

Pinal County Community College District (Central Arizona College)

CONCLUSION: Based on our audit, we issued opinions on the District's financial statements and federal expenditure schedule concluding that the information in those statements and schedule is reliable. We also issued reports over the District's internal control and compliance over financial reporting and select federal programs, which identified internal control weaknesses over financial reporting and internal control weaknesses and noncompliance over federal awards that are explained on the next page.

District overview

District provides post-secondary education in Pinal County—In fiscal year 2018, the District provided post-secondary education to over 8,000 students of whom approximately 84 percent were part-time. It has 5 campuses and 3 centers located strategically throughout Pinal County, which encompasses an area of over 5,300 square miles. The District provides accessible educational, economic, cultural, and personal growth opportunities for Pinal County residents.

District responsible for accurate financial report—The District is responsible for accurately preparing its [Comprehensive Annual Financial Report \(CAFR\)](#), maintaining effective internal controls, and being accountable for its use of public monies. Select financial information from the District's CAFR is presented below. However, the District's CAFR should be read to fully understand its overall financial picture. Our [Financial Report User Guide for Colleges and Universities](#) will help readers identify and understand important and useful information in the District's CAFR.

District financial information

Asset, liability, and net position balances on June 30, 2018

Total assets/deferred outflows = \$289.9 million

Select asset balances:

\$175.1 M	Capital assets
95.7	Cash and investments
11.4	Receivables

Total liabilities/deferred inflows = \$163.9 million

Select liability balances:

\$116.6 M	Long-term debt and lease obligations
36.0	Noncurrent employee benefits
5.7	Current payables

District's net position = \$126.0 million

\$47.4 million, or 37.6 percent, is unrestricted

Revenues and expenses during fiscal year 2018

Total revenues = \$86.2 million

Select revenue sources:

\$60.2 M	Property taxes
15.9	Government grants and contracts
5.5	Tuition and fees, net of financial assistance
2.5	State assistance

Total expenses = \$68.2 million

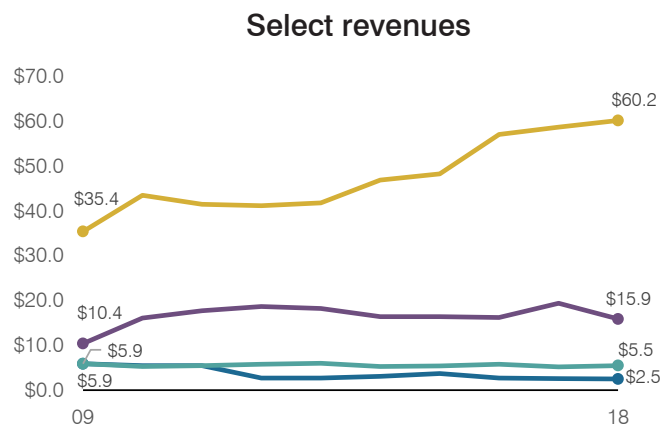
Select expenses by function:

\$22.8 M	Instruction
13.8	Institutional support
6.3	Scholarships
5.1	Student services

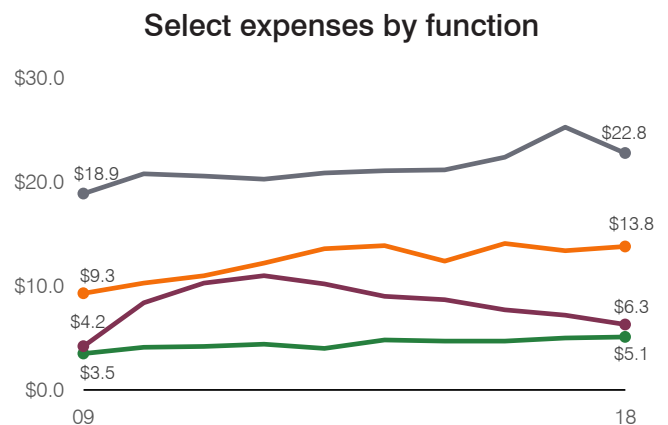
Select revenues and expenses by function

Fiscal years 2009 through 2018

(In millions)



- **Property taxes**—Taxes the District levied on the assessed value of real and personal property within Pinal County. The Pinal County Treasurer collects the tax revenues and remits them to the District.
- **Government grants and contracts**—State and federal government grant programs awarded primarily for student financial aid and contracts to provide educational services.
- **Tuition and fees, net of financial assistance**—Charges to students for educational services, net of any District student financial assistance revenues that were used to cover the students' tuition and fees.
- **State assistance**—State appropriations for general operations and maintenance, science/technology and workforce programs, and the District's share of State sales taxes. In fiscal year 2018, 30.4 percent was from the District's share of State sales taxes.



- **Instruction**—Instruction programs for all sessions and online learning, including instruction for general academics, vocational/technical programs, and community education.
- **Institutional support**—District-wide planning and administrative support, including executive management, general and fiscal operations, information technology, and public relations/development.
- **Scholarships**—Student grants, scholarships, and tuition and fee waivers.
- **Student services**—Social and cultural development, career guidance, financial aid administration, admissions, records, and information technology.

Source: Auditor General staff summary of information obtained from the District's CAFRs.

Audit findings and recommendations

Below is a summary of our reports over the District's internal control and compliance over financial reporting and over federal programs that are included in the District's [Single Audit Report](#). For help in understanding important information presented in these reports, please refer to our [Internal Control and Compliance Reports User Guide](#).

Financial reporting internal control

We found that the District did not issue its CAFR, Annual Budgeted Expenditure Limitation Report, and Single Audit Report within 9 months after fiscal year-end as required by its long-term debt covenants and State and federal laws and did not have adequate policies and procedures over its IT systems and data to effectively prevent, detect, and respond to unauthorized or inappropriate access or use, manipulation, damage, or loss, including sensitive student data. The District needs to improve the timeliness of its financial reporting and continue to update and implement policies and procedures over its IT systems and data.

Financial findings and recommendations

Federal internal control and compliance

The District spent nearly \$17 million of federal program monies during the fiscal year. We tested 2 federal programs selected under the major program guidelines established by the Single Audit Act, including student financial aid and at-risk youth educational assistance, which totaled over \$13 million in federal expenditures. We reported internal control weaknesses and instances of noncompliance over the District's administration of both programs.

Federal findings and recommendations