

## Mohave County Community College District Annual financial statement and compliance audits

The District's fiscal year 2024 reported financial information is reliable. However, the District's auditors reported deficiencies and noncompliance over financial reporting and federal programs, summarized on the next page.<sup>1</sup>

### Audits' purpose

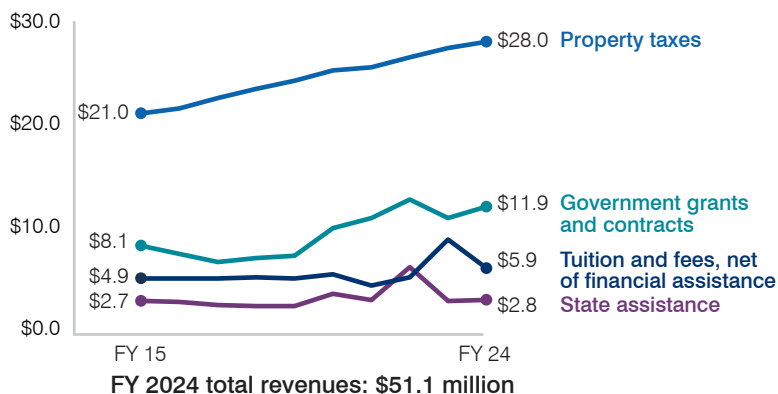
To express opinions on the District's financial statements and on compliance with certain federal requirements and, if applicable, to report findings over noncompliance with certain laws and regulations or other financial deficiencies.

### Primary revenue sources and how they were spent

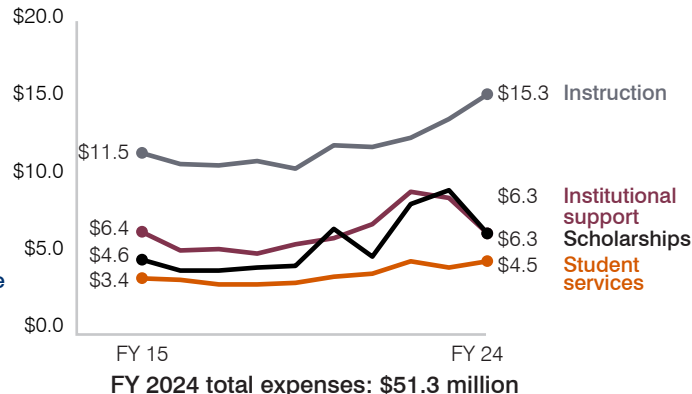
Fiscal years (FY) 2015 through 2024

(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 2024

- Property taxes 54.8%**—Levied and collected from property owners based on the assessed value of real and personal property within Mohave County.
- Government grants and contracts 23.3%**—Includes State and federal government grant programs awarded primarily for student financial aid.

### Largest primary expense purposes FY 2024

- Instruction 29.8%**—Costs to provide instruction for all sessions and online learning, including instruction for general academics, vocational/technical programs, and community education.
- Institutional support 12.3%**—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 decreased in FY 2024

District revenues were \$0.2 million less than its expenses, decreasing total net position to \$65.2 million at June 30, 2024. Net position includes all assets, such as buildings, vehicles, and cash and investments, less all liabilities, such as unpaid pension and other payroll obligations and accounts payable. Of the total net position, \$50.6 million is restricted by external parties or is not in spendable form, and the remaining \$14.6 million is unrestricted.

<sup>1</sup> The certified public accounting firm Snyder & Brown, CPAs, PLLC conducted these audits under contract with the Arizona Auditor General in accordance with Arizona Revised Statutes §41-1279.21.

## Auditor findings and recommendations

Summarized below are the District's auditors' 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:

- Develop and implement policies and procedures to prepare and independently review the financial statements to ensure they are complete, accurate and prepared in accordance with generally accepted accounting principles so that it can detect and correct errors in the financial statements before providing them for audit. The District's auditors identified material errors and omissions in the financial statements that required correction and could have otherwise misinformed those relying on the reported financial information. A similar finding was reported in the prior year.
- Develop, document and continually review comprehensive information technology (IT) policies and procedures. The District's auditors found that the District did not maintain documentation for assigning and modifying system user access, and current policies and procedures did not address documenting a review and approval process. These deficiencies result in an increased risk that the District may not adequately protect its IT systems and data. A similar finding was reported in the prior year.
- Enforce and strengthen purchasing card policies and procedures. The District's auditors found that purchasing card transactions were not always reviewed and approved. This deficiency results in an increased risk that the District may not adequately prevent fraudulent purchases and misuse of public monies. A similar finding was reported in the prior year.
- Establish policies and procedures to ensure the amounts reported on the Fiscal Operations Report and Application to Participate (FISAP) are accurate and agree to underlying accounting records. The District's auditors found that amounts reported on the FISAP for tuition and fee revenues and Pell grant expenses did not agree to underlying accounting records, resulting in inaccurate information being reported to the U.S. Department of Education.
- Ensure the Mohave College Foundation (Foundation) separates incompatible duties. The District's auditors found that some Foundation employees had custody of assets and were also responsible for recordkeeping. The concentration of duties amongst a limited number of personnel increases the risk of misappropriation or misuse of assets.
- Ensure contributions the Foundation receives from donors with specific use restrictions are sufficiently tracked to help ensure these funds are accurately recorded and used only for the intended purpose. The District's auditors found that the subsidiary schedule used to identify and track endowment assets and other assets with donor restrictions did not agree to the trial balance. As a result, material adjusting entries were necessary to properly record financial statement balances for endowments and other assets with donor restrictions.

## Auditor General website report links

- The June 30, 2024, Mohave 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 the District auditors' 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.](#)