

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 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, it was established in 1963 to serve the citizens of Yuma County. In 1983, La Paz County was established after voters approved separating the northern portion of Yuma County into a separate county, and the District continued to serve the citizens of both counties. In fiscal year 2019, 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 12 locations across its 10,000-square-mile, 2-county service area. Also, the District offers degree programs that transfer to any 1 of the 3 State universities and hosts face-to-face classes from all 3 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 [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, 2019

Total assets/deferred outflows = \$127.9 million

Select asset balances:

\$77.7 M	Capital assets
35.7	Cash and investments
6.8	Receivables

Total liabilities/deferred inflows = \$97.1 million

Select liability balances:

\$52.8 M	Long-term debt and lease obligations
34.3	Noncurrent employee benefits
3.2	Current payables

District's net position = \$30.8 million

\$1.5 million, or 4.8 percent, is unrestricted

Revenues and expenses during fiscal year 2019

Total revenues = \$68.4 million

Select revenue sources:

\$35.9 M	Property taxes
18.2	Government grants and contracts
5.1	Tuition and fees, net of financial assistance
4.3	State assistance

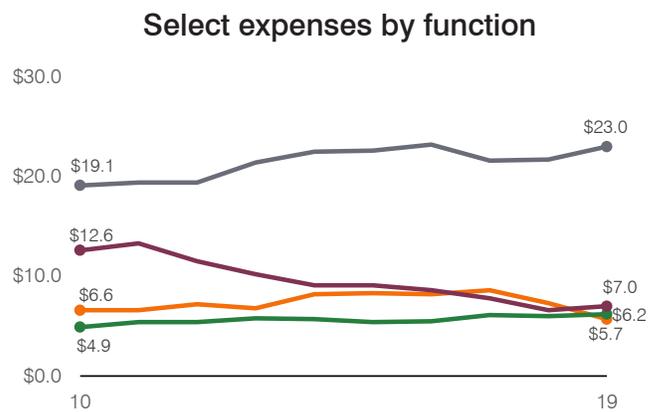
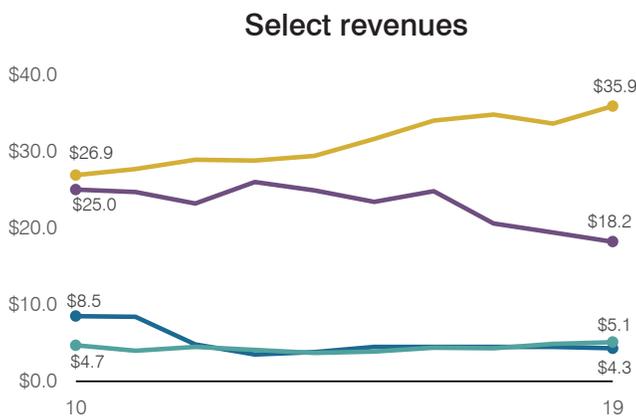
Total expenses = \$65.0 million

Select expenses by function:

\$23.0 M	Instruction
7.0	Scholarships
6.2	Student services
5.7	Institutional support

Select revenues and expenses by function Fiscal years 2010 through 2019

(In millions)



- **Property taxes**—Taxes the District levies on the assessed value of real and personal property within Yuma and La Paz Counties. The County Treasurers collect the tax revenues and remit 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, 19.9 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.
- **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.
- **Institutional support**—District-wide planning and administrative support, including executive management, general and fiscal operations, information technology, and public relations/development.

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 combined [Annual Financial and Single Audit Report](#) where there is detailed information about our findings and the District's response. For help in understanding important information presented in this report, please refer to our [Internal Control and Compliance Reports User Guide](#).

Financial reporting internal control

IT security findings and recommendations

We found that the District did not have adequate policies and procedures over IT systems and data to effectively 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 years.

Federal internal control and compliance

The District spent nearly \$17.9 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 assistance and career and technical education programs that totaled \$14.9 million in federal expenditures. We reported no weaknesses in internal control or instances of noncompliance over those federal programs.