



A REPORT  
TO THE  
ARIZONA LEGISLATURE

Financial Audit Division

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Expenditure Limitation Report

# Pima County Community College District

Year Ended June 30, 2014

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**Debra K. Davenport**  
Auditor General

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Pima County Community College District  
Annual Budgeted Expenditure Limitation Report  
Year Ended June 30, 2014

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**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, 2014. This report is the responsibility of the District's management. 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 of Pima County Community College District 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

January 30, 2015

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Pima County Community College District  
Annual Budgeted Expenditure Limitation Report—Part I  
Year Ended June 30, 2014

|   |                  |                     |
|---|------------------|---------------------|
| 1. Economic Estimates Commission expenditure limitation   |                  | \$115,829,735       |
| 2. Total amount subject to the expenditure limitation (from Part II, Line C)                                  | \$110,847,193    |                     |
| 3. Less expenditures of monies received pursuant to Arizona Revised Statutes §15-1472 (workforce development) | <u>2,110,522</u> |                     |
| 4. Adjusted amount subject to the expenditure limitation  |                  | <u>108,736,671</u>  |
| 5. Amount under the expenditure limitation  |                  | <u>\$ 7,093,064</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: January 30, 2015

See accompanying notes to report.

Pima County Community College District  
Annual Budgeted Expenditure Limitation Report—Part II  
Year Ended June 30, 2014

| Description  | Current Funds        |                          |                   | Plant Funds          |                               | Total                 |
|--|----------------------|--------------------------|-------------------|----------------------|-------------------------------|-----------------------|
|  | Unrestricted         |                          | Restricted        | Unexpended           | Retirement of<br>Indebtedness |                       |
|  | General              | Auxiliary<br>Enterprises |                   |                      |                               |                       |
| A. Total budgeted expenditures   | \$ 147,667,995       | \$ 922,265               | \$ 48,869,585     | \$ 11,492,826        | \$ 1,447,650                  | \$ 210,400,321        |
| B. Less exclusions claimed:  |                      |                          |                   |                      |                               |                       |
| Debt service requirements on bonded indebtedness (Note 2)  |                      |                          |                   |                      | 1,422,750                     | 1,422,750             |
| Dividends, interest, and gains on the sale or redemption<br>of investment securities   | 543,005              | 636                      | 1,449             |                      | 816                           | 545,906               |
| Grants and aid from the federal government (Note 3)  | 8,594                |                          | 47,420,748        |                      | 192                           | 47,429,534            |
| Grants, aid, contributions, or gifts from a private<br>agency, organization, or individual, except amounts<br>received in lieu of taxes (Note 3) | 8,031                |                          | 853,053           | 30,673               |                               | 891,757               |
| Contracts with other political subdivisions (Note 3)   | 557,521              |                          |                   |                      |                               | 557,521               |
| Tuition and fees (Notes 3 and 4)   | 47,393,090           | 1,770                    |                   | 1,310,800            |                               | 48,705,660            |
| Total exclusions claimed   | 48,510,241           | 2,406                    | 48,275,250        | 1,341,473            | 1,423,758                     | 99,553,128            |
| C. Amounts subject to the expenditure limitation   | <u>\$ 99,157,754</u> | <u>\$ 919,859</u>        | <u>\$ 594,335</u> | <u>\$ 10,151,353</u> | <u>\$ 23,892</u>              | <u>\$ 110,847,193</u> |

See accompanying notes to report.

Pima County Community College District  
Notes to Annual Budgeted Expenditure Limitation Report  
Year Ended June 30, 2014

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 - The exclusion claimed for debt service requirements on bonded indebtedness of \$1,422,750 is reported as principal paid on capital debt and interest paid on capital debt on the Statement of Cash Flows—Primary Government.

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:

Pima County Community College District  
Notes to Annual Budgeted Expenditure Limitation Report  
Year Ended June 30, 2014

**Statement of Revenues,  
Expenses and Changes in  
Net Position—Primary  
Government:**

|                          |                     |
|--------------------------|---------------------|
| Federal grants           | \$47,429,534        |
| State and local grants   | 1,666,184           |
| Contracts                | 2,565,513           |
| Gifts                    | 861,085             |
| Capital gifts and grants | <u>30,673</u>       |
| <br>                     |                     |
| Total                    | <u>\$52,552,989</u> |

**Annual Budgeted Expenditure  
Limitation Report:**

|   |                     |
|---|---------------------|
| Grants and aid from the federal government  | \$47,429,534        |
| Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes | 891,757             |
| Contracts with other political subdivisions   | 557,521             |
| Tuition and fees (Note 4)   | <u>2,007,993</u>    |
| Total exclusions claimed  | <u>50,886,805</u>   |
| Other revenues (nonexcludable)  | 1,666,184           |
| Total   | <u>\$52,552,989</u> |

Note 4 - The District does not budget tuition and fees revenue net of scholarship allowances. Gross tuition and fees of \$46,697,667 reported on the Statement of Revenues, Expenses and Changes in Net Position—Primary Government was expended and claimed as an exclusion. In addition, \$2,007,993 of the exclusion claimed for tuition and fees is reported as part of the \$2,565,513 in contracts on the Statement of Revenues, Expenses and Changes in Net Position—Primary Government and was expended for contract instruction tuition.

