

Cochise County Community College District Annual financial statement and compliance audits

The District's fiscal year 2023 reported financial information is reliable. However, we reported deficiencies and noncompliance over financial reporting and federal reporting, summarized on the next page.

Audits' purpose

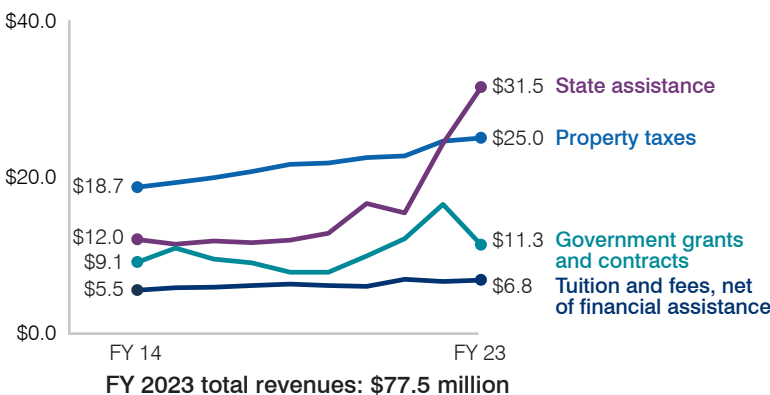
To express our opinions on the District's financial statements and on compliance with certain federal requirements and, if applicable, to report findings over noncompliance with certain laws and regulations or other financial deficiencies.

Primary revenue sources and how they were spent

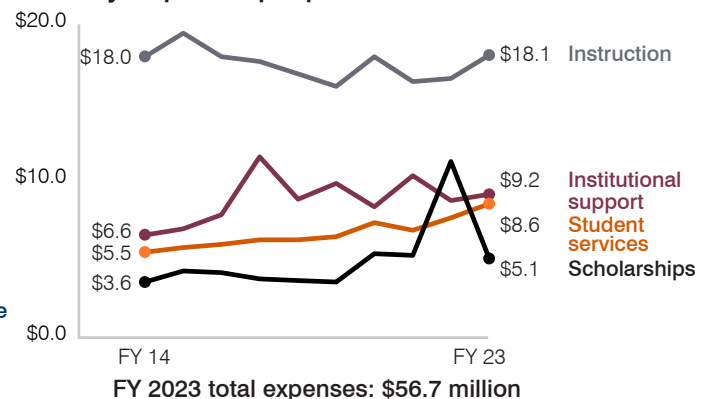
Fiscal years (FY) 2014 through 2023

(In millions)

Primary revenue sources



Primary expense purposes



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

Largest primary revenue sources FY 2023

- **State assistance 40.6%**—Includes State appropriations for general operations and maintenance, science/technology and workforce programs, equalization aid, and the District's share of State sales taxes.
- **Property taxes 32.3%**—Levied and collected from property owners based on the assessed value of real and personal property within Cochise County.

Largest primary expense purposes FY 2023

- **Instruction 31.9%**—Costs to provide instruction for all sessions and online learning, including instruction for general academics, vocational/technical programs, and community education.
- **Institutional support 16.2%**—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 2023

District revenues were \$20.8 million greater than its expenses, increasing its total net position to \$91.4 million at June 30, 2023. 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, \$90.6 is restricted by external parties or is not in spendable form, and the remaining \$0.8 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:

- Provide key financial information to auditors by the agreed-upon deadlines established at the beginning of the audit to ensure timely issuance of its Annual Comprehensive Financial Report (ACFR), Single Audit Report, and Annual Budgeted Expenditure Limitation Report (ABELR). We found that the District issued its ACFR and Single Audit Report 86 and 102 days later than required, respectively, which also resulted in a delay in the District issuing its ABELR by March 31, 2023, as required. We initially reported a similar finding in fiscal year 2022.
- Update existing procedures for preparing and reviewing its financial statements and supporting schedules to ensure they are prepared accurately and in accordance with generally accepted accounting principles. We found that the District's initially prepared financial statements and note disclosures contained errors and misclassifications that required correction.
- Develop, document, and implement procedures for restricting access to its IT systems and data, and develop a process to ensure these procedures and existing IT security training policies are being consistently followed. We found that the District's procedures did not consistently help prevent or detect unauthorized or inappropriate access to its IT systems and data. We initially reported a similar finding in fiscal year 2017.

Auditor General website report links

- The June 30, 2023, 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](#).