

Maricopa County Community College District Annual financial statement and compliance audits

The District's fiscal year 2020 reported financial information is reliable. However, we reported deficiencies and noncompliance over financial reporting and federal programs, summarized on the next page.

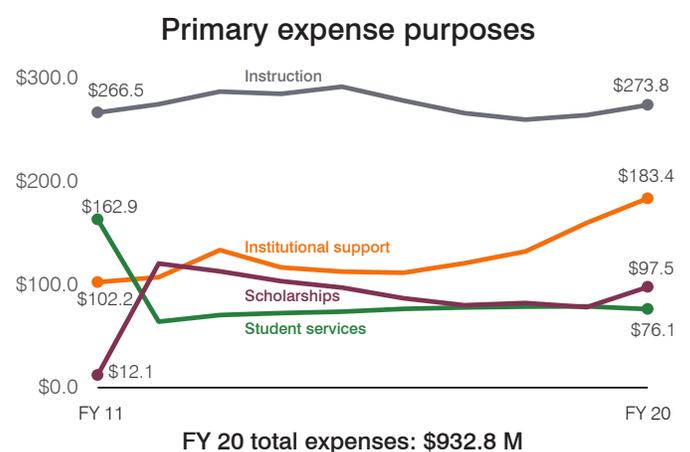
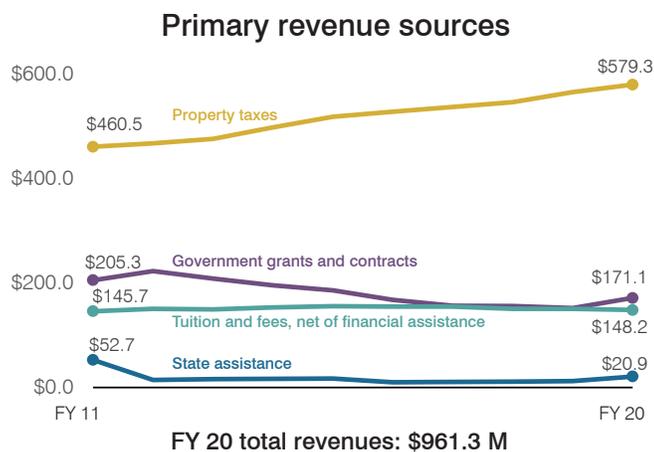
Audits' purposes

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) 2011 through 2020

(In millions)



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

Largest primary revenue sources

- **Property taxes—60.3% FY 20:** Levied and collected from property owners based on the assessed value of real and personal property within Maricopa County.
- **Government grants and contracts—17.8% FY 20:** Includes State and federal government grant programs awarded primarily for student financial aid and coronavirus pandemic relief and contracts to provide educational services. The FY 20 increase from FY 19 was primarily due to the receipt of \$21.9 million of Higher Education Emergency Relief Fund federal monies granted for the coronavirus pandemic.

Largest primary expense purposes

- **Instruction—29.3% FY 20:** Costs to provide instruction for all sessions and online learning, including instruction for general academics, vocational/technical programs, and community education.
- **Institutional support—19.7% FY 20:** 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 20

District revenues were \$28.5 million greater than its expenses, increasing total net position to \$502.3 million at June 30, 2020. 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. None of this net position is unrestricted, meaning some is not in spendable form, and the rest is restricted by external parties.

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 should:

- Improve procedures for supervisors' review and approval of employee time sheets and monitor whether supervisors are performing them in accordance with District policies. We reported a similar finding in prior years.
- Prioritize improving its policies and procedures over information technology (IT) systems and data to effectively identify and respond to risks and to prevent, detect, and respond to unauthorized or inappropriate access or use, manipulation, damage, or loss, including protecting sensitive student data. The District also needs to allocate resources to complete its information security risk assessment for its federal student financial aid programs. We reported similar IT findings in prior years.
- Develop and implement procedures to verify that it reports accurate student enrollment status information to the National Student Loan Data System for its federal student financial aid programs. We reported a similar finding in prior years.

Auditor General website report links

- The June 30, 2020, Maricopa County Community College District Comprehensive Annual 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](#).