

Mohave County Community College District
Single Audit Reporting Package
June 30, 2024

Mohave County Community College District

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Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with *Government Auditing Standards*

The Auditor General of the State of Arizona
The Governing Board of
Mohave County Community College District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the U.S. Comptroller General, the financial statements of the business-type activities and discretely presented component unit of Mohave County Community College District (District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 28, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-01 and 2024-05 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-02, 2024-03 and 2024-04 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Audit Standards*.

District response to findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit that are presented in its corrective action plan at the end of this report. The District is responsible for preparing a corrective action plan to address each finding. The District's responses and corrective action plan were not subjected to the other auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Snyder & Brown CPAs, PLLC

Tempe, Arizona

March 28, 2025

Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

The Auditor General of the State of Arizona

The Governing Board of
Mohave County Community College District

**Report on Compliance for Each Major Federal Program
Opinion on Each Major Federal Program**

We have audited Mohave County Community College District's compliance with the types of compliance requirements identified as subject to audit in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for opinion on each major federal program

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the U.S. Comptroller General, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the auditors' responsibilities for the audit of compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Management's Responsibilities for compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, we express no such opinion.

We are required to communicate with those charged with governance regarding, among other matters, the audit's planned scope and timing and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other matters

The results of our auditing procedures disclosed (other) instances of noncompliance that are required to be reported in accordance with the Uniform Guidance and that are described in the accompanying schedule of findings and questioned costs as item 2024-101. Our opinion on each major federal program is not modified with respect to these matters.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the auditors' responsibilities for the audit of compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-101 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

District Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance and internal control over compliance findings that are presented in its corrective action plan at the end of this report. The District is responsible for preparing a corrective action plan to address each finding. The District's responses and corrective action plan were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and discretely presented component unit of the District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated March 28, 2025, that contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of the District's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Snyder & Brown CPAs, PLLC
Tempe, Arizona
March 28, 2025

**Mohave County Community College District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles: Unmodified

Is a going concern emphasis-of-matter paragraph included in the auditors’ report? No

Internal control over financial reporting:
Material weaknesses identified? Yes

Significant deficiencies identified? Yes

Non-Compliance material to financial statements noted? No

Federal Awards

Internal control over major programs:
Material weaknesses identified? No

Significant deficiencies identified? Yes

Identification of major programs and type of auditor's report issued on compliance for major programs:

<u>Assistance Listings Number</u>	<u>Name of Federal Program or Cluster</u>	
	Student Financial Assistance Cluster:	Unmodified
84.007	Federal Supplemental Educational Opportunity Grants	
84.033	Federal Work-Study Program	
84.063	Federal Pell Grant Program	
84.268	Federal Direct Student Loans	

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)A Yes

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? No

**Mohave County Community College District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

Section II-Financial Statement Findings

Item 2024-01: Account Reconciliations (Material Weakness)

- Criteria:* Management is responsible for the accuracy and completeness of all financial records, preparation of financial statements, and related information. Their responsibilities include recording year-end adjustments and adequately reviewing the year-end financial statements.
- Condition:* The District did not have a system of internal controls that would enable management to conclude the financial statements and related disclosures are complete and presented in accordance with accounting principles generally accepted in the United States of America. This finding is similar to prior-year finding 2023-01.
- Cause:* There was a lack of resources and oversight devoted to the financial reporting process of by the District's finance department.
- Effect:* Material adjustments were identified during the audit process that were needed to properly state the financial statements in accordance with accounting principles generally accepted in the United States of America.
- Recommendation:* The District should review its internal control procedures over financial reporting to ensure that controls are in place for review and approval of all data from financial statement drafts to District records.
- District's Response:* The District's responsible officials' views and planned corrective action are in its corrective action plan at the end of the report.

Item 2024-02: Information Technology Security (Significant Deficiency)

- Criteria:* Implementing effective internal controls over user access rights that follows a credible industry source, such as the National Institute of Standards and Technology, helps the District to protect its IT systems and ensures the integrity and accuracy of the data it maintains as it seeks to achieve its financial reporting, compliance, and operational objectives.
- Condition:* It was noted that user access rights were evaluated by the IT department, but no formal documentation of that process for assigning and modifying user access was available for review. The current policies do not address documenting the review and approval process. This finding is similar to prior-year finding 2023-02.
- Cause:* Although the District's IT management prioritized developing, documenting, and implementing its IT policies and procedures, we noted areas that required improvement to reduce risk to an acceptable level.

**Mohave County Community College District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

Effect: There is an increased risk that the District may not adequately protect its IT systems and data, which could result in unauthorized or inappropriate access and/or the loss of confidentiality or integrity of systems and data.

Recommendation: The District should:

1. Continually review, develop and document comprehensive IT policies and procedures and ensure the procedures are adequately documented and evidenced.
2. Monitor adherence to the IT policies and procedures on a periodic basis to ensure they are consistently followed and inform employees of updates to the policies and procedures during the year.

District's Response: The District's responsible officials' views and planned corrective action are in its corrective action plan at the end of the report.

Item 2024-03: Credit Card Controls (Significant Deficiency)

Criteria: Implementing effective internal controls that follow a best practices and/or industry source, such as the Government Accountability Office green book, or other industry guides, help the District to protect its use of purchases to achieve its financial reporting, compliance, and operational objectives. Effective internal controls include obtaining detailed itemized receipts, ensuring proper approvals are in place prior to commitment of District funds, and proper evidence of detailed monitoring and review.

Condition: The District's control procedures for review and approval were not in place for 1 of 30 transactions tested. This finding is similar to prior-year finding 2023-03.

Cause: The District policies were not followed in all cases.

Effect: There is an increased risk that the District may not adequately protect its use of purchases from fraud and misuse of public monies because it could not prevent, or detect and correct, employees intentionally or unintentionally spending on unapproved or unallowable items.

Recommendation: The District should:

1. Develop, document, and implement processes to ensure credit are purchases are approved.

District's Response: The District's responsible officials' views and planned corrective action are in its corrective action plan at the end of the report.

**Mohave County Community College District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

Item 2024-04: Mohave College Foundation (Component Unit)- Segregation of Accounting Duties (Significant Deficiency)

- Criteria:* To help ensure the accuracy of financial records and to help reduce the risk of misappropriation of assets, duties should be segregated whereby the individual with custody of assets should not be the same individual responsible for recordkeeping of those assets.
- Condition:* Due to the limited size of the accounting staff, incompatible duties were not completely segregated during the year.
- Cause:* There was a lack of resources and oversight devoted to the financial reporting process by the Foundation.
- Effect:* Concentration of duties in a limited number of personnel could create control situations where misappropriation of assets may occur and not be detected on a timely basis.
- Recommendation:* Management should be constantly mindful that the concentration of duties in a limited number of personnel could create control situations that would allow personnel to misappropriate assets. The Foundation should implement policies where incompatible duties are segregated and individuals independent of the processes cross-checks these incompatible functions.
- District's Response:* The District's responsible officials' views and planned corrective action are in its corrective action plan at the end of the report.

Item 2024-05: Mohave College Foundation (Component Unit)- Donor Restriction Reconciliations (Material Weakness)

- Criteria:* Contributions received from donors with specific restrictions as to use should be sufficiently tracked to help ensure that these funds are used only for the intended purpose and to ensure that amounts remaining can be determined.
- Condition:* The subsidiary schedule used to identify and track assets held in the endowment and other assets with donor restrictions did not agree to the trial balance.
- Cause:* There was a lack of resources and oversight devoted to the financial reporting process of by the Foundation.
- Effect:* Material adjusting entries were necessary to properly state the endowment and other assets with donor restrictions.
- Recommendation:* Policies and procedures should be implemented that requires the subsidiary schedules and underlying accounting records to be updated regularly to ensure that all funds are used in accordance with the donor intent and to ensure that the financial statements are accurately presented.
- District's Response:* The District's responsible officials' views and planned corrective action are in its corrective action plan at the end of the report.

**Mohave County Community College District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

Section III-Federal Award Findings

Finding 2024-101 Reporting (Significant Deficiency, Compliance Finding)

Assistance Listings Number: 84.007, 84.033, 84.063 & 84.268

Cluster Title: Student Financial Assistance Cluster

Program Titles: Federal Supplemental Educational Opportunity Grants, Federal Work-Study Program, Federal Pell Grant Program and Federal Direct Student Loans

Federal Agency: U.S. Department of Education

Award Year: 2024

Award Number: None

Compliance Requirement: Reporting

Question Costs: None

Criteria: The student financial assistance cluster requires that the college submit the Fiscal Operations Report and Application to Participate annually. The amount should agree to the underlying accounting records.

Condition: Total tuition and fees as reported in the FISAP report was \$8,787,259 while the district's underlying accounting records showed \$9,133,531 for a difference of \$346,272. Total Federal Pell expenditures were reported as \$6,259,684 on the FISAP report while the underlying accounting records and schedule of expenditures of federal awards showed \$6,298,477 for a difference of \$38,793.

Cause: The District does not have adequate policies and procedures in place to ensure that revenues and expenditures are reported properly. Year-end adjustments were not identified and recorded prior to FISAP reporting.

Effect: Information reported by the District was not accurate and is not in compliance with requirements of the grant.

Recommendation: The District should establish policies and procedures to ensure that the amounts reported are accurate and agree to the underlying accounting records.

District's Response: The District's responsible officials' views and planned corrective action are in its corrective action plan at the end of the report.

District Section

**Mohave County Community College District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2024**

Federal agency/ Assistance Listings number	Federal program name	Pass-through grantor's number	Program expenditures
U.S. Department of Agriculture:			
Passed through The Small Business Administration:			
59.037	Small Business Development Centers		\$ 96,815
	Total U.S. Department of Agriculture		<u>96,815</u>
U.S. Department of Education			
Student Financial Assistance Cluster			
	Federal Supplemental Education		
84.007	Opportunity Grants		219,565
84.033	Federal Work-Study Program		118,170
84.063	Federal Pell Grant Program		6,298,477
84.268	Federal Direct Student Loans		<u>1,903,515</u>
	<i>Total Student Financial Assistance Cluster</i>		<u>8,539,727</u>
Passed through Arizona Department of Education			
	Career and Technical Education -		
84.048	Basic Grants to States	22FCTDBG-212271-20A	<u>513,028</u>
	Total U.S. Department of Education		<u>9,052,755</u>
	Total expenditures of federal awards		<u>\$ 9,149,570</u>

See accompanying notes to schedule.

Mohave County Community College District
Notes to schedule of expenditures of federal awards
Year ended June 30, 2024

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Mohave County Community College District for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 2 - Summary of significant accounting policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 3 – Federal assistance listings numbers

The program titles and Federal Assistance Listings numbers were obtained from the federal or passthrough grantor or the 2024 Federal Assistance Listings.

Note 4 - Indirect cost rate

The District did not elect to use the 10 percent de minimis indirect cost rate as covered in 2 CFR §200.414.

Note 5 - Subrecipients

The District did not make any payments to subrecipients during the fiscal year.

Corrective Action Plan

March 25, 2025

Dylan Brown
Snyder & Brown, CPAs, PLLC
3933 S McClintock Dr., Ste 505,
Tempe, AZ 85282
Email: dbrown@snyderbrowncpas.com

Dear Mr. Brown

We have prepared the accompanying corrective action plans as required by the standards applicable to financial audits contained in Government Auditing Standards and by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Specifically, for each finding, we are providing you with our responsible officials' views, the names of the contact person responsible for the corrective action, the corrective action planned and the anticipated completion date.

Sincerely,



Joline Pruitt
Vice President Administrative Services & CFO

**Mohave County
Community College
District Office**
1971 Jagerson Ave.
Kingman, AZ 86409

Bullhead City Campus
3400 Highway 95
Bullhead City, AZ 86442

Lake Havasu City Campus
1977 Acoma Blvd. West
Lake Havasu City, AZ 86403

Neal Campus - Kingman
1971 Jagerson Ave.
Kingman, AZ 86409

North Mohave Campus
480 S. Central
Colorado City, AZ 86021

**www.mohave.edu
1.866.664.2832**

MOHAVE COUNTY COMMUNITY COLLEGE DISTRICT

CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2024

Financial Statement Findings

2024-01 Account Reconciliations

Management is responsible for the accuracy and completeness of all financial records, preparation of financial statements, and related information. Their responsibilities include recording year-end adjustments and adequately reviewing the year-end financial statements.

Joline Pruitt, Vice President Administrative Services & CFO

Anticipated Completion Date: September 30, 2025

The District agrees with the reporting finding and recommendation related to the year-end closing process. The District will undertake the following actions to remedy the identified issues:

- The District has contracted with a financial consultant to provide training and develop procedures over month end and year end close. The financial consultant will work directly with the business services department to develop procedures that will streamline processes in the upcoming year.
- The District will develop a month end and year-end close out checklist.

These actions are intended to create processes and strengthen skills to provide financial statement accuracy and completeness.

2024-02 Information Technology Security

Implementing effective internal controls over user access rights that follows a credible industry source, such as the National Institute of Standards and Technology, helps the District to protect its IT systems and ensures the integrity and accuracy of the data it maintains as it seeks to achieve its financial reporting, compliance, and operational objectives.

Joline Pruitt, Vice President Administrative Services & CFO

Anticipated Completion Date: June 30, 2025

Although the District did not have any unallowable user access rights noted in the system, the District agrees that formal approval of user access rights should be documented by the access group. The District will undertake the following actions to enhance access controls over information technology resources:

1. Continue to document and formalize user access review procedures, ensuring a final listing of approved users by access group is maintained and available for review.
2. Continue to implement periodic reviews and audits of IT policies and procedures to ensure ongoing compliance and effectiveness.

These actions are aimed at strengthening the District's IT security posture and safeguarding its information systems and data.

MOHAVE COUNTY COMMUNITY COLLEGE DISTRICT

CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2024

Financial Statement Findings (Continued)

2024-03 Credit Card Controls

Implementing effective internal controls that follow a best practices and/or industry source, such as the Government Accountability Office green book, or other industry guides, help the District to protect its use of purchases to achieve its financial reporting, compliance, and operational objectives. Effective internal controls include obtaining detailed itemized receipts, ensuring proper approvals are in place prior to commitment of District funds, and proper evidence of detailed monitoring and review.

Joline Pruitt, Vice President Administrative Services & CFO

Anticipated Completion Date: September 30, 2025

The District acknowledges that for one of thirty disbursements tested by the auditors noted an approval for the credit card disbursement was not retained within the accounting system. Adequate support for the purchase was available and retained by the District. The District will undertake the following actions to remedy the identified issues:

- The District has already implemented improved procedures over its use of credit cards. Improvements in controls include:
 - Review, approval, and tracking of assets
 - All expenses (including P-Card and credit card purchases) are monitored monthly by the Business Services Department
 - Any deviations from expectations are investigated, which may result in requiring employees to pay the District back for unauthorized activity, if identified
 - Monitoring, exception reporting, and additional efforts to increase controls are in place currently
- The District will review procedures with District personnel to ensure adherence to the designed procedures.

These actions have enhanced the controls over the P-Card program.

2024-04 Mohave College Foundation (Component Unit)

To help ensure the accuracy of financial records and to help reduce the risk of misappropriation of assets, duties should be segregated whereby the individual with custody of assets should not be the same individual responsible for recordkeeping of those assets.

Joline Pruitt, Vice President Administrative Services & CFO

Anticipated Completion Date: September 30, 2025

The District agrees with the reported finding and recommendation. Although the Foundation is a legal separate entity that has a separate board and management, the District has made recommendations to the Foundation to outsource certain accounting functions to an individual or a firm that could assist in developing procedures that could segregate duties or at a minimum, provide compensating controls that would prevent and detect a misstatement to the financial statements and safeguard the assets of the Foundation.

MOHAVE COUNTY COMMUNITY COLLEGE DISTRICT

CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2024

Financial Statement Findings (Continued)

2024-05 Mohave College Foundation (Component Unit)

Contributions received from donors with specific restrictions as to use should be sufficiently tracked to help ensure that these funds are used only for the intended purpose and to ensure that amounts remaining can be determined.

Joline Pruitt, Vice President Administrative Services & CFO

Anticipated Completion Date: September 30, 2025

The District agrees with the reported finding and recommendation. Although the Foundation is a legal separate entity that has a separate board and management, the District has made recommendations to the Foundation to outsource certain accounting functions to an individual or a firm with suitable nonprofit and government experience that could assist and/or provide accounting services on a monthly basis.

Federal Award Findings

2024-101

Assistance Listings Numbers: 84.007, 84.033, 84.063 & 84.268

Cluster Title: Student Financial Assistance Cluster

Program Titles: Federal Supplemental Educational Opportunity Grants, Federal Work-Study Program, Federal Pell Grant Program and Federal Direct Student Loans

Federal Agency: U.S. Department of Education

Award Year: 2024

Award Number: None

Compliance Requirement: Reporting

Question Costs: None

Total tuition and fees as reported in the FISAP report was \$8,787,259 while the district's underlying accounting records showed \$9,133,531 for a difference of \$346,272. Total Federal Pell expenditures were reported as \$6,259,684 on the FISAP report while the underlying accounting records and schedule of expenditures of federal awards showed \$6,298,477 for a difference of \$38,793

Joline Pruitt, Vice President Administrative Services & CFO

Anticipated Completion Date: September 30, 2025

The District agrees with the reported finding and recommendation. The FISAP report was submitted by September 30, 2024; however, year-end adjustments were recorded in the general ledger resulting in the FISAP report not including the year-end adjustments. For future reporting, the District will ensure the FISAP report is filed by the September 30th due date; however, should adjustments be made subsequent to the FISAP submission, the Business Department will communicate to the financial aid department any adjustments and an amended FISAP report will be filed.

MOHAVE COUNTY COMMUNITY COLLEGE DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2024

Financial Statement Findings

2023-01

Condition: The District did not have a system of internal controls that would enable management to conclude the financial statements and related disclosures are complete and presented in accordance with accounting principles generally accepted in the United States of America. As such, we encountered a scope limitation and identified errors and omissions in the financial statements, including the related footnote disclosures.

Status: Partially corrected. A similar finding was noted in the current year as 2024-01. We are not aware of any scope limitations or discrepancies in financial reporting or note disclosures. Adjustments were recorded by the District during the audit process to reduce accounts receivable and unearned revenue for Fall 2024 billings posted in June 2024 and an adjustment to reduce revenue and scholarship expenses were recorded to reduce tuition and fees by the scholarship allowance.

Reason Not Corrected: The District had a change in key accounting personnel during the beginning of the audit and completion of the year end close out procedures. District staff is aware of the requirement and will make the necessary adjustments for the upcoming June 30, 2025 audit.

Contact Person: Joline Pruitt, Vice President Administrative Services & CFO

Anticipated Completion Date: September 30, 2025

2023-02

Condition: The District's control procedures for password expiration review and remediation were not sufficiently implemented. We also noted accounts with administrative privileges that were not needed at the time of review. During the District implementation of its new ERP system, it was noted that user access rights were reviewed, but no formal documentation of that process or final listing of approved user by access group was in place or available for review.

Status: Partially corrected. A similar finding was noted in the current year as 2024-02. All noted prior year conditions were corrected; however, in the current year, it was noted that a second review by the head of the user group did not document a review and approval of the assigned user roles.

Reason Not Corrected: The District corrected all matters, but lacked documentation of a second review of the user roles assigned by the District's IT department. Although the District did not have any unallowable user access rights noted in the system, the District agrees that formal approval of user access rights should be documented by the access group. The District will undertake the following actions to enhance access controls over information technology resources:

1. Continue to document and formalize user access review procedures, ensuring a final listing of approved users by access group is maintained and available for review.
2. Continue to implement periodic reviews and audits of IT policies and procedures to ensure ongoing compliance and effectiveness.

Contact Person: Joline Pruitt, Vice President Administrative Services & CFO

Anticipated Completion Date: June 30, 2025

MOHAVE COUNTY COMMUNITY COLLEGE DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2024

Financial Statement Findings (Continued)

2023-03

Condition: The District's control procedures for review and approval were not in place for all transactions tested. In addition, we noted opportunity for improvement of controls for purchases of gift cards.

Status: Partially corrected.

The District has already implemented improved procedures over its use of credit cards. Improvements in controls include:

- Review, approval, and tracking of assets
- All expenses (including P-Card and credit card purchases) are monitored monthly by the Business Services Department
- Any deviations from expectations are investigated, which may result in requiring employees to pay the District back for unauthorized activity, if identified
- Monitoring, exception reporting, and additional efforts to increase controls are in place currently

The current year finding (2024-03), noted that one credit card purchase out of 30 tested had all required documentation, but lacked a documented review within the financial system.

Reason Not Corrected: The District corrected all prior year findings, but one item was noted that did not conform to District policy and appears to be an oversight in the process. The District will review procedures with District personnel to ensure adherence to the designed procedures.

Contact Person: Joline Pruitt, Vice President Administrative Services & CFO

Anticipated Completion Date: September 30, 2025