

Coconino 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 an internal control weakness and instance of noncompliance over federal awards that are explained on the next page.

District overview

District provides post-secondary education in Coconino County—In fiscal year 2019, the District provided post-secondary education to over 3,700 students for the Fall 2018 semester of which about 70 percent were part-time. It has 3 facilities in Coconino County, which encompasses an area of 18,661 square miles, and Tribal Lands occupy more than 39 percent of the land. The District partners with high schools throughout Coconino County to provide educational services, and also partners with Northern Arizona University (NAU) to help students make a smooth transition from the District to NAU for the purposes of earning a bachelor's degree.

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

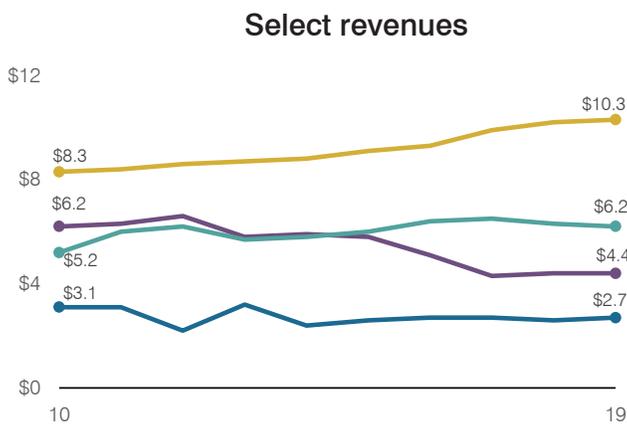
<p>Total assets/deferred outflows = \$53.7 million</p> <p>Select asset balances:</p> <ul style="list-style-type: none"> \$28.6 M Cash and investments 20.6 Capital assets 0.9 Receivables 		<p>Total liabilities/deferred inflows = \$17.4 million</p> <p>Select liability balances:</p> <ul style="list-style-type: none"> \$13.9 M Noncurrent employee benefits 1.2 Current payables 0.7 Unearned revenues
<p>District's net position = \$36.3 million</p> <p>\$15.7 million, or 43.2 percent, is unrestricted</p>		

Revenues and expenses during fiscal year 2019

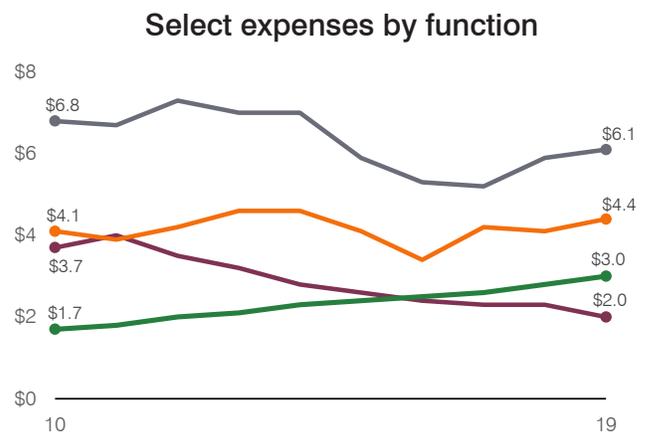
<p>Total revenues = \$25.2 million</p> <p>Select revenue sources:</p> <ul style="list-style-type: none"> \$10.3 M Property taxes 6.2 Tuition and fees, net of financial assistance 4.4 Government grants and contracts 2.7 State assistance 	<p>Total expenses = \$22.3 million</p> <p>Select expenses by function:</p> <ul style="list-style-type: none"> \$6.1 M Instruction 4.4 Institutional support 3.0 Student services 2.0 Scholarships
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Select revenues and expenses by function Fiscal years 2010 through 2019

(In millions)



- **Property taxes**—Taxes the District levies on the assessed value of real and personal property within Coconino County. The Coconino County Treasurer collects the tax revenues and remits them to the District.
- **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.
- **Government grants and contracts**—State and federal government grant programs awarded primarily for student financial aid and contracts to provide educational services.
- **State assistance**—State appropriations for general operations and maintenance, science/technology and workforce programs, and the District's share of State sales taxes. In fiscal year 2019, 19.7 percent was from the District's share of State sales taxes.



- **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, 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 over \$6.6 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 Cluster that totaled nearly \$5.7 million in federal expenditures. We reported an internal control weakness and instance of noncompliance because the District did not document a safeguard for each risk it identified in its risk assessment.

Federal findings and recommendations