

Pinal County Community College District (Central Arizona College)

Single Audit Report

Year Ended June 30, 2021



A Report to the Arizona Legislature

Lindsey A. Perry
Auditor General





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Annual Comprehensive Financial Report



LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

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*

Members of the Arizona State Legislature

The Governing Board of
Pinal County Community College District

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of Pinal County Community College District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 26, 2022. Our report includes a reference to other auditors who audited the financial statements of the Central Arizona College Foundation, the discretely presented component unit, as described in our report on the District's financial statements. The Foundation's financial statements were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Internal control over financial reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's basic financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-02 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-01 to be a significant deficiency.

Compliance and other matters

As part of obtaining reasonable assurance about whether the District's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and that is described in the accompanying schedule of findings and questioned costs as item 2021-01.

District response to findings

The District's responses to the findings identified in our audit are presented in its corrective action plan at the end of this report. The District is responsible for preparing a corrective action plan to address each finding. The District's responses and corrective action plan were not subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Purpose of this report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

September 26, 2022



LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY 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
Pinal County Community College District

Report on compliance for each major federal program

We have audited Pinal County Community College District's compliance with the types of compliance requirements described 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, 2021. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the District's compliance.

Basis for qualified opinion on the Student Financial Assistance Cluster

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding the Student Financial Assistance Cluster's special test and provisions as described in item 2021-101. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

Qualified opinion on the Student Financial Assistance Cluster

In our opinion, except for the noncompliance described in the basis for qualified opinion paragraph, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Student Financial Assistance Cluster for the year ended June 30, 2021.

Unmodified opinion on the Education Stabilization Fund

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Education Stabilization Fund program identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

Other matters

The results of our auditing procedures disclosed other instances of noncompliance that are required to be reported in accordance with the Uniform Guidance and that are described in the accompanying schedule of findings and questioned costs as items 2021-102 and 2021-103. Our opinion on each major federal program is not modified with respect to these matters.

Report on internal control over compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-101 and 2021-102 to be material weaknesses.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-103 to be a significant deficiency.

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.

District response to findings

The District's responses to the findings identified in our audit are presented in its corrective action plan at the end of this report. The District is responsible for preparing a corrective action plan to address each finding. The District's responses and corrective action plan were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on them.

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated September 26, 2022, that contained an unmodified opinion on those financial statements. Our report also included a reference to our reliance on other auditors. Our audit was conducted for the purpose of forming our opinion 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

September 29, 2022



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 generally accepted accounting principles Unmodified

Internal control over financial reporting

Material weaknesses identified? Yes

Significant deficiencies identified? Yes

Noncompliance material to the financial statements noted? No

Federal awards

Internal control over major programs

Material weaknesses identified? Yes

Significant deficiencies identified? Yes

Type of auditors' report issued on compliance for major programs

Unmodified for the COVID-19 Education Stabilization Fund program (Assistance Listing 84.425) and qualified for the Student Financial Assistance Cluster (Assistance Listings 84.007, 84.033, 84.063, 84.268).

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)? Yes

Identification of major programs

Assistance Listings number	Name of federal program or cluster
84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster
84.425E, 84.425F, 84.425L	COVID-19 - Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee? No

Financial statement findings

2021-01

The District issued its Annual Financial Report late, resulting in untimely financial information for decision makers and the District losing its credit rating

Condition—The District issued its Annual Financial Report 15 months after fiscal year-end, 7 months later than long-term debt covenants require and 6 months later than State law requires.

Effect—The District did not provide timely financial information to its governing board, creditors, and others who rely on it to make important decisions about the District's operations. Additionally, because the District had not issued timely financial statements, its Annual Budgeted Expenditure Limitation Report (ABELR), which relies on information from the Annual Financial Report and was due 9 months after fiscal year-end, will also be issued late. Finally, the District lost its credit rating with one rating agency in January 2021 and risks its credit rating being lost or downgraded with others because the District failed to comply with its long-term debt covenants.

Cause—The District fell behind its financial reporting deadlines when it implemented a new student system in fiscal year 2018 and an accounting system in fiscal year 2019 and, accordingly, issued its previous year's Annual Financial Report 13 months late. The District allocated additional resources to reconcile its accounting system data and prepare draft financial statements for the current fiscal year and was able to reduce the time in between Annual Financial Report issuance dates by 5 months; however, because the fiscal year 2020 Annual Financial Report wasn't issued until April 2022, the District missed the current year's deadline.

Criteria—The District's long-term debt covenants required it to issue its June 30, 2021, audited Annual Financial Report by March 1, 2022. Further, State law required the District to issue its audited Annual Financial Report and ABELR within 9 months after fiscal year-end, or by March 31, 2022 (Arizona Revised Statutes §41-1279.07[C]).

Recommendations—The District should:

1. Continue to allocate sufficient resources to reconcile its accounting system data and prepare draft financial statements to meet its report deadlines.
2. Prepare and issue its Annual Financial Report in accordance with the required deadlines.

The District's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year finding 2020-01.

2021-02

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

Condition—The District's control procedures were not sufficiently implemented to respond to risks associated with its IT systems and data. The District lacked sufficient procedures over the following:

- **Restricting access**—Procedures did not consistently help prevent or detect unauthorized or inappropriate access to its IT systems and data.
- **Securing systems and data**—IT security policies and procedures lacked controls to prevent unauthorized or inappropriate access or use, manipulation, damage, or loss.

Effect—There is an increased risk that the District may not adequately protect its IT systems and data, which could result in unauthorized or inappropriate access and/or the loss of confidentiality or integrity of systems and data.

Cause—Although the District made progress on correcting prior-year IT control weaknesses, the District did not sufficiently implement policies and procedures over protecting IT systems and data because resources were dedicated to continued operations. Also, the District issued its prior year financial statements 13 months late, which further prevented the District from timely correcting these deficiencies during fiscal year 2021.

Criteria—Implementing effective internal controls that follow a credible industry source, such as the National Institute of Standards and Technology, help the District to protect its IT systems and ensure the integrity and accuracy of the data it maintains, as follows:

- **Restrict access through logical access controls**—Help to ensure systems and data are accessed by users who have a need, systems and data access granted is appropriate, and key systems and data access is monitored and reviewed.
- **Secure systems and data through IT security internal control policies and procedures**—Help prevent, detect, and respond to instances of unauthorized or inappropriate access or use, manipulation, damage, or loss to its IT systems and data.

Recommendations—The District should:

1. Make it a priority to implement remaining IT policies and procedures and develop a process to ensure the procedures are being consistently followed.
2. Monitor District employees' adherence to the IT policies and procedures on a periodic basis to ensure they are consistently followed and inform employees of updates to the policies and procedures throughout the year.

Restrict access—To restrict access to its IT systems and data, implement processes to:

3. Assign and periodically review employee user access ensuring appropriateness and compatibility with job responsibilities.
4. Remove terminated employees' access to IT systems and data.
5. Review all other account access to ensure it remains appropriate and necessary.
6. Enhance authentication requirements for IT systems.

Secure systems and data—To secure IT systems and data, implement processes to:

7. Ensure all employees complete ongoing training that the District offers on IT security risks and their responsibilities to ensure systems and data are protected.

The District's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year finding 2020-02.

Federal award findings and questioned costs

2021-101

Cluster name:	Student Financial Assistance Cluster
Assistance Listings numbers and names:	84.007 Federal Supplemental Educational Opportunity Grants 84.033 Federal Work-Study Program 84.063 Federal Pell Grant Program 84.268 Federal Direct Student Loans
Award numbers and year:	P007A200134, P033A200134, P063P202910, and P268K212910 July 1, 2020 through June 30, 2021
Federal agency:	U.S. Department of Education
Compliance requirement:	Special tests and provisions
Questioned costs:	Unknown

Condition—Contrary to federal regulations, the District did not accurately and/or timely report enrollment-status changes to the National Student Loan Data System (NSLDS) for 21 of 60 students we tested participating in the Federal Pell Grant (Pell) or Federal Direct Student Loans (Direct Loans) programs. Specifically, the District did not report:

- Accurate enrollment status and effective date information for 12 students.
- An enrollment status change within 60 days of the enrollment change for 9 students, which were reported between 4 to 27 days late.

Effect—The District's students may not be asked to repay student financial assistance grants and loans if or when required if the NSLDS does not accurately reflect students' enrollment status.

Cause—The District hired an individual during the Spring 2020 semester assigned to report student enrollment status changes to NSLDS; however, it had not fully developed and implemented written procedures to verify that student enrollment status changes recorded on its student information system and reported to NSLDS were accurate and were reported to NSLDS within required time periods. Consequently, the individual assigned to report student enrollment status changes to NSLDS did not always verify that reports being generated with student-enrollment status data were accurate and submitted on time.

Criteria—Federal regulations require reporting to the NSLDS all applicable students’ enrollment statuses and any enrollment-status changes for the Pell and Direct Loans programs within 60 days of the students’ change. Student enrollment status changes include reductions or increases in attendance levels, withdrawals, graduations, or approved leaves of absence (34 Code of Federal Regulations [CFR] §§685.309[b][2] and 690.83[b][2]). Also, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations—The District should fully develop and implement written policies and procedures to:

1. Report accurate enrollment statuses and changes to the NSLDS within 60 days of a change for each student receiving Pell and Direct Loans.
2. Verify that student enrollment status changes recorded on its student information system and reported to NSLDS are accurate and reported to NSLDS within required time periods.

The District's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year finding 2020-102.

2021-102

Cluster name:	Student Financial Assistance Cluster
Assistance Listings numbers and names:	84.007 Federal Supplemental Educational Opportunity Grants 84.033 Federal Work-Study Program 84.063 Federal Pell Grant Program 84.268 Federal Direct Student Loans
Award numbers and year:	P007A200134; P033A200134; P063P202910; P268K212910; July 1, 2020 through June 30, 2021
Federal agency:	U.S. Department of Education
Compliance requirement:	Special tests and provisions
Questioned costs:	Unknown

Condition—Contrary to federal regulations, the District did not correctly calculate \$846 of student Return to Title IV calculations it reported in the Common Origination and Disbursement (COD) system. Specifically, for 2 of 40 students tested, the District used incorrect withdrawal dates when calculating the refund amounts it recorded in the COD, resulting in \$400 of refunds not reported. In addition, for 1 of 40 students tested, the District did not report the refund amount of \$446 due from the student in the COD.

Effect—Because of the District’s inaccurate calculations and withdrawal dates in the COD, the District’s 3 students did not return \$846 of federal student financial assistance grants and loans to the Federal government. Additionally, the District’s other students may be at risk and may not be asked to return the correct amount of federal student financial assistance grants and loans.

Cause—The District reported that it performs spot-check reviews of student files to monitor its Return of Title IV calculations but did not document the results of these reviews. Further, the District did not have

written policies and procedures to perform and document monitoring reviews or to designate and require employees to periodically review information on COD after it was reported for accuracy and timeliness.

Criteria—Federal regulations require the District to accurately calculate, report, and return federal student financial assistance to the federal grantor in a timely manner (2 Code of Federal Regulations [CFR] §§668.22 and 668.173). Also, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations—The District should:

1. Accurately calculate, report, and return federal student financial assistance to the federal grantor in a timely manner.
2. Develop and implement written policies and procedures to:
 - a. Perform monitoring reviews of student Return of Title IV calculations and require these reviews to be documented.
 - b. Designate employees to periodically review information the District reported in the COD for accuracy and timeliness.

The District's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

2021-103

Cluster name:	Student Financial Assistance Cluster
Assistance Listings numbers and names:	84.007 Federal Supplemental Educational Opportunity Grants 84.033 Federal Work-Study Program 84.063 Federal Pell Grant Program 84.268 Federal Direct Student Loans
Award numbers and year:	P007A190134; P033A190134; P063P192910; P268K202910; July 1, 2019 through June 30, 2021
Federal agency:	U.S. Department of Education
Compliance requirement:	Special tests and provisions
Questioned costs:	Not applicable

Condition—The District did not document in its risk assessment that it considered risks for employee training and management and data disposal or that it implemented safeguards for these areas if a risk was identified.

Effect—The District's administration and information technology (IT) management may put the District's operations and IT systems and data, including student financial aid information, at unintended and unnecessary risk, which could result in unauthorized or inappropriate access and/or the loss of confidentiality or integrity of systems and data.

Cause—The District designated an individual to coordinate its information security program over its student financial aid information but relied on an informal and undocumented process and did not include all required elements.

Criteria—Federal regulations require the District to perform a risk assessment to identify reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of student financial aid information that could result in the unauthorized disclosure, misuse, alteration, destruction, or other compromise of such information, and to document a safeguard for each risk identified. The risk assessment should consider risks related to employee training and management as well as data disposal (Title 16 U.S. CFR, Parts 313 and 314, as required by the Gramm-Leach-Bliley Act, P.L. 106-102).

Recommendations—The District should:

1. Ensure that its student financial aid risk assessment considers and documents the risks related to employee training and management, and data disposal.
2. Document and implement a safeguard if a risk is identified for employee training and management or data disposal.

The District's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

This finding is similar to prior-year finding 2020-104.

DISTRICT SECTION

**PINAL COUNTY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Period 7/1/2020 - 6/30/2021**

<i>Federal Awarding Agency/Program Title</i>	<i>Assistance Listing Number</i>	<i>Additional Award Identification (Optional)</i>	<i>Name of Funder Pass-Through Entity</i>	<i>Identifying Number Assigned By Funder Pass-Through Entity</i>	<i>Total Amount Provided to Sub-Recipients</i>	<i>Federal Expenditures</i>	<i>Federal Program Total</i>	<i>Cluster Name</i>	<i>Cluster Total</i>
DEPARTMENT OF LABOR									
WIOA YOUTH ACTIVITIES	17.259		PINAL COUNTY	D16-002115	\$511,273	\$511,273	\$511,273	WIOA CLUSTER	\$511,273
H-1B JOB TRAINING GRANTS	17.268		PIMA COUNTY COMMUNITY COLLEGE DISTRICT	HG-33037-19-60-A-4	\$123,461	\$123,461	\$123,461	N/A	\$0
TOTAL DEPARTMENT OF LABOR						\$634,734			
NATIONAL AERONAUTICS & SPACE ADMINISTRATION									
EDUCATION	43.008		UNIVERSITY OF ARIZONA	342518 571906	\$18,585	\$18,585	\$18,585	N/A	\$0
TOTAL NATIONAL AERONAUTICS & SPACE ADMINISTRATION						\$18,585			
INSTITUTE OF MUSEUM AND LIBRARY SERVICES OR NATIONAL ENDOWMENT FOR THE ARTS OR NATIONAL ENDOWMENT FOR THE HUMANITIES									
GRANTS TO STATES	45.310		ARIZONA STATE LIBRARY	2020-0340-WIF-01	\$3,313	\$3,313	\$3,313	N/A	\$0
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES OR NATIONAL ENDOWMENT FOR THE ARTS OR NATIONAL ENDOWMENT FOR THE HUMANITIES						\$3,313			
NATIONAL SCIENCE FOUNDATION									
EDUCATION AND HUMAN RESOURCES	47.076		ARIZONA STATE UNIVERSITY	DUE-1800826 DUE-1564909 DUE-1748526	\$72,801	\$72,801	\$72,801	N/A	\$0
TOTAL NATIONAL SCIENCE FOUNDATION						\$72,801			
SMALL BUSINESS ADMINISTRATION									
SMALL BUSINESS DEVELOPMENT CENTERS	59.037		MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT	9-603001-EZ-0025 9-603001-EZ-0036	\$69,661	\$90,161	\$90,161	N/A	\$0
COVID-19 SMALL BUSINESS DEVELOPMENT CENTERS	59.037		MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT	0-603001-EZ-0078	\$20,500	\$90,161	\$90,161	N/A	\$0
TOTAL SMALL BUSINESS ADMINISTRATION						\$90,161			
DEPARTMENT OF EDUCATION									
ADULT EDUCATION - BASIC GRANTS TO STATES	84.002		ARIZONA DEPARTMENT OF EDUCATION	21-FARES-112601-01A 21-FIELCE-112601-01A 21-FIETTE-112601-01A 21-FAWIDA-112601-01A 21-PPROFL-112601-01A 21-FIELTR-112601-01A 21-FAEWF-112601-01	\$491,258	\$491,258	\$491,258	N/A	\$0
FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS	84.007				\$124,740	\$124,740	\$124,740	STUDENT FINANCIAL ASSISTANCE CLUSTER	\$7,132,296
HIGHER EDUCATION-INSTITUTIONAL AID	84.031				\$346,008	\$346,008	\$346,008	N/A	\$0
FEDERAL WORK-STUDY PROGRAM	84.033				\$59,145	\$59,145	\$59,145	STUDENT FINANCIAL ASSISTANCE CLUSTER	\$7,132,296
TRIO - STUDENT SUPPORT SERVICES	84.042				\$198,549	\$198,549	\$198,549	TRIO CLUSTER	\$510,716
TRIO UPWARD BOUND	84.047				\$312,167	\$312,167	\$312,167	TRIO CLUSTER	\$510,716
CAREER AND TECHNICAL EDUCATION - BASIC GRANTS TO STATES	84.048		ARIZONA DEPARTMENT OF EDUCATION	21-FCTDBG-112601-20A 20-FCTDBG-012601-20A	\$196,397	\$196,397	\$196,397	N/A	\$0
FEDERAL PELL GRANT PROGRAM	84.063				\$5,833,508	\$5,833,508	\$5,833,508	STUDENT FINANCIAL ASSISTANCE CLUSTER	\$7,132,296
FEDERAL DIRECT STUDENT LOANS	84.268				\$1,114,903	\$1,114,903	\$1,114,903	STUDENT FINANCIAL ASSISTANCE CLUSTER	\$7,132,296
CHILD CARE ACCESS MEANS PARENTS IN SCHOOL	84.335				\$107,367	\$107,367	\$107,367	N/A	\$0
EDUCATION INNOVATIONS AND RESEARCH	84.411		CENTER FOR THE FUTURE OF ARIZONA	U411C190109	\$2,786	\$2,786	\$2,786	N/A	\$0
COVID-19 EDUCATION STABILIZATION FUND - STUDENT PORTION	84.425	COVID-19, 84.425E			\$1,270,900	\$4,888,981	\$4,888,981	N/A	\$0
COVID-19 EDUCATION STABILIZATION FUND - INSTITUTIONAL PORTION	84.425	COVID-19, 84.425F			\$3,437,501	\$4,888,981	\$4,888,981	N/A	\$0
COVID-19 EDUCATION STABILIZATION FUND - MSI PORTION	84.425	COVID-19, 84.425L			\$180,580	\$4,888,981	\$4,888,981	N/A	\$0
TOTAL DEPARTMENT OF EDUCATION						\$13,676,409			
TOTAL EXPENDITURE OF FEDERAL AWARDS						\$14,496,003			

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.

PINAL COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Period 7/1/2020 - 6/30/2021

Significant Accounting Policies Used in Preparing the SEFA

Expenditures reported on the schedule are reported on the accrual basis of accounting, except for the COVID19 - Education Stabilization Fund (84.425 F). For this program, \$1,842,507 of revenues received during the fiscal year as reimbursement for lost revenues that were reduced or eliminated because of the COVID-19 pandemic are also reported as expenditures of federal awards. All other 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.

10% De Minimis Cost Rate

The District did not elect to use the 10 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 Pinal County Community College District for the year ended June 30, 2021. 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 Listing numbers

The program titles and Federal Assistance Listings numbers were obtained from the federal or pass-through grantor or the 2021 Federal Assistance Listings.

DISTRICT RESPONSE



September 29, 2022

Lindsey A. Perry
Arizona Auditor General
2910 N. 44th St., Ste. 410
Phoenix, AZ 85018

Dear Ms. Perry:

We have prepared the accompanying corrective action plan as required by the standards applicable to financial audits contained in *Government Auditing Standards* and 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, for each finding, we are providing you with our responsible officials' views, the names of the contact people responsible for corrective action, the corrective action planned, and the anticipated completion date.

Sincerely,

A handwritten signature in black ink, appearing to read "CWodka", is positioned above the printed name.

Chris Wodka

Vice President of Business Affairs

Financial statement findings

2021-01

The District issued its Annual Financial Report late, resulting in untimely financial information for decision makers and the District losing its credit rating

Chris Wodka

Anticipated completion date: March 31, 2023

The District agrees with the finding. The District implemented a new finance system during the fiscal year ending June 30, 2019, for which vendor commitments were not met. The District has improved on providing timely financial information to our Governing Board and will continue to provide draft financial information to financial statement users until all audits are up to date. The untimeliness of the fiscal year 2018 audit has caused the delay of the 2019, 2020, and 2021 fiscal year audits. Finance staff continues to work diligently to establish new processes that will ensure that accurate and timely financial information is provided to the District's financial statement users. The District's plan is to have the audit for fiscal year ending June 30, 2022, issued by the due date of March 31, 2023.

2021-02

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

Chris Wodka

Anticipated completion date: June 30, 2023

The District agrees with the finding. The District implemented some changes during the following fiscal year ending June 30, 2021. The District will continue to improve its risk assessments of their ERP systems and data contained within. The District will assess and enhance its policies, procedures, and risk assessments with respect to employee training and data disposal in accordance with the Gramm-Leach-Bliley Act.

Federal award findings and questioned costs

2021-101

Cluster name:

Student Financial Assistance Cluster

CFDA numbers and names:

84.007 **Federal Supplemental Educational Opportunity Grants**

84.033 **Federal Work-Study Program**

84.063 **Federal Pell Grant Program**

84.268 **Federal Direct Student Loans**

Chris Wodka

Anticipated completion date: June 30, 2023

The District agrees with the finding. The District will continue to strengthen enrollment reporting procedures to ensure accurate and timely reporting. The District will also continue to work with the SIS Vendor to improve the accuracy of Enrollment Reporting out of the SIS.

2021-102

Cluster name:

Student Financial Assistance Cluster

CFDA numbers and names:

84.007 **Federal Supplemental Educational Opportunity Grants**

84.033 **Federal Work-Study Program**

84.063 **Federal Pell Grant Program**

84.268 **Federal Direct Student Loans**

Chris Wodka

Anticipated completion date: June 30, 2023

The District agrees with the finding. After reviewing the 3 students in the finding, the District re-processed the Return to Title IV calculations for each. One student remained with the same refund and repayments amounts of \$0 and the other two resulted in a combined amount of \$617.62 to be returned to the federal program(s). Student records will be updated and reported to the COD system, which will require a refund in the G5 system as well. In addition, notifications will be sent to each student and an update to their records in the NSLDS system will be made. During the fiscal year ending June 30, 2022, the District implemented changes to process to enhance the monitoring of refunds processed. The District will continue to strengthen our policies and procedures surrounding Return to Title IV compliance requirements.

2021-103

Cluster name:

Student Financial Assistance Cluster

CFDA numbers and names:

84.007 **Federal Supplemental Educational Opportunity Grants**

84.033 **Federal Work-Study Program**

84.063 **Federal Pell Grant Program**

84.268 **Federal Direct Student Loans**

Chris Wodka

Completed date: June 30, 2022

The District agrees with the finding. The District assessed and enhanced its policies, procedures, and risk assessments with respect to employee training and data disposal in accordance with the Gramm-Leach-Bliley Act. The District implemented some changes during the fiscal year ending June 30, 2021, and completed the remaining necessary changes to resolve this finding during fiscal year ending June 30, 2022.



September 29, 2022

Lindsey A. Perry
Arizona Auditor General
2910 N. 44th St., Ste. 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 reported in the prior audit's summary schedule of prior audit findings that were not corrected.

Sincerely,

A handwritten signature in black ink, appearing to read "CWodka", is positioned below the word "Sincerely,".

Chris Wodka

Vice President of Business Affairs

Pinal County Community College District

(Central Arizona College)

Summary schedule of prior audit findings

Year ended June 30, 2021

Status of financial statement findings

2020-01

The District issued its Annual Financial Report late, resulting in untimely financial information for decision makers and the District losing its credit rating

Year finding initially occurred: FY 2018

Status: Status: Partially corrected

The District implemented a new finance system during the fiscal year ending June 30, 2019, for which vendor commitments were not met. The District has improved on providing timely financial information to our Governing Board and will continue to provide draft financial information to financial statement users until all audits are up to date. The untimeliness of the fiscal year 2018 audit has caused the delay of the 2019, 2020, and 2021 fiscal year audits. Finance staff continues to work diligently to establish new processes that will ensure that accurate and timely financial information is provided to the District's financial statement users. The District's plan is to have the audit for fiscal year ending June 30, 2022, issued by the due date of March 31, 2023.

2020-02

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

Year finding initially occurred: FY 2017

Status: Partially corrected

The District implemented some changes during the fiscal year ending June 30, 2021, with an aim to complete the remaining necessary changes to remove this finding during fiscal year ending June 30, 2022. The District will continue to improve monitoring of its information technology resources on a regular basis. The District will assess and enhance its policies and procedures with respect to information technology resources, and ensure they are being followed. The District will also continue to improve its security over information technology resources with better documentation of procedures, expanded risk management, improved user access controls, data protection, and alignment with NIST standards.

Pinal County Community College District
(Central Arizona College)
Summary schedule of prior audit findings
Year ended June 30, 2021

Status of federal award findings and questioned costs

2020-101

CFDA numbers and names: Not applicable
Year finding initially occurred: FY 2018
Status: Fully corrected

2020-102

Cluster name: Student Financial Assistance Cluster
CFDA numbers and names: 84.007 Federal Supplemental Educational Opportunity Grants
84.033 Federal Work-Study Program
84.063 Federal Pell Grant Program
84.268 Federal Direct Student Loans

Year finding initially occurred: FY 2016
Status: Partially corrected

The District implemented new enrollment reporting procedures. Since these new procedures were implemented, the District has submitted data to the National Student Clearinghouse approximately every 30 days. We continue to strengthen enrollment reporting procedures to ensure accurate and timely reporting.

2020-103

Cluster name: Student Financial Assistance Cluster
CFDA numbers and names: 84.007 Federal Supplemental Educational Opportunity Grants
84.033 Federal Work-Study Program
84.063 Federal Pell Grant Program
84.268 Federal Direct Student Loans

Year finding initially occurred: FY 2020
Status: Fully corrected

Pinal County Community College District
(Central Arizona College)
Summary schedule of prior audit findings
Year ended June 30, 2021

2020-104

Cluster name:	Student Financial Assistance Cluster
CFDA numbers and names:	84.007 Federal Supplemental Educational Opportunity Grants
	84.033 Federal Work-Study Program
	84.063 Federal Pell Grant Program
	84.268 Federal Direct Student Loans

Year finding initially occurred: FY 2020

Status: Not corrected

The District implemented some changes during the fiscal year ending June 30, 2021, with an aim to complete the remaining necessary changes to remove this finding during fiscal year ending June 30, 2022. The District will continue to improve monitoring of its information technology resources on a regular basis. The District will assess and enhance its policies and procedures with respect to information technology resources, and ensure they are being followed. The District will also continue to improve its security over information technology resources with better documentation of procedures, expanded risk management, improved user access controls, data protection, and alignment with NIST standards, as well as, to ensure compliance with the Gramm-Leach-Bliley Act.

