

Pinal County Community College District Annual financial statement and compliance audits

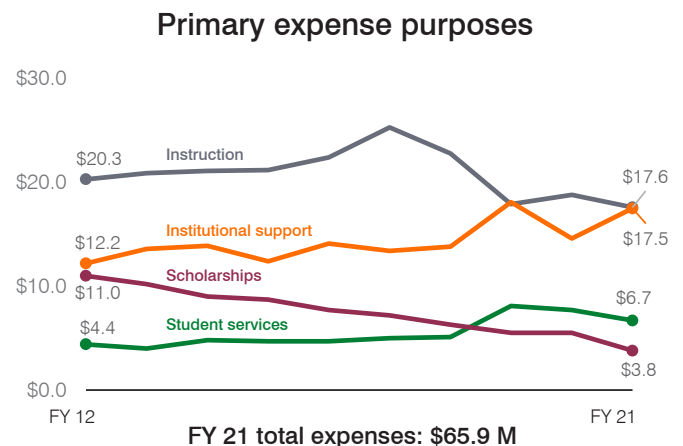
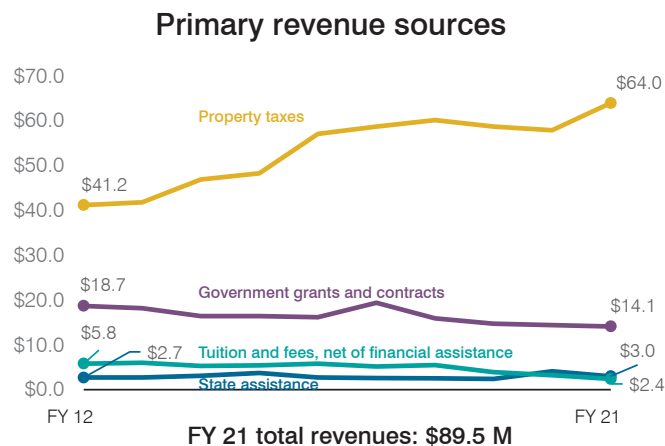
The District's fiscal year 2021 reported financial information is reliable. However, we reported deficiencies and noncompliance over financial reporting and federal programs, summarized on the next page.

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) 2012 through 2021
(In millions)



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

Largest primary revenue sources FY 2021

- **Property taxes 71.4%**—Levied and collected from property owners based on the assessed value of real and personal property within Pinal County.
- **Government grants and contracts 15.7%**—Includes State and federal government grant programs awarded primarily for student financial aid and contracts to provide educational services.

Largest primary expense purposes FY 2021

- **Instruction 26.7%**—Costs to provide instruction for all sessions and online learning, including instruction for general academics, vocational/technical programs, and community education.
- **Institutional support 26.5%**—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 increased in FY 2021

District revenues were \$23.7 million greater than its expenses, increasing total net position to \$174.5 million at June 30, 2021. 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, \$98.2 million is restricted by external parties or is not in spendable form, and the remaining \$76.3 million is unrestricted.

Auditor findings and recommendations

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

- Continue to allocate sufficient resources to reconcile its accounting system data and prepare and issue its required reports in accordance with deadlines. We found that the District issued its Annual Financial Report 15 months after fiscal year-end, which is 7 months later than long-term debt covenants require and 6 months later than State law requires. Issuing the Annual Financial Report late affects several areas, including the District also issuing its related Annual Budgeted Expenditure Limitation Report late because it relies on audited information from the Annual Financial Report. The late issuance also resulted in untimely financial information for decision makers and the District losing its credit rating. We reported a similar finding in the prior year.
- Continue to implement policies and procedures to effectively respond to risks and to prevent, detect, and respond to unauthorized or inappropriate access, damage, or loss to its information technology systems and data, including financial and sensitive student financial aid information. We found that the District's control procedures over IT systems and data were not sufficient, which could result in unauthorized or inappropriate access and/or the loss of confidentiality or integrity of systems and data. We reported a similar finding in the prior year.
- Develop and implement procedures over its student financial assistance programs to verify that student enrollment status changes are accurate and reported in a timely manner to the National Student Loan Data System (NSLDS). We found that District did not accurately and/or timely report enrollment-status changes to the NSLDS for 21 of 60 students we tested participating in the Federal Pell Grant or Federal Direct Student Loans programs. We reported a similar finding in the prior year.
- Develop and implement written policies and procedures over its student financial assistance programs to perform monitoring reviews of its reporting of student withdrawal dates and calculations for return of Title IV monies and require these reviews to be documented. We found that the District did not correctly calculate \$846 of student Return to Title IV calculations it reported in the Common Origination and Disbursement (COD) system.

Auditor General website report links

- The June 30, 2021, Pinal County Community College District Annual Comprehensive Financial Report 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](#).