

Pinal County Community College District
(Central Arizona College)

Report on Audit of Annual Budgeted
Expenditure Limitation Report

Year Ended June 30, 2001

Pinal County Community College District
(Central Arizona College)
Report on Audit of Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2001

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(1931 - 1992)

Independent Auditor's Report

The Auditor General of the State of Arizona

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, 2001. 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, 2001, 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.

Our audit was made for the purpose of forming an opinion on the Annual Budgeted Expenditure Limitation Report taken as a whole. The accompanying Annual Expenditure Comparison Report is presented for purposes of additional analysis and is not a required part of the Annual Budgeted Expenditure Limitation Report. Such information has been subjected to the auditing procedures applied in the audit of the Annual Budgeted Expenditure Limitation Report and, in our opinion, is fairly stated in all material respects in relation to the Annual Budgeted Expenditure Limitation Report taken as a whole.

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.

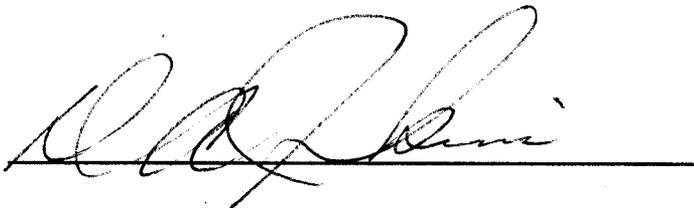


November 30, 2001

Pinal County Community College District
(Central Arizona College)
Annual Budgeted Expenditure Limitation Report - Part I
Year Ended June 30, 2001

| | |
|------------------------------------------------------------------------------------------|-------------------|
| 1. Economic Estimates Commission expenditure limitation | \$ 22,201,738 |
| 2. Budgeted expenditures subject to the expenditure limitation (from Part II, Line C) | <u>22,201,737</u> |
| 3. 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, Vice President for Finance & Facilities Services

Telephone No: (520) 426-4230 Date: March 26, 2002

See accompanying notes to report.

Pinal County Community College District
(Central Arizona College)
Annual Budgeted Expenditure Limitation Report - Part II
Year Ended June 30, 2001

| Description | Current Funds | | | Plant Funds | | Total |
|-----------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------------|--------------|--------------|----------------------------|---------------|
| | Unrestricted | | Restricted | Unexpended | Retirement of Indebtedness | |
| | General | Auxiliary Enterprises | | | | |
| A.Total budgeted expenditures | \$ 21,503,000 | \$ 4,297,707 | \$ 4,041,935 | \$ 1,510,000 | \$ 2,530,000 | \$ 33,882,642 |
| B.Less exclusions claimed: | | | | | | |
| Debt service requirements on bonded indebtedness (Note 2) | | | | | 1,229,926 | 1,229,926 |
| Debt service requirements on other long-term obligations (Note 2) | | | | | 1,264,258 | 1,264,258 |
| Dividends, interest, and gains on the sale or redemption of investment of securities | 149,074 | | | 100,699 | 35,816 | 285,589 |
| Grants and aid from the federal government (Note 3 and 5) | 84,507 | | 3,527,687 | | | 3,612,194 |
| Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes | | | 151,321 | 50,000 | | 201,321 |
| Tuition and fees (Note 4 and 5) | 3,123,088 | 1,964,529 | | | | 5,087,617 |
| Total exclusions claimed | 3,356,669 | 1,964,529 | 3,679,008 | 150,699 | 2,530,000 | 11,680,905 |
| C.Budgeted expenditures subject to the expenditure limitation | \$ 18,146,331 | \$ 2,333,178 | \$ 362,927 | \$ 1,359,301 | \$ -0- | \$ 22,201,737 |

See accompanying notes to report.

Pinal County Community College District
(Central Arizona College)
Notes to Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2001

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 the Arizona Revised Statutes §41-1279.07, which excludes expenditures of certain revenues specified in the Arizona Constitution, Article IX, §21 from the total budgeted expenditures.

In accordance with the UERS requirements, a note to the ABELR is presented below for any exclusion claimed on Part II that cannot be traced directly to an amount reported in the annual financial statements.

Note 2 - Debt service requirements on bond indebtedness and on other long-term obligations in the Retirement of Indebtedness Fund consist of retirement of indebtedness and interest on indebtedness on the Statement of Changes in Fund Balances. Only \$2,494,184, in total, was claimed as an exclusion.

Note 3 - Government grants and contracts revenues of \$3,729,255 reported in the Restricted Fund on the Statement of Current Funds Revenues, Expenditures, and Other Changes include \$3,527,687 from federal grants and contracts and \$201,568 from state grants, which are not excludable revenues.

Note 4 - Of the tuition and fees of \$3,102,823 reported in the General Fund on the Statement of Current Funds Revenues, Expenditures, and Other Changes, only \$2,847,792 was expended and claimed as an exclusion. The remaining \$255,031 has been carried forward to future years.

Note 5 - Administrative fees of \$359,803 reported in the General Fund on the Statement of Current Funds Revenues, Expenditures, and Other Changes included \$275,296 of tuition and fees received from the Arizona Department of Correction used to cover indirect costs and \$84,507 of indirect cost recovered through federal grants.

Pinal County Community College District
(Central Arizona College)
Annual Expenditure Comparison Report
Year Ended June 30, 2001

| Description | Current Funds | | | Plant Funds | | Total |
|---------------------------------------------------------------------------------------------------------------|-------------------|--------------------------|------------------|----------------------------------|-------------------------------|-------------------|
| | Unrestricted | | Restricted | Unexpended | Retirement of Indebtedness | |
| | General | Auxiliary Enterprises | | | | |
| A. Total budgeted expenditures reported in the Annual Budgeted Expenditure Limitation Report, Part II, Line A | \$ 21,503,000 | \$ 4,297,707 | \$ 4,041,935 | \$ 1,510,000 | \$ 2,530,000 | \$ 33,882,642 |
| B. Total expenditures and other deductions reported in the annual financial statements | <u>21,156,133</u> | <u>4,295,581</u> | <u>3,945,717</u> | <u>1,569,890</u> | <u>2,497,634</u> | <u>33,464,955</u> |
| C. Variance – favorable (unfavorable) | <u>\$ 346,867</u> | <u>\$ 2,126</u> | <u>\$ 96,218</u> | <u>\$ (59,890)⁽¹⁾</u> | <u>\$ 32,366</u> | <u>\$ 417,687</u> |

⁽¹⁾ This unfavorable variance resulted because expenditures for items that were budgeted, encumbered, and believed to have been received in the previous fiscal year were not actually received and expensed until the current year. The current year budget was not revised to include these expenditures.