



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Expenditure Limitation Report

Pinal County Community College District

(Central Arizona College)

Year Ended June 30, 2013



Debra K. Davenport
Auditor General

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Pinal County Community College District
(Central Arizona College)
Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2013

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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
Pinal County Community College District

We have examined the accompanying Annual Budgeted Expenditure Limitation Report of Pinal County Community College District for the year ended June 30, 2013. 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 Pinal 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

June 25, 2014

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Pinal County Community College District
(Central Arizona College)
Annual Budgeted Expenditure Limitation Report—Part I
Year Ended June 30, 2013

1. Economic Estimates Commission expenditure limitation	\$47,407,363
2. Total amount subject to the expenditure limitation (from Part II, Line C)	\$48,016,845
3. Less expenditures of monies received pursuant to Arizona Revised Statutes (A.R.S.) §15-1472 (workforce development)	<u>609,483</u>
4. Adjusted amount subject to the expenditure limitation	<u>47,407,362</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: Chris Wodka, Vice President of Finance and Administration

Telephone Number: (520) 494-5230 Date: June 25, 2014

See accompanying notes to report.

Pinal County Community College District
(Central Arizona College)
Annual Budgeted Expenditure Limitation Report—Part II
Year Ended June 30, 2013

Description	Current Funds			Plant Funds		Total
	Unrestricted		Restricted	Unexpended	Retirement of Indebtedness	
	General	Auxiliary Enterprises				
A. Total budgeted expenditures	\$ 39,270,000	\$ 6,511,600	\$ 19,420,869	\$ 51,108,000	\$ 8,708,458	\$ 125,018,927
B. Less exclusions claimed:						
Debt service requirements on bonded indebtedness (Note 2)					8,697,998	8,697,998
Debt service requirements on other long-term obligations (Note 2)	169,438			300,834		470,272
Dividends, interest, and gains on the sale or redemption of investment securities	30,929			169,245	10,460	210,634
Grants and aid from the federal government (Note 3)			17,222,843			17,222,843
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 6)			433,542			433,542
Amounts accumulated for purchase of land, and the purchase or construction of buildings or improvements (Note 5)				30,581,153		30,581,153
Tuition and fees (Note 4)		3,695,988				3,695,988
Prior years carryforward (Note 7)				15,689,652		15,689,652
Total exclusions claimed	<u>200,367</u>	<u>3,695,988</u>	<u>17,656,385</u>	<u>46,740,884</u>	<u>8,708,458</u>	<u>77,002,082</u>
C. Amounts subject to the expenditure limitation	<u>\$ 39,069,633</u>	<u>\$ 2,815,612</u>	<u>\$ 1,764,484</u>	<u>\$ 4,367,116</u>	<u>\$ -</u>	<u>\$ 48,016,845</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, 2013

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 - Exclusions claimed for debt service requirements on bonded indebtedness and debt service requirements on other long-term obligations are \$8,697,998 and \$470,272, 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—Primary Government. The District budgeted for and also excluded the principal and interest payments due on July 1 of the subsequent year reported as interest payable and the current portion of long-term debt on the Statement of Net Position—Primary Government.

Note 3 - The following schedule presents revenues from which an exclusion has been claimed for grants and aid from the federal government:

Statement of Revenues, Expenses, and Changes in Net Position		Annual Budgeted Expenditure Limitation Report:	
Government grants	<u>\$18,162,631</u>	Grants and aid from the federal government claimed	\$17,222,843
		Other revenues (nonex- cludable)	<u>939,788</u>
Total	<u>\$18,162,631</u>	Total	<u>\$18,162,631</u>

Pinal County Community College District
 (Central Arizona College)
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 Year Ended June 30, 2013

Note 4 - The District does not budget tuition and fees revenue net of scholarship allowances. Of the gross tuition and fees of \$13,055,339, reported on the Statement of Revenues, Expenses, and Changes in Net Position—Primary Government, only \$3,695,988 was expended and claimed as an exclusion. Of the remaining balance of \$9,359,351, only \$7,223,763 has been carried forward to future years because \$2,135,588 was expended and claimed as an exclusion for debt service requirements on bonded indebtedness for pledged revenue bonds.

Note 5 - Of the \$52,457,288 reported as purchase of capital assets on the Statement of Cash Flows – Primary Government, \$30,581,153 was expended from amounts authorized and accumulated for the purchase of land, and the purchase or construction of buildings or improvements and was therefore claimed as an exclusion.

Note 6 - Of the \$434,386 reported as Private grants and gifts on the Statement of Revenues, Expenses and Changes in Net Position—Primary Government, only \$433,542 was expended and claimed as an exclusion. The remaining \$844 has been carried forward to future years.

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	Unexpended Plant Fund
Bond proceeds	<u>\$15,689,652</u>
Total prior years carryforward expended	<u>\$15,689,652</u>

