

Graham County Community College District Annual financial statement and compliance audits

The District’s fiscal year 2023 reported financial information is reliable. However, the District’s auditors reported deficiencies over financial reporting, summarized on the next page.¹

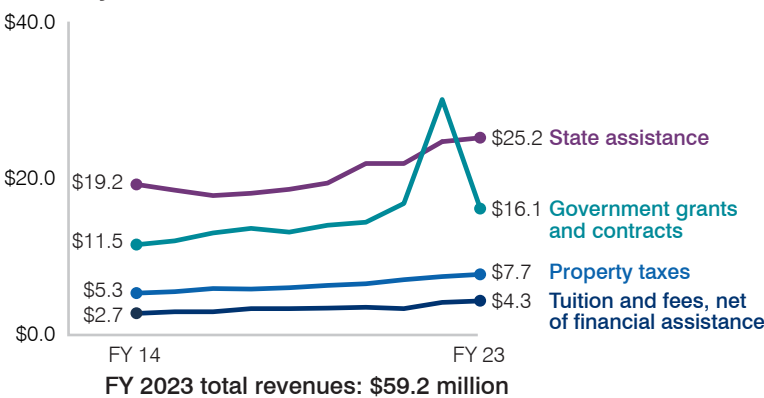
Audits’ purpose

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.

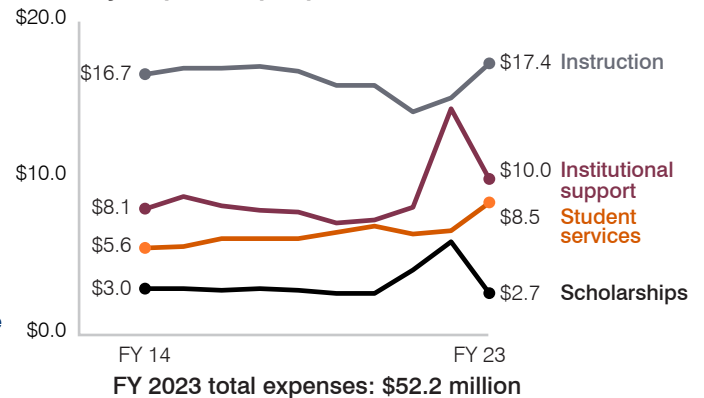
Primary revenue sources and how they were spent

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

- **State assistance 42.7%**—Includes State appropriations for general operations and maintenance, science/technology and workforce programs, equalization aid, and the District’s share of State sales taxes.
- **Government grants and contracts 27.2%**—Includes State and federal government grant programs awarded primarily for student financial aid and contracts to provide educational services, including those for Greenlee County and Gila County Provisional Community College District. These revenues spiked in FY 2022 due to the receipt of federal COVID-19 relief monies.

Largest primary expense purposes FY 2023

- **Instruction 33.4%**—Costs to provide instruction for all sessions and online learning, including instruction for general academics, vocational/technical programs, and community education.
- **Institutional support 19.1%**—Costs for District-wide planning and administrative support, including executive management, general and fiscal operations, information technology, and public relations/development. These expenses spiked in FY 2022 due to the spending of additional federal COVID-19 relief monies.

District’s net position increased in FY 2023

District revenues were \$7.0 million greater than its expenses, increasing total net position to \$68.7 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 obligations for leases and subscription-based information technology arrangements, and accounts payable. Of the total net position, \$41.8 million is restricted by external parties or is not in spendable form, and the remaining \$26.9 million is unrestricted.

¹ 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:

- Strengthen and enforce 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, Graham County Community College District combined Annual Financial and Single Audit Reports 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's 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](#).