in the amount of \$298,845 is included in other revenues on the Statement of Revenues, Expenses, and Changes in Net Assets.

Note 7 - The District budgets scholarships as revenues. Of the gross tuition and fees of \$5,625,654 reported on the Statement of Revenues, Expenses, and Changes in Net Assets, only \$5,561,727 was expended and claimed as an exclusion. The remaining \$63,927 has been carried forward to future years.

Note 8 - 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	<u>Current General Fund</u>	<u>Current Restricted Fund</u>
Grants and aid from the federal government		\$356,160
Tuition and fees	<u>\$77,809</u>	<u> </u>
Total prior years carryforward expended	<u>\$77,809</u>	<u>\$356,160</u>