

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

The District’s fiscal year 2023 reported financial information is reliable, except for tuition and fees, net of scholarship allowances, reported at \$8.7 million. Also, the District’s auditors reported deficiencies and noncompliance over financial reporting, summarized on the next page.<sup>1</sup>

### Audits’ purpose

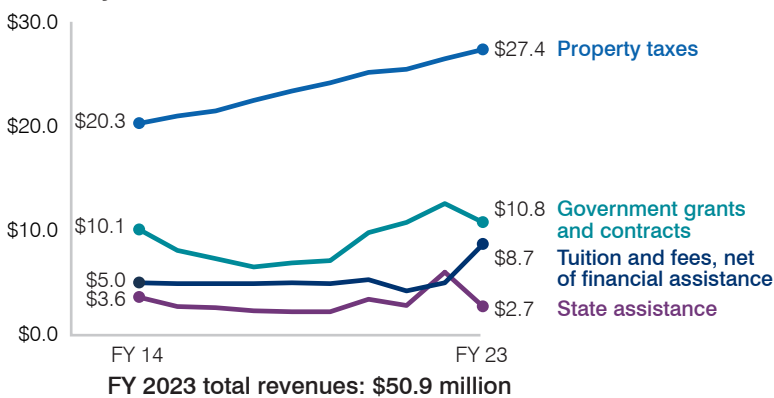
To express opinions on the District’s financial statements and on compliance with certain federal requirements and, if applicable, to report findings over noncompliance with certain laws and regulations or other financial deficiencies.

### Primary revenue sources and how they were spent

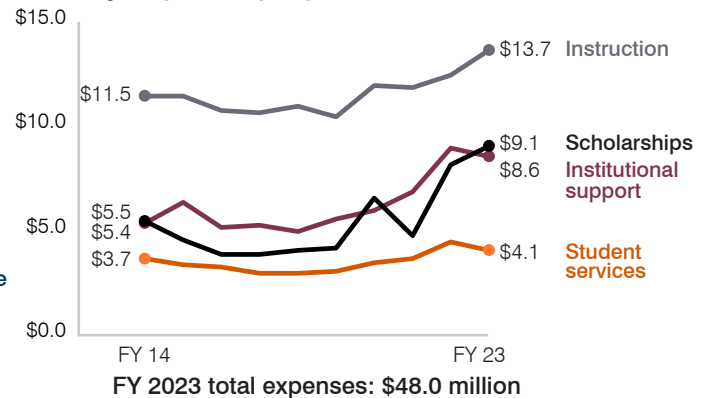
Fiscal years (FY) 2014 through 2023

(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

- **Property taxes 53.8%**—Levied and collected from property owners based on the assessed value of real and personal property within Mohave County.
- **Government grants and contracts 21.1%**—Includes State and federal government grant programs awarded primarily for student financial aid.

### Largest primary expense purposes FY 2023

- **Instruction 28.6%**—Costs to provide instruction for all sessions and online learning, including instruction for general academics, vocational/technical programs, and community education.
- **Scholarships 18.9%**—Costs to provide student financial assistance in the form of scholarship awards to cover students’ tuition and fees.

### District’s net position increased in FY 2023

District revenues were \$2.9 million greater than its expenses, increasing total net position to \$65.4 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 and accounts payable. Of the total net position, \$42.9 million is restricted by external parties or is not in spendable form, and the remaining \$22.5 million is unrestricted.

<sup>1</sup> The certified public accounting firm CWDL, CPAs, 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 were unable to determine the accuracy of tuition and fees, net of scholarship allowances, because the District was unable to provide a complete and accurate report from their new financial system to support these balances. Further, the District's auditors identified material errors and omissions in the financial statements, including the related footnote disclosures, that required correction and could have otherwise misinformed those relying on the reported financial information.
- Develop, document, and continually review comprehensive information technology (IT) policies and procedures. The District's auditors noted that control procedures for password expiration review and remediation were not sufficiently implemented. They also noted accounts with administrative privileges that were no longer needed at the time of review. These deficiencies result in an increased risk that the District may not adequately protect its IT systems and data.
- Enforce and strengthen purchasing card policies and procedures. The District's auditors noted that supporting documentation was not always maintained for purchasing card transactions. Further, the District should develop, document, and implement processes to ensure gift card purchases are approved and that gift cards are subsequently inventoried and tracked from acquisition until distribution. These deficiencies result in an increased risk that the District may not adequately prevent fraudulent purchases and misuse of public monies.

## Auditor General website report links

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