



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Expenditure Limitation Report

Pima County Community College District

Year Ended June 30, 2015



Debra K. Davenport
Auditor General

The **Auditor General** is appointed by the Joint Legislative Audit Committee, a bipartisan committee composed of five senators and five representatives. Her mission is to provide independent and impartial information and specific recommendations to improve the operations of state and local government entities. To this end, she provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits of school districts, state agencies, and the programs they administer.



The Auditor General's reports are available at:

www.azauditor.gov

Printed copies of our reports may be requested by contacting us at:

Office of the Auditor General

2910 N. 44th Street, Suite 410 • Phoenix, AZ 85018 • (602) 553-0333

Pima County Community College District
Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2015

Table of Contents	Page
Independent Accountants' Report	1
Annual Budgeted Expenditure Limitation Report—Part I	3
Annual Budgeted Expenditure Limitation Report—Part II	4
Notes to Annual Budgeted Expenditure Limitation Report	5



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
Pima County Community College District

We have examined the accompanying Annual Budgeted Expenditure Limitation Report of Pima 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

February 16, 2016

(This page is left intentionally blank)

Pima County Community College District
Annual Budgeted Expenditure Limitation Report—Part I
Year Ended June 30, 2015

1. Economic Estimates Commission expenditure limitation	\$112,293,950
2. Total amount subject to the expenditure limitation (from Part II, Line C)	\$113,030,804
3. Less expenditures of monies received pursuant to Arizona Revised Statutes (A.R.S.) §15-1472 (workforce development)	<u>2,318,223</u>
4. Adjusted amount subject to the expenditure limitation	<u>110,712,581</u>
5. Amount under the expenditure limitation	<u>\$ 1,581,369</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: David W. Bea, Executive Vice Chancellor for Finance and Administration

Telephone Number: (520) 206-4519 Date: February 16, 2016

See accompanying notes to report.

Pima County Community College District
Annual Budgeted Expenditure Limitation Report—Part II
Year Ended June 30, 2015

Description	Current Funds			Plant Funds	Total
	Unrestricted			Unexpended	
	General	Auxiliary Enterprises	Restricted		
A. Total budgeted expenditures	\$ 148,527,768	\$ 981,499	\$ 47,477,443	\$ 11,008,488	\$ 207,995,198
B. Less exclusions claimed:					
Dividends, interest, and gains on the sale or redemption of investment securities (Note 2)	486,128	542	2,997		489,667
Grants and aid from the federal government (Note 3)	18,186		45,598,383		45,616,569
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 3)			802,841		802,841
Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements				277,535	277,535
Contracts with other political subdivisions (Note 3)	586,378				586,378
Tuition and fees (Notes 3 and 4)	45,997,088	1,235		1,193,081	47,191,404
Total exclusions claimed	<u>47,087,780</u>	<u>1,777</u>	<u>46,404,221</u>	<u>1,470,616</u>	<u>94,964,394</u>
C. Amounts subject to the expenditure limitation	<u>\$ 101,439,988</u>	<u>\$ 979,722</u>	<u>\$ 1,073,222</u>	<u>\$ 9,537,872</u>	<u>\$ 113,030,804</u>

See accompanying notes to report.

Pima County Community College District
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 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 - Of the \$489,706 reported as investment income on the Statement of Revenues, Expenses, and Changes in Net Position, only \$489,667 was claimed as an exclusion because \$39 is not eligible to be reported.

Note 3 - The following schedule presents revenues from which exclusions have been claimed for grants and aid from the federal government; grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes; contracts with other political subdivisions; and tuition and fees:

Statement of Revenues, Expenses and Changes in Net Position:		Annual Budgeted Expenditure Limitation Report:	
		Grants and aid from the federal government	\$45,616,569
Federal grants	\$45,616,708	Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	802,841
State and local grants	1,573,775	Contracts with other political subdivisions	586,378
Contracts	3,614,371	Tuition and fees (Note 4)	<u>3,027,993</u>
Gifts	<u>802,841</u>	Total exclusions claimed	<u>50,033,781</u>
		Other revenues (nonexcludable)	1,573,914
Total	<u>\$51,607,695</u>	Total	<u>\$51,607,695</u>

Pima County Community College District
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. Gross tuition and fees of \$44,163,411 reported on the Statement of Revenues, Expenses and Changes in Net Position was expended and claimed as an exclusion. In addition, \$3,027,993 of the exclusion claimed for tuition and fees is reported as part of the \$3,614,371 in contracts on the Statement of Revenues, Expenses and Changes in Net Position and was expended for contract instruction tuition.

