

## Maricopa County Community College District

**CONCLUSION:** Based on our audits, we issued opinions on the District's financial statements and federal expenditure schedule concluding that the information in those statements and schedule is reliable. We also issued reports over the District's internal control and compliance over financial reporting and select federal programs, which identified internal control weaknesses over financial reporting and internal control weaknesses and noncompliance over federal awards that are explained on the next page.

### District overview

**District provides post-secondary education in Maricopa County**—In fiscal year 2018, the District provided post-secondary education to nearly 201,000 students of whom approximately 68 percent were part-time. It has 10 regionally accredited colleges and 3 skill centers throughout Maricopa County, which encompasses an area of over 9,200 square miles. The District is the largest single provider of post-secondary education in Arizona and continues to be a pipeline for the State's 4-year universities, primarily Arizona State University.

**District responsible for accurate financial report**—The District is responsible for accurately preparing its [Comprehensive Annual Financial Report \(CAFR\)](#), maintaining effective internal controls, and being accountable for its use of public monies. Select financial information from the District's CAFR is presented below. However, the District's CAFR should be read to fully understand its overall financial picture. Our Office's [Financial Report User Guide for Colleges and Universities](#) will help readers identify and understand important and useful information in the District's CAFR.

### District financial information

#### Asset, liability, and net position balances on June 30, 2018

**Total assets/deferred outflows = \$1,657.0 million**

**Select asset balances:**

\$808.6 M	Capital assets
704.6	Cash and investments
55.8	Receivables

**Total liabilities/deferred inflows = \$1,233.3 million**

**Select liability balances:**

\$601.7 M	Noncurrent employee benefits
482.3	Bonds payable
106.5	Current payables

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**District's net position = \$423.7 million**

None of this net position is unrestricted

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#### Revenues and expenses during fiscal year 2018

**Total revenues = \$898.7 million**

**Select revenue sources:**

\$545.6 M	Property taxes
156.0	Government grants/contracts
150.6	Tuition and fees, net of financial assistance
11.3	State assistance

**Total expenses = \$836.7 million**

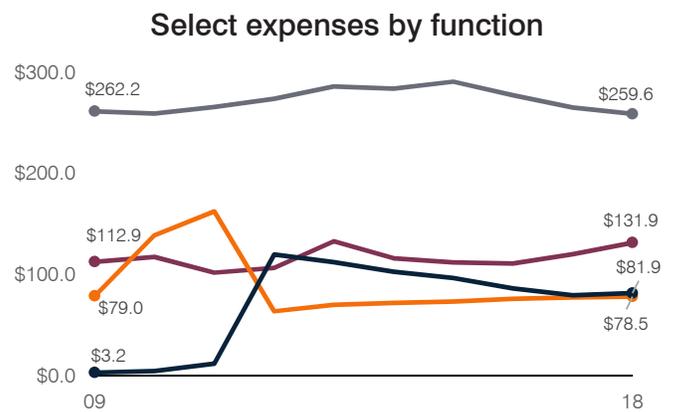
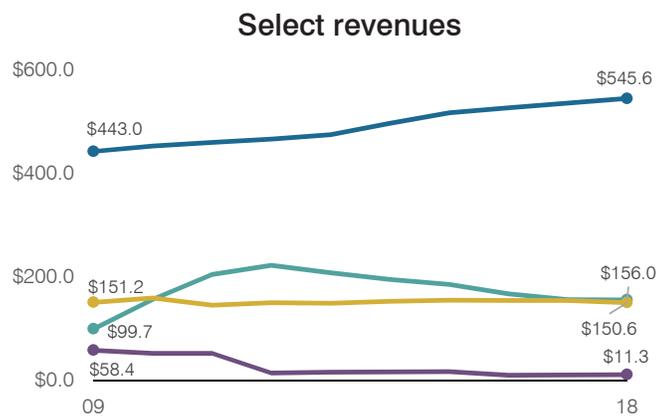
**Select expenses by function:**

\$259.6 M	Instruction
131.9	Institutional support
81.9	Scholarships
78.5	Student services

## Select revenues and expenses by function

### Fiscal years 2009 through 2018

(In millions)



- Property taxes**—Taxes the District levies on the assessed value of real and personal property within Maricopa County. The Maricopa County Treasurer collects the tax revenues and remits them to the District.
- Government grants/contracts**—State and federal government grant programs awarded primarily for student financial aid and contracts to provide educational services.
- Tuition and fees, net of financial assistance**—Charges to students for educational services, net of any District student financial assistance revenues that were used to cover the students' tuition and fees.
- State assistance**—State appropriations for general operations and maintenance and workforce programs and the District's share of State sales taxes. Starting in fiscal year 2016, 100 percent was from the District's share of State sales taxes.
- Instruction**—Instruction programs for all sessions and online learning, including instruction for general academics, vocational/technical programs, and community education.
- Institutional support**—District-wide planning and administrative support, including executive management, general and fiscal operations, information technology, and public relations/development.
- Scholarships**—Student grants, scholarships, and tuition and fee waivers. Starting in fiscal year 2012, the District changed its classification of financial aid expenses from student services to scholarships.
- Student services**—Social and cultural development, career guidance, financial aid administration, admissions, records, and information technology.

Source: Auditor General staff summary of information obtained from the District's CAFRs.

## Audit findings and recommendations

Below is a summary of our reports over the District's internal control and compliance over financial reporting and over federal programs. Detailed information about our findings and the District's responses are included in the District's [Report on Internal Control and on Compliance](#) and the District's [Single Audit Report](#). For help in understanding important information presented in these reports, please refer to our Office's [Internal Control and Compliance Reports User Guide](#).

### Financial reporting internal control

We found that the District needed improvements in certain controls over payroll and IT and reported 4 findings. Most importantly, we found the District lacked adequate policies and procedures over IT systems and data to appropriately respond to risks and to prevent, detect, and respond to unauthorized or inappropriate access, damage, or loss, including protecting sensitive student data. In addition, we found that the District did not thoroughly test or adequately train employees prior to implementing a payroll system change.

### Financial findings and recommendations

### Federal internal control and compliance

The District spent over \$208 million of federal program monies and loans during the fiscal year. We tested 2 federal programs selected under the major program guidelines established by the Single Audit Act, including student financial assistance and institutional aid programs, which totaled over \$198 million in federal expenditures and loans. We reported weaknesses in internal control and instances of noncompliance over the District's administration of both programs.

### Federal findings and recommendations