



Single Audit Report Year Ended June 30, 2025

Cochise County Community College District



Lindsey A. Perry
Auditor General

Arizona Auditor General's mission

The Arizona Auditor General's mission is to provide independent and impartial information, impactful recommendations, and stakeholder education to improve Arizona government for its citizens. To this end, the Office conducts financial statement audits and provides certain accounting services to the State and political subdivisions, investigates possible criminal violations involving public officials and public monies, and conducts performance audits and special reviews of school districts, State agencies, and the programs they administer.

The Joint Legislative Audit Committee

The Joint Legislative Audit Committee consists of 5 Senate members appointed by the Senate President and 5 House members appointed by the House Speaker. The Committee is responsible for overseeing the Office, including (1) overseeing all audit functions of the Legislature and State agencies, including sunset, performance, special, and financial audits; special research requests; and the preparation and introduction of legislation resulting from audit report findings; (2) requiring State agencies to comply with audit findings and recommendations; (3) receiving status reports regarding the progress of school districts to implement recommendations; and (4) scheduling hearings to review the status of State agencies and school districts.

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Senator **Flavio Bravo**

Senator **Tim Dunn**

Senator **David C. Farnsworth**

Senator **Catherine Miranda**

Senator **Warren Petersen** (ex officio)

Representative **Matt Gress**, Chairman

Representative **Michael Carbone**

Representative **Michele Peña**

Representative **Stephanie Stahl-Hamilton**

Representative **Betty Villegas**

Representative **Steve Montenegro** (ex officio)

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TABLE OF CONTENTS

AUDITORS' SECTION

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 1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS 5

SUMMARY OF AUDITORS' RESULTS 5

FINANCIAL STATEMENT FINDINGS 6

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS 6

DISTRICT SECTION 7

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

REPORTS ISSUED SEPARATELY

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*



**ARIZONA
AUDITOR
GENERAL**

Lindsey A. Perry, 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

Opinion on each major federal program

We have audited Cochise 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, 2025. The District's major federal program is 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 its major federal program for the year ended June 30, 2025.

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.

Auditors' 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.

Report on 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 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. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 22, 2025, that contained unmodified opinions on those financial statements. Our report also included a reference to our reliance on other auditors. Our audit was performed 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

March 6, 2026

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 U.S. 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? No

Significant deficiencies identified? Yes

Noncompliance material to the financial statements noted? No

Federal awards

Internal control over major federal program(s)

Material weaknesses identified? No

Significant deficiencies identified? None reported

Type of auditors' report issued on compliance for major federal program(s) Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)? No

Identification of major federal program(s)

Assistance Listings number(s)	Name of federal program or cluster
84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster

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.

The District prepared the subsequent pages of this document.

Schedule of expenditures of federal awards and related notes

This schedule includes the District's federal grant activity for the fiscal year and the related notes, which are an integral part of the schedule and describe the significant accounting policies used in preparing the schedule and other disclosures as required by 2 Code of Federal Regulations (CFR) §200.510(b).

The results of our auditing procedures on this schedule are described in the 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.

Summary schedule of prior audit findings

The summary schedule of prior audit findings includes the District's status of implementing audit finding recommendations from the prior year's audit in addition to the status of any older audit findings that were not reported as fully corrected in the prior year's summary schedule of prior audit findings as required by 2 CFR §200.511(b).

We performed auditing procedures to follow up on prior audit findings, including assessing the reasonableness of the summary schedule of prior audit findings as required by 2 CFR §200.514(e).

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Fiscal Period 7/1/2024 - 6/30/2025

<i>Federal Awarding Agency/Program Title</i>	Assistance Listings Number	Additional Award Identification (Optional)	Name of Grantor Pass-Through Entity	Identifying Number Assigned By Grantor Pass-Through Entity	Federal Expenditures	Federal Program Total	Cluster Name	Cluster Total
NATIONAL ENDOWMENT FOR THE HUMANITIES								
GRANTS TO STATES	45.310				\$4,000	\$4,000	N/A	\$0
TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES					<u>\$4,000</u>			
NATIONAL SCIENCE FOUNDATION								
<i>STEM EDUCATION (FORMERLY EDUCATION AND HUMAN RESOURCES)</i>	47.076		UNIVERSITY OF ARIZONA	1950129	\$5,712	\$5,712	N/A	\$0
TOTAL NATIONAL SCIENCE FOUNDATION					<u>\$5,712</u>			
SMALL BUSINESS ADMINISTRATION								
<i>SMALL BUSINESS DEVELOPMENT CENTERS</i>	59.037		MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT	SBAOEDS8230060-01-00, SBAOEDS8240114, SBAOEDS82501	\$181,678	\$181,678	N/A	\$0
TOTAL SMALL BUSINESS ADMINISTRATION					<u>\$181,678</u>			
DEPARTMENT OF EDUCATION								
<i>ADULT EDUCATION - BASIC GRANTS TO STATES</i>	84.002		ARIZONA DEPARTMENT OF EDUCATION	25FFSABE-512181-01A, 25FSPLSA-512181-01A, 25FFSIET-512181-01A, 25FSESOL-512181-01A, 25FEAEWF-512181-01	\$546,678	\$546,678	N/A	\$0
FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS	84.007				\$150,000	\$150,000	STUDENT FINANCIAL ASSISTANCE	\$9,969,679
FEDERAL WORK-STUDY PROGRAM	84.033				\$136,518	\$136,518	STUDENT FINANCIAL ASSISTANCE	\$9,969,679
TRIO STUDENT SUPPORT SERVICES	84.042				\$321,818	\$321,818	TRIO CLUSTER	\$321,818
<i>CAREER AND TECHNICAL EDUCATION -- BASIC GRANTS TO STATES</i>	84.048		ARIZONA DEPARTMENT OF EDUCATION	24FCTDBG-412181-20A, 25FCTDBG-412181-20A	\$353,533	\$353,533	N/A	\$0
FEDERAL PELL GRANT PROGRAM	84.063				\$8,169,536	\$8,169,536	STUDENT FINANCIAL ASSISTANCE	\$9,969,679
<i>FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION</i>	84.116		YAVAPAI COUNTY COMMUNITY COLLEGE DISTRICT	P1167210013	\$4,022	\$4,022	N/A	\$0
FEDERAL DIRECT STUDENT LOANS	84.268				\$1,513,625	\$1,513,625	STUDENT FINANCIAL ASSISTANCE	\$9,969,679
<i>EDUCATION STABILIZATION FUND</i>	84.425	COVID-19, 84.425R	STATE OF ARIZONA, OFFICE OF THE GOVERNOR	IGA-EANS-COCHISE-010124-01	\$448,875	\$448,875	N/A	\$0
TOTAL DEPARTMENT OF EDUCATION					<u>\$11,644,605</u>			
TOTAL EXPENDITURES OF FEDERAL AWARDS					<u>\$11,835,995</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 7/1/2024 - 6/30/2025

Significant Accounting Policies Used in Preparing the SEFA

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.

15% De Minimis Cost Rate

The District did not elect to use the 15 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, 2025. 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 Listing numbers were obtained from the federal or pass-through grantor or the 2025 *Federal Assistance Listings*.



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January 23, 2026

Lindsey Perry
Auditor General
2910 N 44th St, Suite 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 included in the prior audit's summary schedule of prior audit findings and questioned costs. The 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,

A handwritten signature in black ink that reads 'Wendy Davis'.

Wendy Davis, Ph.D.
Executive Vice President for Administration

Summary schedule of prior year findings status

2024-01

The District did not restrict access to 2 investment accounts to only authorized employees, increasing the risk and misuse of public monies.

Status: Fully Corrected

2024-02

The District's control procedures over access to IT systems and data were not sufficient, which increases the risk that the District may not adequately protect those systems and data

This finding initially occurred in fiscal Year 2017.

Current status: Partially corrected

Cochise College implemented improvements to its annual security awareness training during Fiscal Year 2024 aimed at ensuring all college employees with access to IT systems completed annual security awareness training. The controls implemented in FY2024 were refined throughout the fall of 2025 to account for several gaps identified as the college executed its mandatory security awareness training for FY2025. The discrepancies identified by the FY2024 audit team have been addressed and process improvements incorporated to ensure similar discrepancies do not re-occur.

Cochise College has implemented a process to address the user account finding and has identified a risk-based approach to addressing the user account review and least access assignment criteria in the audit. The college will have a documented process for ensuring users have appropriate access and will implement that process and ensure access is reviewed for high risk information on a predictable cadence.