

Cochise County Community College District

Single Audit Report

Year Ended June 30, 2021



A Report to the Arizona Legislature

Lindsey A. Perry
Auditor General





The Arizona Auditor General's mission is to provide independent and impartial information and specific recommendations to improve the operations of State and local government entities. To this end, the Office provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits and special reviews of school districts, State agencies, and the programs they administer.

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Annual Comprehensive Financial Report

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*



LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

**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**

Members of the Arizona State Legislature

The Governing Board of
Cochise County Community College District

Report on compliance for each major federal program

We have audited Cochise County Community College District's compliance with the types of compliance requirements described 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, 2021. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on each major federal program

In our opinion, the District complied, in all material respects, with the types of 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, 2021.

Report on internal control over compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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 of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Report on schedule of expenditures of federal awards required by the Uniform Guidance

We have audited the financial statements of the District's business-type activities and discretely presented component unit as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 16, 2021, that contained unmodified opinions on those financial statements. Our report also included a reference to our reliance on other auditors. Our audit was conducted for the purpose of forming our 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 basic 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 U.S. generally accepted auditing standards. 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.

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

April 27, 2022



SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of auditors' results

Financial statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles	Unmodified
Internal control over financial reporting	
Material weaknesses identified?	No
Significant deficiencies identified?	Yes
Noncompliance material to the financial statements noted?	No

Federal awards

Internal control over major programs	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)?	No
Identification of major programs	
Assistance Listings number	Name of federal program or cluster
84.007, 84.033, 84.063, 84.268 84.425	Student Financial Assistance Cluster COVID-19 - Education Stabilization Fund
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	No

Financial statement findings

Financial statement findings were reported in the separately issued 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*.

Federal award findings and questioned costs

None reported.

DISTRICT SECTION

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Period 7/1/2020 - 6/30/2021

<i>Federal Awarding Agency/Program Title</i>	<i>Federal CFDA Number</i>	<i>Additional Award Identification (Optional)</i>	<i>Name of Funder Pass-Through Entity</i>	<i>Identifying Number Assigned By Funder Pass-Through Entity</i>	<i>Federal Expenditures</i>	<i>Federal Program Total</i>	<i>Cluster Name</i>	<i>Cluster Total</i>
INSTITUTE OF MUSEUM AND LIBRARY SERVICES OR NATIONAL ENDOWMENT FOR THE ARTS OR NATIONAL ENDOWMENT FOR THE HUMANITIES								
GRANTS TO STATES	45.310		INSTITUTE OF MUSEUM AND LIBRARY SERVICES	2020-0720-12 2020-0340-WIFI-02 2021-0340-WIFIH-03	\$12,000	\$12,000	N/A	\$0
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES OR NATIONAL ENDOWMENT FOR THE ARTS OR NATIONAL ENDOWMENT FOR THE HUMANITIES					<u>\$12,000</u>			
NATIONAL SCIENCE FOUNDATION								
EDUCATION AND HUMAN RESOURCES	47.076				\$37,625	\$37,625	N/A	\$0
TOTAL NATIONAL SCIENCE FOUNDATION					<u>\$37,625</u>			
SMALL BUSINESS ADMINISTRATION								
SMALL BUSINESS DEVELOPMENT CENTERS	59.037		MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT	SBHQ-20-B-0074 SBHQ-21-B-0028 SBAHQ20C0012	\$156,804	\$156,804	N/A	\$0
TOTAL SMALL BUSINESS ADMINISTRATION					<u>\$156,804</u>			
DEPARTMENT OF EDUCATION								
ADULT EDUCATION - BASIC GRANTS TO STATES	84.002		ARIZONA DEPARTMENT OF EDUCATION	21FAWIOA-112181-01A 21FEAEWF-112181-01 21FABSE-112181-01A 21FIELCE-112181-01A 21FIETFE-112181-01A 21FPROFL-112181-01A 21FVRTUL-112181-01A	\$506,439	\$506,439	N/A	\$0
FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS	84.007				\$122,626	\$122,626	STUDENT FINANCIAL ASSISTANCE	\$7,332,623
FEDERAL WORK-STUDY PROGRAM	84.033				\$74,241	\$74,241	STUDENT FINANCIAL ASSISTANCE	\$7,332,623
TRIO_STUDENT SUPPORT SERVICES	84.042				\$289,717	\$289,717	TRIO CLUSTER	\$289,717
CAREER AND TECHNICAL EDUCATION -- BASIC GRANTS TO STATES	84.048		ARIZONA DEPARTMENT OF EDUCATION	21FCTDBG-112181-20A 20FCTDBG-012181-20A	\$232,502	\$232,502	N/A	\$0
FEDERAL PELL GRANT PROGRAM	84.063				\$5,615,963	\$5,615,963	STUDENT FINANCIAL ASSISTANCE	\$7,332,623
FEDERAL DIRECT STUDENT LOANS	84.268				\$1,519,793	\$1,519,793	STUDENT FINANCIAL ASSISTANCE	\$7,332,623
EDUCATION STABILIZATION FUND	84.425	COVID-19, 84.425E			\$1,859,618	\$4,673,836	N/A	\$0
EDUCATION STABILIZATION FUND	84.425	COVID-19, 84.425F			\$2,814,218	\$4,673,836	N/A	\$0
TOTAL DEPARTMENT OF EDUCATION					<u>\$13,035,117</u>			
TOTAL EXPENDITURE OF FEDERAL AWARDS					<u>\$13,241,546</u>			

Please Note:

Italicized award lines indicate pass-through funding

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of the schedule.

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Period 7/1/2020 - 6/30/2021

Significant Accounting Policies Used in Preparing the SEFA

Expenditures reported on the schedule are reported on the accrual basis of accounting, except for the Education Stabilization Fund (84.425 F). For this program, \$1,378,440 of revenues received during the fiscal year as reimbursement for lost revenues that were reduced or eliminated because of the COVID-19 pandemic are also reported as expenditures of federal awards. All other 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.

10% De Minimis Cost Rate

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

Basis of presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Cochise County Community College District for the year ended June 30, 2021. 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.

Federal Assistance Listings numbers

The program titles and Federal Assistance Listings numbers were obtained from the federal or pass-through grantor or the 2021 *Federal Assistance Listings* .

Donated personal protective equipment (PPE)

For the fiscal year ended June 30, 2021, the District received donated personal protective equipment purchased with federal assistance funds from the Cochise County Health and Social Services department with a fair market value of \$260.

DISTRICT RESPONSE



COCHISE COLLEGE

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December 16, 2021

Lindsey A. Perry
Arizona Auditor General
2910 N. 44th St., Ste. 410
Phoenix, AZ 85018

Dear Ms. Perry:

We have prepared the accompanying summary schedule of prior audit findings as required 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, we are reporting the status of audit findings included in the prior audit's schedule of findings and questioned costs. This schedule also includes the status of audit findings reported in the prior audit's summary schedule of prior audit findings that were not corrected.

Sincerely,

Wendy Davis, Ph.D.
Vice President for Administration

Cochise County Community College District
Cochise College
Summary schedule of prior audit findings
Year ended June 30, 2021

Status of financial statement findings

Managing risk

Finding number: 2020-01. This finding initially occurred in fiscal year 2017.

Status: Fully corrected

Information technology controls—access, configuration and change management, and security

Finding number: 2020-02. This finding initially occurred in fiscal year 2017.

Status: Partially corrected

The District agrees with the Auditors' assessment regarding information technology (IT) control procedures. Over the past 12 months, the District has implemented procedures to address deficiencies in these matters. The District appreciates the guidance provided by the Auditors and plans to implement the internal controls recommended by the National Institute of Standards and Technology. The fulfillment of the implementation is ongoing.

Status of federal award findings and questioned costs

Assistance Listings and program name: 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

Finding number: 2020-101. This finding initially occurred in fiscal year 2019.

Status: Fully corrected

Assistance Listings and program name: 84.425F Education Stabilization Fund-Higher Education Emergency Relief Fund Institutional Portion

Finding number: 2020-102. This finding initially occurred in fiscal year 2020.

Status: Fully corrected

