



See what's possible.

Gila County Provisional Community College District

Annual Budgeted
Expenditure Limitation Report

Year Ended June 30, 2023

Gila County Provisional Community College District
Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2023

Table of Contents	Page
Independent Accountants' Report	1
Annual Budgeted Expenditure Limitation Report – Part I	2
Annual Budgeted Expenditure Limitation Report – Part II	3
Notes to Annual Budgeted Expenditure Limitation Report	4



INDEPENDENT ACCOUNTANTS' REPORT

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, 2023, 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 \$1,478,538 for the year ended June 30, 2023. The District will incur penalties prescribed in A.R.S. §41-1279.07(I) for exceeding the expenditure limitation. Our opinion is not modified with respect to this matter.

CWDL, Certified Public Accountants

Mesa, Arizona
January 7, 2025

Gila County Provisional Community College District
Annual Budgeted Expenditure Limitation Report – Part I
Year Ended June 30, 2023

1. Economic Estimates Commission expenditure limitation	\$ 5,166,461
2. Total amount subject to the expenditure limitation (from Part II, Line C)	<u>6,644,999</u>
3. Amount in excess of the expenditure limitation	<u>\$ (1,478,538)</u>

In July 2022, the Arizona state legislature passed and the governor approved Laws 2022, Ch. 367, Sec. 1(4) (House Bill 2017), setting the penalties for community college districts that exceed their expenditure limitation as prescribed in Article IX, §21, of the Arizona Constitution. For fiscal year 2022-23, the District shall have one-third of the allocation of operating state aid withheld for exceeding the limit in excess of 12%. For a provisional community college district established pursuant to section 15-1402.01, Arizona Revised Statutes, in a county with a population that does not exceed three hundred thousand persons, the maximum amount of state aid withheld may not exceed one percent of the provisional community college budget.

The District has sufficient unexpended carryforward revenues available for use to be under the expenditure limitation, however District management is opting not to utilize, but rather to save for use in future fiscal years. Laws 2022, Ch. 367, Sec 1(4) (House Bill 2017) provides the District with an additional penalty maximum as a provisional community college district.

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, GCPCCD Governing Board Treasurer and CFO

Telephone Number: (928) 425-8481 Date: January 7, 2025

See accompanying notes to report.

Gila County Provisional Community College District
Annual Budgeted Expenditure Limitation Report – Part II
Year Ended June 30, 2023

<u>Description</u>	<u>Total</u>
A. Total budgeted expenditures	\$ 8,211,773
B. Less exclusions claimed:	
Debt service requirements	17,190
Dividends, interest, and gains on the sale or redemption of investment securities	171,513
Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts (Note 2)	86,569
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 2)	587,243
Contracts with other political subdivisions or tribal governments (Note 2)	<u>704,259</u>
Total exclusions claimed	<u>1,566,774</u>
C. Amounts subject to the expenditure limitation	<u><u>\$ 6,644,999</u></u>

Gila County Provisional Community College District
Notes to Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2023

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.

In accordance with 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 following schedule presents revenues from which exclusions have been claimed for grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts, 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	\$1,384,495	Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts	\$ 86,569
Workforce Development	359,950	Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	587,243
State appropriations	669,000	Contracts with other political subdivisions or tribal governments	704,259
Smart and Safe Arizona Fund appropriations	369,733	Total exclusions claimed	1,378,071
Other	43,762	Other revenues (nonexcludable)	176,509
		Unspent (excludable) revenues carried forward	1,272,360
Total	\$2,826,940	Total	\$ 2,826,940

Gila County Provisional Community College District
Notes to Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2023

Note 3 –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, \$1,272,360 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, grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes and refunds, reimbursements and recoveries remained unspent and are carried forward. A summary of the accumulated revenue sources and their balances is shown in the table below:

<u>Description</u>	<u>Balance June 30, 2022</u>	<u>Carryforward added</u>	<u>Carryforward used</u>	<u>Balance June 30, 2023</u>
Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts	\$ 1,350,641	\$ 831,969	\$	\$ 2,182,610
Amounts received from the State of Arizona for workforce development	399,731	273,381		673,112
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	70,267	123,348		193,615
Refunds, reimbursements, and other recoveries		43,662		43,662
Total carryforward	<u>\$ 1,820,639</u>	<u>\$ 1,272,360</u>		<u>\$ 3,092,999</u>