



## REPORT HIGHLIGHTS

### FINANCIAL STATEMENT AUDIT

#### Subject

Pima County Community College District is responsible for preparing annual financial statements, maintaining strong internal controls over financial reporting, and demonstrating accountability for its use of public monies. As the auditors, our job is to determine whether the District has met its responsibilities.

#### Our Conclusion

The information in the District's financial statements is fairly stated in all material respects, and the financial statements can be relied on. However, auditors identified an internal control weakness in the District's access controls over its payroll data.



# 2009

Year Ended June 30, 2009

## Financial Statement Audit Summary

### Lack of effective payroll computer system access controls

Pima County Community College District processes and stores sensitive and confidential employee payroll data on its computer system. However, the District lacked sufficient access controls to prevent and detect unauthorized use, damage, loss, or modification of this data. Our recommendations are in the summary to the right.

### Auditor recommendations to improve access controls to payroll data

- Follow established procedures to review and modify employees' system access rights when they change positions or job responsibilities.
- Establish policies and procedures that require periodic comprehensive reviews of existing system users to ensure that employees' access rights are compatible with their job responsibilities.
- Establish policies and procedures that require review and approval of changes made to employee payroll system data and require that the documentation of such reviews be retained.

**Federal fiscal stabilization funds**—According to the State of Arizona's Office of the Governor, it received Federal American Recovery and Reinvestment Act Monies totaling \$183 million for fiscal year 2009 under the State Fiscal Stabilization Fund Program. Program monies were distributed to the State's universities and community colleges to restore the shortfall of the fiscal year 2009 state funding for higher education. The state allocated the Pima County Community College District \$4.5 million of this program's monies, and the District used the monies for salaries and benefits to support those faculty members providing instruction to students.

# Condensed Financial Information

TO OBTAIN  
MORE INFORMATION

A copy of the full report  
is available at:  
[www.azauditor.gov](http://www.azauditor.gov)

Contact person:  
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**Statement of Net Assets**—This statement reports all assets, liabilities, and net assets. Net assets, the difference between assets and liabilities, are reported in three major categories:

- Invested in capital assets, net of related debt, shows the equity in property, plant, and equipment.
- Restricted net assets shows the net resources that must be used for restricted purposes as specified by donors and external entities.
- Unrestricted net assets shows the net resources available to fund general operations.

A condensed Statement of Net Assets is presented to the right.

Condensed Statement of Net Assets June 30, 2009 (In Millions)	
<b>Assets:</b>	
Cash and investments	\$ 89
Capital assets, net of depreciation	130
Receivables	17
Other assets	1
Total assets	237
<b>Liabilities:</b>	
Current	16
Noncurrent	34
Total liabilities	50
<b>Net Assets:</b>	
Invested in capital assets, net of related debt	98
Restricted	8
Unrestricted	81
Total net assets	\$187

## Statement of Revenues, Expenses, and Changes in Net Assets

—This statement reports all revenues, expenses, and other changes to net assets. Revenues and expenses are reported as either operating or nonoperating. The change in net assets indicates whether financial health has improved or deteriorated as a result of current-year activities. Net assets increased by \$18 million in the current year. A condensed Statement of Revenues, Expenses, and Changes in Net Assets is presented to the right.

Condensed Statement of Revenues, Expenses, and Changes in Net Assets Year Ended June 30, 2009 (In Millions)	
<b>Operating revenues:</b>	
Tuition and fees	\$ 33
Contracts	4
Other operating revenues	3
Total operating revenues	40
<b>Operating expenses:</b>	
Educational and general	160
Auxiliary enterprises	1
Depreciation	9
Total operating expenses	170
Operating loss	(130)
<b>Nonoperating revenues and expenses:</b>	
Property taxes	95
Grants and other appropriations, including federal fiscal stabilization funds of \$4.5	55
Other nonoperating, net	(2)
Net nonoperating revenues	148
Increase in net assets	18
Net assets—beginning of year	169
Net assets—end of year	\$ 187

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FINANCIAL STATEMENT AUDIT

Year Ended June 30, 2009