

Cochise County Community College District Annual financial statement and compliance audits

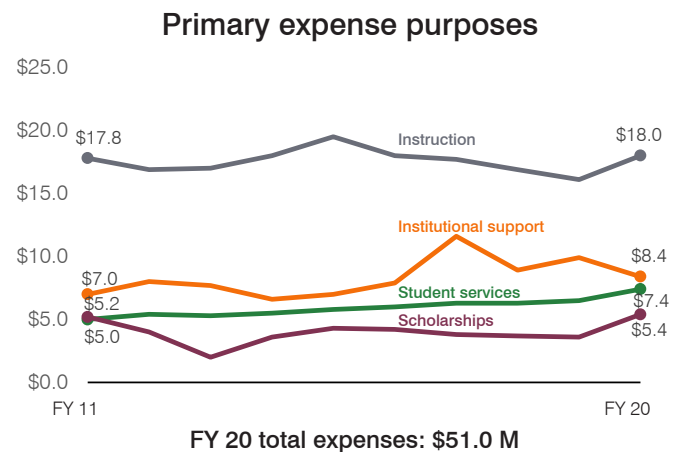
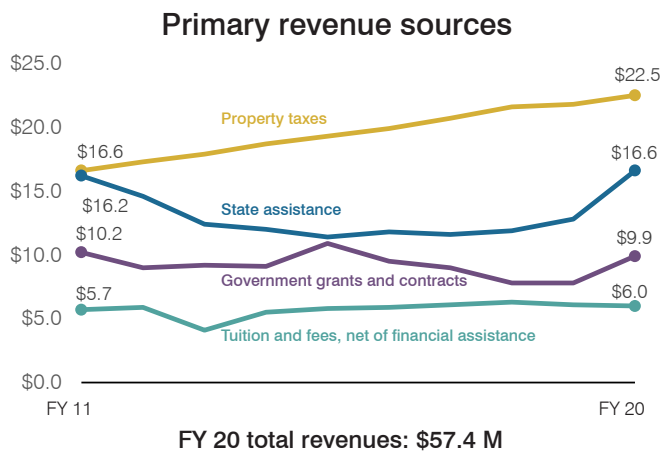
The District's fiscal year 2020 reported financial information is reliable. However, we reported deficiencies and noncompliance over financial reporting and federal programs, summarized on the next page.

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) 2011 through 2020
(In millions)



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

Largest primary revenue sources

- **Property taxes—39.2% FY 20:** Levied and collected from property owners based on the assessed value of real and personal property within Cochise County.
- **State assistance—28.9% FY 20:** Includes State appropriations for general operations and maintenance, science/technology and workforce programs, equalization aid, and the District's share of State sales taxes. The FY 20 increase from FY 19 was due to \$3.1 million of new state funding for rural community colleges.

Largest primary expense purposes

- **Instruction—35.2% FY 20:** Costs to provide instruction for all sessions and online learning, including instruction for general academics, vocational/technical programs, and community education.
- **Institutional support—16.5% FY 20:** Costs for District-wide planning and administrative support, including executive management, general and fiscal operations, information technology, and public relations/development.

District's net position increased in FY 20

District revenues were \$6.4 million greater than its expenses, increasing its total net position to \$47.3 million at June 30, 2020. 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. None of this net position is unrestricted, meaning some is not in spendable form, and the rest is restricted by external parties.

Auditor findings and recommendations

Summarized below are our findings and recommendations included in the District's [Report on Internal Control and on Compliance](#) and [Single Audit Report](#) where there is further information and the District's responses.

The District should:

- Prioritize improving its policies and procedures over information technology (IT) systems and data to effectively identify and respond to risks, manage IT systems changes, and to prevent, detect, and respond to unauthorized or inappropriate access or use, manipulation, damage, or loss, including protecting sensitive student data. The District also needs to allocate resources to perform its information security risk assessment for its federal student financial aid programs. We reported similar IT findings in prior years.
- Develop and implement procedures to comply with federal Education Stabilization Fund grant regulations so the District only requests reimbursement for allowable costs and spends program monies within allowable time periods. We found that the District spent \$148,160 of Education Stabilization Fund grant monies on unallowable costs which we reported as questioned costs.

Auditor General website report links

- The June 30, 2020, Cochise County Community College District Comprehensive Annual Financial Report, Report on Internal Control and on Compliance, 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](#).