

Pinal County Community College District Annual financial statement and compliance audits

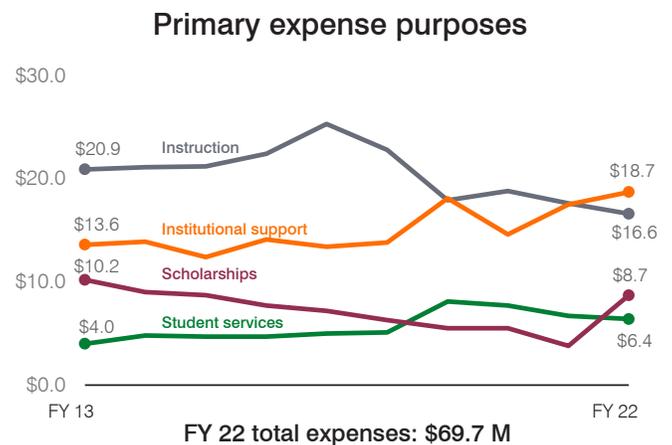
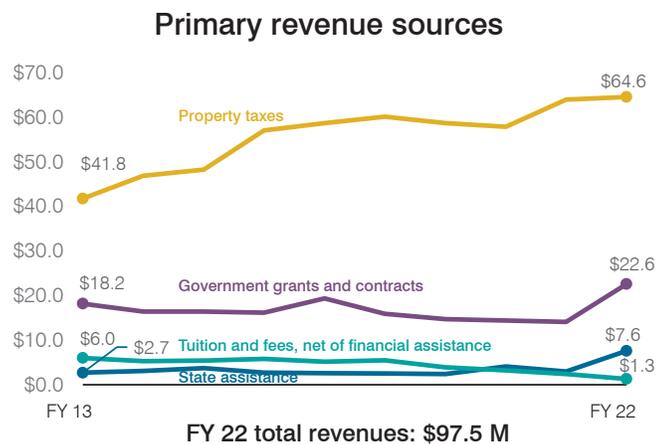
The District's fiscal year 2022 reported financial information is reliable. However, we reported deficiencies and noncompliance over financial reporting and federal programs, summarized on the next page.

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 and how they were spent

Fiscal years (FY) 2013 through 2022
(In millions)



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

Largest primary revenue sources FY 2022

- **Property taxes 66.2%**—Levied and collected from property owners based on the assessed value of real and personal property within Pinal County.
- **Government grants and contracts 23.2%**—Includes State and federal government grant programs awarded primarily for student financial aid and contracts to provide educational services.

Largest primary expense purposes FY 2022

- **Institutional support 26.8%**—Costs for District-wide planning and administrative support, including executive management, general and fiscal operations, information technology, and public relations/development.
- **Instruction 23.8%**—Costs to provide instruction for all sessions and online learning, including instruction for general academics, vocational/technical programs, and community education.

District's net position increased in FY 2022

District revenues were \$27.8 million greater than its expenses, increasing total net position to \$202.3 million at June 30, 2022. 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, \$83.9 million is restricted by external parties or is not in spendable form, and the remaining \$118.4 million is unrestricted.

Auditor findings and recommendations

Summarized below are our 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:

- Develop and implement policies and procedures to comply with Arizona open meeting law. We found that the District's Board appeared to continue violating Arizona's open meeting law by omitting the required general description from its publicly noticed executive session meeting agendas for August 16, 2022 and November 15, 2022. This noncompliance continued even after it had received notice from the Arizona Attorney General in August 2022 regarding a previous violation it made in November 2021.
- Follow its policies and procedures for federal grant reports requiring it to verify federal grant reports are accurate and complete, have a knowledgeable employee review and approve them, and update District grant schedules to track due dates. We found that the District failed to make complete, accurate, and timely reports to the federal grantor and the public for its use of federal COVID-19 Education Stabilization Fund program monies.
- Allocate staffing and improve policies and procedures to accurately calculate, report, and return federal student financial assistance monies to the federal government or the student when a student has withdrawn from classes within the required time frames and require an independent review of student financial assistance calculations. We found that the District did not correctly calculate \$275 for 1 of 40 students' financial assistance calculations it reported to the federal government and did not timely calculate, report, and return student financial assistance monies it owed to the federal government or the student for 5 of 40 students we tested when the students credit hours changed. We reported a similar finding in the prior year.
- Implement procedures to verify that student enrollment-status changes are accurate and reported in a timely manner for its federal student financial assistance programs. We found that the District did not accurately report enrollment-status changes for 4 of 60 students we tested participating in the Federal Pell Grant or Federal Direct Student Loans programs. We reported a similar finding in the prior year.

Auditor General website report links

- The June 30, 2022, Pinal County Community College District Annual Comprehensive Financial Report 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.](#)