



See what's possible.

Gila County Provisional Community College District

Annual Budgeted
Expenditure Limitation Report

Year Ended June 30, 2024

**Gila County Provisional Community College District
Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2024**

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Members of the Arizona State Legislature
The Arizona Auditor General
Governing Board of
Gila Provisional Community College District

Annual Budgeted Expenditure Limitation Report

We have examined the accompanying Annual Budgeted Expenditure Limitation Report (report) of Gila Provisional Community College District for the year ended June 30, 2024, 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.

Accountants' responsibilities

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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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.

Emphasis of matter

As described in Part I of the report, the District exceeded its expenditure limitation by \$1,724,244 for the year ended June 30, 2024. The District will incur penalties prescribed in A.R.S. §41-1279.07(l) and Laws 2023, Ch. 184, for exceeding the expenditure limitation. Our opinion is not modified with respect to this matter.

CWDL, Certified Public Accountants
Mesa, Arizona
January 15, 2026

Gila County Provisional Community College District
Annual Budgeted Expenditure Limitation Report – Part I
Year Ended June 30, 2024

1. Economic Estimates Commission expenditure limitation	\$ 5,076,198
2. Total amount subject to the expenditure limitation (from Part II, Line C)	<u>6,800,442</u>
3. Amount in excess of the expenditure limitation	<u>\$ (1,724,244)</u>

The District has sufficient unexpended carryforward revenues available for use to be under the expenditure limitation, however the Board approved on March 12, 2025 to not utilize, but rather to save for use in future fiscal years, to take advantage of the reduced penalty under laws 2023, Chapter 184, Sec 3(4).

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 financial officer:



Name and Title: Kurt Knauss, GCCCD Governing Board Treasurer and CFO

Telephone Number: (928) 425-8481 Date: January 15, 2026

See accompanying notes to report.

Gila County Provisional Community College District
 Annual Budgeted Expenditure Limitation Report – Part II
 Year Ended June 30, 2024

<u>Description</u>	<u>Total</u>
A. Final adopted budgeted expenditures from Reconciliation, line E.3.	\$ 8,364,391
B. Less exclusions claimed:	
Dividends, interest, and gains on the sale or redemption of investment securities	432,155
Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472 (Note 3)	62,641
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 3)	231,823
Contracts with other political subdivisions or tribal governments (Note 3)	672,289
Prior years carryforward (Note 4)	<u>165,041</u>
Total exclusions claimed	<u>1,563,949</u>
C. Amounts subject to the expenditure limitation	<u><u>\$ 6,800,442</u></u>

Gila County Provisional Community College District
 Annual Budgeted Expenditure Limitation Report - Reconciliation
 Year Ended June 30, 2024

<u>Description</u>	<u>Total</u>
A. Total expenditures reported within the financial statements	\$ 8,550,281
B. Subtractions	
Present value of net minimum lease, financed purchase, and subscription-based information technology arrangement (SBITA) contract payments recorded as expenditures at the agreements' inception	185,890
Total subtractions	<u>185,890</u>
C. Additions	-
D. Total financial statement expenditures adjusted to UERS-basis actual expenditures (Line A. - Line B. + Line C.)	<u>8,364,391</u>
E. Total budgeted expenditures	
1. Original adopted budgeted expenditures	8,909,154
2. Budgetary adjustment (Note 2)	(544,763)
3. Final adopted budgeted expenditures (reported on part II, line A)	<u>\$ 8,364,391</u>

Gila County Provisional Community College District
Notes to Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2024

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, §15-1444, and §15-1472, as applicable, from the total budgeted expenditures. As a Provisional District, fund based financial statements are presented rather than business-type activities and therefore, most of the subtractions and additions do not apply.

In accordance with UERS requirements, a note to the ABELR is presented below for any exclusion reported in the total column on Part II and each subtraction or addition in the Reconciliation that cannot be traced directly to an amount reported in the annual financial statements.

Note 2 – The District has adopted a final budget equal to its UERS-basis actual expenditures. The District reported a budget adjustment of \$544,763, of which \$185,890 is attributable to SBITA and is reflected as subtraction in the reconciliation. The budget adjustment is primarily attributable to vacancy savings resulting from positions that were not filled in anticipation of the District's transition from a provisional community college operating under EAC to a accredited institution.

Note 3 – The following schedule presents revenues from which exclusions have been claimed for amounts received from the State of Arizona for workforce development; grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes, and contracts with other political subdivisions or tribal governments.

Statement of governmental fund revenues, expenditures, and changes in fund balance:		Annual budgeted expenditure limitation report:	
Operating grants and contracts	\$1,107,413	Amounts received from the State of Arizona for workforce development	\$62,641
Workforce Development	360,525	Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	231,823
State appropriations	679,600	Contracts with other political subdivisions or tribal governments	672,289
Smart and Safe Arizona Fund appropriations	366,870	Total exclusions claimed	966,753
		Other revenues (nonexcludable)	240,100
		Unspent (excludable) revenues carried forward	1,307,555
Total	<u>\$2,514,408</u>	Total	<u>\$2,514,408</u>

Gila County Provisional Community College District
Notes to Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2024

Note 4 —Revenues that are constitutionally excludable and unexpended in the year of receipt may be accumulated and excluded in future years when spent. In the current year, \$1,307,555 in grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts, amounts received from the State of Arizona for workforce development, and grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes remained unspent and are carried forward. June 30, 2023 carryforward in the amount of \$70,349 was reclassified from grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes to grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts. A summary of the accumulated revenue sources and their balances is shown in the table below:

Description	Balance June 30, 2023	Carryforward added	Carryforward used	Balance June 30, 2024
Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts	\$ 2,252,959	\$ 806,370	\$ 70,349	\$ 2,988,980
Amounts received from the State of Arizona for workforce development	673,112	297,884		970,966
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	123,266	203,301	51,030	275,537
Refunds, reimbursements, and other recoveries	43,662			43,662
Total carryforward	\$ 3,092,999	\$ 1,307,555	\$ 165,041	\$ 4,235,513