

Pima County Community College District

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 internal control weaknesses and instances of noncompliance over major federal programs that we explain on the next page.

District overview

District provides post-secondary education in Pima County—In fiscal year 2018, the District provided post-secondary education to almost 41,000 students of whom nearly 68 percent were part-time. It has 8 campuses and centers located around the Tucson metropolitan area in Pima County, which encompasses an area of 9,240 square miles. The District partners with high schools to provide college-level classes throughout Pima County. The District also partners with Santa Cruz County Provisional Community College District to provide college-level educational opportunities for Santa Cruz County residents.

District responsible for accurate financial report—The District is responsible for accurately preparing its [Comprehensive Annual Financial Report \(CAFR\)](#), maintaining effective internal controls, and being accountable for its use of public monies. Select financial information from the District's CAFR is presented below. However, the District's CAFR 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 CAFR.

District financial information

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

Total assets/deferred outflows = \$250.8 million

Select asset balances:

\$98.1 M	Capital assets
73.0	Cash/cash equivalents
50.8	Investments
10.3	Receivables

Total liabilities/deferred inflows = \$162.4 million

Select liability balances:

\$127.5 M	Noncurrent employee benefits
9.2	Current payables
1.3	Capital leases payable

District's net position = \$88.4 million

None of this net position is unrestricted

Revenues and expenses during fiscal year 2018

Total revenues = \$191.9 million

Select revenue sources:

\$111.3 M	Property taxes
43.4	Government grants and contracts
28.5	Tuition and fees, net of financial assistance
2.4	State assistance

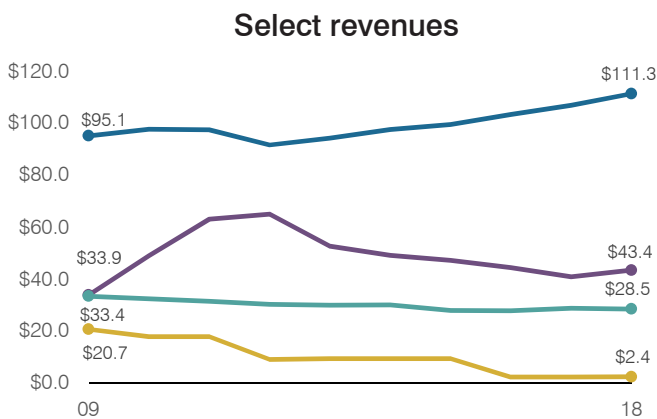
Total expenses = \$175.6 million

Select expenses by function:

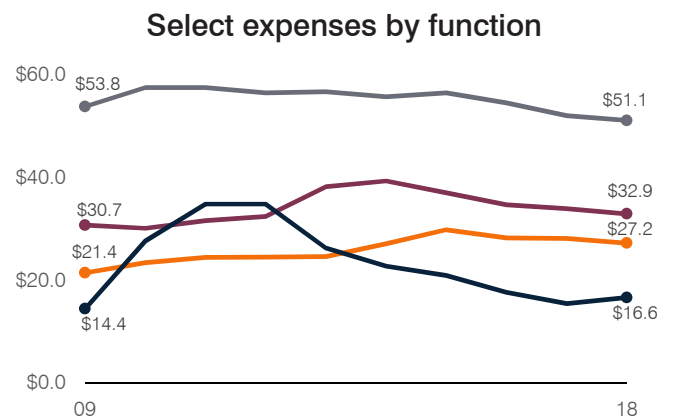
\$51.1 M	Instruction
32.9	Institutional support
27.2	Student services
16.6	Scholarships

Select revenues and expenses by function Fiscal years 2009 through 2018

(In millions)



- **Property taxes**—Taxes the District levied on the assessed value of real and personal property within Pima County. The Pima 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.
- **State assistance**—State appropriations for general operations and maintenance, workforce programs, and the District's share of State sales taxes. Starting in fiscal year 2016, 100 percent was from the District's share of State sales tax.



- **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.
- **Student services**—Social and cultural development, career guidance, financial aid administration, admissions, records, and information technology.
- **Scholarships**—Student grants, scholarships, and tuition and fee waivers.

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

Audit findings and recommendations

Below is a summary of our reports on the District's internal control and compliance on 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 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 over \$53 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, consisting of the Student Financial Assistance Cluster and Federal TRIO Programs that provide services to students with disadvantaged backgrounds. These 2 programs totaled over \$44 million in federal expenditures. We reported an internal control weakness and noncompliance with certain federal requirements over the District's administration of each of these programs.

Federal award findings and recommendations