

REPORT HIGHLIGHTS
 FINANCIAL STATEMENT AUDIT

Subject

Pima County Community College District issues financial statements annually. The District is responsible for preparing financial statements, maintaining strong internal controls, 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 financial statements is fairly stated in all material respects, and the financial statements can be relied upon.



2005

Year Ended June 30, 2005

District Revenues and Expenses

During fiscal year 2005, District revenues totaled \$159,271,258 and District expenses totaled \$149,440,292. Revenues decreased slightly from the prior year because the District lowered its property tax levy for debt repayment. District expenses increased approximately \$5.7 million primarily due to increased salaries and benefits provided to employees and increased spending on contracts for building repair projects. District revenues and expenses are summarized in the table to the right and the charts below.

Revenues	2004	2005
Tax revenue	\$ 78,797,880	\$ 73,753,516
Grants and contracts	31,659,880	32,822,422
Tuition and fees	23,923,443	24,569,880
State appropriations	20,780,500	22,891,300
Other	5,363,798	5,234,140
Total revenues	\$160,525,501	\$159,271,258

Expenses	2004	2005
Employee compensation and benefits	\$ 89,856,458	\$ 94,428,679
Scholarships	13,874,635	13,827,818
Depreciation and interest on debt	12,721,635	13,529,381
Contractual services	8,246,610	12,033,556
Supplies, materials, and utilities	14,545,336	11,288,182
Other	4,501,916	4,332,676
Total expenses	\$143,746,590	\$149,440,292



District's Condensed Financial Information

The following tables present summaries of the District's financial statements. The statements do not include the Foundation's cash flow information because governmental accounting standards do not require that it be included.

Statement of Net Assets As of June 30, 2005 (In Millions)

	District	Foundation
Assets		
Current	\$ 71	\$2
Restricted	4	3
Capital	157	
Other noncurrent	<u>6</u>	<u>—</u>
Total assets	<u>238</u>	<u>5</u>
Liabilities		
Current	17	
Noncurrent	<u>85</u>	<u>—</u>
Total liabilities	<u>102</u>	<u>—</u>
Net Assets		
Invested in capital assets, net of related debt	73	
Restricted	7	5
Unrestricted	<u>56</u>	<u>—</u>
Total net assets	<u>\$136</u>	<u>\$5</u>

Revenues and Expenses For the Year Ended June 30, 2005 (In Millions)

	District	Foundation
Operating Revenues		
Tuition and fees	\$ 24	
Federal grants and contracts	26	
State and local grants and contracts	7	
Other operating revenues	<u>3</u>	<u>\$2</u>
Total operating revenues	<u>60</u>	<u>2</u>
Nonoperating Revenues		
Property taxes	72	
State appropriations	20	
Share of state sales taxes	2	
Other nonoperating revenues	<u>2</u>	<u>—</u>
Total nonoperating revenues	96	
Capital appropriations, gifts, and grants	<u>3</u>	<u>—</u>
Total revenues	<u>\$159</u>	<u>\$2</u>
Operating Expenses		
Educational and general	\$135	\$2
Auxiliary enterprises	1	
Depreciation	<u>9</u>	<u>—</u>
Total operating expenses	<u>145</u>	<u>2</u>
Nonoperating Expenses		
Interest on capital asset-related debt	<u>4</u>	<u>—</u>
Total nonoperating expenses	<u>4</u>	<u>—</u>
Total expenses	<u>\$149</u>	<u>\$2</u>

Cash Flows For the Year Ended June 30, 2005 (In Millions)

	District
Cash Flows from	
Operating activities	\$(74)
Noncapital financing activities	96
Capital and related financing activities	(18)
Investing activities	<u>3</u>
Net increase in cash	<u>\$ 7</u>

TO OBTAIN MORE INFORMATION

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Year Ended June 30, 2005