

Pinal County Community College District

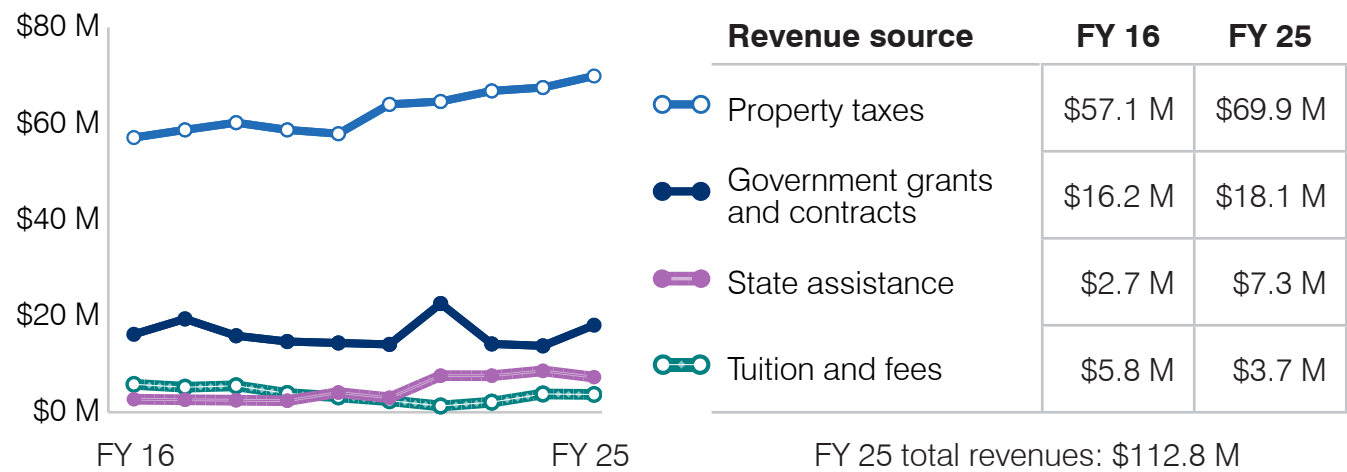
Annual financial statement and compliance audits

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 subsequent pages.

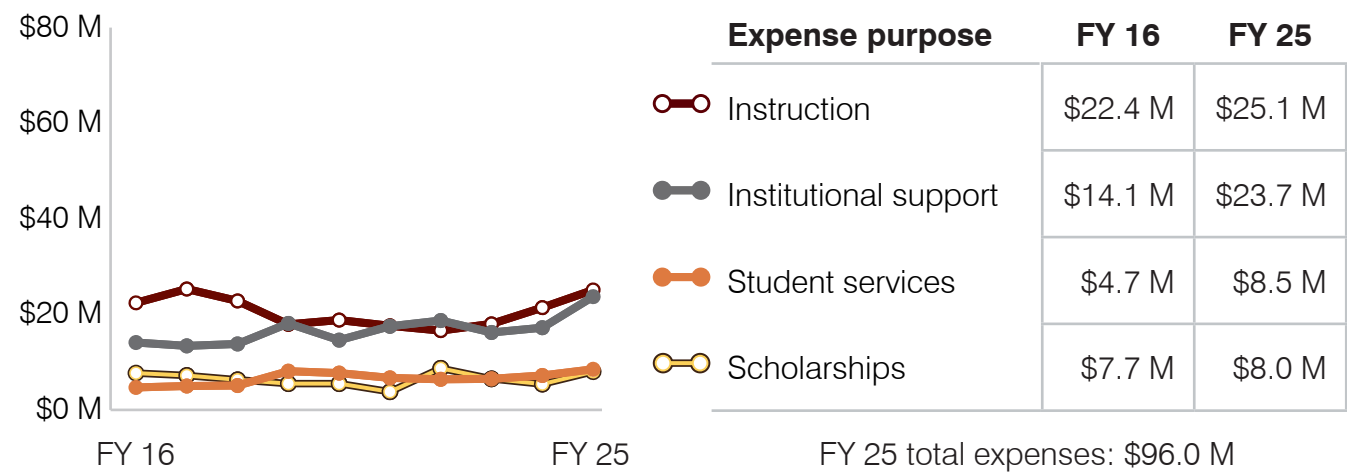
Audits’ purpose

To express 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, 62.0%**

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

▶ **Government grants and contracts, 16.0%**

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, 26.2%**

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

▶ **Institutional support, 24.7%**

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 \$16.8 million greater than its expenses, increasing total net position to \$269.8 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, \$141.9 million is restricted by external parties or is not in spendable form, and the remaining \$127.9 million is unrestricted.

Auditor findings and recommendations

Summarized below are the 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:

- ▶ Enforce and follow its credit card policies and procedures to ensure that all credit card payments are for authorized payments, designated supervisors review supporting documentation and followup on improper payments, and review travel purchases to ensure allowable rates are not exceeded. In addition, the District should update existing credit card policies and procedures to require employees to provide detailed travel claims, verify expense reports are reviewed within 30 days, and specify penalties to credit card holders that violate policies. Finally the Finance and Accounting Services

Department should follow up on outstanding expense reports, reconcile monthly activity, verify employees pay back unauthorized purchases, and train staff on credit card policies and procedures. District management reported to us that a former employee made unallowable purchases totaling over \$85,000, and we found that other District employees made an additional \$2,126 in unallowable purchases.

- ▶ Provide key financial information to auditors by agreed-upon deadlines, and develop policies and procedures to prepare and review the financial statements and associated note disclosures in accordance with generally accepted accounting principles to ensure the financial and federal compliance reports are submitted on time. The delayed issuance of the financial report resulted in the District's inability to provide current financial and federal program information for strategic decision making and to meet legally required financial and federal reporting deadlines. Further, federal grantors may deny the District future federal awards or subject it to additional cash-monitoring requirements.
- ▶ Document and implement procedures for restricting access to its IT systems and data. 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 reported 4 separate audit findings over the Student Financial Assistance (SFA) Cluster and issued a modified opinion over the program's special tests and provisions.

Specifically, the District's Financial Aid Office (Office) needs to develop and improve policies and procedures to:

- ▶ Accurately calculate, report, and return Title IV funds to the federal government when a student has withdrawn from classes within the required time frames. We found that the District did not always accurately calculate, report, and return student financial assistance monies it owed to the federal government or notify students that they were required to return unearned financial aid. The District did not always accurately account for institutional charges, and a second employee did not review the calculations. This finding was initially reported in fiscal year 2021.
- ▶ Report accurate student enrollment status changes to the National Student Loan Data System (NSLDS) by reviewing, verifying, and correcting the student data compiled from system-generated reports, and requiring the reports to be verified for accuracy by a designated employee. We found that the Office did not report 5 of 63 students' enrollment changes accurately to the NSLDS.
- ▶ Disburse all credit balances owed to its students within 14 days after applying the Title IV grants and loans to the students' accounts. In addition, verify system-generated reports used to monitor credit balances accurately capture student data. We found that the District's system-generated reports captured incorrect data during October 2024, resulting in 34 students receiving their credit balances 1 to 3 days longer than the allowed 14 days.
- ▶ Accurately compile and review the Fiscal Operations Report and Application to Participate (FISAP) that it submits to the U.S. Department of Education (ED) to receive Federal Work Study and Federal Supplemental Education Opportunity Grants that ED awarded to its

students. We found that the Office compiled the FISAP report incorrectly using the wrong financial and student data. The report affects the grants awarded to the District for the award year July 1, 2026 through June 30, 2027. The Office should contact ED to determine if a new report is required to be submitted.

Auditor General website report links

- ▶ **June 30, 2025, [Pinal County Community College District Annual Comprehensive Financial Report 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.](#)