

Gila County Provisional Community College District (Gila Community College)

CONCLUSION: Based on our audit, we issued an opinion on the District’s financial statements concluding that the information in those statements is reliable. We also issued a report on internal control and on compliance over financial reporting, which identified internal control weaknesses and noncompliance over financial reporting that are explained on the next page.

District overview

District provides post-secondary education in Gila County—The District was formed in 2003 to provide affordable and accessible post-secondary education to residents of Gila County, which encompasses approximately 4,795 square miles. In fiscal year 2018, it provided education to over 2,500 students at its Gila Pueblo and Payson campuses. As a provisional district, it cannot provide degrees, certificates, or diplomas. Therefore, it contracted with Graham County Community College District (Eastern Arizona College), an accredited district, for fiscal year 2018 to provide those services.

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 State and Local Governments](#) will help readers identify and understand important and useful information in the District’s Report.

District financial information

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

Total assets = \$11.9 million

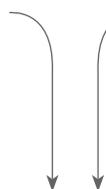
Asset balances:

\$6.7 M	Capital assets
4.6	Cash and investments
0.6	Receivables

Total liabilities = \$2.0 million

Liability balance:

\$1.9 M	Current payables
0.1	Long-term debt



District’s net position = \$9.9 million

\$3.3 million, or 33.3 percent, is unrestricted

Revenues and expenses during fiscal year 2018

Total revenues = \$6.2 million

Select revenue sources:

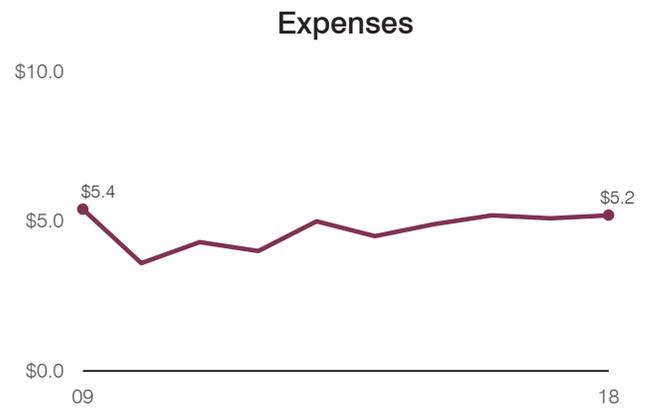
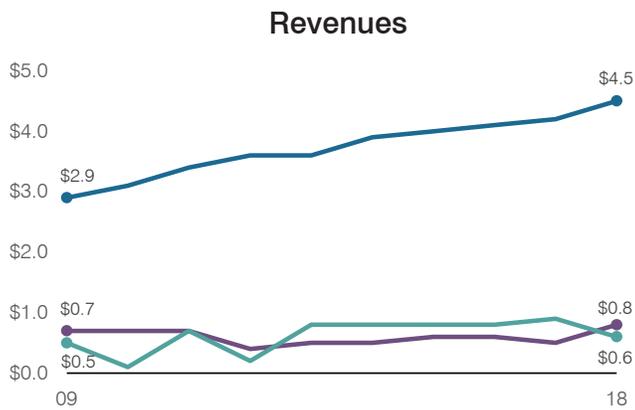
\$4.5 M	Property taxes
0.8	State assistance
0.6	Operating grants and contracts

Total expenses = \$5.2 million

Expenses by function:

\$5.2 M	Education and general
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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 Gila County. The Gila County Treasurer collects the tax revenues and remits them to the District.
- **State assistance**—State appropriations for general operations and maintenance and workforce programs.
- **Operating grants and contracts**—Grant programs awarded primarily for contracts to provide educational services.

- **Education and general**—General operation, oversight, and administration of District operations, including providing educational programs and services to its students through intergovernmental agreements with other accredited districts.

Source: Auditor General staff summary of information obtained from the District's Annual Financial Reports.

Audit findings and recommendations

Below is a summary of our report over the District's internal control and compliance over financial reporting. Detailed information about our findings and the District's responses are included in the District's [Annual Financial Report and Report on Internal Control and on Compliance](#). For help in understanding important information presented in this report, please refer to our Office's [Internal Control and Compliance Reports User Guide](#).

Financial reporting internal control

Financial findings and recommendations

We found that the District needed improvements in certain controls over capital assets, purchasing, and timely issuance of its financial report and reported 3 findings. The District lacked adequate controls to safeguard its capital assets against theft, loss, and misuse. In addition, the District did not perform competitive purchasing procedures to ensure that the District received the best possible value for the monies it spent or issue its annual financial and budgeted expenditure limitation reports within the 9 months after fiscal year end as required by State law.