

Cochise County Community College District

CONCLUSION: Based on our audit, we issued opinions on the District's financial statements and federal expenditure schedule concluding that the information in those statements and schedule is reliable. We also issued reports over the District's internal control and compliance over financial reporting and select federal programs, which identified internal control weaknesses over financial reporting and internal control weaknesses and noncompliance over major federal programs that are explained on the next page.

District overview

District provides post-secondary education in Cochise County—In fiscal year 2018, the District provided post-secondary education to over 6,325 students of whom nearly 61 percent were part-time. It has 2 full-service campuses and multiple outreach and educational centers across Cochise County, which encompasses 6,200 square miles. The District also has a virtual campus that provides additional services.

District responsible for accurate financial report—The District is responsible for accurately preparing its [Comprehensive Annual Financial Report \(CAFR\)](#), maintaining effective internal controls, and being accountable for its use of public monies. Select financial information from the District's CAFR is presented below. However, the District's CAFR should be read to fully understand its overall financial picture. Our Office's [Financial Report User Guide for Colleges and Universities](#) will help readers identify and understand important and useful information in the District's CAFR.

District financial information

Asset, liability, and net position balances on June 30, 2018

Total assets/deferred outflows = \$102.6 million

Select asset balances:

\$72.3 M Capital assets
21.8 Cash and investments
2.3 Receivables

Total liabilities/deferred inflows = \$65.8 million

Select liability balances:

\$33.7 M Noncurrent employee benefits
25.9 Bonds payable/other long term payables
3.4 Current payables

District's net position = \$36.8 million

None of this net position is unrestricted

Revenues and expenses during fiscal year 2018

Total revenues = \$49.1 million

Select revenue sources:

\$21.6 M Property taxes
11.9 State assistance
7.8 Government grants and contracts
6.3 Tuition and fees, net of financial assistance

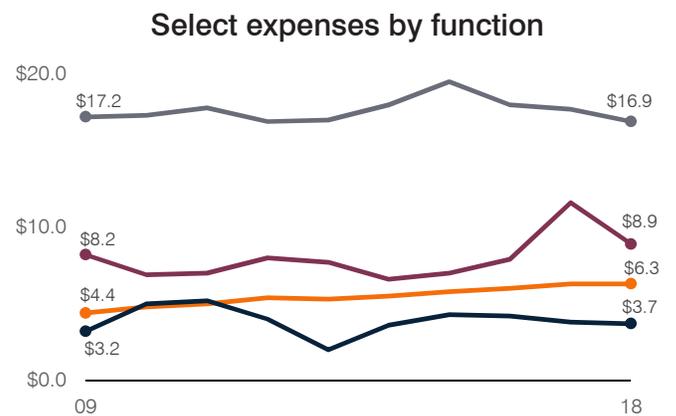
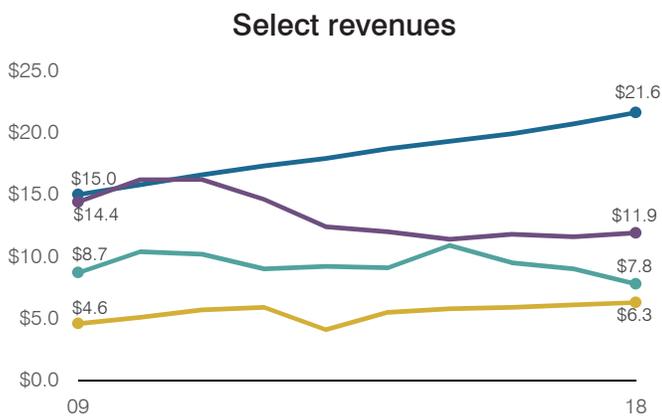
Total expenses = \$47.4 million

Select expenses by function:

\$16.9 M Instruction
8.9 Institutional support
6.3 Student services
3.7 Scholarships

Select revenues and expenses by function Fiscal years 2009 through 2018

(In millions)



- **Property taxes**—Taxes the District levies on the assessed value of real and personal property within Cochise County. The Cochise County treasurer collects the tax revenues and remits them to the District.
- **State assistance**—State appropriations for general operations and maintenance, workforce programs, equalization aid, and the District's share of State sales taxes. In fiscal year 2018, 43.7 percent was from State equalization aid.
- **Government grants and contracts**—State and federal government grant programs awarded primarily for student financial aid and contracts to provide educational services.
- **Tuition and fees, net of financial assistance**—Charges to students for educational services, net of any District student financial assistance revenues that were used to cover the students' tuition and fees.

- **Instruction**—Instruction programs for all sessions and online learning, including instruction for general academics, vocational/technical programs, and community education.
- **Institutional support**—District-wide planning and administrative support, including executive management, general and fiscal operations, information technology support, and public relations/development.
- **Student services**—Social and cultural development, career guidance, financial aid administration, admissions, records, and information technology.
- **Scholarships**—Student grants, scholarships, and tuition and fee waivers.

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

Audit findings and recommendations

Below is a summary of our reports over the District's internal control and compliance over financial reporting and over federal programs that are included in the District's [Single Audit Report](#) where there is detailed information about our findings and the District's response. For help in understanding important information presented in these reports, please refer to our Office's [Internal Control and Compliance Reports User Guide](#).

Financial reporting internal control

We found that the District did not have adequate policies and procedures over IT systems and data to adequately identify and respond to risks and to prevent, detect, and respond to unauthorized or inappropriate access or use, manipulation, damage, or loss, including protecting sensitive student data. To ensure its financial and other sensitive data is protected, the District needs to continue to update and implement policies and procedures over its IT systems and data. We reported similar IT security findings in the prior year.

IT security findings and recommendations

Federal internal control and compliance

The District spent over \$8.9 million of federal program monies during the fiscal year. We tested 2 federal programs selected under the major program guidelines established by the Single Audit Act, consisting of the Student Financial Assistance Cluster and TRIO student support services programs, which totaled nearly \$8.2 million in federal expenditures. We reported findings regarding the District's administration of these 2 programs.

Federal award findings and recommendations