



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Expenditure Limitation Report

Pinal County Community College District

(Central Arizona College)

Year Ended June 30, 2003



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, 2003

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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, 2003. 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, 2003, 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

July 16, 2004

Pinal County Community College District
(Central Arizona College)
Annual Budgeted Expenditure Limitation Report—Part I
Year Ended June 30, 2003

1. Economic Estimates Commission expenditure limitation		\$25,427,667
2. Total amount subject to the expenditure limitation (from Part II, Line C)	\$25,957,343	
3. Less expenditures of monies received pursuant to Arizona Revised Statutes §15-1472 (workforce development)	<u>529,677</u>	
4. Adjusted amount subject to the expenditure limitation		<u>25,427,666</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, VP For Finance

Telephone Number: (520) 426-4230 Date: July 16, 2004

See accompanying notes to report.

Pinal County Community College District
(Central Arizona College)
Annual Budgeted Expenditure Limitation Report—Part II
Year Ended June 30, 2003

Description	Current Funds			Plant Funds		Total
	Unrestricted			Unexpended	Retirement of Indebtedness	
	General	Auxiliary Enterprises	Restricted			
A. Total budgeted expenditures	\$ 22,900,000	\$ 4,392,720	\$ 6,378,506	\$ 1,820,000	\$ 2,054,215	\$ 37,545,441
B. Less exclusions claimed:						
Debt service requirements on bonded indebtedness (Note 2)					2,037,312	2,037,312
Debt service requirements on other long-term obligations (Note 2)	21,328			212,143		233,471
Dividends, interest, and gains on the sale or redemption of investment securities	43,264			6,785	12,479	62,528
Grants and aid from the federal government (Note 3)			5,375,658		4,424	5,380,082
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes			163,192			163,192
Amounts received from the State of Arizona for the purchase of land, and the purchase or construction of buildings or improvements (Note 4)				416,393		416,393
Tuition and fees (Note 5)	1,080,212	1,852,428				2,932,640
Refunds, reimbursements, and other recoveries (Note 6)	229,477					229,477
Prior years carryforward (Note 7)			133,003			133,003
Total exclusions claimed	<u>1,374,281</u>	<u>1,852,428</u>	<u>5,671,853</u>	<u>635,321</u>	<u>2,054,215</u>	<u>11,588,098</u>
C. Amounts subject to the expenditure limitation	<u>\$ 21,525,719</u>	<u>\$ 2,540,292</u>	<u>\$ 706,653</u>	<u>\$ 1,184,679</u>	<u>\$ -</u>	<u>\$ 25,957,343</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, 2003

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 - Exclusions claimed for debt service requirements on bonded indebtedness and debt service requirements on other long-term obligations are \$2,037,312 and \$233,471, respectively. Both amounts are included in the amounts reported as principal paid on capital debt and interest paid on capital debt on the Statement of Cash Flows.

Note 3 - 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	
Operating	\$5,909,289	federal government	
Nonoperating	<u>4,424</u>	claimed	\$5,380,082
		Other revenues	
		(nonexcludable)	129,136
		Amount carried forward	<u>404,495</u>
Total	<u>\$5,913,713</u>	Total	<u>\$5,913,713</u>

Pinal County Community College District
 (Central Arizona College)
 Notes to Annual Budgeted Expenditure Limitation Report
 Year Ended June 30, 2003

Note 4 - Amounts received from the State of Arizona for the purchase of land, and the purchase or construction of buildings or improvements of \$693,500 are included in capital appropriations reported on the Statement of Revenues, Expenses, and Changes in Net Assets. Of these excludable revenues, only \$416,393 was expended and claimed as an exclusion. The remaining \$277,107 has been carried forward to future years.

Note 5 - Exclusions claimed for tuition and fees include the amount of scholarship allowance reported on the Statement of Revenues, Expenses, and Changes in Net Assets. Of the tuition and fees of \$4,870,820 reported on the Statement of Revenues, Expenses, and Changes in Net Assets, only \$2,932,640 was expended and claimed as an exclusion. The remaining \$1,938,180 has been carried forward to future years.

Note 6 - Exclusions claimed for refunds, reimbursements, and other recoveries in the amount of \$229,477 are included in other revenue reported on the Statement of Revenues, Expenses, and Changes in Net Assets.

Note 7 - 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 Restricted Fund</u>
Grants and aid from the federal government	\$112,900
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	<u>20,103</u>
Total prior years carryforward expended	<u>\$133,003</u>