

## Pima County Community College District Annual financial statement and compliance audits

The District's fiscal year 2024 reported financial information is reliable. However, we reported deficiencies and noncompliance over financial reporting and federal programs, summarized on the next page.

### Audits' purpose

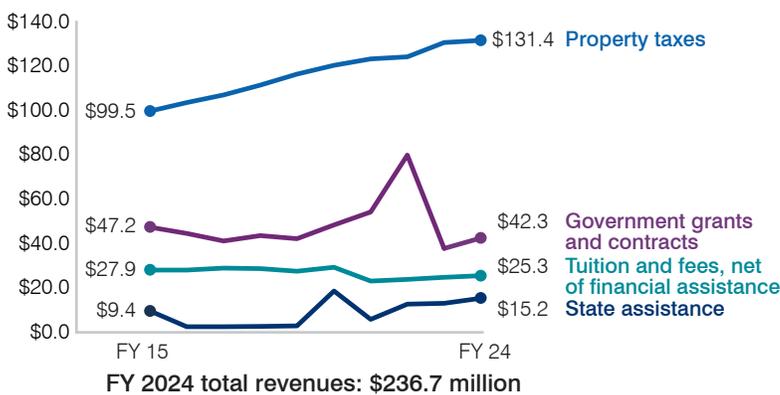
To express our opinions on the District's financial statements and on compliance with certain federal requirements and, if applicable, to report findings over noncompliance with certain laws and regulations or other financial deficiencies.

### Primary revenue sources and how they were spent

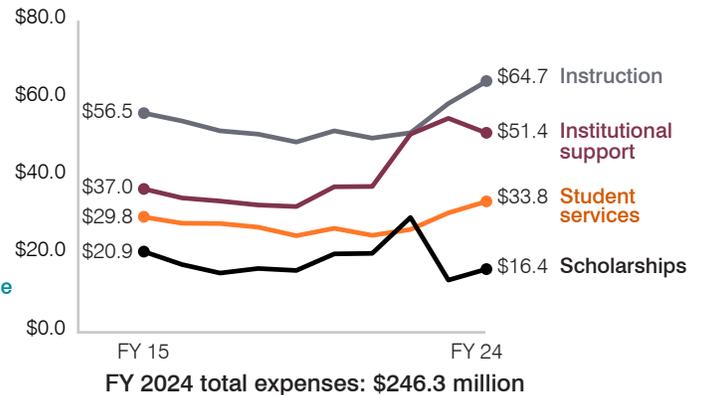
#### Fiscal years (FY) 2015 through 2024

(In millions)

#### Primary revenue sources



#### Primary expense purposes



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

#### Largest primary revenue sources FY 2024

- **Property taxes 55.5%**—Levied and collected from property owners based on the assessed value of real and personal property within Pima County.
- **Government grants and contracts 17.9%**—Includes State and federal government grant programs awarded primarily for student financial aid and contracts to provide educational services.

#### Largest primary expense purposes FY 2024

- **Instruction 26.3%**—Costs to provide instruction for all sessions and online learning, including instruction for general academics, vocational/technical programs, and community education.
- **Institutional support 20.9%**—Costs for District-wide planning and administrative support, including executive management, general and fiscal operations, information technology, and public relations/development.

#### District's net position decreased in FY 2024

District revenues were \$9.6 million less than its expenses, decreasing its total net position to \$185.8 million at June 30, 2024. Net position includes all assets, such as buildings, vehicles, and cash and investments, less all liabilities, such as unpaid pension and other payroll obligations, long-term debt, and accounts payable. Of the total net position, \$144.5 million is restricted by external parties or is not in spendable form, and the remaining \$41.3 million is unrestricted.

## Auditor findings and recommendations

Summarized below are our findings and recommendations included in the District's [Report on Internal Control and on Compliance](#) and [Single Audit Report](#) where there is further information and the District's responses. The District should:

- Restrict investment account access to only authorized employees to safeguard public monies. This includes developing policies and procedures to periodically review and recertify access and immediately request and verify that the investing financial institutions remove all access for terminated employees. We found that the District allowed 2 terminated employees inappropriate access to 4 investment accounts totaling over \$118.4 million, increasing the risk of fraud and misuse of public monies. After we brought this to the District's attention, they began to remove the terminated employees' access.
- Complete a calculation for all students who received federal Student Financial Assistance (SFA) Cluster grants and loans and who withdrew from the District during the award year and return all unearned aid to the U.S. Department of Education. In addition, the District should update and test their student information system's automated controls to properly identify and flag all students who received SFA Cluster monies and who withdrew from the District. We found that the District did not complete the required calculations for 82 students receiving over \$157,000 in federal grants and loans because its automated controls failed to identify and flag students who withdrew from the institution, increasing the risk that the District may need to return federal program monies to the U.S. Department of Education.

## Auditor General website report links

- The June 30, 2024, Pima County Community College District Annual Comprehensive Financial Report, Report on Internal Control and on Compliance, and Single Audit Report that are summarized in these highlights can be found at this [link](#). These reports should be read to fully understand the District's overall financial picture and our reporting responsibilities.
- The District's reports from prior years are available at this [link](#).
- For help in understanding important information presented in these reports, please refer to our user guides at the following links:
  - [Financial Report User Guide for Colleges and Universities](#).
  - [Internal Control and Compliance Reports User Guide](#).