

## Cochise County Community College District

**CONCLUSION:** Based on our audit, 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 instances of noncompliance over federal awards that are explained on the next page.

### County overview

**District provides post-secondary education in Cochise County**—In fiscal year 2019, the District provided post-secondary education to over 10,600 students of whom nearly 60 percent were part-time. It has 2 full-service campuses and multiple outreach and educational centers across Cochise County, which encompasses 6,200 square miles. The District also has a virtual campus that provides additional services.

**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 [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, 2019

**Total assets/deferred outflows = \$102.3 million**

Select asset balances:

\$71.0 M Capital assets  
 23.3 Cash and investments  
 2.2 Receivables

**Total liabilities/deferred inflows = \$61.4 million**

Select liability balances:

\$29.2 M Noncurrent employee benefits  
 24.0 Long-term debt  
 3.5 Current payables

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**District's net position = \$40.9 million**

None of this net position is unrestricted

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Revenues and expenses during fiscal year 2019

**Total revenues = \$50.8 million**

Select revenue sources:

\$21.8 M Property taxes  
 12.8 State assistance  
 7.8 Government grants and contracts  
 6.1 Tuition and fees, net of financial assistance

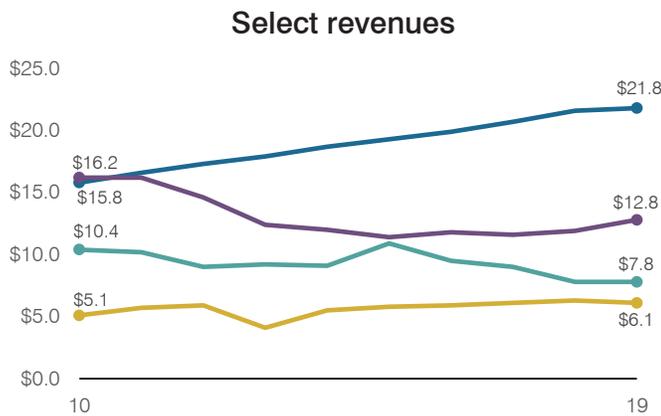
**Total expenses = \$46.7 million**

Select expenses by function:

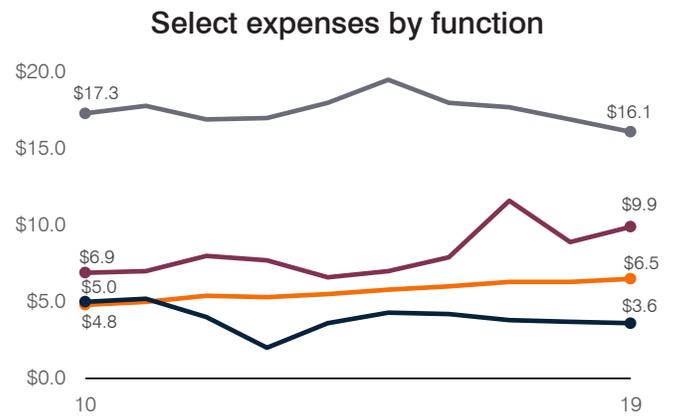
\$16.1 M Instruction  
 9.9 Institutional support  
 6.5 Student services  
 3.6 Scholarships

## Select revenues and expenses by function Fiscal years 2010 through 2019

(In millions)



- **Property taxes**—Taxes the District levied on the assessed value of real and personal property within Cochise County. The Cochise County Treasurer collects the tax revenues and remits them to the District.
- **State assistance**—State appropriations for general operations and maintenance, science/technology and workforce programs, equalization aid, and the District's share of State sales taxes. In fiscal year 2019, 9.8 percent was from the District's share of State sales taxes.
- **Government grants and 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.



- **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 support, and public relations/development.
- **Student services**—Social and cultural development, career guidance, financial aid administration, admissions, records, and information technology.
- **Scholarships**—Student grants, scholarships, and tuition and fee waivers.

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 that are included in the District's [Single Audit Report](#) where there is detailed information about our findings and the District's response. For help in understanding important information presented in these reports, please refer to our [Internal Control and Compliance Reports User Guide](#).

### Financial reporting internal control

We found that the District did not have adequate policies and procedures over 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. To ensure its financial and other sensitive data is protected, the District needs to continue to update and implement policies and procedures over its IT systems and data. We reported similar IT security findings in the prior year.

### IT security findings and recommendations

### Federal internal control and compliance

The District spent nearly \$9 million of federal program monies during the fiscal year. Under the major program guidelines established by the Single Audit Act, we tested the Student Financial Assistance (SFA) Cluster that totaled nearly \$8 million in federal expenditures. We reported findings regarding the District's administration of the SFA Cluster.

### Federal award findings and recommendations