

Cochise County Community College District Annual financial statement and compliance audits

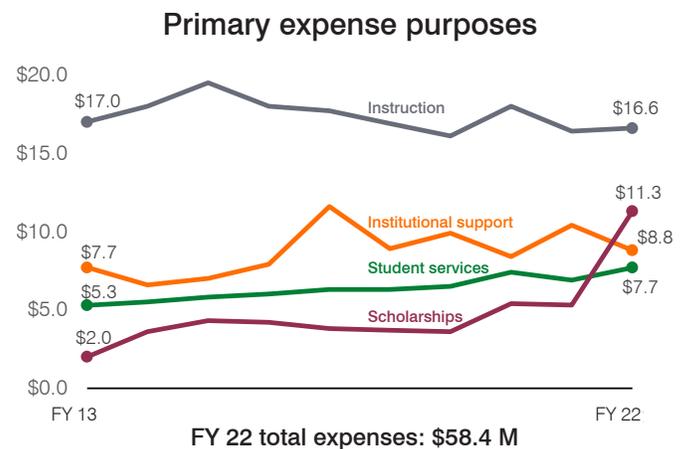
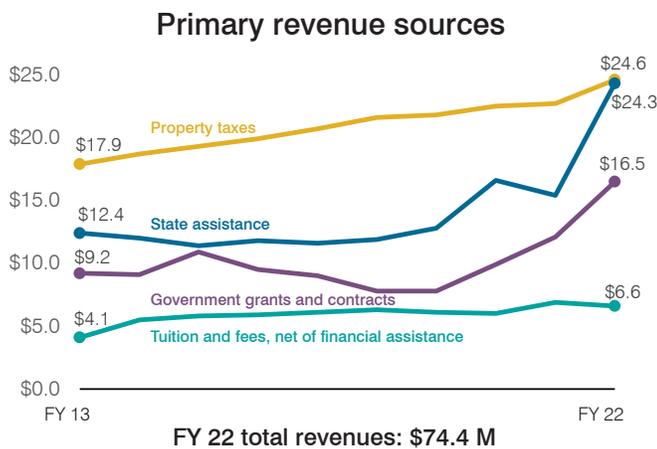
The District's fiscal year 2022 reported financial information is reliable. However, we reported deficiencies and noncompliance over financial reporting and federal programs, summarized on the next page.

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 33.1%**—Levied and collected from property owners based on the assessed value of real and personal property within Cochise County.
- **State assistance 32.7%**—Includes State appropriations for general operations and maintenance, science/technology and workforce programs, equalization aid, and the District's share of State sales taxes.

Largest primary expense purposes FY 2022

- **Instruction 28.4%**—Costs to provide instruction for all sessions and online learning, including instruction for general academics, vocational/technical programs, and community education.
- **Scholarships 19.3%**—Costs to provide student financial assistance in the form of scholarship awards to cover students' tuition and fees. The increase is a direct result of federal funding in response to the COVID-19 pandemic response and relief monies to the District and students.

District's net position increased in FY 2022

District revenues were \$16.0 million greater than its expenses, increasing its total net position to \$70.5 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, \$68.9 is restricted by external parties or is not in spendable form, and the remaining \$1.6 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:

- Allocate sufficient resources to provide the District's key financial information for audit in time to issue its Annual Comprehensive Financial Report (ACFR), Annual Budgeted Expenditure Limitation Report (ABELR), and Single Audit Report by the required deadlines. We found that the District issued its ACFR Report 27 days later than required, which also resulted in delays in the District issuing its ABELR and Single Audit Report by March 31, 2023, as required.
- Continue to allocate sufficient resources to develop and document policies and procedures that effectively prevent and detect unauthorized or inappropriate access to its information technology systems and data. We reported a similar finding in prior years.

Auditor General website report links

- The June 30, 2022, Cochise 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](#).