

## Pinal County Community College District (Central Arizona College)

**CONCLUSION:** Based on our audits, 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 2019, the District provided post-secondary education to over 7,300 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 \(Financial Report\)](#), maintaining effective internal controls, and being accountable for its use of public monies. Select financial information from the District's Financial Report is presented below. However, the District's Financial Report 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 Financial Report.

### District financial information

Asset, liability, and net position balances on June 30, 2019

**Total assets/deferred outflows = \$292.6 million**

Select asset balances:

\$174.0 M	Capital assets
100.5	Cash and investments
10.0	Receivables

**Total liabilities/deferred inflows = \$155.7 million**

Select liability balances:

\$110.4 M	Long-term debt and lease obligations
34.0	Noncurrent employee benefits
4.5	Current payables

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**District's net position = \$136.9 million**

\$61.5 million, or 44.9 percent, is unrestricted

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Revenues and expenses during fiscal year 2019

**Total revenues = \$81.9 million**

Select revenue sources:

\$58.7 M	Property taxes
14.7	Government grants and contracts
3.9	Tuition and fees, net of financial assistance
2.4	State assistance

**Total expenses = \$71.0 million**

Select expenses by function:

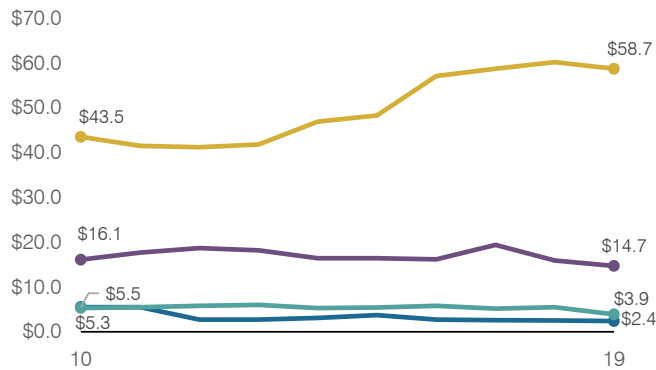
\$18.1 M	Institutional support
17.9	Instruction
8.1	Student services
5.5	Scholarships

## Select revenues and expenses by function

### Fiscal years 2010 through 2019

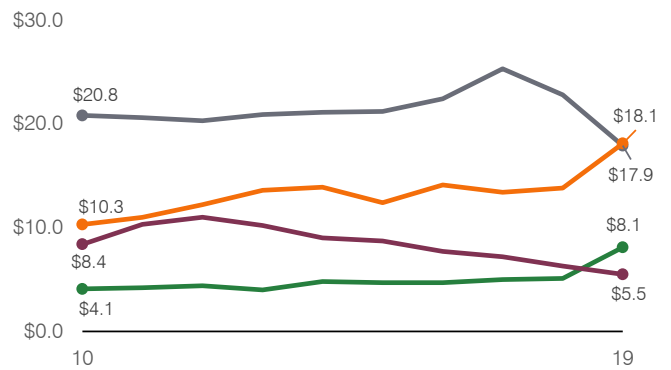
(In millions)

#### Select revenues



- **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 2019, 33.4 percent was from the District's share of State sales taxes.

#### Select expenses by function



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

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

## 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

### Financial findings and recommendations

We found that the District did not issue its Financial Report, 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. The initial financial statements contained significant misstatements, which the District subsequently corrected. Further, the District needs to continue to update and implement policies and procedures for accessing and securing its information technology (IT) systems and data.

### Federal internal control and compliance

### Federal findings and recommendations

The District spent nearly \$14.9 million of federal program monies during the fiscal year. Under the major program guidelines established by the Single Audit Act, we tested the Student Financial Assistance (SFA) Cluster, which totaled over \$12.1 million in federal expenditures. We reported internal control weaknesses and instances of noncompliance over the District's administration of the SFA Cluster. As a result, we issued a qualified opinion on the SFA cluster because the District did not comply with the special tests and provisions requirement.