

Yuma/La Paz Counties Community College District (Arizona Western 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 federal awards that are explained on the next page.

District overview

District provides post-secondary education in both Yuma and La Paz Counties—According to the District, in fiscal year 2018, the District provided post-secondary education to over 11,000 students of whom nearly 69 percent were part-time. It offers over 100 degree and certification programs at 13 locations across its 10,000-square-mile, two-county service area. Also, the District offers degree programs that easily transfer to any one of the three state universities and hosts face-to-face classes from all three universities on its main campus.

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

District financial information

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

Total assets/deferred outflows = \$130.9 million

Select asset balances:

\$81.7 M	Capital assets
22.6	Cash/cash equivalents
13.6	Investments
5.9	Receivables

Total liabilities/deferred inflows = \$103.5 million

Select liability balances:

\$55.8 M	General obligation bonds payable
37.7	Noncurrent employee benefits
4.9	Current payables

District's net position = \$27.4 million

\$3.6 million, or 13 percent, is unrestricted

Revenues and expenses during fiscal year 2018

Total revenues = \$66.8 million

Select revenue sources:

\$33.6 M	Property taxes
19.4	Government grants/contracts
4.9	Tuition and fees, net of financial assistance
4.5	State assistance

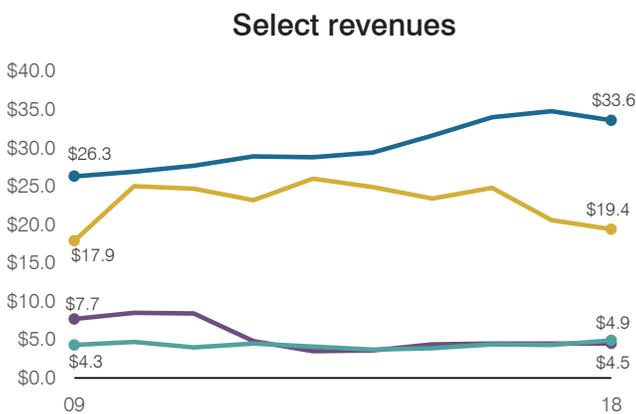
Total expenses = \$64.6 million

Select expenses by function:

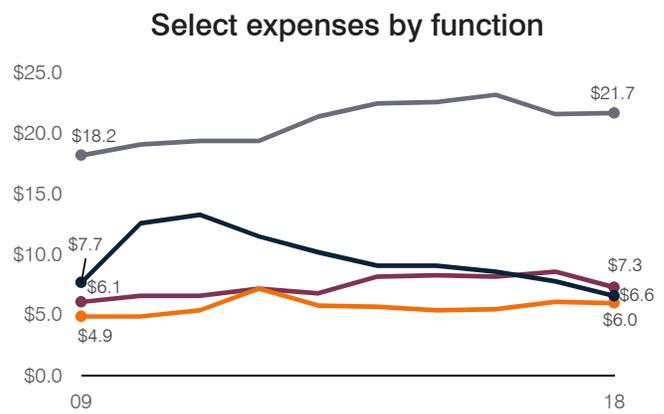
\$21.7 M	Instruction
7.3	Institutional support
6.6	Scholarships
6.0	Student services

Select revenues and expenses by function Fiscal years 2009 through 2018

(In millions)



- **Property taxes**—Taxes the District levies on the assessed value of real and personal property within Yuma/La Paz Counties. The 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. In fiscal year 2018, 70 percent was from tuition charges.
- **State assistance**—State appropriations for general operations and maintenance, workforce programs, equalization aid, and the District's share of state sales tax revenues. In fiscal year 2018, 78 percent was from state equalization aid.



- **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 support, 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 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](#) where there is detailed information about our findings and the District's response. For help in understanding important information presented in these reports, please refer to our Office's [Internal Control and Compliance Reports User Guide](#).

Financial reporting internal control

We found that the District did not have adequate policies and procedures over IT systems and data to adequately identify and respond to risks and to prevent, detect, and respond to unauthorized or inappropriate access or use, manipulation, damage, or loss, including protecting sensitive student data. To ensure its financial and other sensitive data is protected, the District needs to continue to update and implement policies and procedures over its IT systems and data. We reported similar IT security findings in the prior year.

IT security findings and recommendations

Federal internal control and compliance

The District spent nearly \$19.5 million of federal program monies during the fiscal year. We tested three federal programs selected under the major program guidelines established by the Single Audit Act, including student financial assistance (SFA), institutional aid, and workforce innovation programs that totaled \$17.7 million in federal expenditures. We reported weaknesses in internal control and instances of noncompliance over the District's administration of SFA programs.

Federal findings and recommendations