

Pima County Community College District

Annual Budgeted Expenditure
Limitation Report

Year Ended June 30, 2021

A Report to the Arizona Legislature

Lindsey A. Perry
Auditor General





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LINDSEY A. PERRY
AUDITOR GENERAL

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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 (report) of Pima County Community College District for the year ended June 30, 2021, 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.

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.

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.

Donna Miller

Donna Miller, CPA
Director, Financial Audit Division

March 22, 2022

**Pima County Community College District
Annual Budgeted Expenditure Limitation Report—Part I
Year ended June 30, 2021**

1. Economic Estimates Commission expenditure limitation	\$87,124,807
2. Total amount subject to the limitation (from Part II, line C)	<u>87,124,806</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: David W. Bea, Executive Vice Chancellor for Finance and Administration

Telephone number: (520) 206-4519 Date: March 22, 2022

See accompanying notes to report

Pima County Community College District
Annual Budgeted Expenditure Limitation Report—Part II
Year ended June 30, 2021

Description	Current funds			Plant funds		Total
	Unrestricted		Restricted	Unexpended	Retirement of indebtedness	
	General	Auxiliary enterprises				
A. Total budgeted expenditures	\$ 139,854,537	\$ 597,741	\$ 45,617,399	\$ 36,222,767	\$ 5,172,015	\$ 227,464,459
B. Less exclusions claimed:						
Debt service requirements (Note 2)					5,171,265	5,171,265
Dividends, interest, and gains on the sale or redemption of investment securities	702,596		28,675	62,735	6	794,012
Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts (Note 3)	9,492,600		43,961,269			53,453,869
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 3)	63,374		978,227			1,041,601
Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements (Note 4)				6,893,806		6,893,806
Contracts with other political subdivisions or tribal governments (Note 3)	2,906,629	142,578				3,049,207
Tuition and fees (Note 5)	33,812,338	70,368	647,053	785,002		35,314,761
Refunds, reimbursements, and other recoveries (Note 7)	407,458					407,458
Amounts earned through research and entrepreneurial activities (Note 6)	26,185	66,555				92,740
Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472	3,535,480					3,535,480
Prior years carryforward (Note 8)	<u>12,201,398</u>	<u>316,605</u>		<u>18,066,981</u>	<u>470</u>	<u>30,585,454</u>
Total exclusions claimed	<u>63,148,058</u>	<u>596,106</u>	<u>45,615,224</u>	<u>25,808,524</u>	<u>5,171,741</u>	<u>140,339,653</u>
C. Amounts subject to the expenditure limitation	<u>\$ 76,706,479</u>	<u>\$ 1,635</u>	<u>\$ 2,175</u>	<u>\$ 10,414,243</u>	<u>\$ 274</u>	<u>\$ 87,124,806</u>

See accompanying notes to report.

Pima County Community College District

Notes to Annual Budgeted Expenditure Limitation Report

Year ended June 30, 2021

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.

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 \$5,171,265 exclusion claimed for debt service requirements includes principal and interest paid on capital debt of \$2,522,034 and \$2,649,231 respectively. The interest exclusion is reported within the \$1,947,842 interest expense amount on the statement of revenues, expenses and changes in net position—primary government which is net of a \$701,389 amortization of bond premium.

Note 3

The following schedule presents revenues from which exclusions have been claimed for government grants, aid, contributions, and contracts:

Statement of revenues, expenses, and changes in net position—primary government:

Federal grants	\$52,388,148
State appropriations	2,074,314
State and local grants	1,566,087
Contracts	3,645,974
Gifts	753,382
Commissions and rents	<u>272,189</u>
Total	<u>\$60,700,094</u>

**Pima County Community College District
Notes to Annual Budgeted Expenditure Limitation Report
Year ended June 30, 2021**

Annual Budgeted Expenditure Limitation Report:

Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts	\$53,453,869
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	1,041,601
Contracts with other political subdivisions or tribal governments (Contracts)	2,906,629
Contracts with other political subdivisions or tribal governments (Commissions and rents)	142,578
Tuition and fees (Contracts)	587,230
Tuition and fees (State and local grants)	167,021
Tuition and fees (Commissions and rents)	64,368
Amounts earned through entrepreneurial activities (Commissions and rents)	<u>65,243</u>
Total exclusions claimed	<u>58,428,539</u>
Other revenues (nonexcludable)	707,668
Amount carried forward	<u>1,563,887</u>
Total	<u>\$60,700,094</u>

Note 4

The Pima County Community College District Governing Board approved the accumulation of money for the purpose of purchasing land or buildings, or construction of buildings or improvements. Of the \$22,949,289 expended for construction in progress, \$6,893,806 was claimed as an exclusion. The remaining \$16,055,483 was claimed as a prior year carryforward exclusion under debt proceeds, see Note 8.

Note 5

The District does not budget tuition and fees revenue net of scholarship allowances. The exclusion claimed for tuition and fees of \$35,314,761 consists of the \$34,490,142 in gross tuition and fees reported on the statement of revenues, expenses and changes in net position—primary government that was expended and claimed as an exclusion. As shown in Note 3, the amount expended and excluded for tuition and fees also includes \$587,230 in contract instruction tuition, \$167,021 in state and local grants, \$64,368 of bookstore, concessions, and athletic ticket sales reported in commission and rents, and \$6,000 reported in other operating revenues on the statement of revenues, expenses and changes in net position—primary government.

Note 6

The exclusion claimed for amounts earned through research and entrepreneurial activities of \$92,740 consists of expended commissions and rents revenue of \$65,243 and other operating revenue of \$27,497 reported on the statement of revenues, expenses, and changes in net position—primary government.

Pima County Community College District
Notes to Annual Budgeted Expenditure Limitation Report
Year ended June 30, 2021

Note 7

Amounts received for refunds, reimbursements, and other recoveries are included in other operating revenues on the statement of revenues, expenses, and changes in net position—primary government. Of these excludable revenues, \$407,458 was expended and claimed as an exclusion.

Note 8

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	Current General Fund	Current Auxiliary Fund	Unexpended Plant Fund	Retirement of Indebtedness
Debt Proceeds			\$16,055,483	
Dividends, interest, and gains on the sale or redemption of investment securities				\$470
Tuition and fees	\$11,799,779	\$ 25,103		
Contracts with other political subdivisions or tribal governments	39,206	182,752		
Refunds, reimbursements, and other recoveries	226,230	48,625	4,712	
Amounts earned through research and entrepreneurial activities	136,183	60,125		
Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472			<u>2,006,786</u>	
Total prior years carryforward expended	<u>\$12,201,398</u>	<u>\$316,605</u>	<u>\$18,066,981</u>	<u>\$470</u>

