

## Maricopa 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.

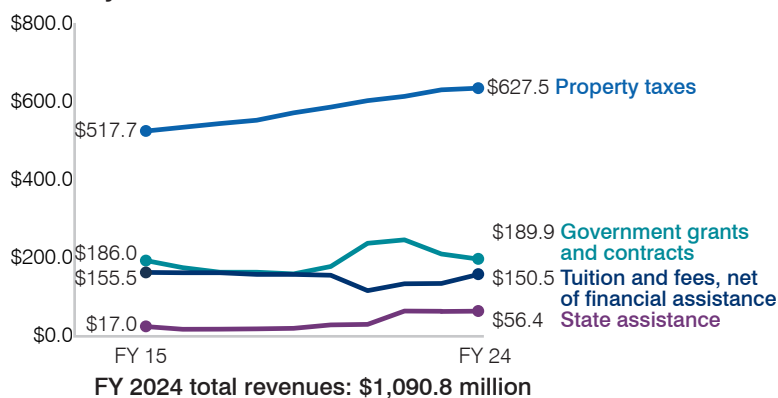
### Audits' purpose

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.

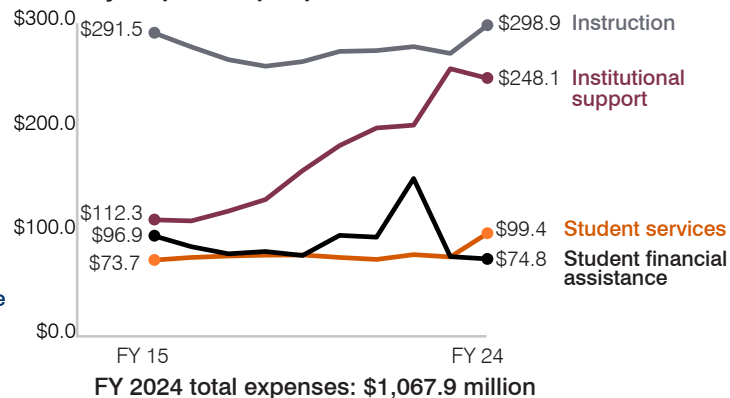
### Primary revenue sources and how they were spent

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 57.5%**—Levied and collected from property owners based on the assessed value of real and personal property within Maricopa County.
- **Government grants and contracts 17.4%**—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 28.0%**—Costs to provide instruction for all sessions and online learning, including instruction for general academics, vocational/technical programs, and community education.
- **Institutional support 23.2%**—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 2024

District revenues were \$22.9 million greater than its expenses, increasing total net position to \$714.9 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, \$708.3 million is restricted by external parties or is not in spendable form, and the remaining \$6.6 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 needs to:

- Enforce and monitor District colleges' compliance with its written policies and procedures requiring supervisors to review and approve employees' time sheets. We found that supervisors did not review and approve 8,667 employee time sheets totaling approximately \$5.63 million in total wages during the year, increasing the risk of fraud and misuse of public monies. We initially reported similar findings in fiscal year 2014.
- Develop and implement processes to monitor its District Office's and colleges' adherence to the District's annual risk assessment policies and manage risks to determine where to implement critical controls, and perform an annual entity-wide IT risk assessment process that includes evaluating and documenting risks and safeguards. This is our first year reporting this deficiency.
- Develop, document, and implement comprehensive information technology (IT) policies and procedures for assigning and restricting access, and monitor District employees' adherence to the IT policies and procedures on a periodic basis to ensure they are consistently followed. We found that the District's procedures did not consistently help prevent or detect unauthorized or inappropriate access to its IT systems and data. We initially reported a similar finding in 2023.
- Develop policies and procedures that require the Student Affairs Department to perform and document an independent review and approval of all Child Care and Development Block Grant program reports before submitting them to the pass-through grantor to ensure reports are accurate and agree to Department records. We found that none of the reports tested showed evidence of review or approval prior to submission.
- Ensure documentation is retained for all personnel actions to demonstrate employees' salaries and wages are authorized to be charged to the Adult Education—Basic Grants to States and the Higher Education—Institutional Aid programs. We found that the District did not always retain documentation supporting the payroll costs it charged to these programs or properly approve employee timesheets, resulting in over \$73,000 of questioned costs that may need to be returned to the federal grantor.

## Auditor General website report links

- The June 30, 2024, Maricopa 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](#).