

Maricopa County Community College District

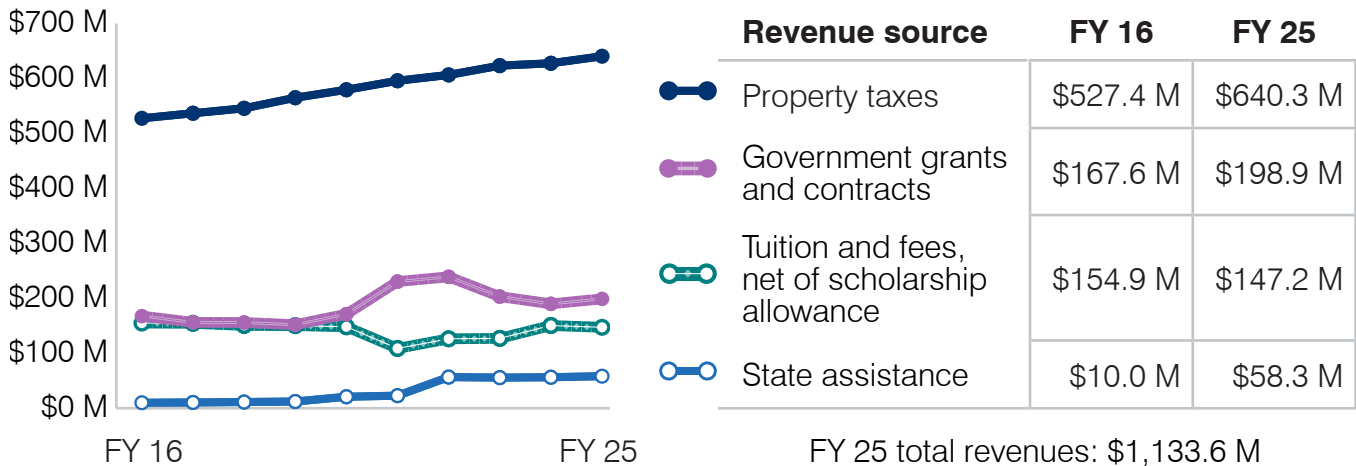
Annual financial statement and compliance audits

The District’s fiscal year 2025 reported financial information is reliable. However, we reported deficiencies and noncompliance over financial reporting and a federal program, summarized on the next page.

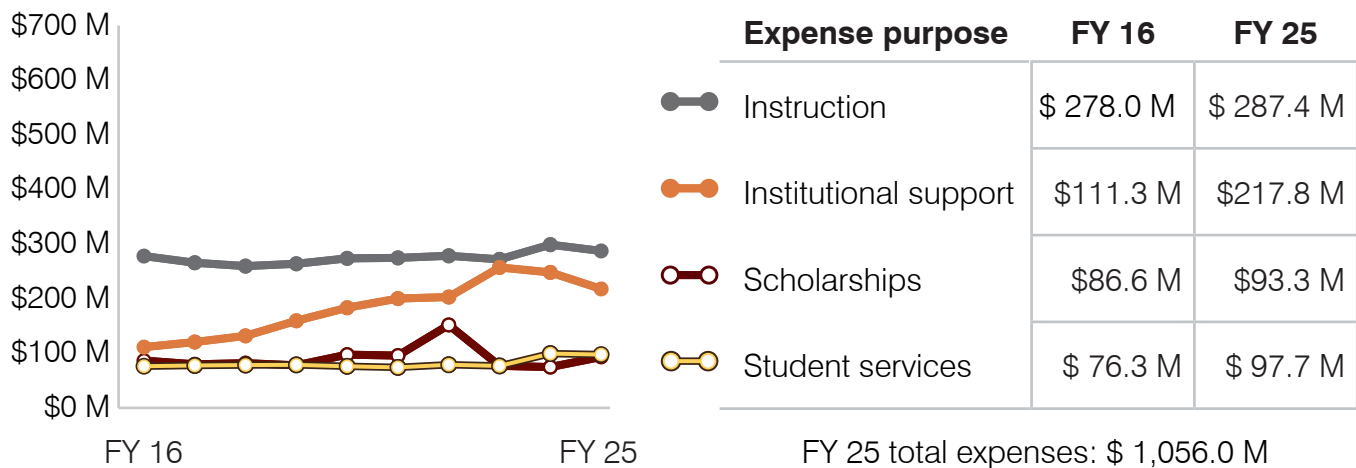
Audits’ purpose

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, in millions (FY 2016 through FY 2025)



Primary expense purposes, in millions (FY 2016 through FY 2025)



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

FY 2025 largest primary revenue sources as a percentage of total revenues

▶ **Property taxes, 56.5%**

Levied and collected from property owners based on the assessed value of real and personal property within Maricopa County.

▶ **Government grants and contracts, 17.5%**

Includes State and federal government grant programs awarded primarily for student financial aid and contracts to provide educational services.

FY 2025 largest primary expense purposes as a percentage of total expenses

▶ **Instruction, 27.2%**

Costs to provide instruction for all sessions and online learning, including instruction for general academics, vocational/technical programs, and community education.

▶ **Institutional support, 20.6%**

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 2025

District revenues were \$77.6 million greater than its expenses, increasing total net position to \$792.5 million at June 30, 2025. 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, \$767.9 million is restricted by external parties or is not in spendable form, and the remaining \$24.6 million is unrestricted.

Auditor findings and recommendations

Summarized below are the 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 and retain documentation supporting employees' pay rates and position assignments. We found that supervisors did not review and approve 2,433 employee time sheets totaling approximately \$2.87 million in total wages during the year and found that for 4 of 40 payroll transactions tested, the District did not retain documentation to support employee's pay rates and position assignments totaling \$1,009, increasing the risk of fraud and misuse of public monies. We initially reported a similar finding in fiscal year 2014.

- ▶ Prioritize implementing 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 complete an annual entity-wide IT risk assessment process that includes evaluating and documenting risks and safeguards. We initially reported a similar finding in fiscal year 2024.
- ▶ Develop and document comprehensive information technology (IT) policies and procedures for assigning and restricting access and securing systems and data, 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 fiscal year 2023.
- ▶ Monitor its Student Financial Services Office to ensure its compliance with District policies and procedures for the return of Title IV funds. Initiate returns of Title IV funds no later than 45 days after the date of the District's determination that the student withdrew. We found that the District did not initiate returns of Title IV funds for 3 students we tested until between 71 and 83 days after the student withdrew.

Auditor General website report links

- ▶ **June 30, 2025, [Maricopa County Community College District Annual Comprehensive Financial Report, Report on Internal Control and on Compliance, and Single Audit Report.](#)**

These highlights summarize the reports above. The full reports explain the District's overall financial picture and our reporting responsibilities.
- ▶ The [District's reports from prior years.](#)
- ▶ **User guides that help explain the important information presented in these reports:**
 - [Financial Report User Guide for Colleges and Universities.](#)
 - [Internal Control and Compliance Reports User Guide.](#)