

Pima County Community College District Annual financial statement and compliance audits

The District's fiscal year 2023 reported financial information is reliable. However, we reported deficiencies over financial reporting, summarized on the next page.

Audits' purpose

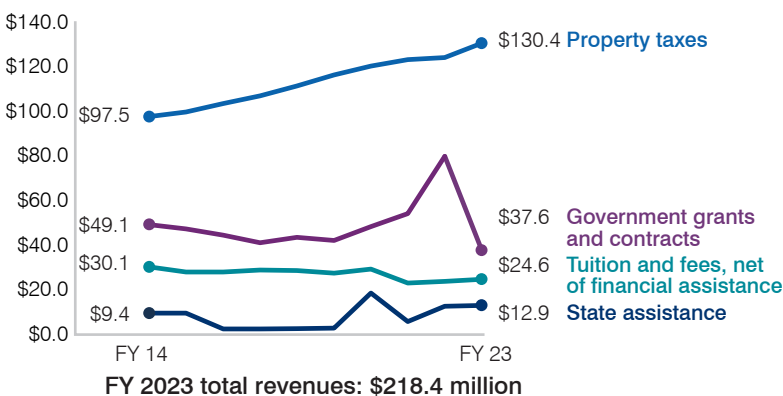
To express our opinions on the District's financial statements and on compliance with certain federal requirements and, if applicable, to report findings over noncompliance with certain laws and regulations or other financial deficiencies.

Primary revenue sources and how they were spent

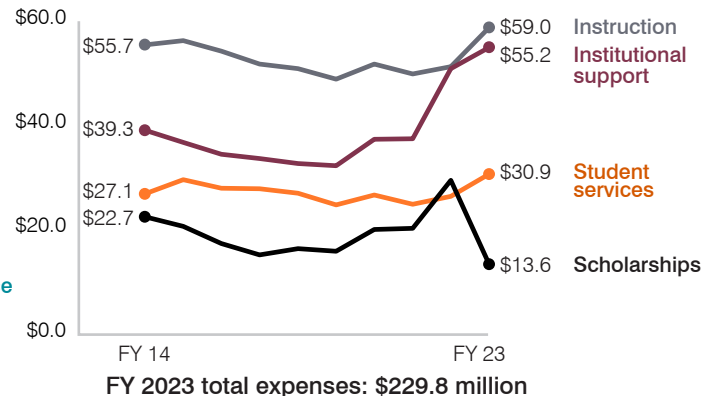
Fiscal years (FY) 2014 through 2023

(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 2023

- **Property taxes 59.7%**—Levied and collected from property owners based on the assessed value of real and personal property within Pima County.
- **Government grants and contracts 17.2%**—Includes State and federal government grant programs awarded primarily for student financial aid and contracts to provide educational services.

Largest primary expense purposes FY 2023

- **Instruction 25.7%**—Costs to provide instruction for all sessions and online learning, including instruction for general academics, vocational/technical programs, and community education.
- **Institutional support 24.0%**—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 2023

District revenues were \$11.4 million less than its expenses, decreasing its total net position to \$195.5 million at June 30, 2023. 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, \$142.6 million is restricted by external parties or is not in spendable form, and the remaining \$52.9 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:

- Ensure that purchasing cardholders follow District policies and procedures that require use of the purchasing cards for authorized purposes necessary for official District business and these purchases are properly approved. In addition, the District needs to improve its purchasing policies and procedures and provide training on the allowability of food and beverages and entertainment costs, such as team-building events. Further, if the District determines that it is appropriate to purchase food and beverages and entertainment costs for events using public monies, it must evaluate and document how each purchase serves a public purpose and benefits the District and its constituents. We found that the District lacked guidelines for allowable purchases and paid \$19,680 for food and beverages and entertainment at various events, including 2 team-building events, using purchasing cards without complying with policies and procedures and/or documenting how these purchases were necessary to serve a public purpose and to benefit the District and its constituents, resulting in an elevated risk of misuse of public monies and possible violation of the Arizona Constitution.
- Make it a priority to complete the customization over restricting access to its IT systems and enhance authentication requirements for IT systems. We found that processes for restricting access to its IT systems and data were not sufficiently implemented, which could result in unauthorized or inappropriate access and/or the loss of confidentiality or integrity of the District's IT systems and data.

Auditor General website report links

- The June 30, 2023, Pima 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](#).