

Santa Cruz County Provisional Community College District

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 over the District's internal control and compliance over financial reporting. Our report did not include any reported deficiencies.

District overview

District provides post-secondary education in Santa Cruz County—The District was formed in 2010 to provide affordable and accessible post-secondary education to residents of Santa Cruz County, which encompasses approximately 1,250 square miles. It currently provides education to over 1,000 students at its Santa Cruz Center educational facility. As a provisional district, it cannot provide degrees, certificates, or diplomas. Therefore, it contracted with Pima County Community College District, 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/deferred outflows = \$2.2 million

Asset balances:

\$1.9 M Cash in bank
0.3 Receivables

Total liabilities/deferred inflows = \$0.2 million

Liability balance:

\$0.2 M Current and long-term payables

District's net position = \$2.0 million

\$2.0 million, or 100 percent, is unrestricted

Revenues and expenses during fiscal year 2018

Total revenues = \$1.8 million

Revenue sources:

\$1.6 M Property taxes
0.2 State assistance

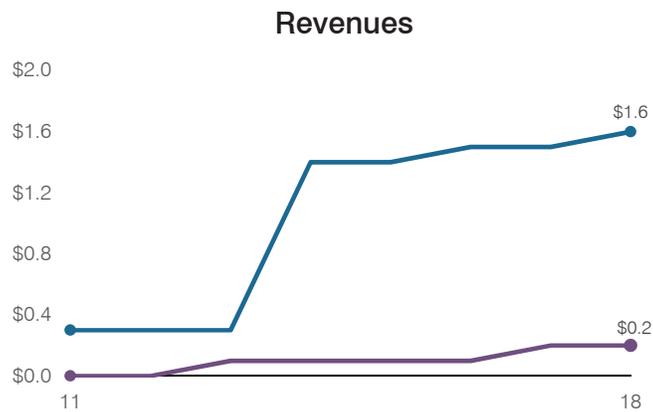
Total expenses = \$1.2 million

Expenses by function:

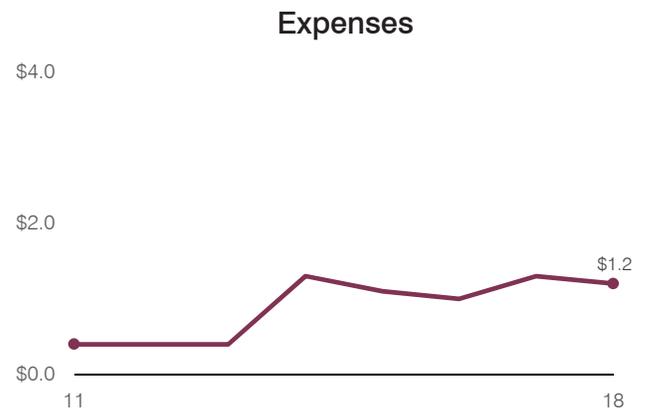
\$1.2 M Education and general

Select revenues and expenses by function Fiscal years 2011 through 2018¹

(In millions)



- **Property taxes**—Taxes the District levies on the assessed value of real and personal property within Santa Cruz County. The Santa Cruz County Treasurer collects the tax revenues and remits them to the District. For fiscal year 2014, the District approved a property tax rate increase to support significant enrollment growth at the District.
- **State assistance**—State appropriations for general operations and maintenance, workforce programs, and the District's share of State sales taxes. In fiscal year 2018, 78.4 percent of State assistance was from State appropriations.



- **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. Expenses increased in fiscal year 2014 because of significant enrollment growth at the District.

¹ The District began financial operations in fiscal year 2011 when it started receiving property tax revenues and incurring expenses for providing educational services. In fiscal year 2013, the District began receiving State assistance.

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

No audit findings and recommendations reported

We did not report any weaknesses in the District's internal control or instances of noncompliance over financial reporting in its [Annual Financial Report and Report on Internal Control and on Compliance](#). For help in understanding important information in these reports, please refer to our Office's [Internal control and Compliance Reports User Guide](#).