



**Governing Board's Finance and Audit Committee
Meeting Notice and Agenda*
Thursday, June 24, 2021
9:00am
Virtual Meeting#**

General Matters

- | | | |
|------------------|----------------|--------|
| 1. Call to Order | Tracy Nuckolls | 9:00am |
|------------------|----------------|--------|

Action Items

- | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------|
| 2. Approval of Minutes | Tracy Nuckolls | 9:05am |
| <ul style="list-style-type: none"> a. Regular Meeting, April 9, 2021 b. Executive Session Summary, April 9, 2021 c. Executive Session Summary, May 27, 2021 d. Regular Meeting, May 27, 2021 | | |

Reports and Feedback

- | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|---------|
| 3. Investment Update | John Utter | 9:10am |
| 4. Internal Audit Update | Jeff Silvyn, Jose Saldamando | 9:30am |
| <ul style="list-style-type: none"> a. Internal Audit Q2 2021 Report b. 2021 PCC Risk Assessment and Audit Plan Report c. Clery Act Compliance Report | | |
| 5. CFO Update | David Bea
Agnes Maina | 10:15am |
| <ul style="list-style-type: none"> a. Revenue Bonds <ul style="list-style-type: none"> i. Compliance Training ii. Arbitrage Consultant b. Fiscal Year 2022 Adopted Budget c. Fiscal Year 2022 Capital Review Process | | |
| 6. 2021-2022 Meeting Schedule | Tracy Nuckolls | 10:40am |
| 7. Committee Membership | Tracy Nuckolls | 10:45am |

Effectiveness Discussion

Information Items

- | | |
|---------------------------------------------------------------------------------------------|--|
| 8. Future Agenda Items | |
| <ul style="list-style-type: none"> a. Marketing b. Workforce Update | |

Adjournment

Next Meeting
August 20, 2021
Zoom Webinar

***Option to recess into executive session** – Pursuant to A.R.S. 38-431.03(A)(2) the Committee may vote to go into executive session for discussion or consideration of records exempt by law from public inspection, including the receipt and discussion of information or testimony that is specifically required to be maintained as confidential by state or federal law.

Additional Information – Additional information about the above agenda items is available for review on the College's [website](#).

The Committee reserves the right to change the order of agenda items.

To request a reasonable accommodation for individuals with disabilities, a minimum of five (5) business days before the event is requested. Contact Phone: (520) 206-4539 Fax: (520) 206-4567.

Members of the Committee may participate by telephone, video, or internet conferencing.

#VIRTUAL MEETING

Following the guidance of public health officials, the College has closed its facilities to the public and allows only restricted access for essential personnel to promote social distancing and limit the spread of the coronavirus. Accordingly, the Finance and Audit Committee will conduct this meeting through remote technology only. Members of the public interested in following the proceedings may do so via Zoom webinar.

Please click the link below to join the webinar:

<https://pima.zoom.us/j/97096940767>

Or join by phone:

Dial (for higher quality, dial a number based on your current location):

US: +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799 or +1 646 558 8656 or +1 301 715 8592 or
+1 312 626 6799

Webinar ID: 970 9694 0767

Participant ID: 333571

International numbers available: <https://pima.zoom.us/j/ab2YYb6mPj>



Governing Board's Finance and Audit Committee

Friday, April 9, 2021

9:00am

Virtual Meeting - Zoom Webinar

Meeting Minutes

In Attendance:

Tracy Nuckolls (Chair), David Bea (Ex-Officio), Demion Clinco, Ken Marcus, Scott Odom, Ben Tuchi, Jesus Manzanedo, Clarence Vatne, Agnes Maina (Ex-Officio), Maria Garcia, Keri Hill (Recorder)

Not in Attendance:

Daniel Soza (Ex-Officio)

Guests:

John Utter, RBC Global Asset Management; Ozlem Kacira, Director; Jeff Silvyn, General Counsel

General Matters

1. Call to Order

Chair Tracy Nuckolls called the meeting to order at 9:07am, noting a quorum was met.

Action Items

2. Approval of Minutes from February 19, 2021

Chair Nuckolls asked if the Committee had any changes to the minutes. With no changes, a motion was made to approve the minutes.

Motion No. 202104-01: Approve Minutes from February 19, 2021

First: Ben Tuchi

Second: Maria Garcia

Vote: Motion passed unanimously (Nuckolls, Clinco, Marcus, Odom, Tuchi, Vatne, Garcia voting in favor)

Motion Carried.

Reports and Feedback

3. Investment Update (John Utter)

John Utter from RBC Global Asset Management began with the Summary of Combined Portfolio Characteristics and the Portfolio Performance for the one- to three-year term. The portfolio characteristics and the yields were discussed compared to the benchmarks, and the conversation moved into the management of the proceeds from the Revenue Bonds, Series 2019.

Since December 2020, the market outlook has changed drastically. Vaccine rollout and the reduction in the number of COVID-19 cases support a strong U.S. recovery in 2021. It is expected that economic recovery could reach pre-pandemic levels by early 2022, as the federal monetary and fiscal policies leave the U.S. in a strong position. The federal response has been key in the recovery, and inflation is expected to be transitory/short-lived, with temporary increases in consumer goods. Mr. Ken Marcus inquired about construction, and Mr. Utter stated that there may be a delay in projects as prices come back down.

Mr. Jesus Manzanedo joined the meeting progress.

Financial assets are continuing to rise, and they may reach record degrees as confidence builds. Further, the U.S. economy is gaining traction as jobs are recovered. Mr. Utter concluded with the overall economic outlook, with the Gross Domestic Product expecting a large increase and recovering interest rates.

Ms. Maria Garcia thanked Mr. Utter for his presentation. Chair Nuckolls asked about the investment allocations, which have protected assets while providing a reasonable return despite the recent volatility, and Mr. Utter concurred.

Mr. Demion Clinco inquired about the sectors expecting to see labor shortages, aside from hospitality and aviation. Mr. Utter expects to see more of these areas as the economy recovers, especially given the timing and the recovery seen in Permanent vs. Temporary Job Losses. Dr. David Bea also noted that Information Technology labor may see some pinch points given the needs for technology infrastructure and cybersecurity. Mr. Utter spoke to repurposing labor currently involved with the fossil fuel industry as there is a move to clean, sustainable energies.

Chair Nuckolls asked about educational training programs and the transition into the new economy; Mr. Utter spoke to Centers of Excellence, the need for a four-year degree, and flexible scheduling.

4. Enrollment Trends (Ozlem Kacira)

Ms. Ozlem Kacira, Director of Analytics and Reporting, joined the Committee to provide an update on the trends in enrollment. She began with an overview of the types of reports and snapshots utilized to gather information from the College's data warehouse. Similar to changes to industry as a direct result of the pandemic, the College's programs and instructional modalities have shifted as a result of COVID-19.

Ms. Kacira's report continued with a comparison of pre- and post-pandemic enrollment across the various demographics, as well as a look at persistence (Fall to Spring) and retention (Fall to Fall) of students.

The report concluded with an update on current activities by the Strategy, Analytics and Reporting department, including the Future Conference, draft *Strategic Plan 2021-2025*, progress towards

Achieve60 Arizona goals, and expansion of the data warehouse. Further, her department is working on Integrated Data Systems and machine learning projects.

Mr. Clarence Vatne asked about comparisons to other Arizona Community colleges, and Ms. Kacira noted that PCC's enrollment has dropped slightly more than the statewide average of approximately fifteen percent.

Ms. Garcia inquired about enrollment and Full Time Student Equivalent and how those numbers are utilized given the amount of square footage at the College. Ms. Kacira spoke to how the data from the warehouse can be spliced to create a report showing these metrics, and Chair Nuckolls commended the ability of the College to be able to provide this level of reporting and the advancement compared to years past. Dr. Bea also noted that Ms. Garcia's question is a fundamental issue of the College, and this Fall will be a starting point for determining if students will be back on-site or if there will be a need in the coming years to reduce the physical footprint of the College.

Building on this and the report provided by Mr. Utter, Mr. Clinco stated that the typical cycle of a community college is counter-cyclical to enrollment (Example: when the economy is down, enrollment is typically up). What does this mean for those who have not returned to education? Ms. Kacira spoke about promising Fall enrollment as a result of projections for Dual Enrollment, Adult Basic Education, and the Centers of Excellence.

Mr. Clinco noted that the ability of the College to access this level of data also allows for targeted marketing. Chair Nuckolls commended Ms. Kacira and her department on the progress made with the College's data warehouse and reporting.

5. CFO Update (David Bea)

Dr. Bea began with an update on the budget development process. The Fiscal Year 2022 (FY22) Proposed Budget will be provided to the Governing Board at their May meeting in preparation for publication and the June Public Hearing and Special Meeting to adopt the budget and set property tax levies and rates. He provided revenue projections, as well as a summary of increased expenditures related to employee benefits due to the additional contributions to the Public Safety Personnel Retirement System, increases in medical costs, and improvements to the short term disability program.

Mr. Clinco asked about the classification and compensation study. Dr. Bea stated that employees have submitted their position description questionnaires and the contracted vendor, Segal, is reviewing the submissions in preparation for creating the job categories and completing a market analysis of compensation. Funds will be built into the budget for FY22 to begin implementation.

As Mr. Utter mentioned, the fiscal relief policies of the federal government will provide a bridge to Fiscal Year 2022, and the College has submitted a proposal to the Governor's Office for additional

funding. Dr. Bea will be providing an update on the federal Higher Education Emergency Relief Funds (HEERF) to the Governing Board at their meeting on April 14, 2021. HEERF will stabilize the College's budget while providing reimbursement for lost revenue, reducing the immediate need to decrease staff positions. The American Rescue Plan Act will also provide funds to the College.

6. Committee Membership (Tracy Nuckolls)

Chair Nuckolls asked the Committee members to start thinking about recommendations for new members, as several will be concluding their terms in the next year.

Information Items

7. Future Agenda Items

- a. Marketing

Adjournment

The meeting adjourned at 10:40am.

Chair Nuckolls asked for a motion to convene an Executive Session for discussion or consultation for legal advice from the College's legal counsel concerning the Comprehensive Integrated Energy Management Program vendor selection process review.

Motion No. 202104-02: Convene Executive Session to discuss Comprehensive Integrated Energy Management Program vendor selection process review

First: Demion Clinco

Second: Ken Marcus

Vote: Motion passed unanimously (Nuckolls, Clinco, Marcus, Odom, Tuchi, Manzanedo, Vatne, Garcia voting in favor)

Motion Carried.

Next Meeting:

May 7, 2021 - Executive Session

Virtual Meeting - Zoom



Governing Board's Finance and Audit Committee

Friday, April 9, 2021

9:00am

Virtual Meeting - Zoom

Summary Minutes

On April 9, 2021, the Finance and Audit Committee ("Committee") convened an Executive Session for discussion or consultation for legal advice from the College's legal counsel concerning the Comprehensive Integrated Energy Management Program vendor selection process review. The Executive Session comprised Chair Tracy Nuckolls; Committee members Demion Clinco, Maria Garcia, Jesus Manzanedo, Ken Marcus, Scott Odom, Ben Tuchi, and Clarence Vatne; and College General Counsel Jeff Silvyn.

Chair Nuckolls called the meeting to order at 10:46am, noting a quorum was met.

Chair Nuckolls received a request from Board Member Maria Garcia for the Committee to review the vendor selection process for the Comprehensive Integrated Energy Management Program. Three members of this Committee initiated the review.

Prior to this action, the College engaged Gust Rosenfeld to provide outside legal counsel for a review of this same vendor selection. The resulting report on the procurement process and a summary of recommendations, drafted by Ms. Susan Segal, were provided to three Committee members.

The Committee will commence a full review as the next step in this process. Ms. Segal's report, as well as questions generated by the three Committee members, will be provided to the Committee by College General Counsel Jeff Silvyn.

Pending confirmation of Ms. Segal's availability, the Committee scheduled an Executive Session for May 7, 2021 to review the documents.

The meeting concluded at 11:09am.



Governing Board's Finance and Audit Committee

Thursday, May 27, 2021

10:00am

Virtual Meeting - Zoom

Summary Minutes

On May 27, 2021, the Finance and Audit Committee ("Committee") convened an Executive Session for discussion or consultation for legal advice from the College's legal counsel concerning the Comprehensive Integrated Energy Management Program vendor selection process review. The Executive Session comprised Chair Tracy Nuckolls; Committee members Demion Clinco, Maria Garcia, Jesus Manzanedo, Ken Marcus, Scott Odom, Ben Tuchi, and Clarence Vatne; and College General Counsel Jeff Silvyn.

Chair Nuckolls called the meeting to order at 10:04am, noting a quorum was met.

As follow-up to the May 7, 2021 Executive Session, the Committee convened an Executive Session to discuss the review of the Comprehensive Integrated Energy Management Program vendor selection process. Ms. Susan Segal, outside counsel from Gust Rosenfeld, was on standby, but with no further questions for legal counsel, the Committee concluded based on the results of the review conducted that no violation of law or of College policy occurred in the selection process associated with the Comprehensive Integrated Energy Management Program. However, as a result of the review, the Committee supports implementation of the following recommendations:

- Ms. Segal's list of procurement manual revisions, as stated in section *XIV. Best Practices and Recommendation*, of her report.
- More robust training for employees participating on solicitation review committees to better describe expectations for participation and to help distinguish between personal opinions or concerns and the scoring criteria.
- A revision to the procurement manual, or perhaps a Board Policy, to codify the practice of the Chancellor not participating in competitive solicitation processes due to the volume of requests and inquiries received in the Chancellor role.

The Executive Session concluded at 10:20am.



Governing Board's Finance and Audit Committee

Thursday, May 27, 2021

10:00am

Virtual Meeting - Zoom Webinar

Meeting Minutes

In Attendance:

Tracy Nuckolls (Chair), Demion Clinco, Ken Marcus, Scott Odom, Ben Tuchi, Jesus Manzanedo, Clarence Vatne, Maria Garcia, Jeff Silvyn, Keri Hill (Recorder)

Executive Open Session

1. Call to Order

Chair Tracy Nuckolls called the meeting to order at 10:02am, noting a quorum was met.

2. Motion for Executive Session

Chair Nuckolls asked for a motion to convene an Executive Session for discussion or consultation for legal advice from the College's legal counsel concerning the Comprehensive Integrated Energy Management Program vendor selection process review.

Motion No. 202105-02: Convene Executive Session to discuss Comprehensive Integrated Energy Management Program vendor selection process review

First: Jesus Manzanedo

Second: Maria Garcia

Vote: Motion passed unanimously (Nuckolls, Clinco, Marcus, Odom, Tuchi, Manzanedo, Vatne, Garcia voting in favor)

Motion Carried.

3. Executive Session - Closed Session

The Executive Session began at 10:04am and concluded at 10:20am.

4. Regular Meeting - Open Session

The Regular Meeting reconvened at 10:22am.

Chair Nuckolls asked if there was a motion to approve the Summary Minutes from the May 7, 2021 Executive Session.

Motion No. 202105-03: Approve Summary Minutes from the May 7, 2021 Executive Session

First: Clarence Vatne

Second: Ken Marcus

Vote: Motion passed unanimously (Nuckolls, Clinco, Marcus, Odom, Tuchi, Manzanedo, Vatne, Garcia voting in favor)

Motion Carried.

Prior to reconvening the Regular Meeting, the Committee concluded based on the results of the review conducted that no violation of law or of College policy occurred in the selection process associated with the Comprehensive Integrated Energy Management Program. However, as a result of the review, the Committee supports implementation of the following recommendations:

- Ms. Segal's list of procurement manual revisions, as stated in section *XIV. Best Practices and Recommendation*, of her report.
- More robust training for employees participating on solicitation review committees to better describe expectations for participation and to help distinguish between personal opinions or concerns and the scoring criteria.
- A revision to the procurement manual, or perhaps a Board Policy, to codify the practice of the Chancellor not participating in competitive solicitation processes due to the volume of requests and inquiries received in the Chancellor role.

To submit a report to the Governing Board, Mr. Silvyn suggested the development of a statement indicating the Committee accepted the report and the three recommendations provided in the Summary Minutes from May 7, 2021.

Chair Nuckolls asked if there was a motion to create a recommendation document for the Governing Board that will summarize the process review completed by the Committee, with acceptance of the three recommendations at the end of the Summary Minutes from the May 7, 2021 Executive Session.

Motion No. 202105-04: Motion to create a recommendation document for the Board that will summarize the process review completed by the Committee, with acceptance of the three recommendations at the end of the Summary Minutes from the May 7, 2021 Executive Session.

First: Ken Marcus

Second: Jesus Manzanedo

Vote: Motion passed unanimously (Nuckolls, Clinco, Marcus, Odom, Tuchi, Manzanedo, Vatne, Garcia voting in favor)

Motion Carried.

The Committee will review the report via email in preparation for submission as an Information item for the Governing Board's June 9, 2021 meeting.

Adjournment

The meeting concluded at 10:32am.

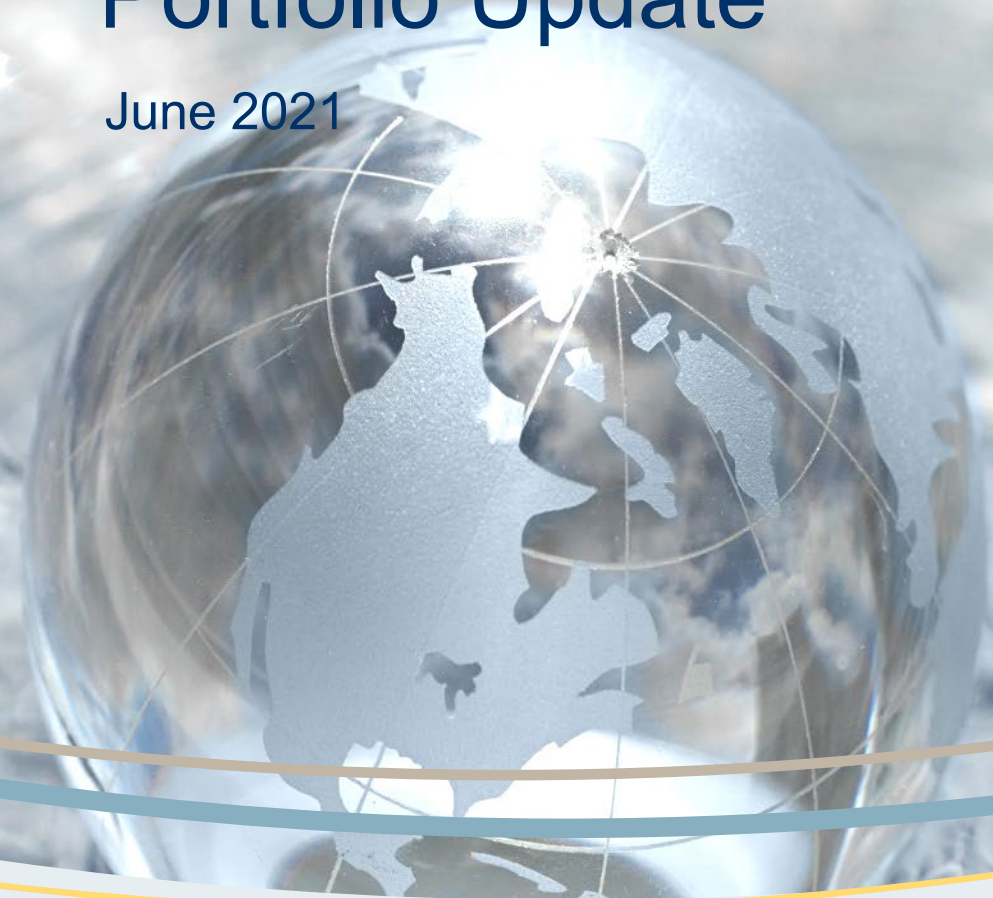
Next Meeting:

June 24, 2021

Zoom Webinar

Pima County Community College Portfolio Update

June 2021



John Utter
Head of U.S. Institutional Client Service



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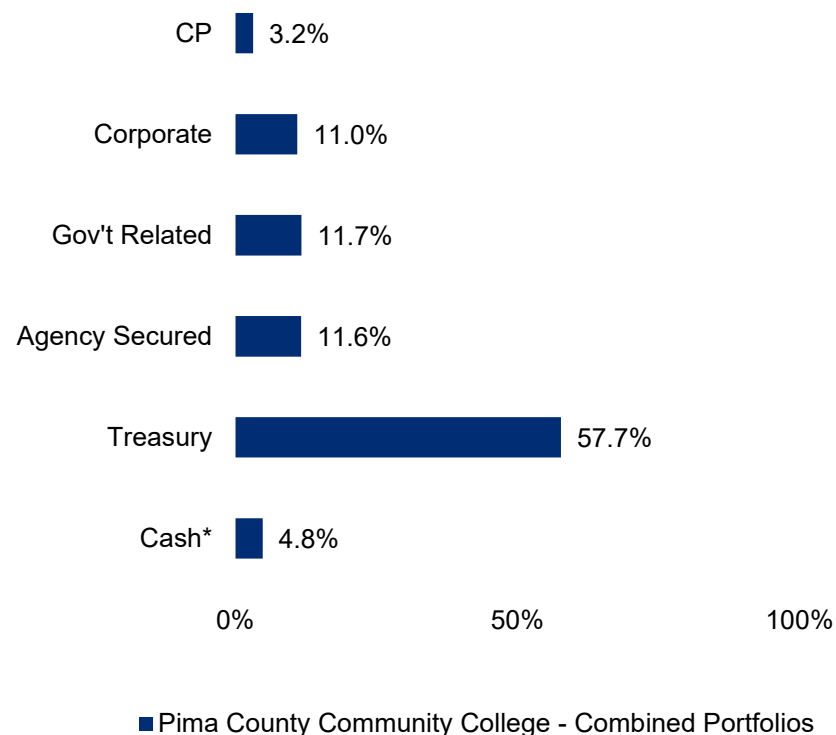
- I. 1-3 Year Portfolio Review
- II. Ultra Short Portfolio Review
- III. 2019 Revenue Bond Portfolio Review
- IV. Economic and Market Commentary
- V. Appendix
 - i. Fixed Income Investment Team
 - ii. Investment Policy Statement Arizona Revised Statutes

Summary of Combined Portfolio Characteristics

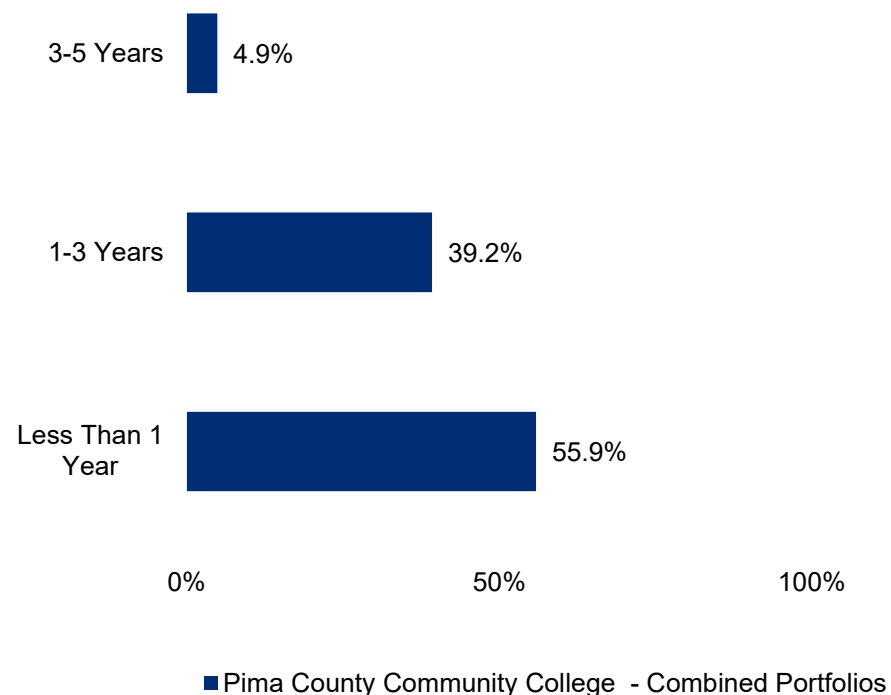
Pima County Community College

The Pima County Community College combined investment assets with RBC GAM includes two RBC managed short term portfolios (\$113.9 million) and a bond proceeds portfolio (\$42.7 million).

Sector Distribution



Duration Distribution



*Cash assets do not include AZ LGIP and Bank Deposits held outside of portfolios managed by RBC GAM

As of 5.31.21
Source: RBC GAM



Pima County Community College District - 1-3 Year Portfolio



Portfolio Performance

Pima County Community College – 1-3 Year Portfolio

5.31.2021 Market Value: \$98,291,878	2Q 2021	1Q 2021	4Q 2020	3Q 2020	2020	1 Year	3 Year	5 Year	7 Year	Since Inception (7.1.12)
Total Portfolio (Gross of Fees)	0.27	0.07	0.22	0.21	3.08	0.87	2.96	2.03	1.73	1.52
Total Portfolio (Net of Fees)	0.26	0.05	0.21	0.19	3.00	0.80	2.89	1.96	1.66	1.45
Principal Return	0.00	-0.40	-0.25	-0.29	0.90	-1.04	0.85	0.11	-0.04	-0.22
Income Return	0.27	0.47	0.47	0.50	2.15	1.93	2.09	1.92	1.77	1.74
ICE BofA 1-3 Year Tsy & Agy Index	0.12	-0.05	0.05	0.11	3.09	0.26	2.74	1.75	1.47	1.29

As of 5.31.21

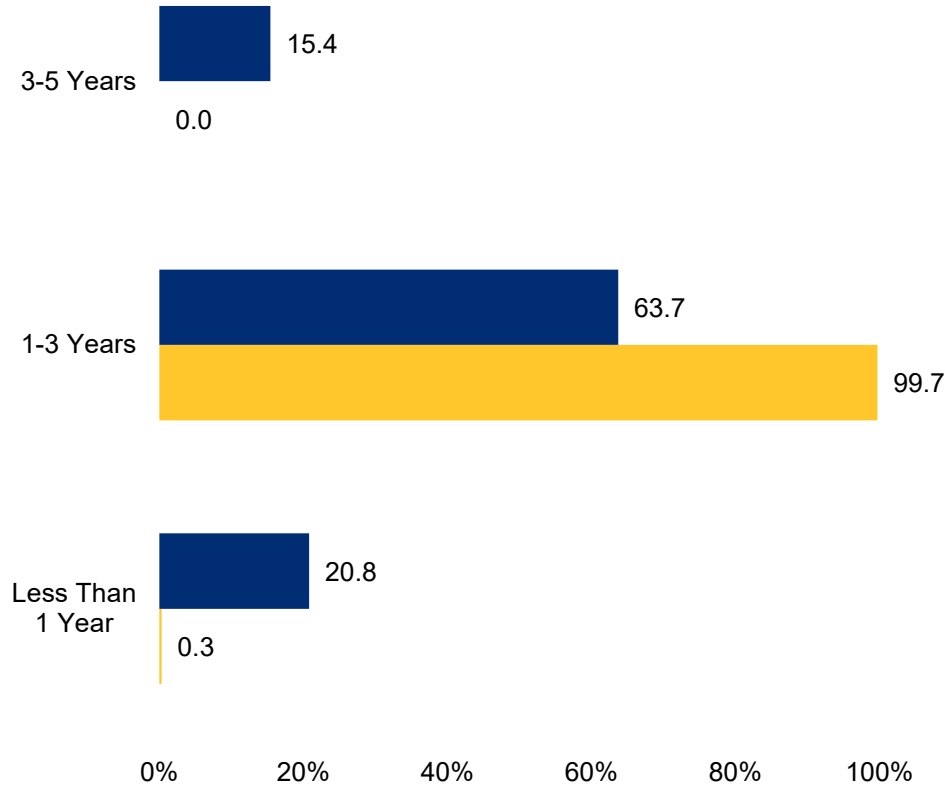
Source: RBC GAM, ICE Data Services

All returns for periods greater than one year are shown on an annualized basis. Past performance is not indicative of future results.

Portfolio Characteristics

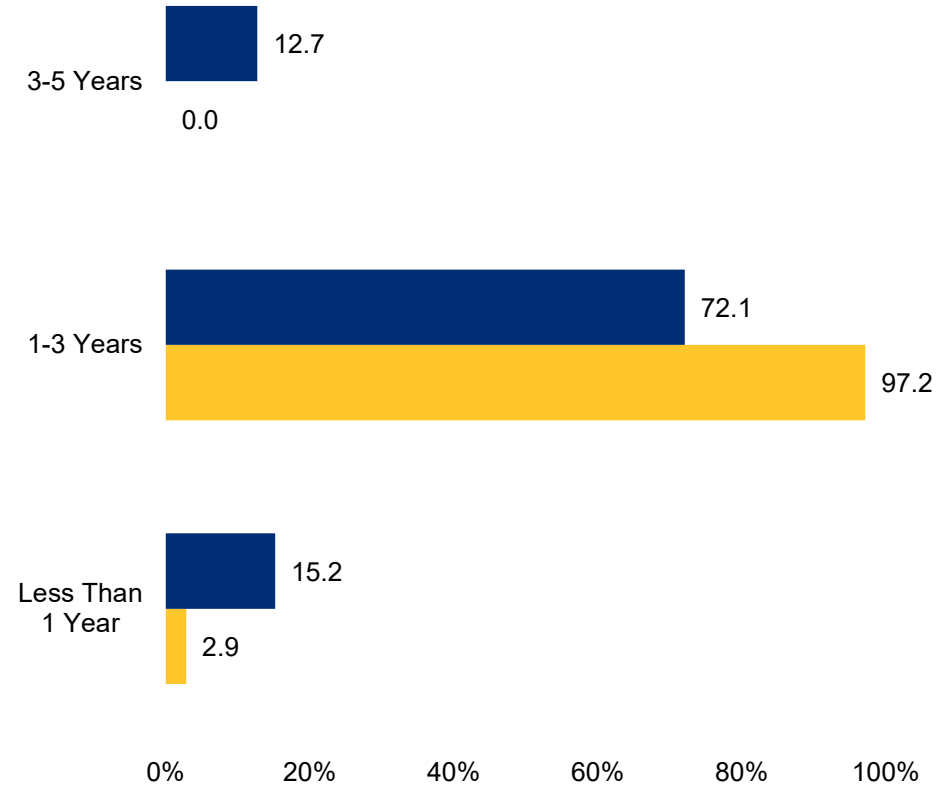
Pima County Community College – 1-3 Year Portfolio

Duration Distribution as of 5.31.21



■ Pima County Community College - 1-3 Yr
 ■ ICE BofA 1-3 Yr Tsy & Agy

Duration Distribution as of 3.31.21



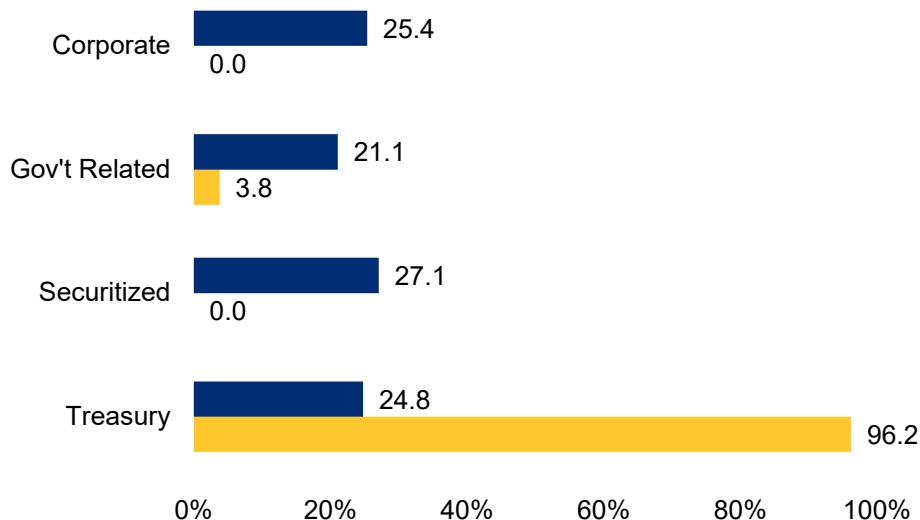
■ Pima County Community College - 1-3 Yr
 ■ ICE BofA 1-3 Yr Tsy & Agy

As of 5.31.21
 Source: RBC GAM, ICE Data Services

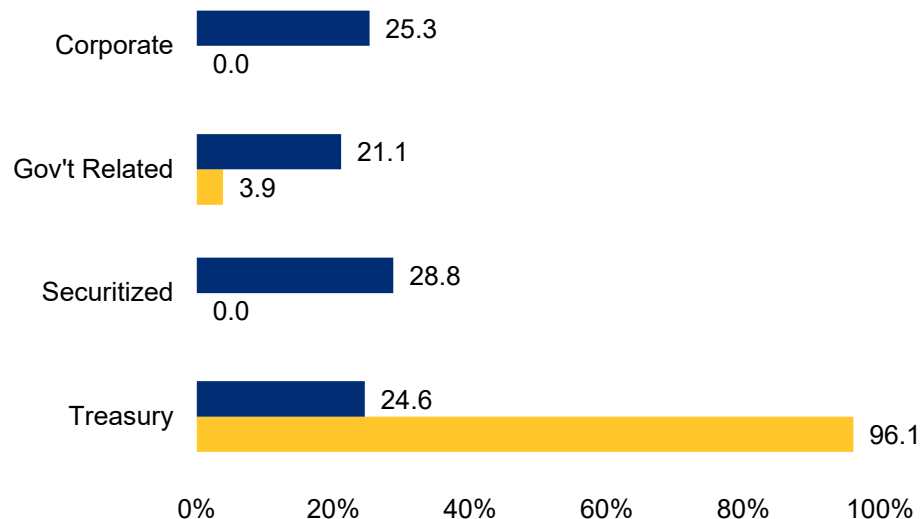


Pima County Community College – 1-3 Year Portfolio

Sector Distribution as of 5.31.21



Sector Distribution as of 3.31.21



■ Pima County Community College - 1-3 Yr
 ■ ICE BofA 1-3 Yr Tsy & Agy

■ Pima County Community College - 1-3 Yr
 ■ ICE BofA 1-3 Yr Tsy & Agy

Characteristics	Pima County Community College – 1-3 Yr as of 5.31.21	Pima County Community College – 1-3 Yr as of 3.31.21	ICE BofA 1-3 Yr Tsy & Agy
Effective Duration	1.86 years	1.85 years	1.92 Years
Market Yield	0.43%	0.47%	0.17%
Book Yield	1.28%	1.39%	--
Average Quality	AA+	AA+	AAA

As of 5.31.21
 Source: RBC GAM, ICE Data Services, Sector charts exclude cash & equivalents



Duration By Sector

Pima County Community College – 1-3 Year Portfolio

	Duration As of 5/31	% Assets As of 5/31	Contribution to Duration As of 5/31	Duration As of 3/31	% Assets As of 3/31	Contribution to Duration As of 3/31
Corporate	2.35 Years	25.43%	32.02%	2.02 Years	25.30%	27.65%
Agency	2.12 Years	21.06%	23.89%	2.27 Years	21.13%	25.95%
Agency Secured	1.27 Years	27.13%	18.42%	1.33 Years	28.77%	20.70%
Treasury	1.93 Years	24.81%	25.67%	1.93 Years	24.61%	25.70%
Total	1.86 years	100.00%	100.00%	1.85 years	100.00%	100.00%

As of 5.31.21

Source: RBC GAM, Contribution to Duration table excludes cash & equivalents



Pima County Community College District - Ultra Short Portfolio



Portfolio Performance

Pima County Community College – Ultra Short Portfolio

5.31.2021 Market Value: \$15,813,870	2Q 2021	1Q 2021	4Q 2020	3Q 2020	2020	1 Year	3 Year	5 Year	7 year	Since Inception (5.1.12)
Total Portfolio (Gross of Fees)	0.07	0.12	0.15	0.19	1.74	0.55	2.08	1.61	1.22	0.98
Total Portfolio (Net of Fees)	0.06	0.10	0.13	0.17	1.67	0.48	2.01	1.54	1.15	0.91
Principal Return	-0.10	-0.17	-0.24	-0.31	-0.31	-0.97	0.52	0.33	0.10	-0.15
Income Return	0.17	0.28	0.39	0.50	2.05	1.53	1.56	1.28	1.12	1.14
Blended Benchmark*	0.04	0.04	0.03	0.09	1.87	0.23	2.03	1.56	1.14	0.90
ICE BofA US 3mo T-Bill	0.00	0.02	0.03	0.04	0.67	0.11	1.40	1.18	0.87	0.69

*1.1.2019-Current: ICE BofA 0-2 Year US Treasury; 5.1.2012 thru 12.31.2018: ICE BofA 3 Month T-Bill

As of 5.31.21, returns are preliminary

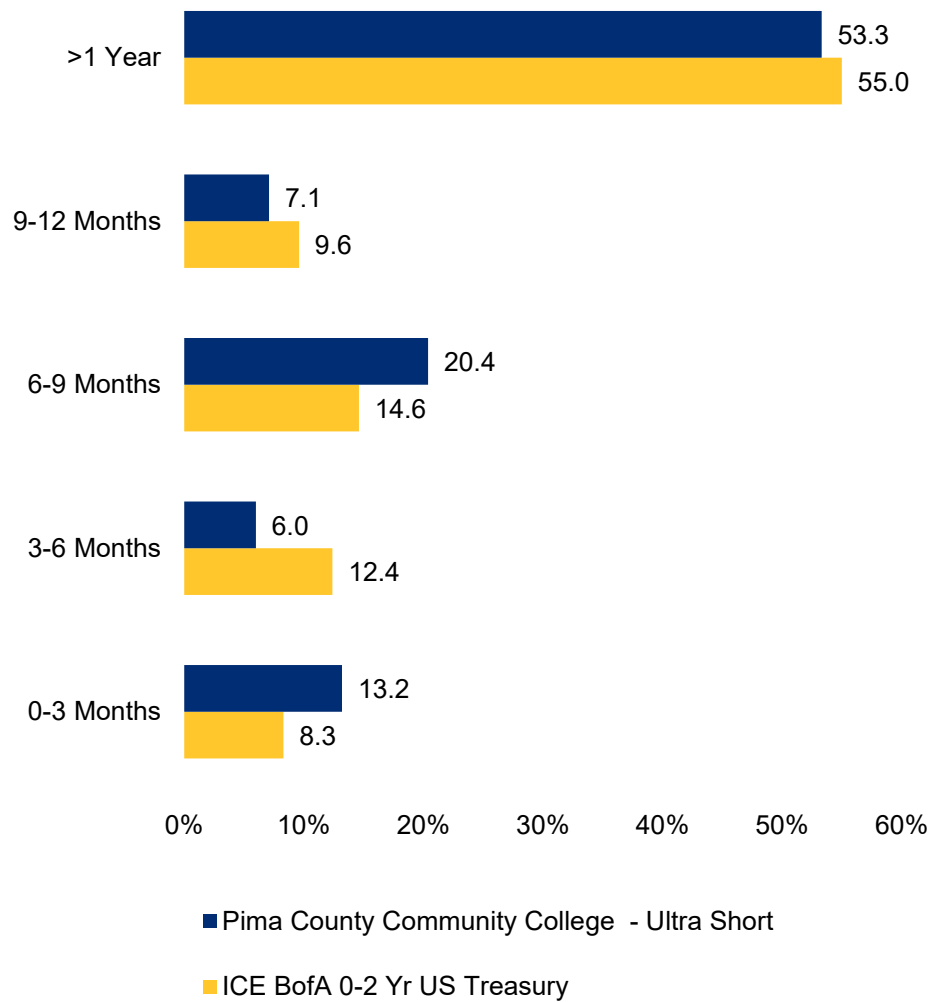
Source: RBC GAM, ICE Data Services

All returns for periods greater than one year are shown on an annualized basis. Past performance is not indicative of future results.



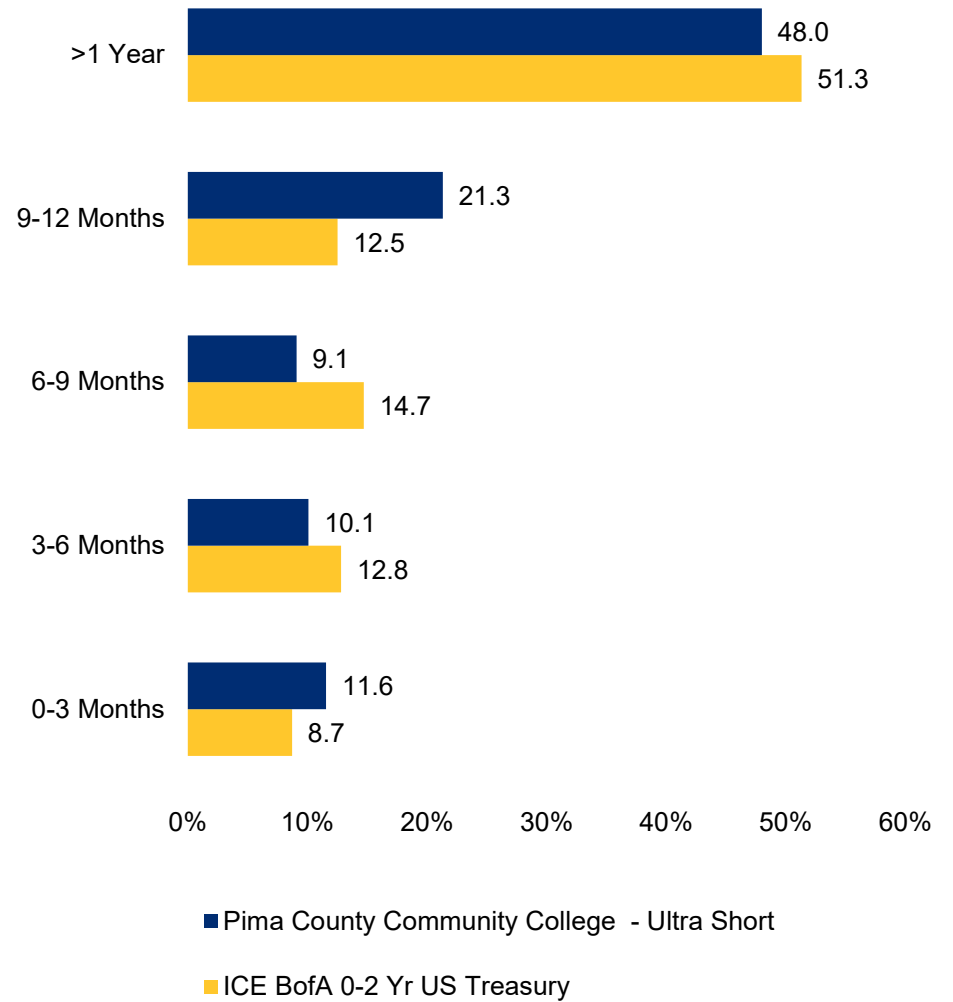
Pima County Community College – Ultra Short Portfolio

Duration Distribution as of 5.31.21



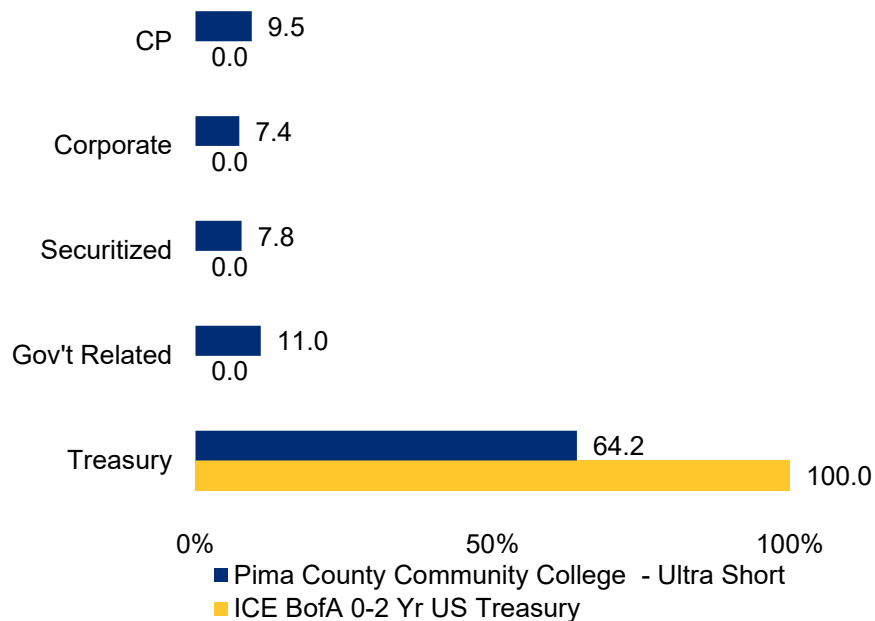
As of 5.31.21
Source: RBC GAM, ICE Data Services

Duration Distribution 3.31.21

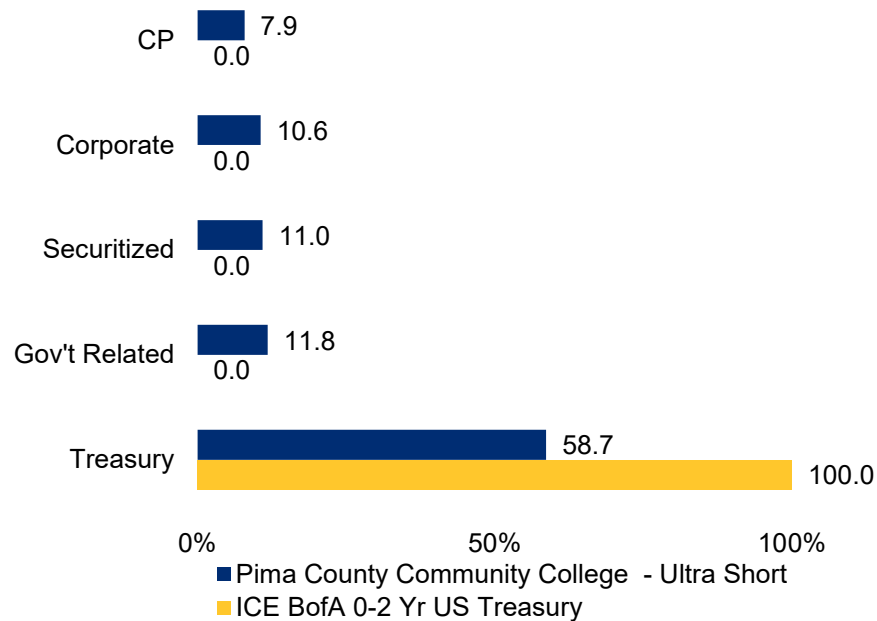


Pima County Community College – Ultra Short Portfolio

Sector Distribution as of 5.31.21



Sector Distribution as of 3.31.21



Characteristics	Pima County Community College – Ultra Short as of 5.31.21	Pima County Community College – Ultra Short as of 3.31.21	ICE BofA 0-2 Yr US Treasury
Effective Duration	1.01 years	1.01 years	1.06 years
Market Yield	0.23%	0.27%	0.12%
Book Yield	0.37%	0.54%	--
Average Quality	AAA	AAA	AAA

As of 5.31.21
Source: RBC GAM, ICE Data Services, Sector charts exclude cash & equivalents



Duration By Sector

Pima County Community College – Ultra Short Portfolio

	Duration As of 5/31	% Assets As of 5/31	Contribution to Duration As of 5/31	Duration As of 3/31	% Assets As of 3/31	Contribution to Duration As of 3/31
Corporate	0.81 Years	7.73%	5.99%	0.71 Years	10.60%	7.47%
Gov't Related	1.12 Years	11.03%	12.31%	1.20 Years	11.82%	14.08%
Commercial Paper	0.27 Years	9.46%	2.59%	0.24 Years	7.91%	2.00%
Agency Secured	0.34 Years	7.76%	2.64%	0.40 Years	10.97%	4.36%
Treasury	1.20 Years	64.21%	76.47%	1.24 Years	58.66%	72.21%
Total	1.01 Years	100.00%	100.00%	1.01 Years	100.00%	100.00%

As of 5.31.21

Source: RBC GAM, Contribution to Duration table excludes cash & equivalents

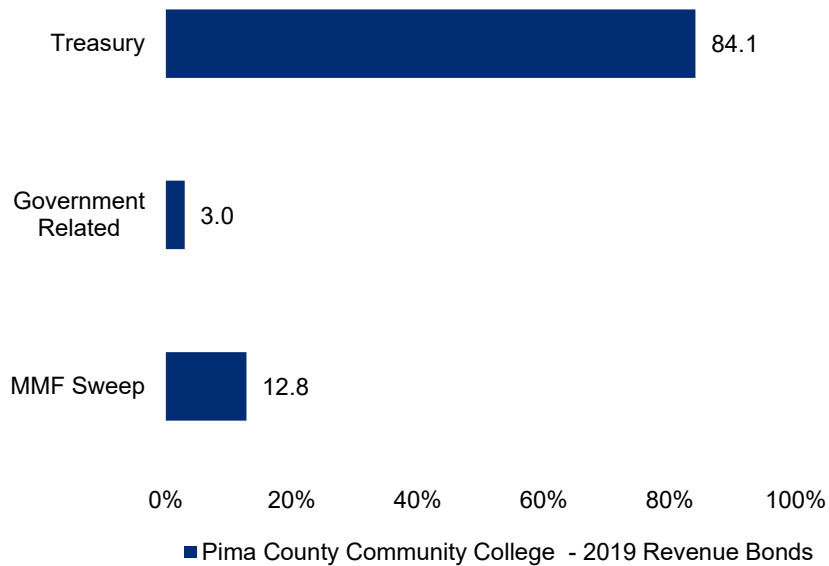


Pima County Community College District - 2019 Revenue Bonds

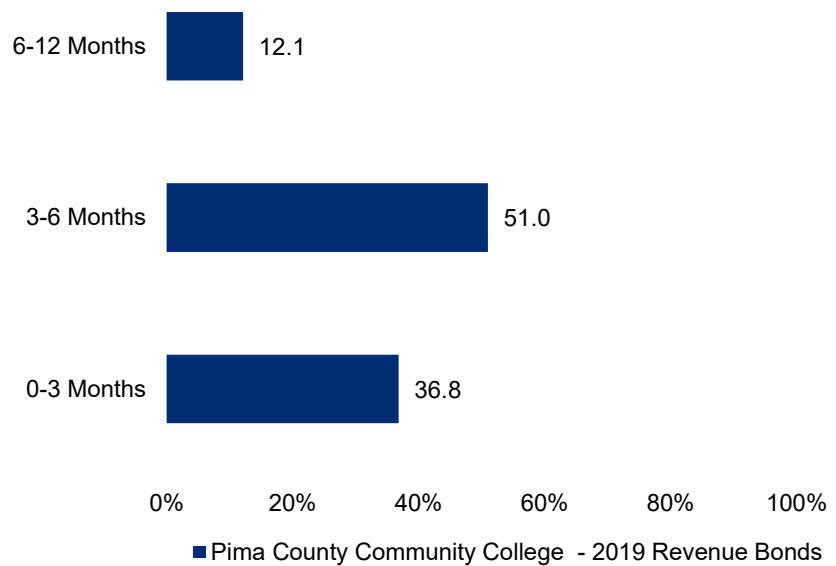


Pima County Community College – 2019 Revenue Bonds

Sector Distribution as of 5.31.21



Duration Distribution as of 5.31.21



Characteristics	Pima County Community College – 2019 Revenue Bonds
Effective Duration	0.26 years
Market Yield	0.10%
Book Yield	0.28%
Average Quality	AAA
Market Value	\$42,652,581

As of 5.31.21
Source: RBC GAM

Economy & Market Review

Overview

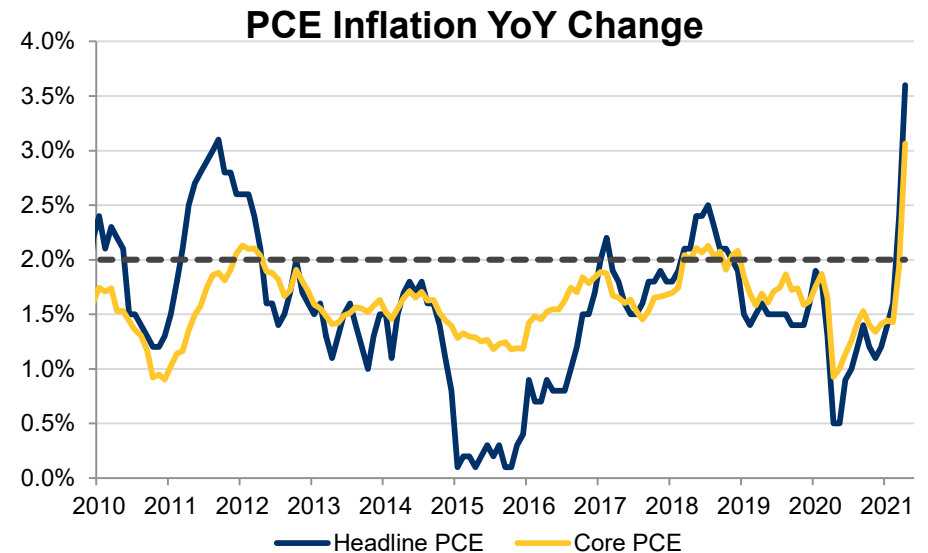
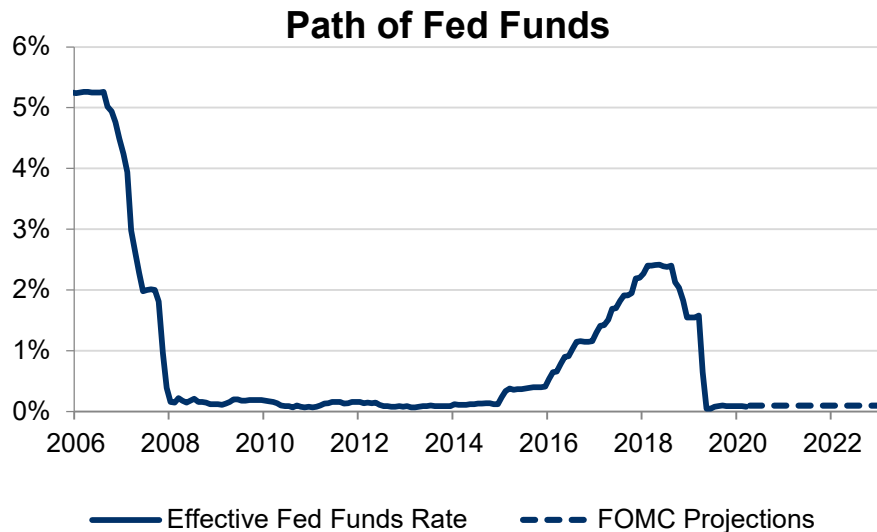
Economic impacts from COVID-19 are diminishing

- The US is poised for a strong recovery in 2021
- COVID-19 cases have fallen dramatically
- Vaccine rollout ramped up with vaccines for every adult expected by Summer
- Economic activity continues to recover, with expectations of return to pre-pandemic levels in early 2022
- Continued supportive monetary and fiscal policies position the US for a strong rebound in 2021
- Front end rates remain historically low and anchored

Federal Reserve – Balance Sheet Growth

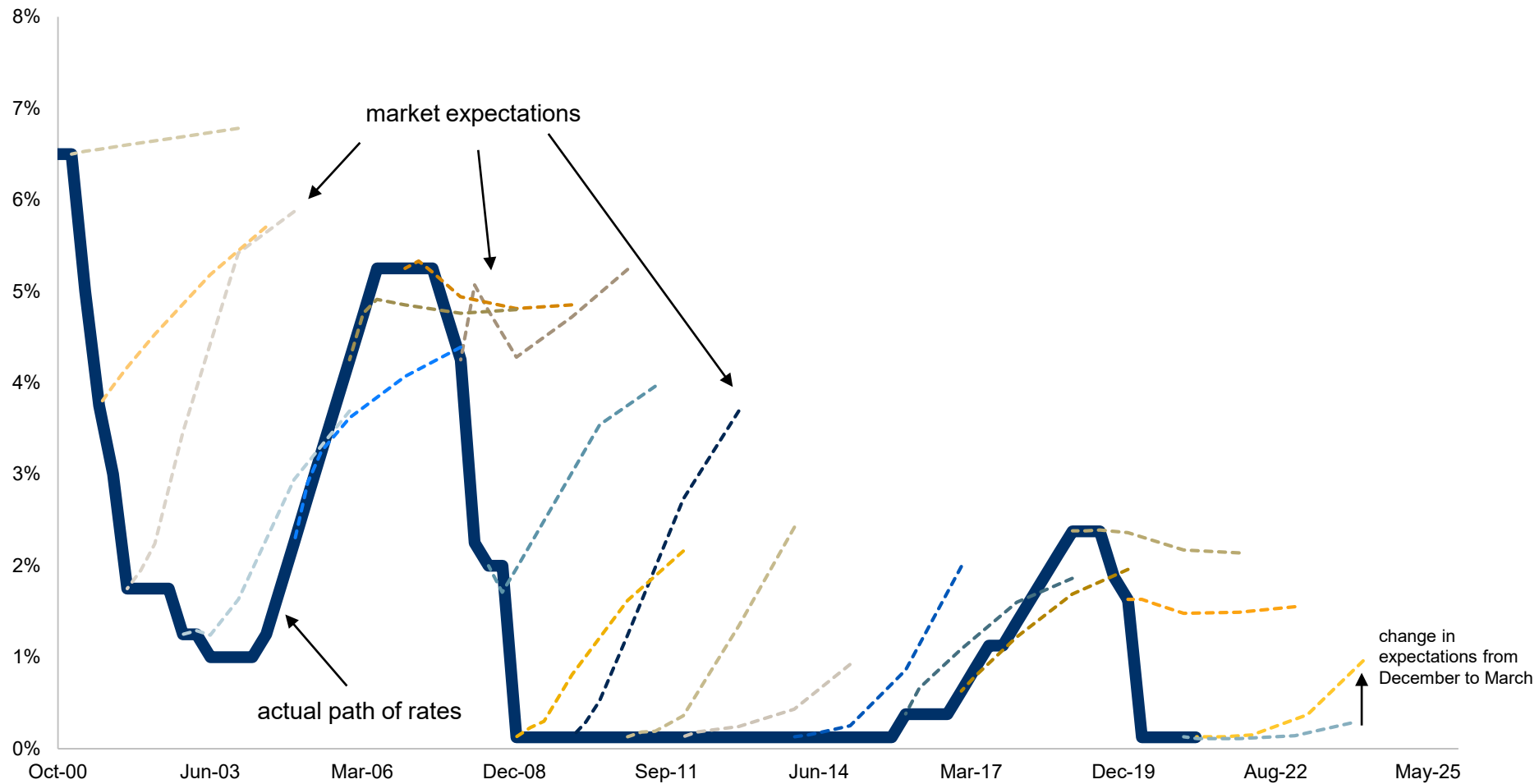
The Fed continues to maintain accommodative stance to support recovery

- FOMC to keep easy-money policies in place for foreseeable future
 - Labor market remains well below pre-pandemic levels
 - Modified inflation targets will look for inflation persistently above 2% over time
 - Transitory inflation expected to be elevated in 2021, but does not meet Fed's standards
- Asset purchases expected to continue through at least 2021
 - Buying \$80b in Treasuries and \$40b in Agency MBS per month
 - Fed balance sheet has grown by \$3.4tn over the last year to \$7.6tn
- FOMC continues to project no rate hikes through 2023



As of 5.31.21
Source: Bloomberg, Federal Reserve

U.S. interest rates: expectations vs reality



Source: RBC GAM, Bloomberg. Data as of March 24, 2021. Thick line represents prevailing median federal funds target rate. Dotted lines are forward market expectations as of various dates.



Financial Assets Continue to Soar

US IG Corporate Spreads



Oil Prices



- IG Corporate spreads have recovered off the wide levels at the start of the pandemic, and are returned to historically tight levels
- The S&P 500 continues to advance in 2021 and set record highs
- The massive, coordinated monetary and fiscal responses to Covid-19 resulted in a fast, full cycle recovery

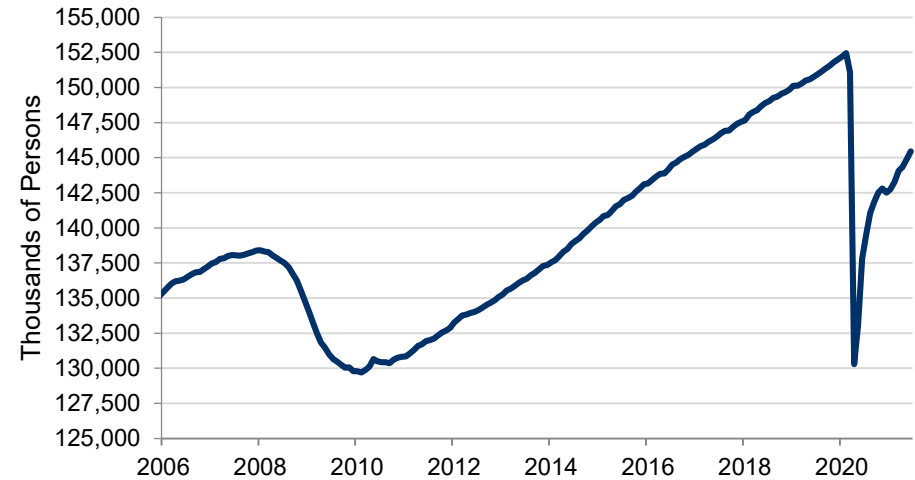
S&P 500 Index



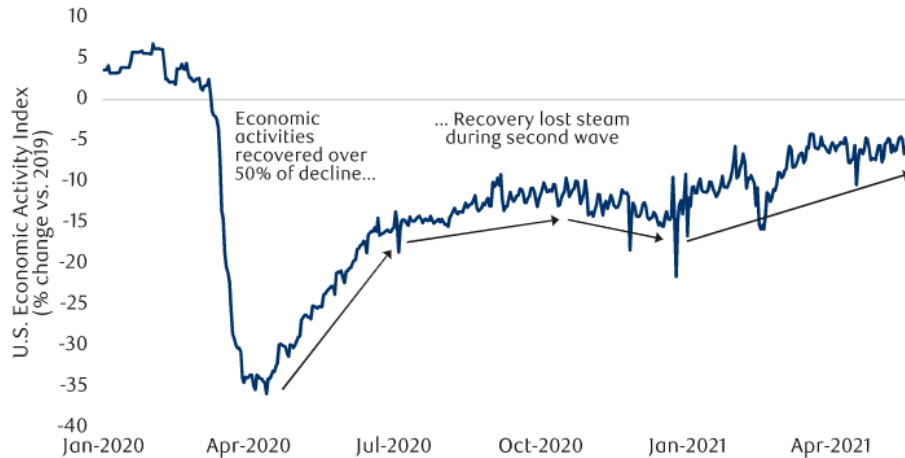
US Economy – Gaining Traction

- Improving unemployment
 - Added 559k jobs in May
 - Brings official unemployment rate to 5.8%
- Recovery continues to be uneven
 - Hard hit sectors like service and travel have lagged
 - However Leisure & Hospitality have begun adding jobs at a faster rate
- ISM index indicators surge
 - Manufacturing Index rose to highest level since 1983
- Bottom line: Uncertainty remains, but optimism is growing

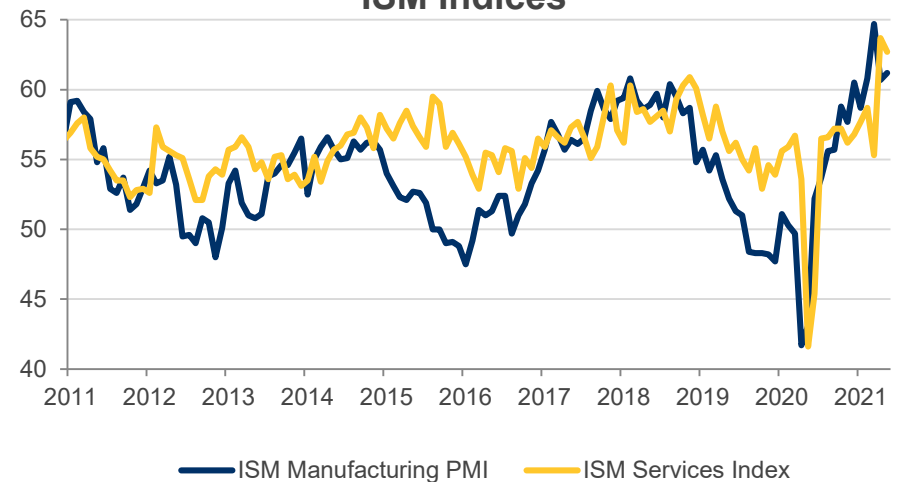
Total Nonfarm Payrolls



U.S. Economic Activity Index



ISM Indices

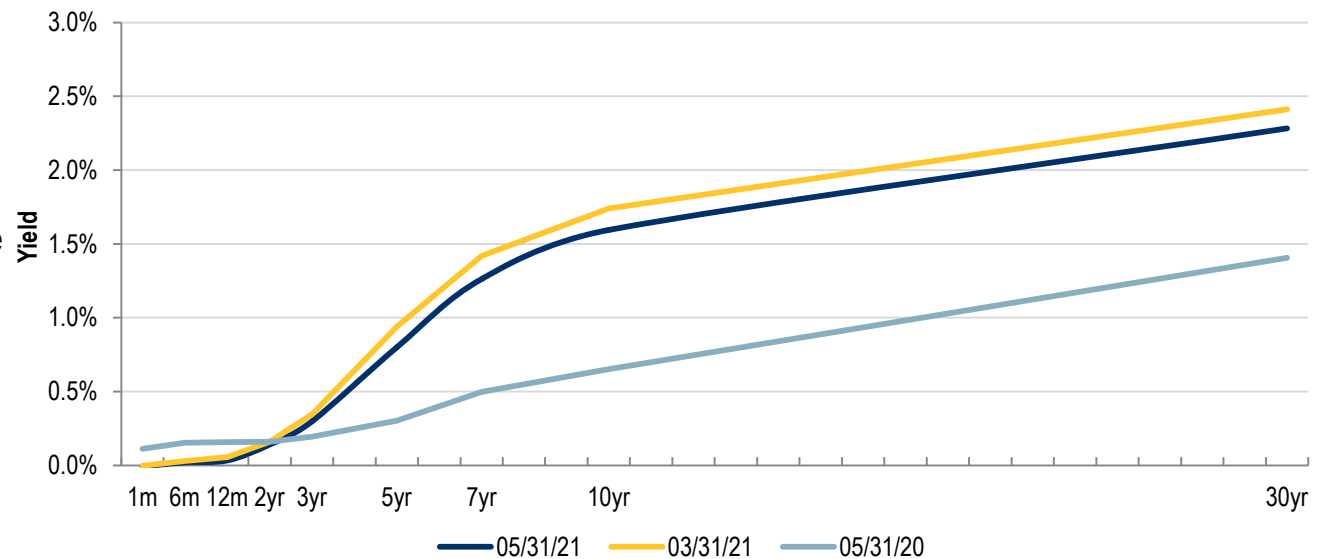
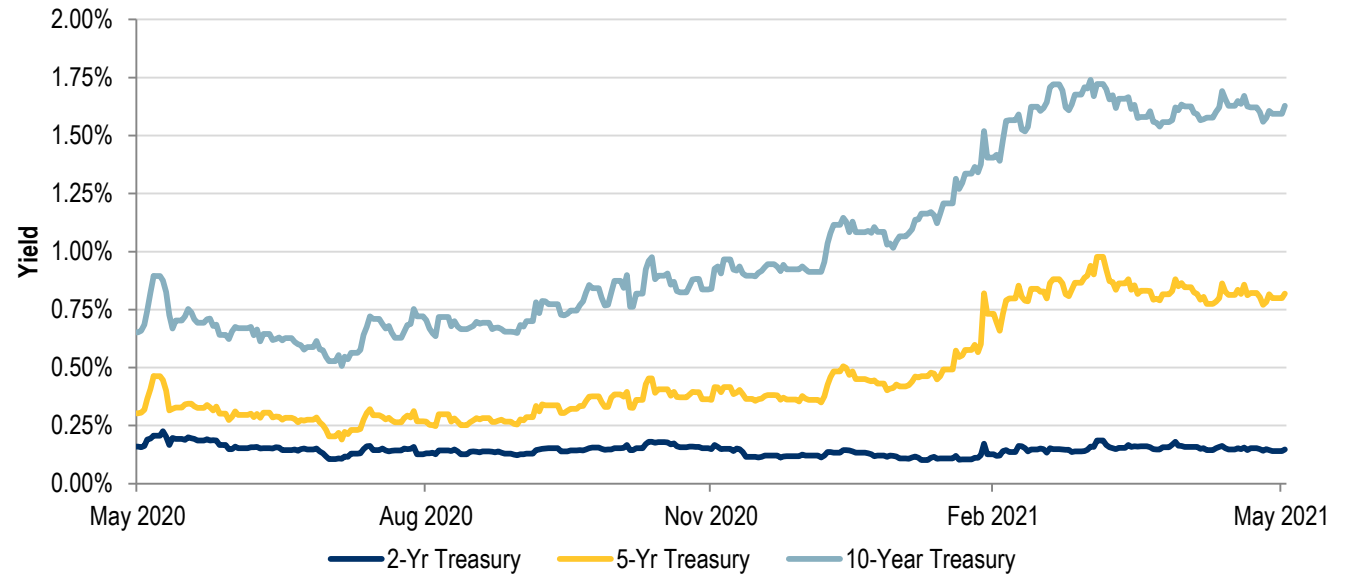


As of 5.31.21. Economic Activity Index is the average of nine high-frequency economic data series measuring the percentage change versus the same period in 2019
 Source: Bloomberg, FRED, Bank of America, Goldman Sachs, OpenTable, Macrobond, RBC GAM



U.S. Treasury Rates

- Rates have trended sideways after a strong rise in rates to start the year
- Longer rates rose higher on growth optimism and inflation concerns
- The 10-year Treasury peaked at 1.74%, but has since fallen to 1.59% as of May 31st
- Even with the recent rise, rates continue to be historically low with the front end of the curve anchored by the Fed's accommodative policies



As of 5.31.21
Source: Bloomberg

Economic activity expected to rebound strongly in 2021

- Strong optimism on continued recovery from coronavirus
- Fiscal stimulus
 - Biden admin sets sights on infrastructure
- Secondary issues
 - Reduced globalization
 - Geopolitics – China / Iran / Russia
 - Increased social tensions
- US GDP outlook
 - 2021 expecting +6.4%
 - Output back to peak mid-2021 / Full potential in 2022
- Federal Reserve – Rates near zero for years and unlimited QE
- Interest Rates Recover
 - Yield curve steepest since 2015
 - Markets jittery about inflation, but long term dynamics will keep inflation muted
 - Volatility will be elevated
 - 10-year Treasury fair value 1.50-1.75% over the medium term
- Risk assets – Continued support from accommodative Fed and economic tailwinds

Appendix



The US fixed income team

US Fixed Income Team			
Lead Portfolio Managers		Risk Management	
Brian Svendahl, CFA Co-Head, US Fixed Income		Brandon Swensen, CFA Co-Head, US Fixed Income	
Sector Focus		Michael Hamp Vice President, Head of Investment Risk Management	
Municipal, Government & Mortgage Research		Credit Research	
Raye Kanzenbach, CFA Sr Portfolio Manager	Laurie Mount Analyst	James Weinand, CFA Portfolio Manager	John Northup, CFA Senior Analyst
Scott Kirby Sr Portfolio Manager	Valinie Dayaljee Analyst	Alexey Baskakov, CFA Associate Portfolio Manager	Matt Mueller, CFA Senior Analyst
Eric Hathaway, CFA Sr Portfolio Manager	Karen Ly Analyst	Kelly Foley Analyst	Kelsey Bosshardt Analyst
Ronald Homer Chief Strategist, US Impact Investing	Yeng Lee Quantitative Analyst		
Institutional Portfolio Managers / Client Service			
John Utter Head of Institutional Client Service – US	Randy Harrison, CFA Institutional Portfolio Manager	Mindy Frye Institutional Portfolio Manager	Chris Boppre, CFA Associate Institutional Portfolio Manager
	Bethany Jessen Institutional Portfolio Manager	Amy Carlson Associate Institutional Portfolio Manager	
Investment Policy Compliance			
Eric Smith, CFA Director, Client Operations		Ryan Schaitberger Manager, Investment Policy	Elmer Pineda Investment Policy Analyst

Experience and depth

Investment team empowered to excel through research-focused, sector-team structure

Institutional Portfolio Managers provide continuous engagement and client communication

Lead Portfolio Managers and sector teams average 19 years of experience¹

As of 3.31.21. ¹Experience updated annually.

Professionals



John A. Utter

Managing Director, Head of Institutional Client Service – U.S.

John Utter is responsible for developing and implementing industry leading client service practices and leads the firm's client service efforts, including the development of asset allocation solutions for ultra high net worth and off-shore clients. He joined RBC GAM-US in 2010 from RiverSource Investments, where he was a divisional sales director leading a sales team that helped clients with investment solutions ranging from traditional equities and fixed income to portable alpha and absolute return strategies. Before that, John spent 15 years in institutional sales assisting banks, insurance companies and hedge funds in the U.S. and Europe with their fixed income investments. He began his career in the investment industry in 1988. John earned a BA from St. Lawrence University, holds FINRA Series 7, 24 and 63 licenses and is registered as an Associated Person with the National Futures Association.

Investment Policy Statement

Pima County Community College District Investment Guidelines

The following are guidelines applicable to the placement of Pima County Community College District ("District") funds the District deems to be excess of current budgetary requirements. Investments will at all times comply with statutory and regulatory requirements governing the placement of District's public funds.

Purpose

The purpose of this Statement is to establish guidelines for the fund's investment Portfolio (the "Portfolio"). The statement also incorporates accountability standards that will be used for monitoring the progress of the Portfolio's investment program and for evaluating the contributions of the Investment Manager(s) hired on behalf of the fund and its beneficiaries.

Scope

These investment guidelines shall apply to the District's general, auxiliary, and plant fund assets.

Administration

The Governing Board's Finance and Audit Committee ("Committee") will review quarterly investment performance reports received from the District's Investment Manager ("Manager") and/or the District's independent third-party Custodial Bank ("Custodian") and will provide an annual summary to the District's Governing Board. The Committee will also be responsible for periodically reviewing the District's Investment Guidelines ("Guidelines").

All trades of marketable securities will be executed through Manager by Delivery vs. Payment (DVP). Securities will be held by Custodian selected by the District and evidenced by safekeeping receipts in the District's name. The District will only conduct securities investment transactions with financial institutions and licensed security broker/dealers legally registered in the State of Arizona and on the Manager's list of approved financial institutions and brokers/dealers, a copy of which the Manager shall provide the District annually.

Objectives

The fund is to be invested with the objective of preserving the long-term, real purchasing power of assets while providing a relatively predictable stream of annual income and appreciation. The primary objectives of all District investment activities, in priority order, shall be:

1. Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall Portfolio. This objective focuses on mitigation of credit risk, custodial credit risk, and interest rate risk.

2. Liquidity

The investment portfolio shall be sufficiently liquid to meet anticipated operating requirements. This shall be accomplished by structuring the Portfolio such that securities mature concurrently with anticipated demands. The Portfolio shall also be structured such that the District may access invested funds necessary to cure the effects of an unexpected event.

Investment Policy Statement

3. Total Return

The investment portfolio shall be designed with the objective of attaining an optimized market rate of return throughout budgetary and economic cycles.

Consistent with a need for stability, diversification, and suitability, special consideration shall be given to investments that demonstrate a commitment to:

- Community development and/or investment, particularly in communities with minority or low income residents
- Diversity in hiring, executives, and boards with respect to sexual orientation, gender, race, and ethnicity
- Transparency and accountability in corporate governance
- Living wages for all employees
- Environmental sustainability, including reducing greenhouse emissions and improving sustainable forestry.

Permitted Investments

Investments indicated in A.R.S. § 35-323 will be permitted by these guidelines. The District has elected to further allow investment in asset classes that historically protect and maintain purchasing power. Most suitably, in portfolios with longer dated objectives. The Committee recognizes that the strategic allocation to varying asset classes with varying degrees of risk, return, and correlation will be the most significant determinate of long term

return and value stability. The Committee also expects that actual return volatility may vary from expectations and objectives across short periods of time.

While the Committee wishes to retain flexibility with respect to making periodic changes, it expects to do so only in the event of material changes to the fund, to the assumptions underlying fund spending, and/or to the capital markets and asset classes in which the Portfolio invests.

Each asset class should not be considered alone, but by the role it plays in a diversified Portfolio. Diversification among asset classes has historically increased returns and reduced overall Portfolio risk. How asset classes relate to each other is the key to making asset allocation decisions within the context of overall risk and return. With these tenets in mind, the Committee has outlined permissible assets as follows:

1. Certificates of deposit in eligible depositories as defined in A.R.S. § 35-321.
2. Certificates of deposit in one or more federally insured banks or savings and loan associations in accordance with the procedures prescribed in A.R.S. § 35-323.01.
3. Interest bearing savings accounts in banks and savings and loan institutions whose accounts are insured by federal deposit insurance for their industry, but only if deposits in excess of the insured amount are secured by the eligible depository (as defined in A.R.S. § 35-321) to the same extent and in the same manner as required under A.R.S., Title 35, Chapter 2, Article 2.1.
4. Repurchase agreements with a maximum maturity of one hundred eighty days.

Investment Policy Statement

The pooled investment funds established by the Arizona State Treasurer pursuant to A.R.S. § 35-326.

6. Obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities.

7. Bonds, notes, or other evidences of indebtedness of Arizona or any of its counties, incorporated cities or towns, or school districts that are rated AA by Moody's Investors Service or Standard and Poor's rating service or their successors.

8. Bonds, notes, or evidences of indebtedness of any county, municipal district, municipal utility, or special taxing district of any state that are payable from revenues, earnings, or a special tax specifically pledged for the payment of the principal and interest on the obligations, and for the payment of which a lawful sinking fund or reserve fund has been established and is being maintained, but only if no default in payment on principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if such obligations were issued less than five years before the date of investment, no default in payment of principal or interest has occurred on the obligations to be purchased nor any other obligations of the issuer within five years of the investment. Debt must be rated AA by Moody's Investors Service or Standard and Poor's rating service or their successors.

9. Bonds, notes, or evidences of indebtedness issued by any county improvement district or municipal improvement district of any state to finance local improvements authorized by law, if the principal and interest of the obligations are payable from assessments on real property within the improvement district. Debt must be rated AA by Moody's Investors Service or Standard and Poor's rating service or their successors.

An investment shall not be made if:

The face value of all such obligations, and similar obligations outstanding, exceeds fifty per cent of the market value of the real property, and if improvements on which the bonds or the assessments for the payment of principal and interest on the bonds are liens inferior only to the liens for general ad valorem taxes.

b. A default in payment of principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if the obligations were issued less than five years before the date of investment, a default in the payment of principal or interest has occurred on the obligations to be purchased or on any other obligation of the issuer within five years of the investment.

10. Commercial paper of prime quality that is rated "PI" by Moody's Investors Service or rated "A1" or better by Standard and Poor's rating service or their successors. All commercial paper must be issued by corporations organized and doing business in the United States.

Investment Policy Statement

Bonds, debentures, and notes that are issued by corporations organized and doing business in the United States and that are rated "AA" or better by Moody's Investor Service or Standard and Poor's rating service or their successors. Ratings apply at the time of purchase. In the event that a security is subsequently downgraded below the minimum rating criteria, the Manager will review the position with the District to determine the appropriate course of action.

12. Securities of or any other interests in any open-end or closed-end management type investment companies or investment trust, including exchange traded funds whose underlying investments are invested in securities allowed by this investment guidelines statement, and registered under the Investment Company Act of 1940, as amended.

13. Cash and Cash Equivalents: Cash and cash equivalents can present risk for an institution with a long-term horizon due to the low return and the diminution of purchasing power that entails. It is considered expected to maintain cash and cash equivalents consistent with the operational needs of the College for payables in addition to a minimum of eight percent of the revenues of the current general and designated fund budgets. Outside of extraordinary market dislocation periods, cash will exist from time to time for transaction and/or rebalancing needs.

Diversification and Duration

Maximum percentage of market value of all invested fund assets, as described in "Scope" above:

Position Size: 5% targeted maximum in any one security
 Issuer: 5% targeted maximum in any one issuer

Exemptions to Issuer Maximum Include:

- Obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities.
- Interest bearing accounts, certificates of deposit, or repurchase agreements which are collateralized with obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities.

Shorter duration bonds carry less risk than longer duration bonds and result in better price stability in distressed market environments. If cash is needed in this period, shorter duration bonds provide a source of funds that have had minimal price deterioration.

The Committee recognizes that the long term average fixed income yield curve has a modest upward slope. Standard deviation (price volatility), on the other hand, slopes more dramatically upward in the same frame. Comparing historical returns with historical risk, we understand longer maturity bonds are not an efficient form of compensated risk over the long term, especially beyond 5 year maturities.

Investment Policy Statement

Investment Allocations

<u>Type</u>	<u>Maximum Allocation</u>
Cash	20%
Certificates of Deposit (Term)	50%
Repurchase Agreements	50%
Pooled Investments (LGIP)	50%
U.S. Government Obligations/TIPS	100%
U.S. Government Agencies	100%
Municipal Securities	20%
Commercial Paper	20%
Corporate Bonds	50%

Percentages apply at the time of purchase, allowing for moderate drift with long term holding intent. If the percentages are materially exceeded due to redemption or other activity, the Manager will seek to realign the Portfolio within the maximum targeted percentages.

Arizona Revised Statutes

35-323 - Investing public monies; bidding; security and other requirements

35-323. Investing public monies; bidding; security and other requirements

A. The treasurer shall invest and reinvest public monies in securities and deposits with a maximum maturity of five years. All public monies shall be invested in eligible investments. Eligible investments are:

1. Certificates of deposit in eligible depositories.
2. Deposits in one or more federally insured banks or savings and loan associations placed in accordance with the procedures prescribed in section 35-323.01.
3. Interest bearing savings accounts in banks and savings and loan institutions doing business in this state whose accounts are insured by federal deposit insurance for their industry, but only if deposits in excess of the insured amount are secured by the eligible depository to the same extent and in the same manner as required under this article.
4. Repurchase agreements with a maximum maturity of one hundred eighty days.
5. The pooled investment funds established by the state treasurer pursuant to section 35-326.
6. Obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations or instrumentalities.
7. Bonds, notes or other evidences of indebtedness of this state or any of its counties, incorporated cities or towns, school districts or special taxing districts, including registered warrants that shall bear interest pursuant to section 11-635.
8. Bonds, notes or evidences of indebtedness of any county, municipal district, municipal utility or special taxing district of any state that are payable from revenues, earnings or a special tax specifically pledged for the payment of the principal and interest on the obligations, and for the payment of which a lawful sinking fund or reserve fund has been established and is being maintained, but only if no default in payment on principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if such obligations were issued less than five years before the date of investment, no default in payment of principal or interest has occurred on the obligations to be purchased nor any other obligations of the issuer within five years of the investment.
9. Bonds, notes or evidences of indebtedness issued by any county improvement district or municipal improvement district of any state to finance local improvements authorized by law, if the principal and interest of the obligations are payable from assessments on real property within the improvement district. An investment shall not be made if:
 - (a) The face value of all such obligations, and similar obligations outstanding, exceeds fifty percent of the market value of the real property, and if improvements on which the bonds or the assessments for the payment of principal and interest on the bonds are liens inferior only to the liens for general ad valorem taxes.
 - (b) A default in payment of principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if the obligations were issued less than five years before the date of investment, a default in the payment of principal or interest has occurred on the obligations to be purchased or on any other obligation of the issuer within five years of the investment.
10. Commercial paper of prime quality that is rated within the top two ratings by a nationally recognized rating agency. All commercial paper must be issued by corporations organized and doing business in the United States.
11. Bonds, debentures, notes or other evidences of indebtedness that are denominated in United States dollars and that carry at a minimum an "A" or better rating, at the time of purchase, from at least two nationally recognized rating agencies.
12. Negotiable or brokered certificates of deposit issued by a nationally or state chartered bank or savings and loan association.

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35-323 - Investing public monies; bidding; security and other requirements

13. Securities of or any other interests in any open-end or closed-end management type investment company or investment trust, including exchange traded funds whose underlying investments are invested in securities allowed by state law, registered under the investment company act of 1940 (54 Stat. 789; 15 United States Code sections 80a-1 through 80a-64), as amended.
- B. Certificates of deposit shall be purchased from the eligible depository bidding the highest permissible rate of interest. No monies over one hundred thousand dollars may be awarded at any interest rate less than one hundred three percent of the equivalent bond yield of the offer side of United States treasury bills having a similar term. If the eligible depository offering to pay the highest rate of interest has bid only for a portion of the monies to be awarded, the remainder of the monies shall be awarded to eligible depositories bidding the next highest rates of interest.
- C. An eligible depository is not eligible to receive total aggregate deposits from this state and all its subdivisions in an amount exceeding twice its capital structure as outlined in the last call of condition of the superintendent of financial institutions.
- D. If two or more eligible depositories submit bids of an identical rate of interest for all or any portion of the monies to be deposited, the award of the deposit of the monies shall be made to the eligible depository among those submitting identical bids having, at the time of the bid opening, the lowest ratio of total public deposits in relation to its capital structure.
- E. Each bid submitted, and not withdrawn prior to the time specified, constitutes an irrevocable offer to pay interest as specified in the bid on the deposit, or portion bid for, and the award of a deposit in accordance with this section obligates the depository to accept the deposit and pay interest as specified in the bid pursuant to which the deposit is awarded.
- F. The treasurer shall maintain a record of all bids received and shall make available to the board of deposit at its next regularly scheduled meeting a correct list showing the bidders, the bids received and the amount awarded. These records shall be available to the public and shall be kept in the possession of the treasurer for not less than two years from the date of the report.
- G. Any eligible depository, before receiving a deposit in excess of the insured amount under this article, shall deliver collateral for the purposes of this subsection equal to at least one hundred two percent of the deposit. The collateral shall be any of the following:
 1. A bond executed by a surety company that is approved by the treasury department of the United States and authorized to do business in this state. The bond shall be approved as to form by the legal advisor of the treasurer.
 2. Securities or instruments of the following character:
 - (a) United States government or agency obligations.
 - (b) State, county, school district and other district municipal bonds.
 3. The safekeeping receipt of a federal reserve bank or any bank located in a reserve city, or any bank authorized to do business in this state, whose combined capital, surplus and outstanding capital notes and debentures on the date of the safekeeping receipt are ten million dollars or more, evidencing the deposit therein of any securities or instruments described in this section. A safekeeping receipt shall not qualify as security, if issued by a bank to secure its own public deposits, unless issued directly through its trust department. The safekeeping receipt shall show upon its face that it is issued for the account of the treasurer and shall be delivered to the treasurer. The safekeeping receipt may provide for the substitution of securities or instruments which qualify under this section with the affirmative act of the treasurer.
 4. Letters of credit issued by a federal home loan bank if:
 - (a) The letter of credit has been delivered pursuant to this section or chapter 10, article 1 of this title to the statewide

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Arizona Revised Statutes

35-323 - Investing public monies; bidding; security and other requirements

collateral pool administrator.

(b) The letter of credit meets the required conditions of:

(i) Being irrevocable.

(ii) Being issued, presentable and payable at a federal home loan bank in United States dollars. Presentation may be made by the beneficiary submitting the original letter of credit, including any amendments, and the demand in writing, by overnight delivery.

(iii) If the letter of credit is for purposes of chapter 10, article 1 of this title, containing a statement that identifies the statewide collateral pool administrator as the beneficiary.

(iv) Containing an issue date and a date of expiration.

(c) For the purposes of chapter 10, article 1 of this title, the eligible depository, if notified by the statewide collateral pool administrator, is not allowed to use new letters of credit issued by a federal home loan bank if that federal home loan bank fails to pay a draw request as provided for in the letters of credit or fails to properly complete a confirmation of such letters of credit.

H. The securities, instruments or safekeeping receipt for the securities and instruments shall be accepted at market value if not above par, and, if at any time their market value becomes less than the deposit liability to that treasurer, additional securities or instruments required to guarantee deposits shall be deposited immediately with the treasurer who made the deposit and deposited by the eligible depository in which the deposit was made.

I. The condition of the surety bond, or the deposit of securities, instruments or a safekeeping receipt, must be such that the eligible depository will promptly pay to the parties entitled public monies in its custody, upon lawful demand, and will, when required by law, pay the monies to the treasurer making the deposit.

J. Notwithstanding the requirements of this section, any institution qualifying as an eligible depository may accept deposits of public monies to the total then authorized insurance of accounts, insured by federal deposit insurance, without depositing a surety bond or securities in lieu of the surety bond.

K. An eligible depository shall report monthly to the treasurer the total deposits of that treasurer and the par value and the market value of any pledged collateral securing those deposits.

L. When a security or instrument pledged as collateral matures or is called for redemption, the cash received for the security or instrument shall be held in place of the security until the depository has obtained a written release or provided substitute securities or instruments.

M. The surety bond, securities, instruments or safekeeping receipt of an eligible depository shall be deposited with the treasurer making the deposit, and the treasurer shall be the custodian of the bond, securities, instruments or safekeeping receipt. The treasurer may then deposit with the depository public monies then in the treasurer's possession in accordance with this article, but not in an amount in excess of the surety bond, securities, instruments or safekeeping receipt deposited, except for federal deposit insurance.

N. The following restrictions on investments are applicable:

1. An investment of public operating fund monies shall not be invested for a maturity of longer than five years.

2. The board of deposit may order the treasurer to sell any of the securities, and any order shall specifically describe the securities and fix the date upon which they are to be sold. Securities so ordered to be sold shall be sold for cash by the treasurer on the date fixed in the order, at the then current market price. The treasurer and the members of the board are not accountable for any loss occasioned by sales of securities at prices lower than their cost. Any loss or expense shall be charged against earnings received from investment of public funds.

35-323 - Investing public monies; bidding; security and other requirements

3. Investments shall not be made in companies identified pursuant to section 35-392, subsection A, paragraph 1.

O. If the total amount of subdivision monies available for deposit at any time is less than the maximum coverage amount of the federal deposit insurance corporation, the subdivision board of deposit shall award the deposit of the funds to an eligible depository in accordance with an ordinance or resolution of the governing body of the subdivision. Deposits of less than the maximum coverage amount of the federal deposit insurance corporation are not subject to the requirements of this chapter.

Disclosures

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Please advise your Client Service contact at RBC Global Asset Management (U.S.) Inc., 50 South Sixth Street, Suite 2350, Minneapolis, MN 55402 and Phone: 800-553-2143 promptly in the event of a material change in your investment strategy.

All material presented is compiled from sources believed to be reliable and current, but accuracy cannot be guaranteed. The security valuations contained in this evaluation have been obtained from reliable sources. They do not, however, represent guaranteed bids, offers, or markets for securities, and are subject to change. The prices, yields, and maturities have been obtained from sources believed to be reliable, but the data is not necessarily complete, the reliability cannot be guaranteed, and the availability of specific issues is subject to change. The performance figures in this report represent the past performance of your account and do not guarantee future results. Gross performance returns for the account do not include management fees and any other expenses incurred in the management of the account. Asset ID typically represents the CUSIP of the holding. When a CUSIP is not available, the Asset ID may represent a SEDOL or an internal security ID. For unrated securities, RBC GAM-US may assign an equivalent rating for calculation of portfolio analytics.

Sources of Information: Bloomberg, FactSet, FT Interactive Data, State Street Bank and Trust Company, BofA Merrill Lynch, MSCI and various other sources from time to time, as may be referenced on the report page of their use.

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Office of the Internal Auditor Executive Summary Quarterly Report June 2021

The Office of the Internal Auditor Executive Summary Quarterly Report is designed to provide an overview of the department activities, status of open audit findings, audit plan activities and important compliance items. The report includes the following sections: General Department Update, Audit Recap, Audit Plan and Important Compliance Items and Guidance.

General Department Update

The Office of the Internal Auditor (Internal Audit) continues to monitor and follow-up with management on all open audit findings. During the past quarter, the Internal Auditor checked periodically on the status of actions to address findings in the following areas: Automotive Technology Audit, Health Insurance Portability and Accountability Act (HIPAA) Audit, Information Technology Audit, Key Controls Review, and 2020 CIEGE Audit. See the Audit Recap section below for more details.

Internal Audit has completed the Clery Act Compliance Audit. The audit objectives were to evaluate: whether Pima Community College (PCC) is in compliance with gathering reports of crimes and fires statistics; the accuracy of the latest crime statistics in the College's 2019-2020 Campus Security and Fire Safety Report; and the current policies and procedures related to Clery Act. There were four items noted; the final report was issued on May 25, 2021.

Internal Audit is currently co-sourcing the Purchasing Audit with CliftonLarsonAllen (CLA). The audit objectives are to provide an independent assessment and assurance to the Finance and Audit Committee, Governing Board, and management that: the internal control framework that supports purchasing and contracting activities is appropriate, complete and effective; and purchasing and contracting activities comply with applicable regulations and College's policies and procedures. Currently the audit is in fieldwork status. More details will be provided in the next quarterly report.

Internal Auditor completed the 2021 Pima Community College Risk Assessment and the Audit Plan report. The purpose of this report is to provide management with information to make better informed decisions about whether College approaches to reduce or mitigate risks are effective and sufficient to carry out the activity under review at the risk level deemed appropriate and acceptable by management. The report was sent to the Chancellor, Governing Board, Finance and Audit Committee, Executive Vice Chancellor and Provost, Executive Vice Chancellor Finance & Administration, Vice Chancellor for Educational Services and Institutional Integrity, President of Campuses & Executive Vice Chancellor for Student Experience & Workforce, Chief of Staff and General Counsel. It should be noted that prior to issuing the report, feedback was requested and received from the Chancellor, General Counsel, Executive Vice Chancellor Finance & Administration and members from the Finance and Audit Committee.



Internal Audit is pleased to announce the launch of the Internal Audit Newsletter; it is published in Pima Community College's intranet. The focus of the newsletter is to provide staff and faculty with an introduction to Internal Audit and increase awareness about Internal Audit's role.

The link to the newsletter is:

<https://mypima.pima.edu/group/mycampus/employees/intranet-guide/intranet?page=/intranet/internal-audit/index.shtml>

During the months of April, May and June, Internal Auditor attended the Security and Access Control Work Group (SACG) meetings. The SACG is a monitoring work group established by the Vice Chancellor of Facilities. It is led by Facilities & College Police and is comprised of designated representatives from various departments (e.g. Facilities Operations, Access Control, College Police, Human Resources, Information Technology, Environmental Health and Safety) that define and recommend standards for College access control within the Security and Access Control Operating Procedures per AP 8.01.02. The role of Internal Audit is to assess and make recommendation on the effectiveness of the existing and new/proposed controls. Attendance at these meetings also allows Internal Auditor to monitor progress on the access control project which will take until 2023 to complete. The group meets every two weeks.

Internal Audit continues working with the Strategy, Analytics and Research (STAR) Department on process effectiveness (e.g. determine methods that could be used to evaluate effectiveness among multiple areas/units, identify and use system(s) data to evaluate processes and determine control efficiencies and effectiveness, etc.). Internal Audit is also working with management from various departments on College-wide projects. Some of these projects include: Job Placement Rates (e.g. to ensure programs are meeting the needs of students and industry) and Information Technology Data Security Committee.

During the past quarter, Internal Auditor attended several virtual webinars. Some of these include: Risk Management and IT Security in the Work-From-Home Era; IIA Fraud and Ethics webinar; 2021 IIA Leadership Academy Virtual Conference; Emergency Relief Fund webinar; and Pima Community College Wellness Webinars. Some webinars offered Continuing Professional Education (CPE) credits.

Audit Recap

Internal Audit continues to monitor and follow-up with management on all audits with open items for both current and past audit engagements (Automotive Audit, Health Insurance Portability and Accountability Act (HIPAA) Audit, Information Technology-Data Security, Cybersecurity Training, & Business Continuity Planning Audit, Key Controls Review, Marketing & Advertising Request for Proposals (RFP) Vendor Selection Process Assessment, and 2020 Center for International Education and Global Engagement Audit). During this quarter, there were twenty-one (21) findings closed. This significant progress was possible with the assistance from management from various departments. Currently there are 55 findings closed (89%) and 7 findings open (11%) as depicted below:



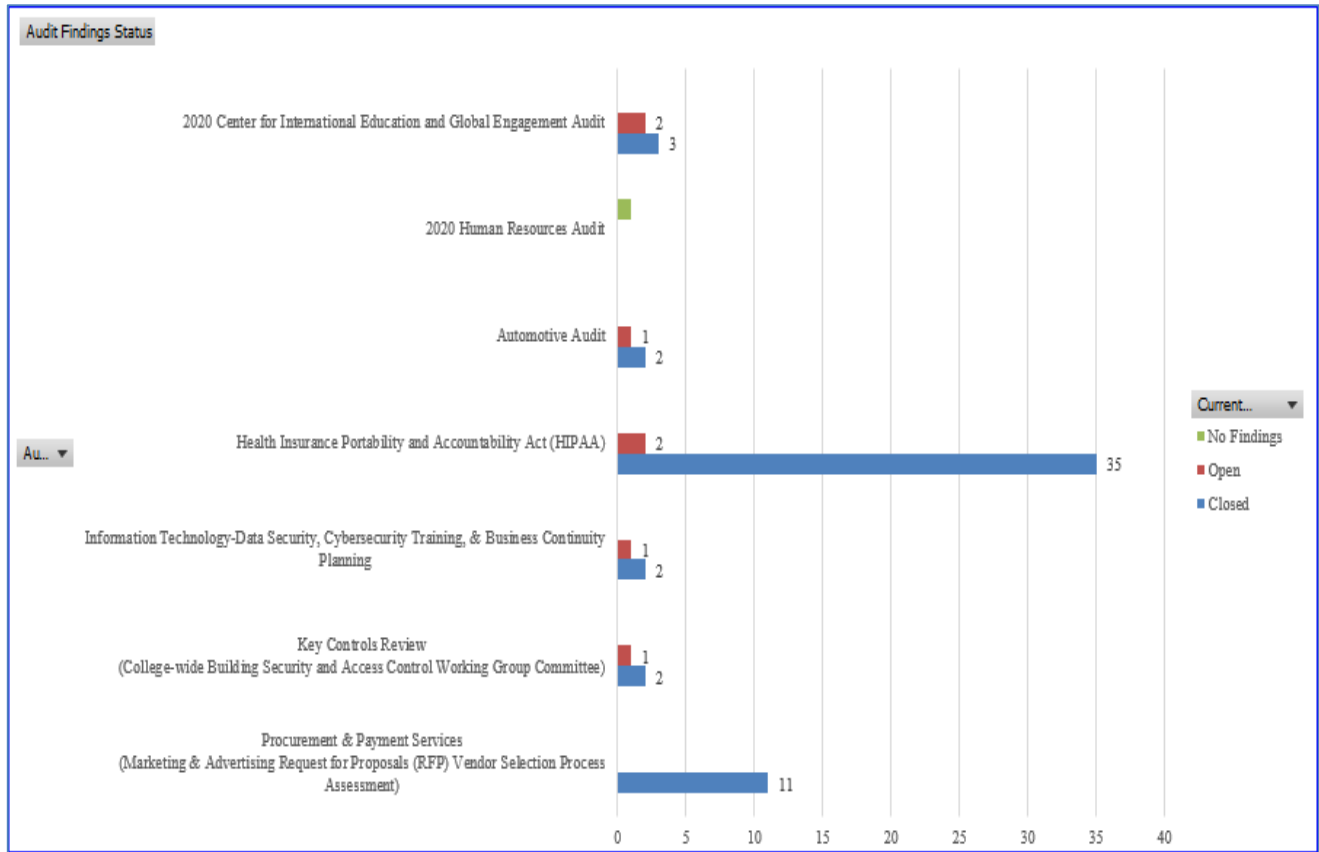
Audit Title	Audit(s) Date (Initial & Follow up Audits)	Number of Findings Issued	Number of Findings Open	Department/Area	Expected Completion Date * (Based on Audit Report)	New Expected Completion Date (Based on Follow-up)
Automotive Audit	Mar. 23, 2017	3	1	Dean of Applied Technology	Mar. 2019 (longest date out)	Oct. 2021
<p>Comments: Automotive Management in collaboration with the Vice Chancellor Strategy, Analytics and Research are working to implement a process to maintain job placement rates and perform trending analysis to help ensure that programs are meeting the needs of students and industry. Management continues to develop the statewide employment portal under the direction of the Office of Economic Opportunity (OEO), part of the Arizona Commerce Authority. The portal is scheduled for a Fall 2021 rollout. Additionally, members of the College's Strategy, Analytics, and Research (STAR) team have presented brief updates on the portal to each of the College's industry advisory groups during their Spring 2021 meetings. The new implementation date was moved from 6/30/2021 to 10/31/2021. The risk rating for the remaining open item is medium.</p>						
2020 Center for International Education and Global Engagement	Nov. 20,2020	5	2	Vice President of International Development & Vice Chancellor for Educational Services and Institutional Integrity	Apr. 2021 (longest date out)	Jun. 2021
<p>Comments: There were two items closed in March 2021. Items were related to updating CIEGE staff job descriptions and formalizing student file reviews in a procedure. The remaining open items are related to provide formal training to staff working at the Educational Orientation Window at the Consulate of Mexico, Tucson Office (now part of the Provost's Office) and review of all active MOU's within the CIEGE program. The risk rating for the remaining open items are high.</p>						
Health Insurance Portability and Accountability Act (HIPAA)	May 20, 2016 & Jul. 31, 2017	37	2	The Assistant Vice Chancellor (AVC) of Information Technology (IT), Employee Service Center (ESC) Director	May 2019 (longest date out)	Dec. 2021
<p>Comments: IT Management has implemented the Disaster Recovering Plan (DRP) Policy; DRP testing has begun; full testing will be completed by Q4 2021 or Q1 2022. Findings related to DRP within the HIPAA Audit (5) were closed; Internal Audit will follow up on the remediation of the DRP finding in the IT Audit.</p> <p>There were two items closed in March 2021; items were related to monitoring and tracking of policies, procedures and regulatory compliance related to IT and HIPAA training for IT staff. The remaining open items are related to implementing the HIPAA ePHI Enforcement Policy (draft document in HR, awaiting review and approval) and implementing a data security committee (first meeting scheduled for June 2021). The risk rating for the remaining open items are high.</p>						



Audit Title	Audit(s) Date (Initial & Follow up Audits)	Number of Findings Issued	Number of Findings Open	Department/Area	Expected Completion Date * (Based on Audit Report)	New Expected Completion Date (Based on Follow-up)
Information Technology-Data Security, Cybersecurity Training, & Business Continuity Planning	May 26, 2016 & May 31, 2017	3	1	Director of Cybersecurity	May 2019	Dec. 2021
Comments: IT Management has implemented the Disaster Recovering Plan (DRP) Policy; DRP testing has begun; full testing will be completed by Q4 2021 or Q1 2022. The Director of Infrastructure Services is working on this item. The risk rating for the remaining open item is high.						
Key Controls Review	Jan. 6, 2017	3	1	Director of Facilities	Jan. 2017	Jun. 2023
Comments: Based on the last update from the Director, Fiscal and Management Operations, progress on card access installation for exterior doors and cameras continued in the 2 nd quarter of 2021. In addition, progress over other security systems continue, some examples include: Security Master Plan; Card Access and Cameras (154 active card readers across College, installation of additional camera servers under review, etc.); Security for New Construction (e.g. Automotive Technology and Innovation Center (18 card readers and 39 cameras installed), Aviation Technology Center (17 additional card readers and 24 additional cameras installed), Advanced Manufacturing New Building (97 card readers and 37 cameras will be installed); PCC Alert; Alarms; etc.. The risk rating for the remaining open item is high.						
Procurement & Payment Services (Marketing & Advertising Request for Proposals (RFP) Vendor Selection Process Assessment)	Dec. 16, 2019	11	0	Director of Procurement & Payment Services	Mar. 2021 (longest date out)	Dec. 2020 & Mar. 2021
Comments: All items were closed during this quarter. The Director of Procurement and Payment Services provided supporting documentation for the remaining open items. These items were related to formalizing processes and procedures (e.g. vendor selection, evaluation committee training, etc.) and updating internal forms (e.g., Request for Qualifications Summary Evaluation Team Recommendation, etc.).						
TOTAL		62	7	Percentage Closed 89%	Percentage Open 11%	

* Audit findings and expected completion date are based on the last report issued by Internal Audit.

** Internal Audit conducts follow-ups on audit findings based on management implementation date (e.g. prior to completion date).



Below are the Audit Findings Implementation Status:

Audit Findings Implementation Status				
				Total
Automotive Audit		1	2	3
Health Insurance Portability and Accountability Act (HIPAA)	2		35	37
Information Technology-Data Security, Cybersecurity Training, & Business Continuity Planning	1		2	3
Key Controls Review(College-wide Building Security and Access Control Working Group Committee)	1		2	3
Procurement & Payment Services(Marketing & Advertising Request for Proposals (RFP) Vendor Selection Process Assessment)			11	11
2020 Center for International Education and Global Engagement Audit	2		3	5
Total	6	1	55	62



Implementation Status Classifications	Descriptions	Tickmark
Addressed /Completed	Implemented at 100% or risk/issue addressed	●
Substantially Complete > 50%	Substantially complete with more than 50% completion; but less than 100%	◐
Partially Complete ≤ 50%	Partially complete with less than 50% completion; but more than 0%	◑
No Progress	No progress observed or action taken	○

Internal Audit followed-up with management on the open item related to the Arizona Auditor General audit; the finding has been remediated as of May 2021.

Audit Title	Audit(s) Date (Initial & Follow up Audits)	Number of Findings Issued	Number of Findings Open	Department/Area	Expected Completion Date (Based on Audit Report)	New Expected Completion Date (Based on Follow-up)
Arizona Auditor General Year Ended June 30, 2019	December 18, 2019	1	0	Director of Records Management	June 2020	December 2020 (Substantially Complete)
Comments: The item was closed in May 2021. A “Change Management Policy” was completed; change management requests are initiated, reviewed, approved and tracked via the TDX platform.						
TOTAL		1	0	Percentage Closed 100%	Percentage Open 0%	

Note: *The Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Auditing* (Standards) requires that Internal Audit follow-up upon the disposition of management’s actions to address risks identified and to communicate the results to management. Internal Auditor updates the Internal Audit Findings Matrix when open items are followed-up with management (e.g. contact name, date, reason, status, etc.). Supporting documentation is requested and reviewed prior to closing a finding.



Audit Plan

The Detail Audit Plan is included below for Internal Audit activities and status.

ENGAGEMENT TYPE & DESCRIPTION*	TIMING		STATUS	RISK LEVEL**
	2019 - 2020	2020 - 2021		
<u>Audits / Projects:</u>				
Hiring Internal Auditor	Fall 2019		Complete	-
2019 College Risk Assessment & Audit Plan Report	Spring 2020		Complete	-
Marketing and Advertising Request for Proposal (RFP) Vendor Selection Process Assessment Internal Audit Report	Spring 2020		Complete	-
Center for International Education and Global Engagement	Spring 2020		Complete	Medium
Purchasing & Contracting	Spring 2020		Fieldwork	Medium
Health Insurance Portability and Accountability Act (HIPAA) Data Security		Fall 2020	-	High
Clery Act		Fall 2020	Complete	High
Human Resources/Payroll		Fall 2020	Complete	Medium
Financial Aid and Scholarship		Spring 2021	-	Medium
Grants Management		Spring 2021	-	Medium
Enrollment Management		Spring 2021	-	Medium
Information Technology		Spring 2021	-	High
<u>Advisory Services:</u>				
Culture Survey	Spring 2020		Complete	-
Special Projects and Reviews		Fall 2020 – Spring 2021	-	-
Advising & Academic Support		Fall 2020 – Spring 2021	-	-
<u>External Audits Support / Follow-ups:</u>				
Arizona Office of the Auditor General’s Audit Support and follow-up	Spring 2020	Spring 2021	Complete	-
Follow-up on Audit Findings*** (e.g. Access & Disability Resources (ADA); Automotive Audit; Aviation Center Controls; Center for International Education and Global Engagement; Clery Act Compliance Monitoring; Contract Processes, Controls, and Administration; Health Insurance Portability and Accountability Act (HIPAA) Data Security; Information Technology-Data Security, Cybersecurity Training, & Business Continuity Planning; Intercollegiate Athletics; Key Controls; Marketing and Advertising Request for Proposal (RFP) Vendor Selection Process Assessment)	Spring 2020	Fall 2020 - Spring 2021	In Progress	-

*Due to the dynamic environment of the College and risk environment, the plan will be reviewed quarterly and updated as necessary. Any changes or updates to the plan will be reviewed with the Finance and Audit Committee and the Board.

** Risk level is based on heat map reflected in audit plan. The significance of risks is assessed based on impact and likelihood.

***Internal Audit will complete an audit report for each audit engagement; the report will include audit scope, findings, recommendations and management responses (if deficiencies are noted). In addition, Internal Audit will complete a quarterly report with an update on the status of the audit findings based on management implementation date.



Important Compliance and Guidance Items:

U.S. Department of Labor

April 14, 2021

The US Department of Labor announces new cybersecurity guidance for plan sponsors, plan fiduciaries, record-keepers, plan participants.

<https://www.dol.gov/newsroom/releases/ebsa/ebsa20210414>

This website is being monitored by the Vice Chancellor for Educational Services and Institutional Integrity.

U.S. Department of Education

May 11, 2021

U.S. Department of Education Makes Available \$36 Billion in American Rescue Plan Funds to Support Students and Institutions.

<https://www.ed.gov/news/press-releases/us-department-education-makes-available-36-billion-american-rescue-plan-funds-support-students-and-institutions>

This website is being monitored by the Vice Chancellor for Educational Services and Institutional Integrity.

U.S. Department of Education, Office for Civil Rights

May 13, 2021

Questions and Answers on Civil Rights and School Reopening in the COVID-19 Environment.

<https://www2.ed.gov/about/offices/list/ocr/docs/qa-reopening-202105.pdf>

This website is being monitored by the Vice Chancellor for Educational Services and Institutional Integrity.

2021 Pima Community College Risk Assessment & Audit Plan Report

June 17, 2021

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Governing Board
Finance and Audit Committee
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Tom Davis, Chief of Staff
Jeff Silvyn, General Counsel

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Internal Auditor, Office of the Internal Auditor



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- VIII. Risk Matrix
- IX. Audit Resources and Engagement Plan Details
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- XI. Appendix B: Risk Research
- XII. Appendix C: Pima Community College(PCC) Core Themes and Objectives

EXECUTIVE SUMMARY

I. INTRODUCTION

The Office of the Internal Auditor (Internal Audit) has completed the 2021 Pima Community College (College) Risk Assessment. The Institute of Internal Auditors (IIA) *International Standards for the Professional Practice of Internal Auditing (Standards)* requires that Internal Audit performs a risk assessment to aid in identification of risks facing the organization to assist in the development of the annual Audit Plan.

All business activities involve some level of risk. The purpose of a Risk Assessment and the related Audit Plan is to provide management with information to make better informed decisions about whether College approaches to reduce or mitigate risk are effective and sufficient to carry out the activity under review at the risk level deemed appropriate and acceptable by management.

This report should be restricted/limited to only those individuals with a business need to know to limit potential additional liability risks to the College.

II. 2021 RISK ASSESSMENT RESULTS SUMMARY

Overall, there are numerous significant risk areas believed to be currently facing the College that were identified during the 2021 Risk Assessment. The top five highest risk categories are:

- Human Resources (i.e. Employee (EE) Recruitment & Retention; EE Classification & Pay Admin.; EE Development).
- Information Technology (i.e. Data Privacy/Integrity; Data Access & Security; Disaster Recovery/Bus. Cont. Plan)
- Enrollment Management
- Governance (how institution is organized and managed)
- Facilities Management (i.e. Safety and Security; Environmental Health & Safety; Construction; etc.)

It should be noted that the assessment reflects the perceptions of those surveyed and interviewed, rather than objective measures of risk. It should also be noted that the survey identifies general areas of risk, rather than specific processes. Further work is required to develop sufficiently detailed scopes of work to permit a meaningful and actionable audit report.

It is helpful to note that senior College leadership, management, staff and faculty have made sustained efforts to address many of the identified risk categories listed in this report; however, additional work remains to be completed. Internal Audit will perform additional risk analysis and interviews to help determine a detailed audit scope within these highest risk areas prior to starting an audit engagement. An important risk remediation effort, the College hired a Director of Enterprise Risk Management (ERM) in December 2020 to continue monitoring these risks and help ensure resources are provided to address risks in a prioritized risk-based manner. In addition, Internal Audit will monitor and identify risks and provide recommendations to remediate them in the future as well. Overall, demonstrated progress has been made to address risks at the College, but further work remains to be completed.

III. RISK DEFINITIONS

WHAT IS A RISK

Risk is defined as the effect of uncertainty upon our objectives, which may have positive or negative outcomes. This risk assessment focuses upon potential negative outcomes, where a risk is an event or an exposure that could prevent the College from meeting its goals and objectives; risk is measured in terms of probability and significance.

WHAT IS A RISK ASSESSMENT

A risk assessment is not an audit; it is the identification and analysis of relevant risks to the achievement of an organization's objectives in order to determine how those risks should be managed. In other words, it is an analysis of what could go wrong.

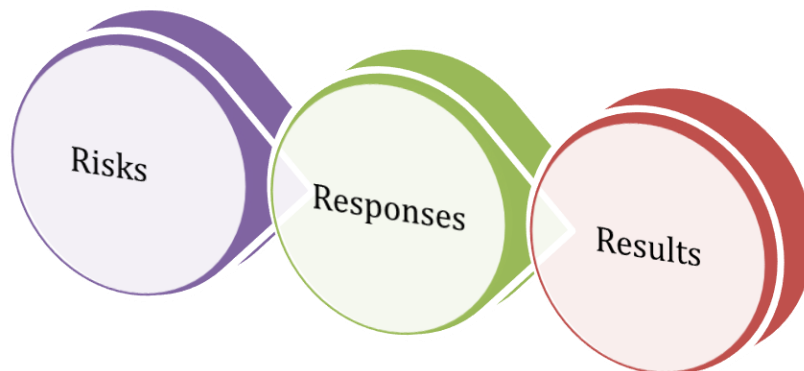
Not all risks are equal. Some are more likely than others to occur, and some will have a greater impact than others if they occur. Once risks are identified, their probability and significance must be assessed.

As a good business practice, the risk assessment process is an ongoing one; the survey is one part of the ongoing risk assessment process. Internal and external threats constantly develop, presenting new exposures to the College.



IV. RISK PROCESS FLOW

Organizational risks can be viewed as a process flow. Risks that are proactively identified in the Risk Assessment Report help provide an opportunity for senior management to develop a response (a management action plan) that will lead to desired positive results and outcomes. For example, compliance and regulatory risks may be reduced by providing regular employee training on specific compliance requirements and developing strong internal controls to limit risks to the College.



Risks that are not adequately addressed by management may lead to undesirable consequences for the College. For example, the College may not be able to effectively or fully reach all of its planned strategic objectives if compliance and regulatory requirements are not met. External federal regulators, such as the United States Department of Education (DOE), have numerous federal requirements for management and disbursement of student financial aid (Title IV financial aid). The majority of Pima students rely upon financial aid to attend Pima and if Title IV financial aid was not available students might not be able to continue with their studies and therefore negatively impacting the College's student enrollment strategic goals. Another example of an external regulator is the Higher Learning Commission (HLC), the College's accrediting organization that has a detailed framework of criteria that must be complied with. Meeting HLC requirements is important because accreditation of the College is the foundation for offering valid academic degrees and certificates that are recognized and accepted by other higher educational institutions and employers.

CATEGORIES OF RISKS FACING PIMA IN 2021

The College faces many different categories and levels of risks that are inter-related. For example, compliance and regulatory risks exist that potentially could result in large financial penalties from outside regulators if appropriate procedures are not always followed. Examples of categories of risks the College is facing are listed below.



V. SCOPE AND METHODOLOGY

To determine the current highest risks facing the College in 2021, Internal Audit:

- Surveyed all Director level and above employees via the 2021 risk assessment questionnaire. Sixty six percent (66%) participation was achieved in the survey with 95 Director level and above employees participating.
- Coordinated and worked closely with the College Office of Strategy, Analytics, and Research staff. Resulted in 53 page risk assessment report details.
- Consulted with Directors, senior administration and Finance and Audit Committee members on development of expanded Risk Assessment questions and processes.
- Performed risk trend analysis for College risk assessment; created a 2021 Risk Register of the highest risks currently facing the College.
- Examined prior risk assessment reports.
- Researched current risk trends for other organizations and industries.
- Reviewed other Community College Internal Audit departments Risk Assessment processes.
- Developed an Audit Plan for the College.

See Appendix “B” for additional research and activities considered in the Risk Assessment and Engagement Plan.

VI. 2021 RISK ASSESSMENT INFORMATION AND RESULTS

TOP 10 RISK SURVEY RESULTS

Director level and above employees participated in a detailed Risk Assessment Survey and submitted responses. The top 10 risk survey responses are the following:

1. Human Resources (i.e. EE Recruitment & Retention; EE Classification & Pay Admin.; EE Development)
2. Information Technology (i.e. Data Privacy/Integrity; Data Access & Security; Disaster Recovery/BCP)
3. Enrollment Management
4. Governance (how institution is organized and managed)
5. Facilities Management (i.e. Safety and Security; Environmental Health & Safety; Construction; etc.)
6. Campus Public Safety
7. Marketing and Communications
8. Distance Education
9. Risk Management (i.e. Compliance & Regulatory, etc.)
10. Accounting, Budgeting, and Financial Reporting



*Count refers to the number of responses for risk category

DETAILED RISK SURVEY RESULTS

The following results were obtained from the detailed 2021 Risk Assessment survey. The top three risk area categories identified by all Director level and above employees are the following:

Answer	%	Count
Human Resources (i.e. EE Recruitment & Retention; EE Classification & Pay Admin.; EE Development)	13.5%	25
Information Technology (i.e. Data Privacy/Integrity; Data Access & Security; Disaster Recovery/BCP)	10.3%	19
Enrollment Management	9.7%	18
Advising and Academic Support (i.e. Student Affairs; Student Code of Conduct; etc.)	8.1%	15
Governance (how institution is organized and managed)	8.1%	15
Facilities Management (i.e. Safety and Security; Environmental Health & Safety; Construction; etc.)	7.6%	14
Campus Public Safety	4.9%	9
Marketing and Communications	4.3%	8
Distance Education	3.8%	7
Diversity and Multicultural Services	3.2%	6
Purchasing & Contracting	3.2%	6
Risk Management (i.e. Compliance & Regulatory, etc.)	3.2%	6
Accounting, Budgeting, and Financial Reporting	2.7%	5
Employee Service Center (i.e. Benefits Administration; Payroll; etc.)	1.6%	3
Grants Administration & Compliance	1.6%	3
Occupational Programs	1.6%	3
Records Management/Records Retention	1.6%	3
Veterans	1.1%	2
Workforce Development	1.1%	2
Legal Counsel	0.5%	1
Provost	0.5%	1
Foundation & Alumni Services	0.0%	0
Media Services	0.0%	0
Strategy, Analytics and Research (STAR)	0.0%	0
*Other (please specify):	7.6%	14
Total	100.0%	185

* There was an assortment of additional risk areas identified as "Other" by respondents that included a variety of different risk areas.

The Risk Assessment Survey results will be utilized by Internal Audit in developing the College Audit Plan, in close coordination with the Finance and Audit Committee. In addition, the Risk Assessment results may be utilized by senior administration, management, staff and the Governing Board as a reference to help allocate resources to remediate highest risk areas, as needed.

Internal Audit is available to provide assistance, guidance or to answer questions from senior management and others regarding remediation of risks identified and is also available as an on-site resource, as needed.

See Appendix "A" for detailed risk assessment survey questions & summary results.

VII. ENGAGEMENT PLANNING AND RISK ASSESSMENT

INTERNAL AUDITING STANDARD - PLANNING

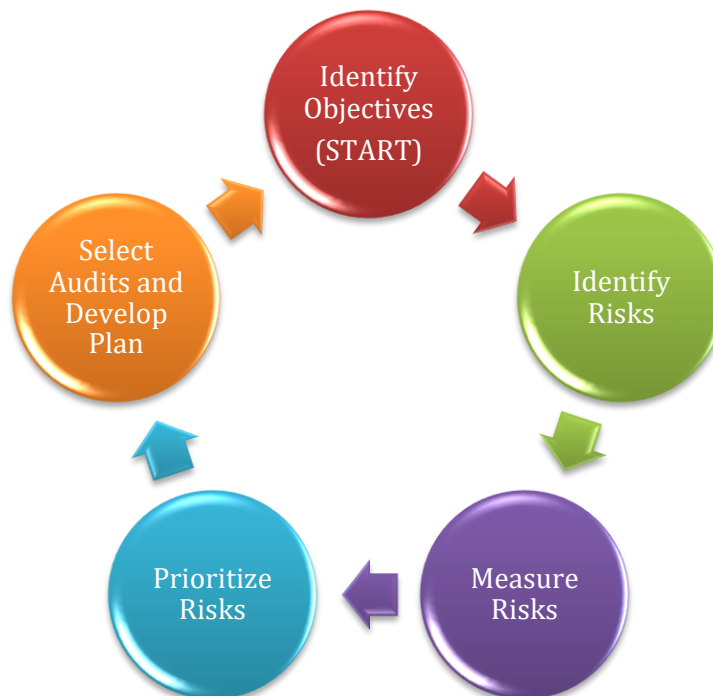
Internal Audit provides independent, objective assurance, education and advisory services designed to add value and improve the College's operations. Internal Audit is responsible for developing a risk-based engagement plan, taking into account the organization's risk management framework. If a framework does not exist, the Internal Auditor uses his/her own judgment of risks after consideration of input from senior management and the Board. The Internal Auditor must review and adjust the plan, as necessary, in response to changes in the organization's business, risks, operations, programs, systems, and controls.

OBJECTIVE

A comprehensive, data-driven, and objective risk-based audit plan based on critical College risks that follows a business focused approach and allows flexibility. The key objective of the annual plan (and resulting engagements) is effective and efficient resource management linked with a sound business approach.

RISK ASSESSMENT PROCESS OVERVIEW

Areas are selected for audit based on an annual college-wide risk assessment. This risk assessment takes into consideration operational, compliance, financial, and reputational risks, as well as areas of management concern. The purpose of the risk assessment is to assess the likelihood and impact of the risks to the College, by measuring and prioritizing risks, in order to focus management's attention on the most important threats and opportunities and to begin the work for risk responses.



PRIORITIZING RISKS AND PLAN DEVELOPMENT

- Factors used to prioritize risks and build the engagement plan include:
 - College Strategic Direction
 - Core Themes and Objectives (See Appendix “C”)
 - PCC Specific Risk & Concerns rated as:
 - Major or Catastrophic Impact
 - Likely or Almost Certain Probability
 - Rapid Velocity
- Additional audit planning considerations include:
 - Internal Audit resources
 - Current or upcoming operational and system changes
 - Special requests/projects



VIII. RISK MATRIX

MEASURING RISKS

The significance of risks is assessed based on impact and likelihood.

- **Impact:** The effect on the College, and stakeholders, if a risk event occurs or if the area is not functioning as intended. Impact can include lost revenue, increased expenses, declining enrollment, fines, adverse publicity, sanctions, reputational damage, and reduced employee morale. Impact can be insignificant, minor, moderate, major, or catastrophic.
- **Likelihood:** Refers to the probability that an unfavorable event would occur if there were no internal controls or existing controls are not working as intended. Factors can include prior audit results, turnover, management and staff concerns, lack of internal monitoring and/or governance, operational and control weaknesses, and lack of training.

The heat map was created to view the portfolio of risks based on the impact and likelihood to allow for a direct comparison of the highest rated opportunities and risks for consideration and prioritization.

RISK MATRIX						
<i>Area / Function</i>						
HIGH IMPACT LOW	CATASTROPHIC			<ul style="list-style-type: none"> ▪ Accounting, Budgeting, and Financial Reporting 	<ul style="list-style-type: none"> ▪ Risk Management² (i.e. Compliance & Regulatory, etc.) ▪ Campus Public Safety (i.e. Clery Act, IACLEA, etc.) 	<ul style="list-style-type: none"> ▪ Information Technology³ (i.e. Data Privacy / Integrity; Data Access & Security; Disaster Recovery/BCP)
	MAJOR	<ul style="list-style-type: none"> ▪ Diversity and Multicultural Services ▪ Occupational Programs 	<ul style="list-style-type: none"> ▪ Facilities Management (i.e. Safety and Security; Environmental Health & Safety; Construction; etc.) ▪ Marketing & Comm. ▪ Distance Education ▪ Grants Admin. and Compliance 	<ul style="list-style-type: none"> ▪ Enrollment Management ▪ Advising and Academic Support (i.e. Student Affairs; Student Code of Conduct; etc.) ▪ Purchasing & Contracting ▪ Student Code of Conduct-Student Affairs-Veterans 	<ul style="list-style-type: none"> ▪ Records Management / Records Retention ▪ Human Resources (i.e. EE Recruitment & Retention; EE Classification & Pay Admin.; EE Development) ▪ Governance¹ (how institution is organized and managed) 	
	MODERATE			<ul style="list-style-type: none"> ▪ Media Services 	<ul style="list-style-type: none"> ▪ Employee Service Center (i.e. Benefits Administration; Payroll; etc.) 	
	MINOR INSIGNIFICANT					
		RARE	UNLIKELY	POSSIBLE	LIKELY	ALMOST CERTAIN
				LIKELIHOOD		
						HIGH

Note: Areas of rapid velocity are in bold and all capitals (i.e. Risk velocity measures how fast an exposure can impact an organization)

¹ Includes Higher Education and Organizational Risk – Collaboration and Change Management

² Includes Higher Education and Organizational Risk - Compliance, Legislative, & Regulatory Landscape

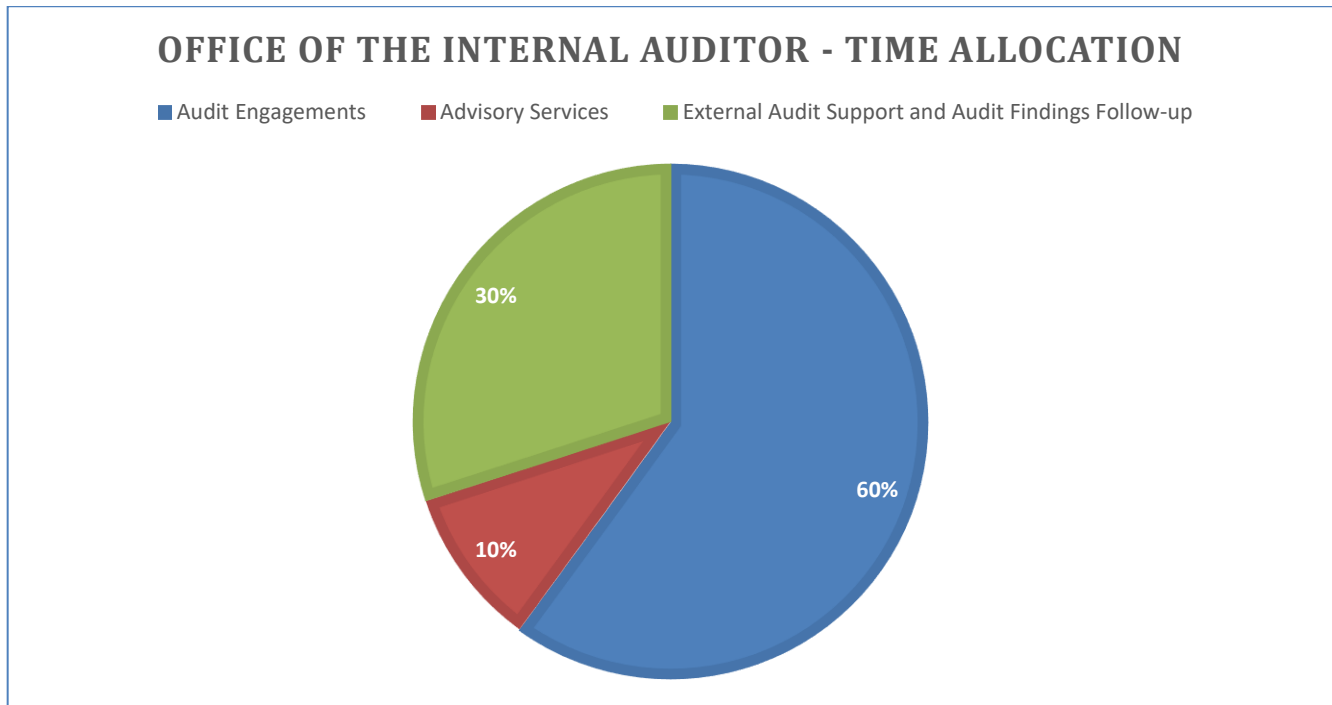
³ Includes Higher Education and Organizational Risk – Information Security & Data Privacy

IX. AUDIT RESOURCES AND ENGAGEMENT PLAN DETAILS

RESOURCES

Internal Audit currently has one full-time staff member available to administer the audit plan and all compliance and audit responsibilities set forth in the department charter.

The allocation of resources for the audit plan have been considered and outlined. Co-sourcing will be utilized in the audit plan, where needed, based on risk and subject matter expertise. The plan includes 60% of available hours directed to audit engagements, 10% advisory services, and 30% external audit support and audit follow up.



Calculation of Estimated Audit Hours Available for Fiscal Year 2021-2022*	
<u>Internal Auditor (Full Time Employee)</u>	<u>Hours</u>
40 hours a week x 52 weeks a year = Total Annual Hours Available	2,080
Less: Paid time off (Vacation (200), Sick Leave (100), Holidays/Recesses (152))	452
Less: Professional Development and Training Hours	80
Total Annual Available Hours	<u>1,548</u>
Administrative Activities (5% of total annual available hours)	77
Audit Related Activities:	
Audit Engagements	883
External Audit Support and Audit Follow up	441
Advisory Services	147
Total Work Plan Hours Allocated	<u>1,548</u>

*Due to the dynamic environment of the College and risk environment, the audit hours may vary from each audit related activity for unplanned audits or special requests.

ENGAGEMENT PLAN

The Detail Audit Plan is included below for Internal Audit activities.

ENGAGEMENT TYPE & DESCRIPTION*	TIMING
<u>Audits / Projects:</u>	2021 - 2022
2021 College Risk Assessment	Spring 2021 - Complete
Clery Act	Spring 2021 - Complete
Purchasing & Contracting & P-Card	Spring 2021 - In Progress
Information Technology	Fall 2021
Grants Management	Fall 2021
Human Resources/Payroll	Spring 2022
Enrollment Management	Spring 2022
Facilities Management	Spring 2022
<u>Advisory Services:</u>	
Special Projects and Reviews	Spring 2021; Fall 2021; Spring 2022
Advising & Academic Support	Spring 2021; Fall 2021; Spring 2022
<u>External Audits Support / Follow-ups:</u>	
Arizona Office of the Auditor General's Audit Support and follow-up	Spring 2021 - Complete
Follow-up on Audit Findings** (e.g. Automotive Audit; 2020 Center for International Education and Global Engagement; Clery Act Compliance Audit; Health Insurance Portability and Accountability Act (HIPAA) Data Security; Information Technology-Data Security, Cybersecurity Training, & Business Continuity Planning; Key Controls)	Spring 2021 Fall 2021 Spring 2022

*Due to the dynamic environment of the College and risk environment, the plan will be reviewed quarterly and updated as necessary. Any changes or updates to the plan will be reviewed with the Finance and Audit Committee and the Board.

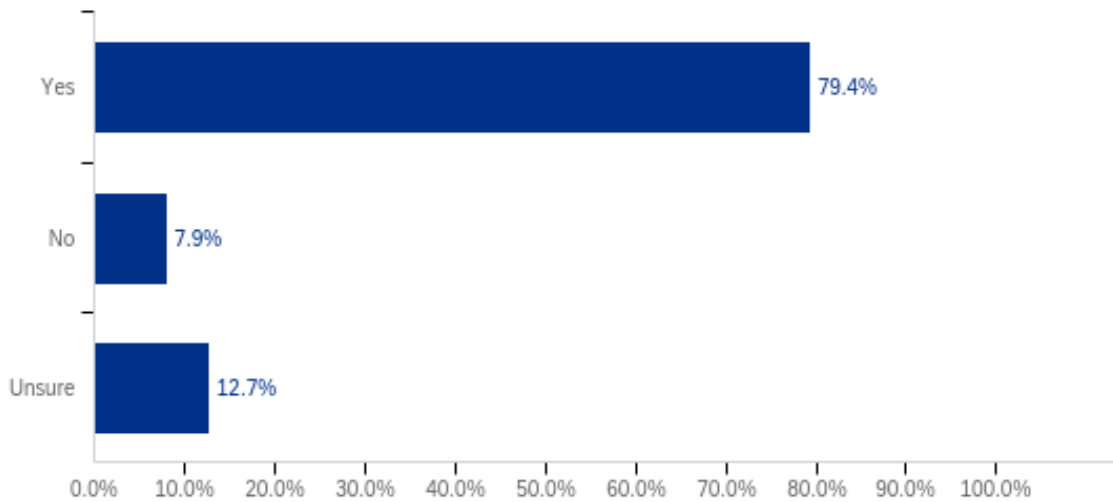
**Internal Audit will complete an audit report for each audit engagement; the report will include audit scope, findings, recommendations and management responses (if deficiencies are noted). In addition, Internal Audit will complete a quarterly report with an update on the status of the audit findings based on management implementation date.

X. Appendix A: Detailed Risk Assessment Survey Questions & Summary Results

Numerous internal control processes were reviewed. The Risk Assessment survey question and associated summary results are provided below:

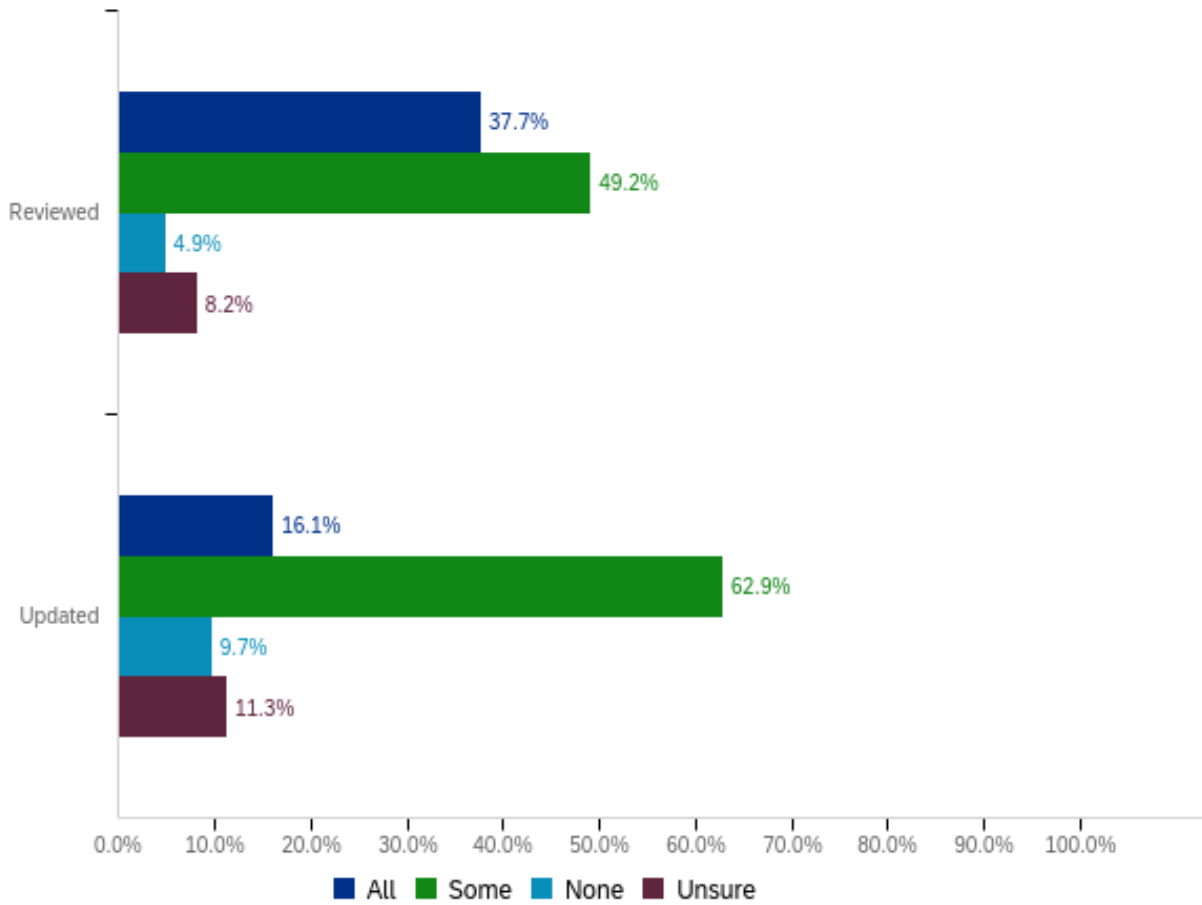
OPERATIONAL (O)

O1. Does the College have policies and procedures that support the key functions and processes in your department/area?



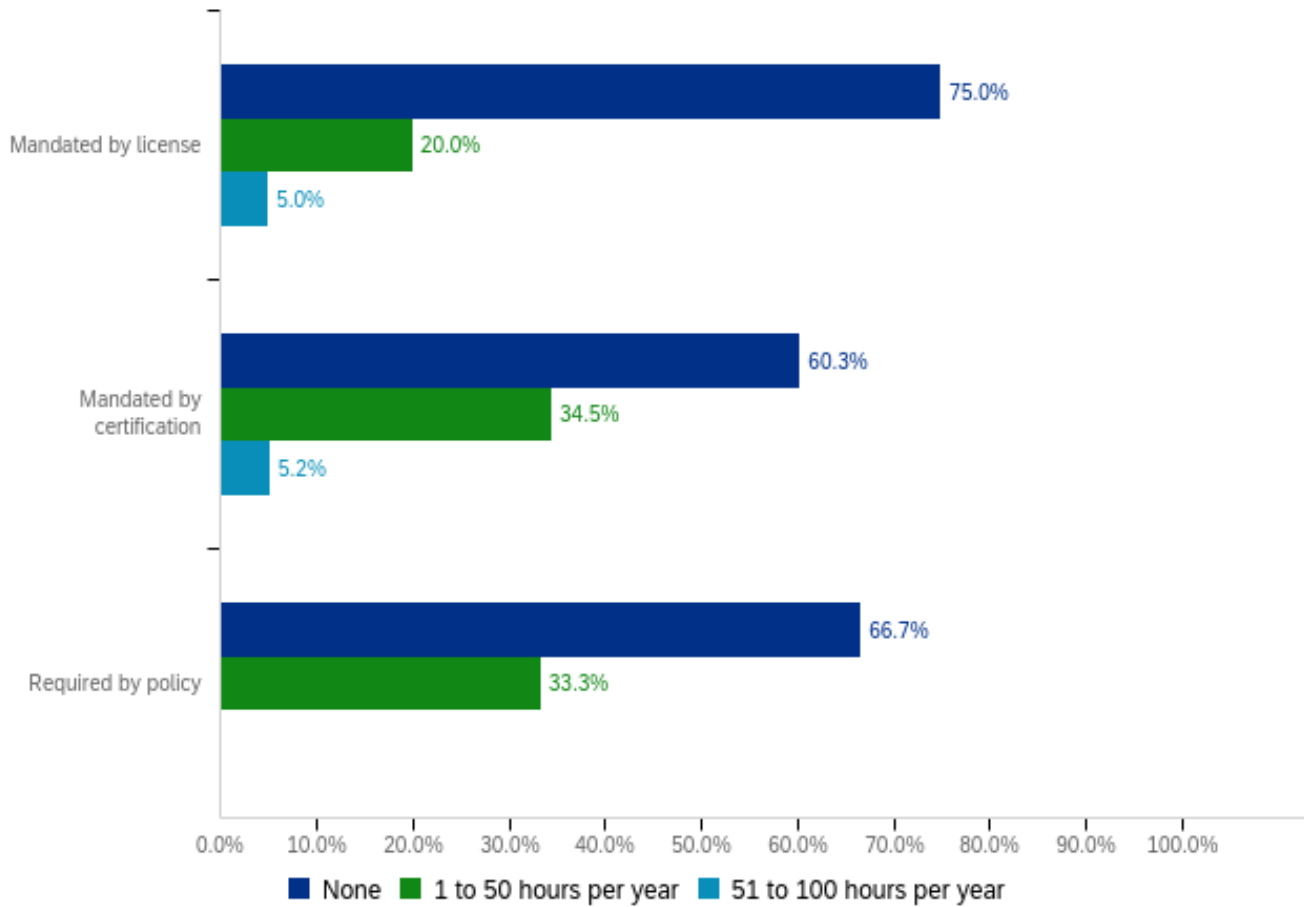
Answer	%	Count
Yes	79.4%	50
No	7.9%	5
Unsure	12.7%	8
Total	100%	63

02. Have policies, procedures, or operating manuals in your department/area been reviewed and/or updated within the past two years?



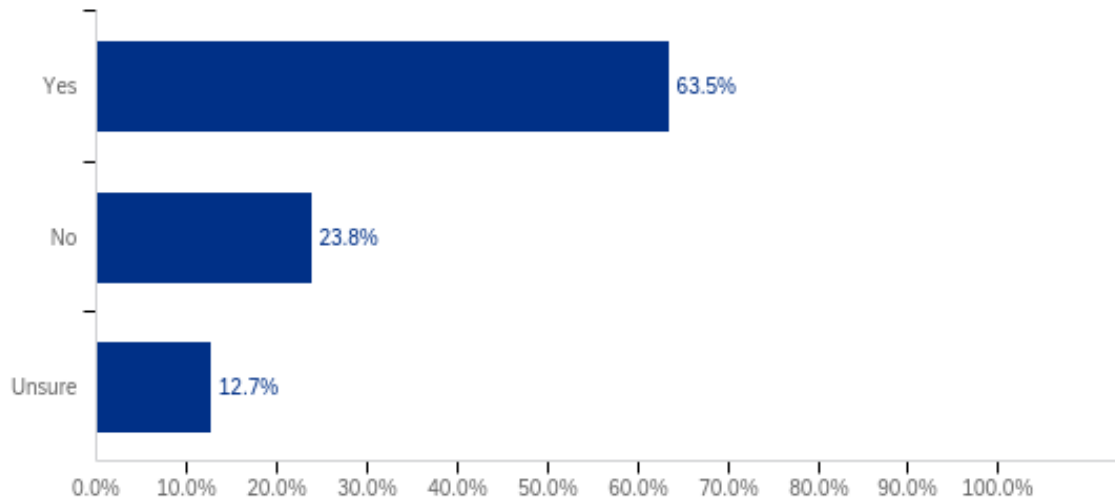
Answer	All		Some		None		Unsure		Total
Reviewed	37.7%	23	49.2%	30	4.9%	3	8.2%	5	61
Updated	16.1%	10	62.9%	39	9.7%	6	11.3%	7	62

03. What are the annual continuing education requirements for staff in your department/area?



Answer	None		1 to 50 hours per year		51 to 100 hours per year		Total
Mandated by license	75.0%	45	20.0%	12	5.0%	3	60
Mandated by certification	60.3%	35	34.5%	20	5.2%	3	58
Required by policy	66.7%	42	33.3%	21	0.0%	0	63

04. Do you complete any regular "self-audits" or internal assessments in your department/area?

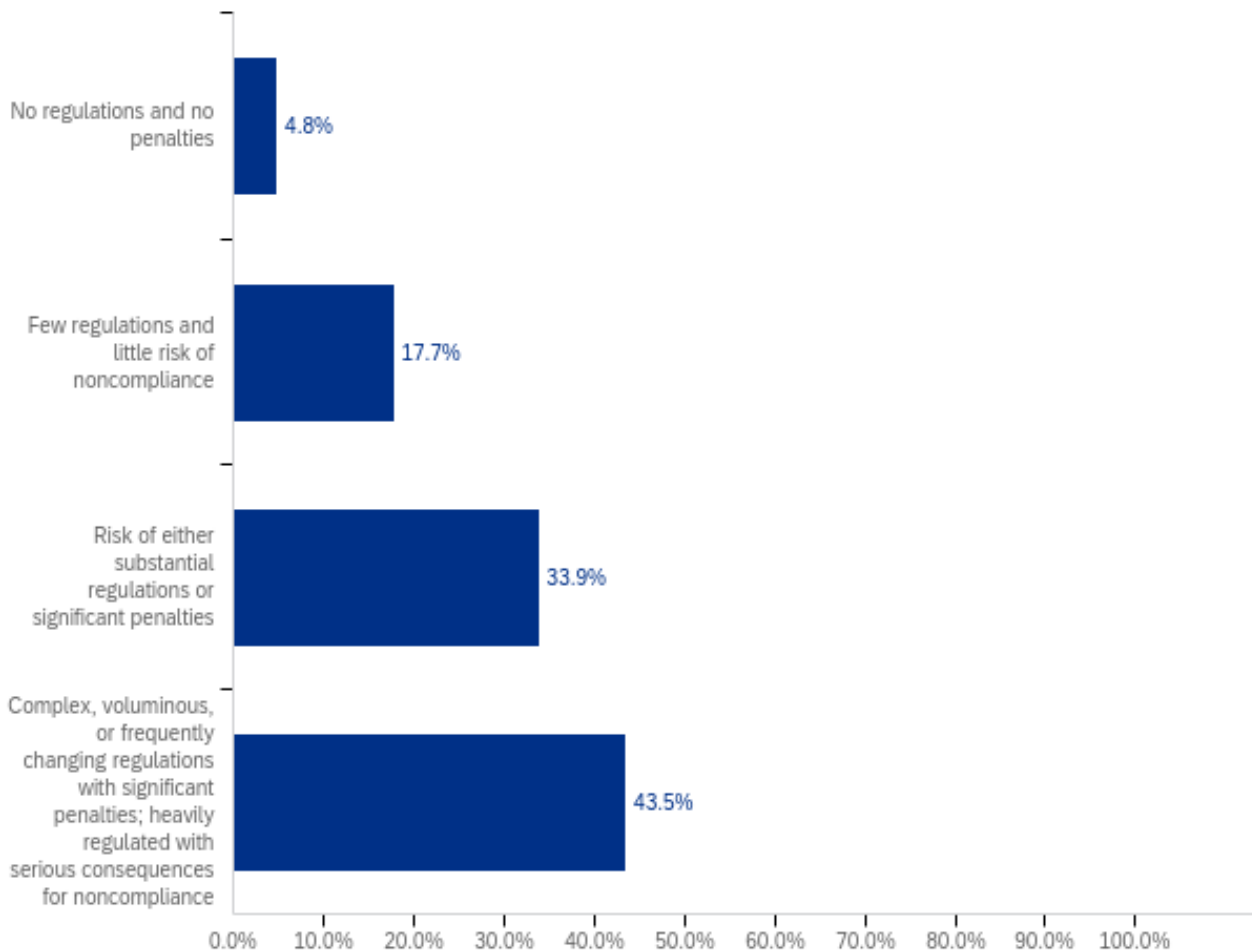


Answer	%	Count
Yes	63.5%	40
No	23.8%	15
Unsure	12.7%	8
Total	100%	63

LOCAL, STATE AND FEDERAL REGULATIONS (L)

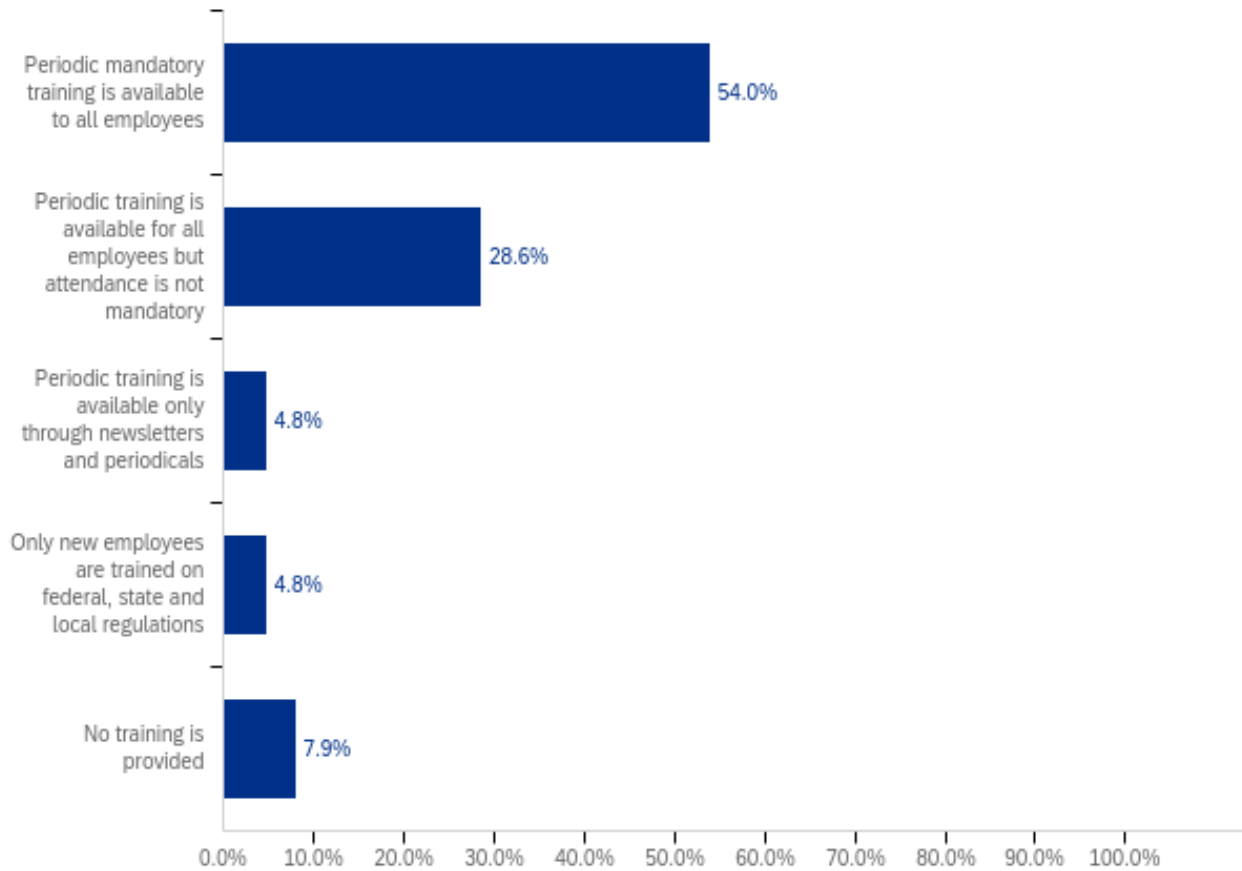
L1. To what extent do regulations, affect or have impact on operations?

Note: Assess how government regulations (federal, state, or local) impact your department's operations and exposure to sanctions and potential penalties for noncompliance. How well your area operations is subject to and align with accreditation requirements. Please be sure to factor in the complexity, volume, and change in regulations, including ordinances, municipal codes, administrative regulations, IGAs, federal and state laws and regulations, contract conditions, and grant provisions that pertain to your department.



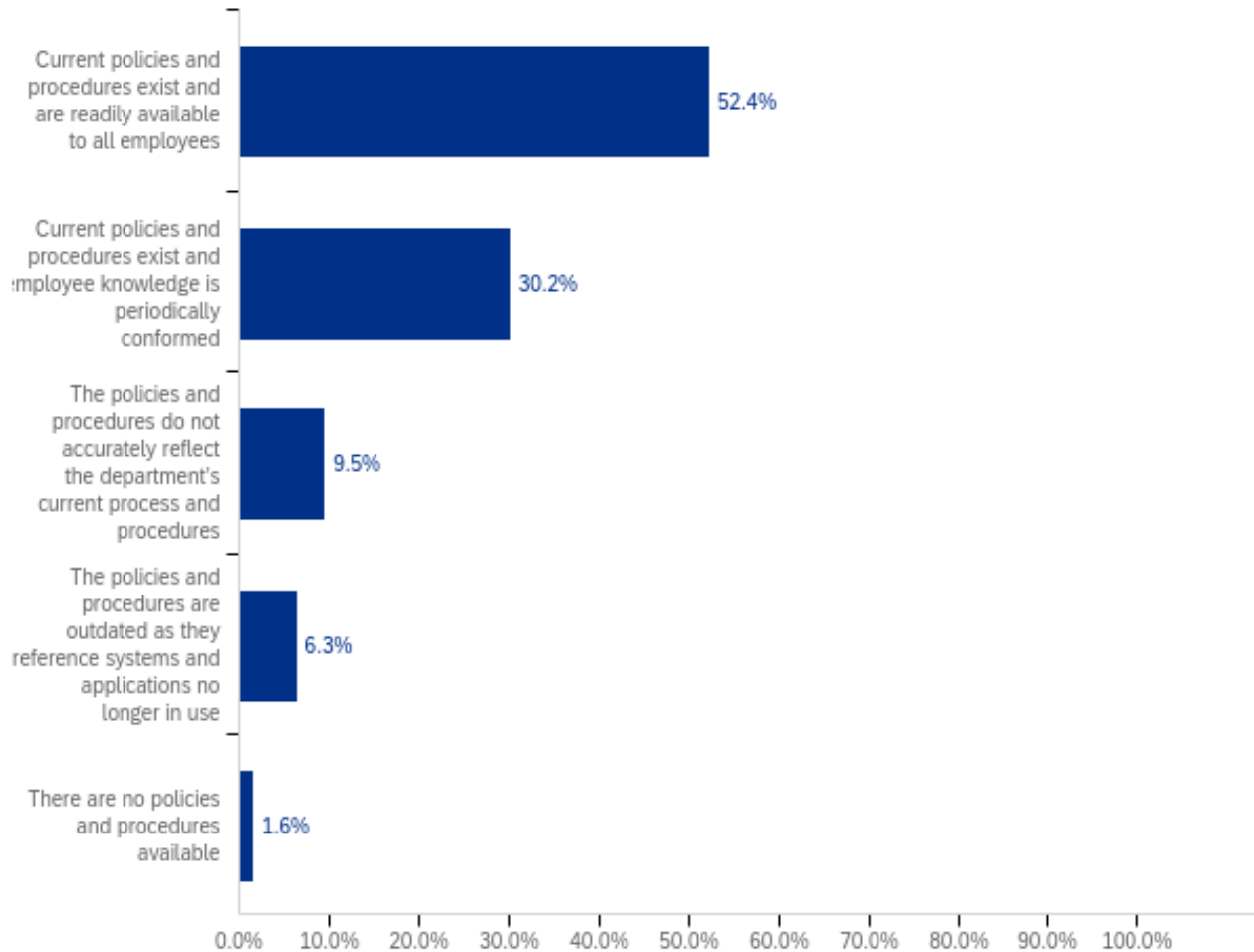
Answer	%	Count
No regulations and no penalties	4.8%	3
Few regulations and little risk of noncompliance	17.7%	11
Risk of either substantial regulations or significant penalties	33.9%	21
Complex, voluminous, or frequently changing regulations with significant penalties; heavily regulated with serious consequences for noncompliance	43.5%	27
Total	100%	62

L2. Are department personnel (in your area) sufficiently informed about important federal, state and local regulations that govern activities they perform?



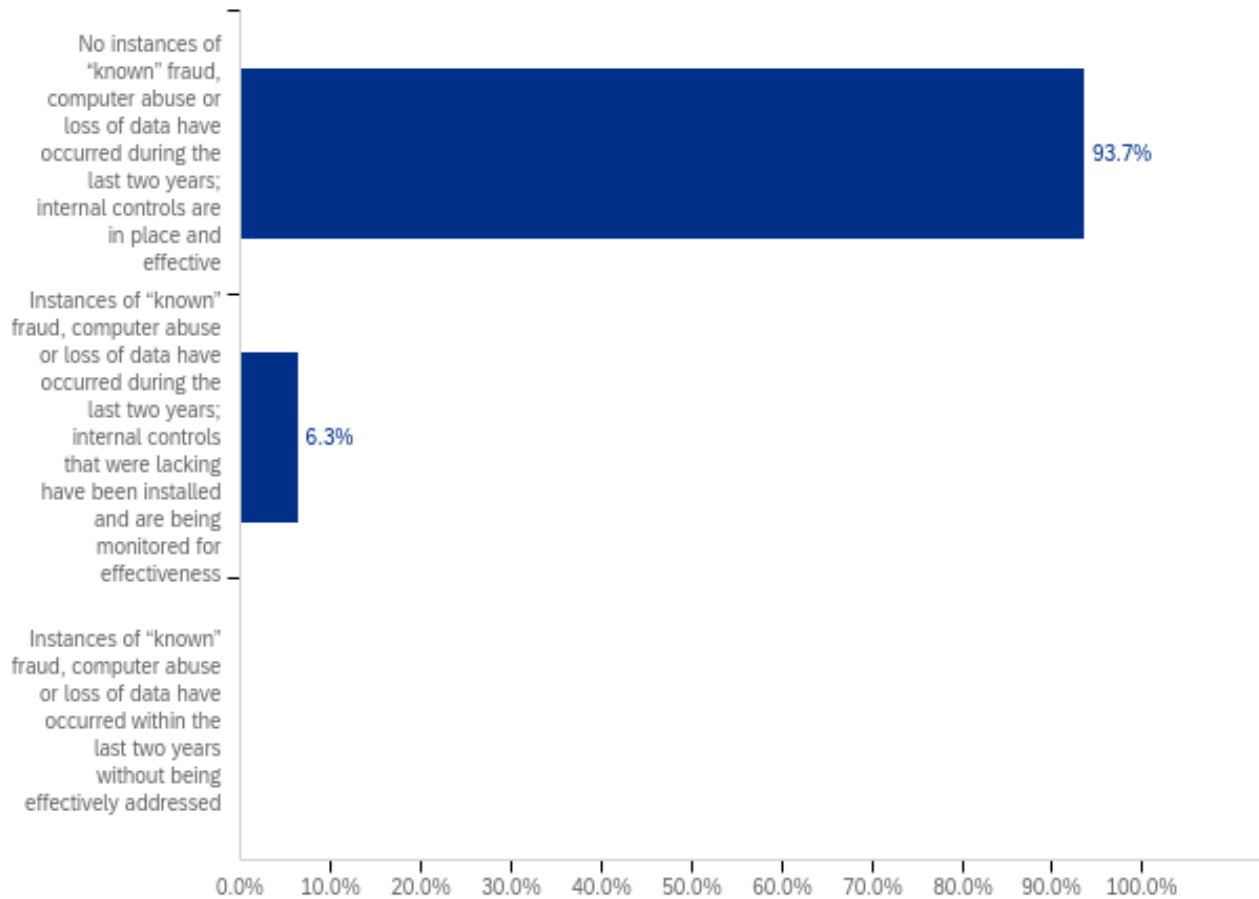
Answer	%	Count
Periodic mandatory training is available to all employees	54.0%	34
Periodic training is available for all employees but attendance is not mandatory	28.6%	18
Periodic training is available only through newsletters and periodicals	4.8%	3
Only new employees are trained on federal, state and local regulations	4.8%	3
No training is provided	7.9%	5
Total	100%	63

L3. Do departmental procedures and policies, available for personnel, sufficiently detail the activities they perform with the department?



Answer	%	Count
Current policies and procedures exist and are readily available to all employees	52.4%	33
Current policies and procedures exist and employee knowledge is periodically conformed	30.2%	19
The policies and procedures do not accurately reflect the department's current process and procedures	9.5%	6
The policies and procedures are outdated as they reference systems and applications no longer in use	6.3%	4
There are no policies and procedures available	1.6%	1
Total	100%	63

L4. Have there been instances of fraud, computer abuse, or data loss within your department/area?

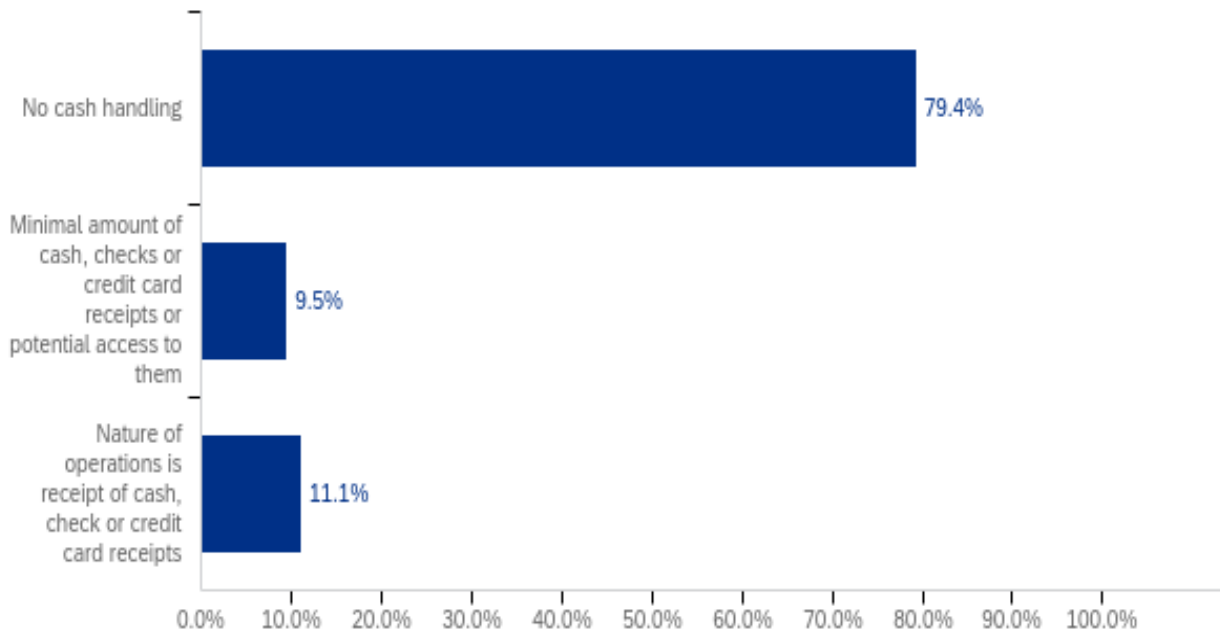


Answer	%	Count
No instances of "known" fraud, computer abuse or loss of data have occurred during the last two years; internal controls are in place and effective	93.7%	59
Instances of "known" fraud, computer abuse or loss of data have occurred during the last two years; internal controls that were lacking have been installed and are being monitored for effectiveness	6.3%	4
Instances of "known" fraud, computer abuse or loss of data have occurred within the last two years without being effectively addressed	0.0%	0
Total	100%	63

CASH HANDLING (CH)

CH1. To what extent does our department handle cash?

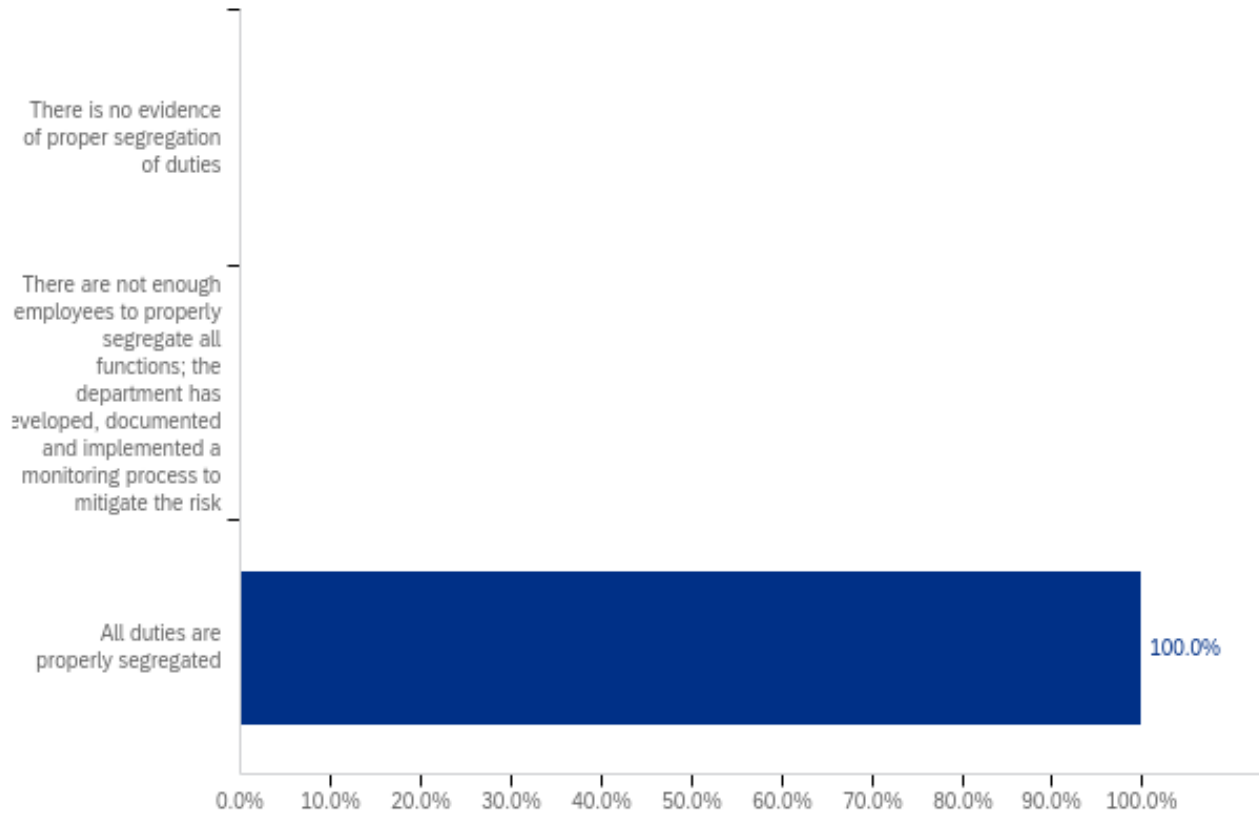
Note: Be sure to factor in the amount of cash collected as compared to business transacted by other means (credit card, electronic funds transfer, invoice, journal entry, etc.), as well as risks associated with the volume, type and nature of existing assets that are susceptible to theft such as equipment, supplies and inventories.



Answer	%	Count
No cash handling	79.4%	50
Minimal amount of cash, checks or credit card receipts or potential access to them	9.5%	6
Nature of operations is receipt of cash, check or credit card receipts	11.1%	7
Total	100%	63

CH2. Does adequate segregation of duties exist within your department between staff members responsible for receiving, depositing and reconciling cash and checks?

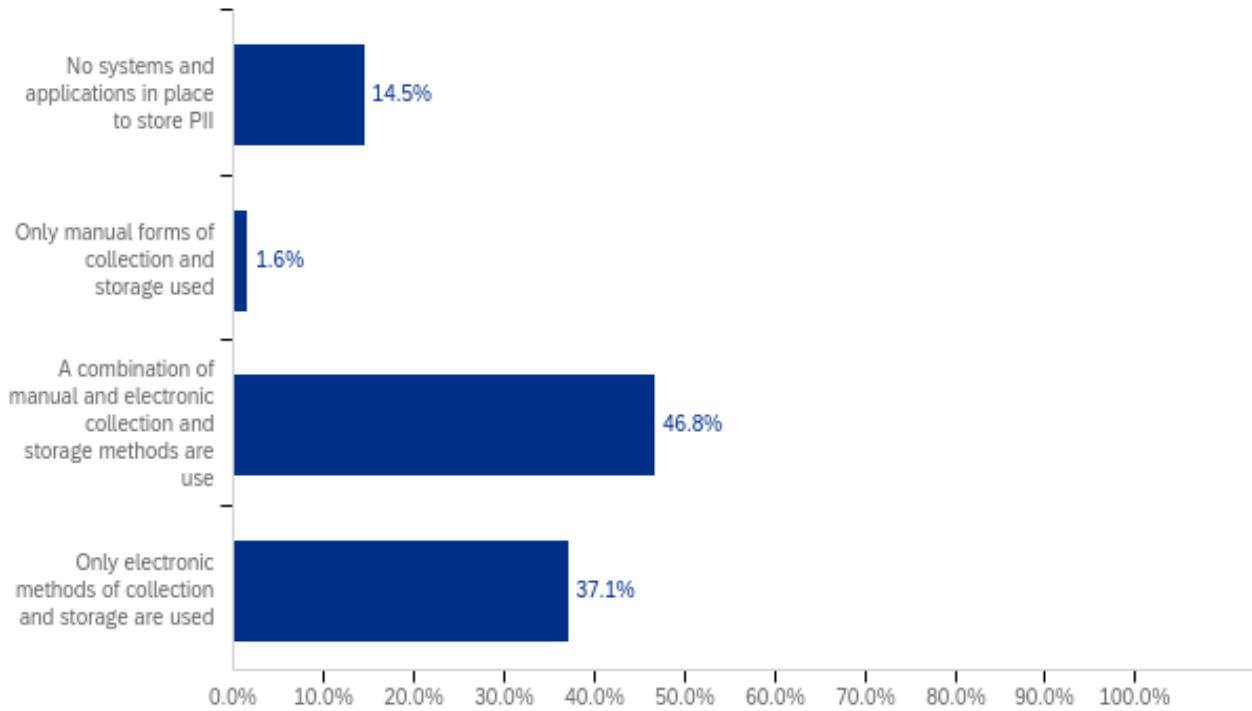
Note: One employee should not be responsible for receiving, depositing and reconciling cash and checks.



Answer	%	Count
There is no evidence of proper segregation of duties	0.0%	0
There are not enough employees to properly segregate all functions; the department has developed, documented and implemented a monitoring process to mitigate the risk	0.0%	0
All duties are properly segregated	100.0%	13
Total	100%	13

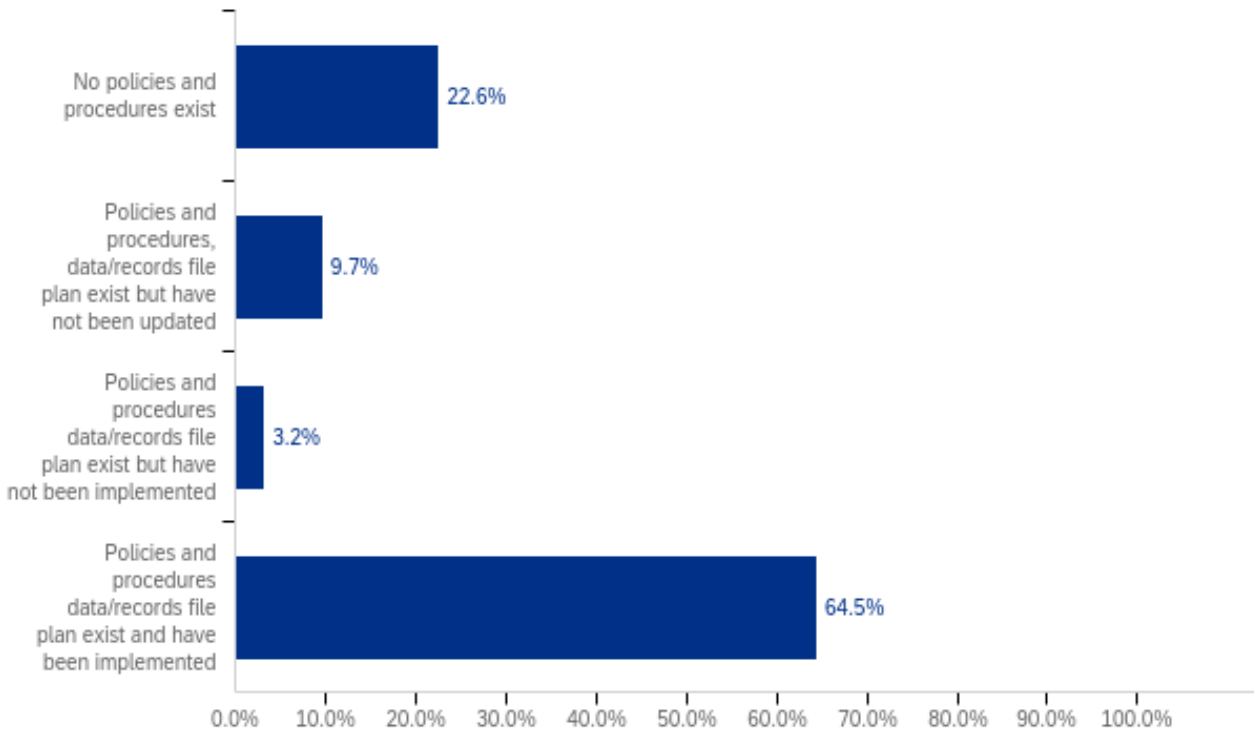
RECORDS MANAGEMENT – SAFEGUARDING OF PERSONAL IDENTIFIABLE INFORMATION (PII)

PII1. Does the department have systems and applications in place to store Personally Identifiable Information (PII)?



Answer	%	Count
No systems and applications in place to store PII	14.5%	9
Only manual forms of collection and storage used	1.6%	1
A combination of manual and electronic collection and storage methods are use	46.8%	29
Only electronic methods of collection and storage are used	37.1%	23
Total	100%	62

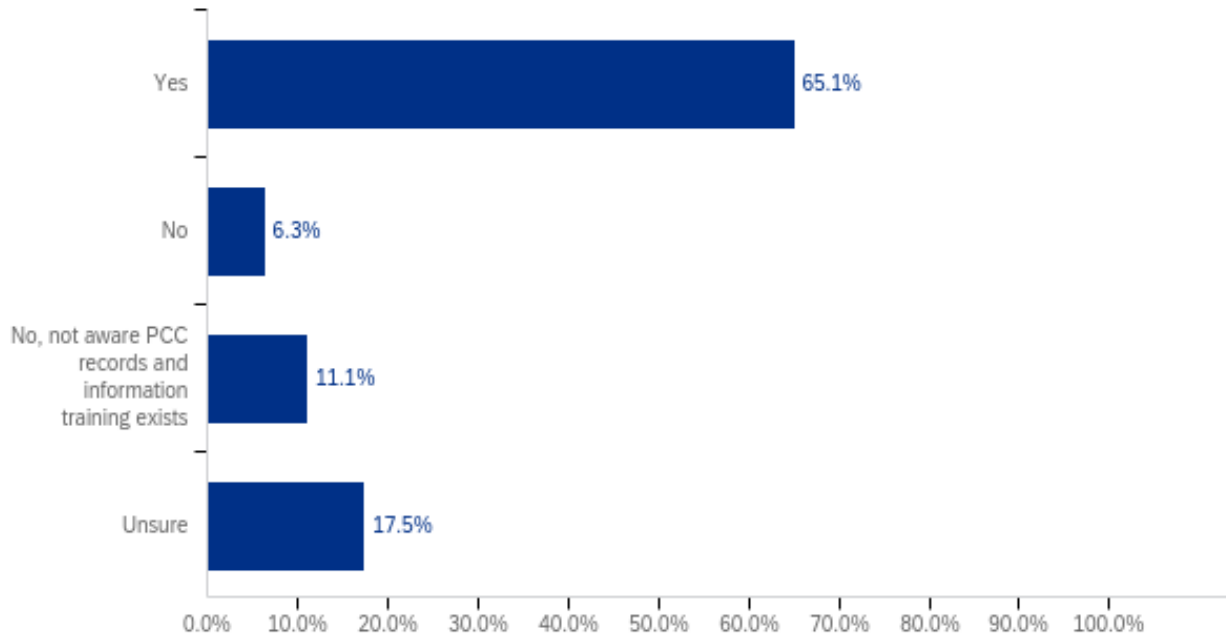
PII2. Does the department have documented policies, procedures and a data/records file plan in place that address the safeguarding of PII?



Answer	%	Count
No policies and procedures exist	22.6%	14
Policies and procedures, data/records file plan exist but have not been updated	9.7%	6
Policies and procedures data/records file plan exist but have not been implemented	3.2%	2
Policies and procedures data/records file plan exist and have been implemented	64.5%	40
Total	100%	62

PII3. Has the department attended PCC's records and information management general training within the past 2 years?

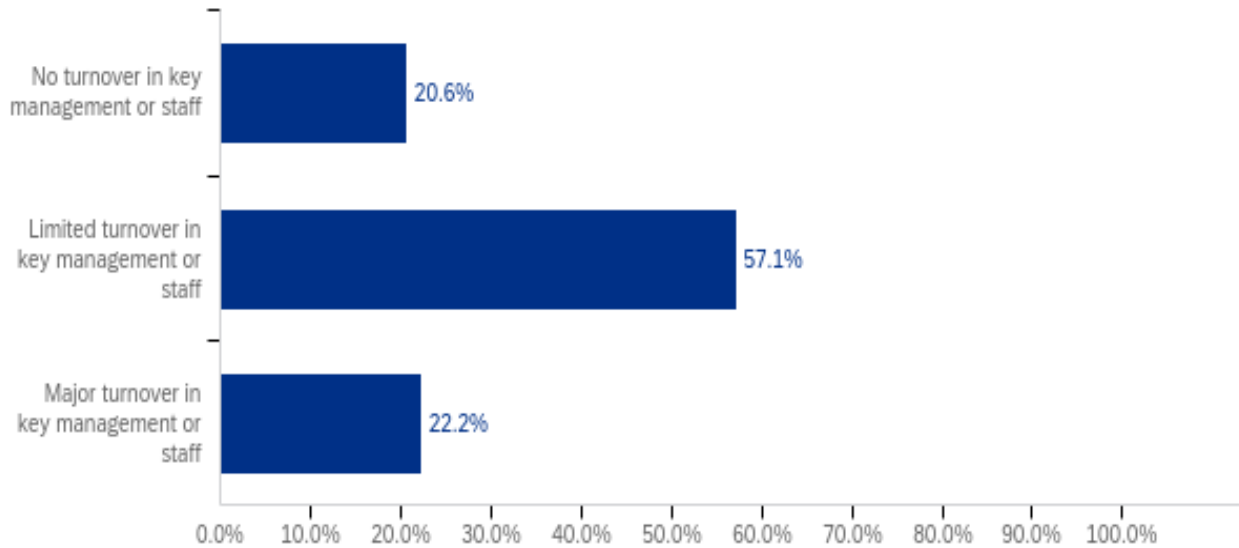
Note: After the training is completed a better understanding of PII concepts will include such items as the definition of PII; applicable privacy laws, regulations and policies; and repercussions for the misuse of PII?



Answer	%	Count
Yes	65.1%	41
No	6.3%	4
No, not aware PCC records and information training exists	11.1%	7
Unsure	17.5%	11
Total	100%	63

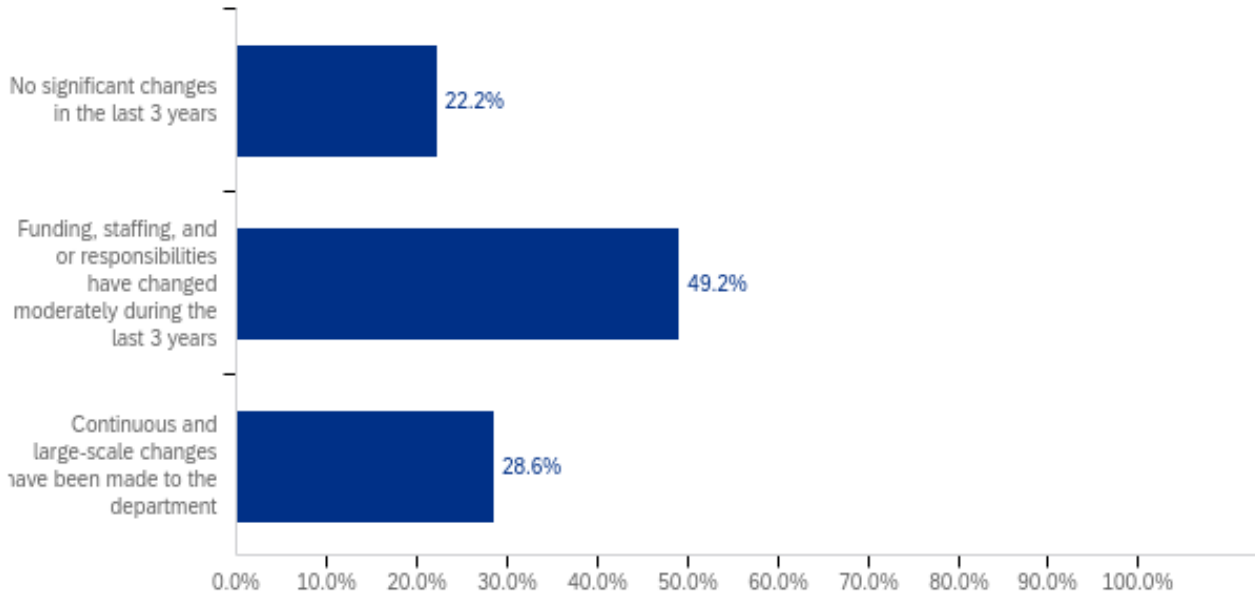
DEPARTMENTAL CHANGES (DC) & GENERAL (G)

DC1. In the last 3 years, has there been significant employee and management turnover in your department?



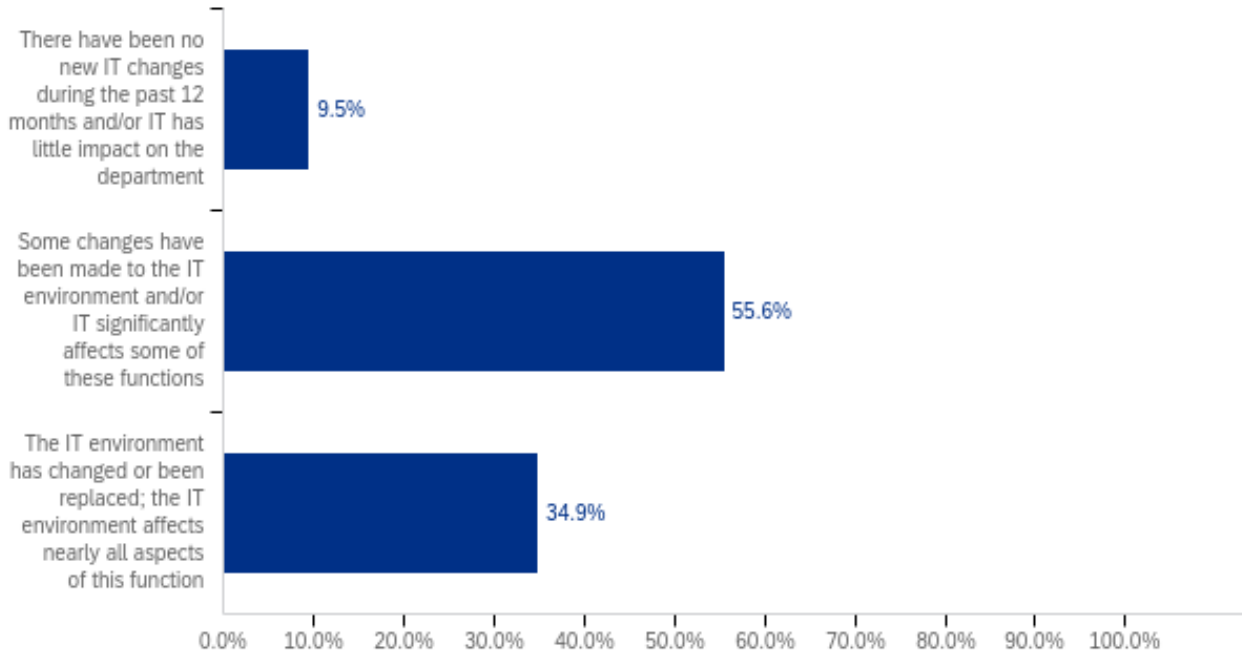
Answer	%	Count
No turnover in key management or staff	20.6%	13
Limited turnover in key management or staff	57.1%	36
Major turnover in key management or staff	22.2%	14
Total	100%	63

DC2. Have there been significant changes in staff size, funding, functions, systems, key positions and/or responsibilities of the department that might create problems?



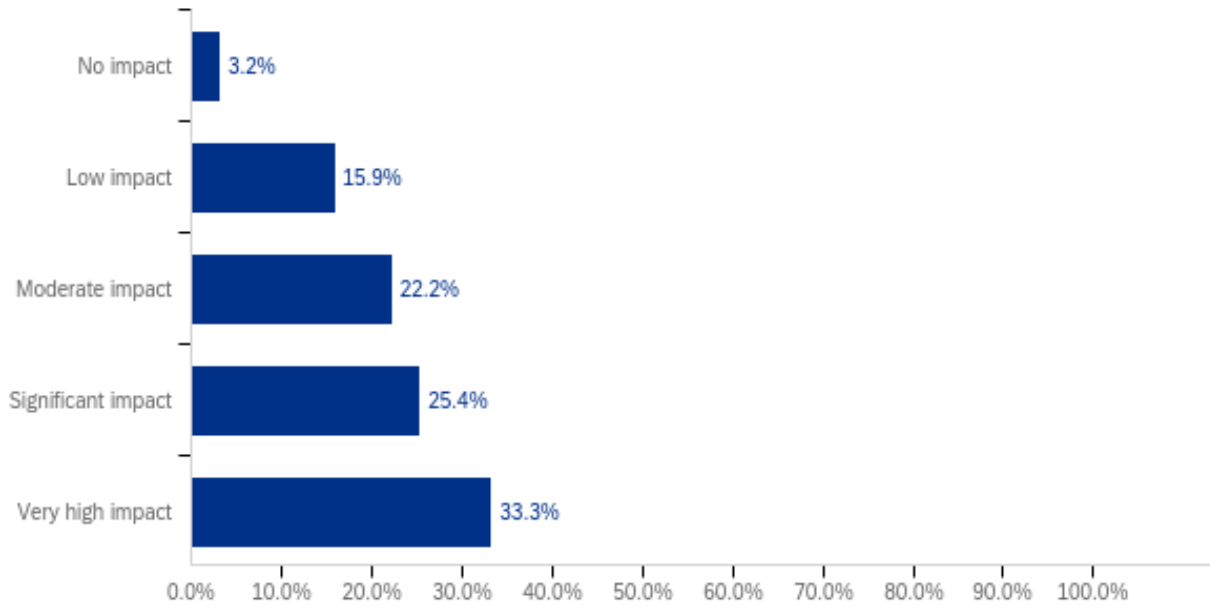
Answer	%	Count
No significant changes in the last 3 years	22.2%	14
Funding, staffing, and or responsibilities have changed moderately during the last 3 years	49.2%	31
Continuous and large-scale changes have been made to the department	28.6%	18
Total	100%	63

DC3. What level of impact does Information Technology (IT) have on your department?



Answer	%	Count
There have been no new IT changes during the past 12 months and/or IT has little impact on the department	9.5%	6
Some changes have been made to the IT environment and/or IT significantly affects some of these functions	55.6%	35
The IT environment has changed or been replaced; the IT environment affects nearly all aspects of this function	34.9%	22
Total	100%	63

G. Please rate how much the COVID-19 pandemic impacted your department/area:*

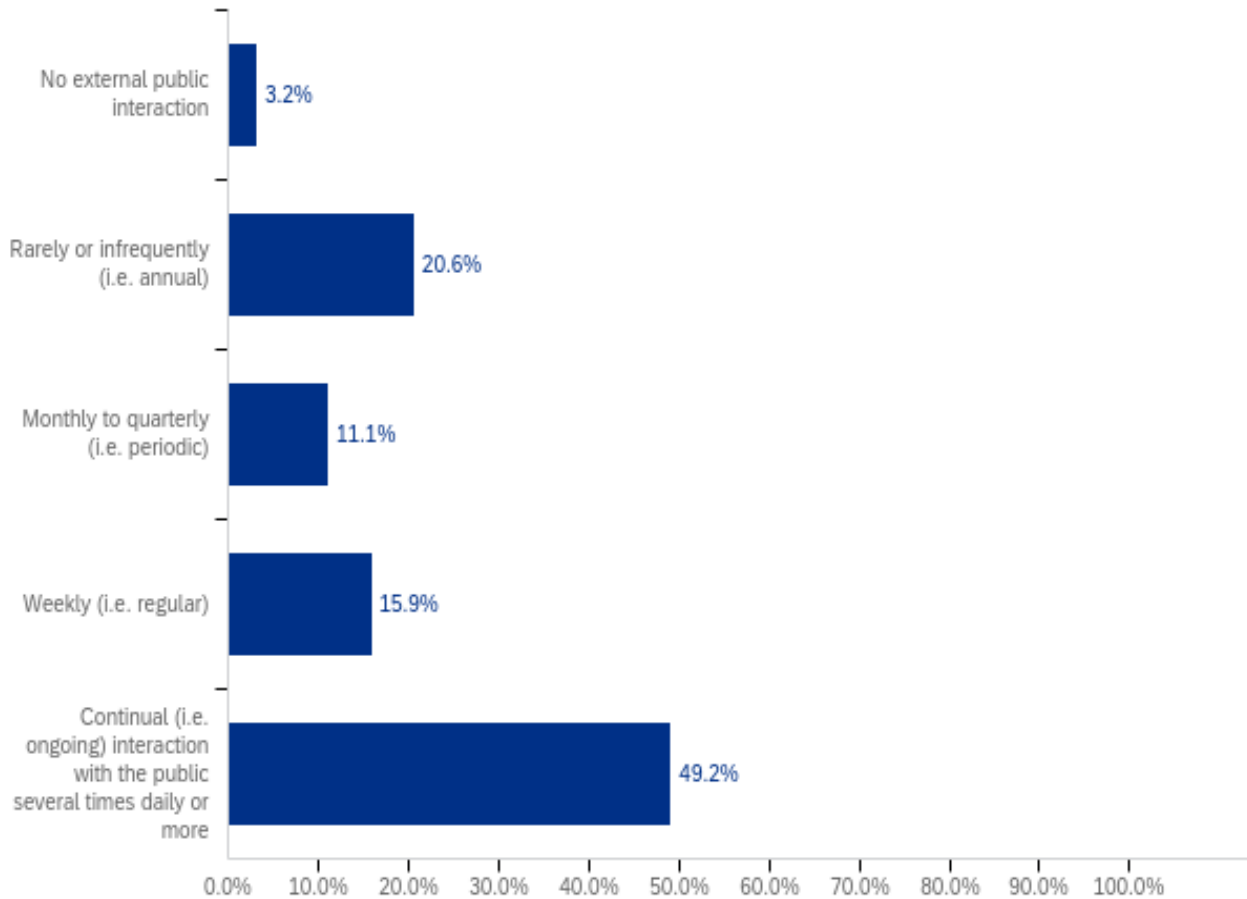


Answer	%	Count
No impact	3.2%	2
Low impact	15.9%	10
Moderate impact	22.2%	14
Significant impact	25.4%	16
Very high impact	33.3%	21
Total	100%	63

*Examples of department/area changes made due to COVID-19 pandemic impact includes: work in fully remote capacity; move all curriculum and courses to online or virtual; extensive shift to delivery of virtual services; change in processes/ procedures; etc.

PUBLIC INTEREST (PI)

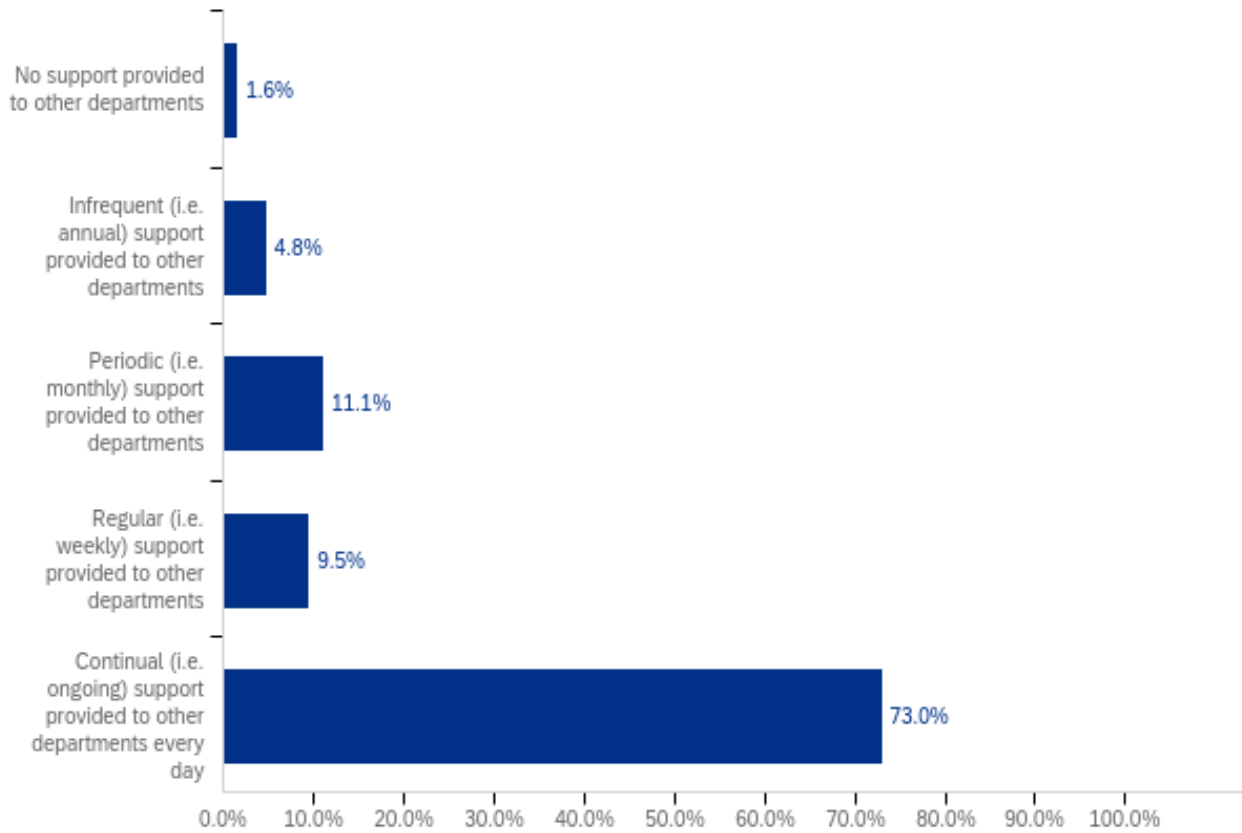
PI1. To what extent does your department interact with the external public?



Answer	%	Count
No external public interaction	3.2%	2
Rarely or infrequently (i.e. annual)	20.6%	13
Monthly to quarterly (i.e. periodic)	11.1%	7
Weekly (i.e. regular)	15.9%	10
Continual (i.e. ongoing) interaction with the public several times daily or more	49.2%	31
Total	100%	63

PI2. To what extent does your department support internal operations including those considered critical to achieving the objectives of other department's mission/goals?

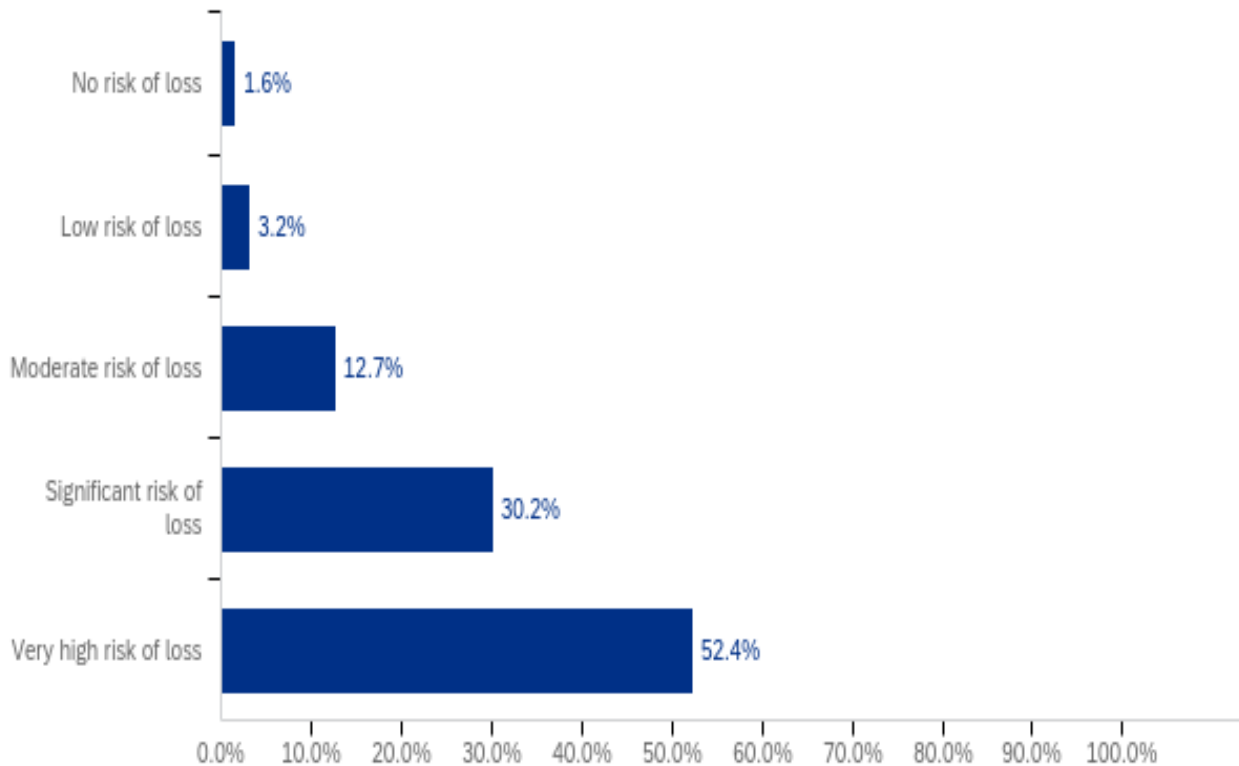
Note: What is the level of support and role your department plays in helping other departments achieve their overall mission.



Answer	%	Count
No support provided to other departments	1.6%	1
Infrequent (i.e. annual) support provided to other departments	4.8%	3
Periodic (i.e. monthly) support provided to other departments	11.1%	7
Regular (i.e. weekly) support provided to other departments	9.5%	6
Continual (i.e. ongoing) support provided to other departments every day	73.0%	46
Total	100%	63

PI3. To what extent would failure to achieve your department's mission or goals impact its public image?

Note: Assess how the department's public visibility, public interest, and media interest in the department's activities would lead to loss of public image if the department did not perform its mission or goals. This could also be called the newspaper test – how much negative press or public disapproval would a failure cause?



Answer	%	Count
No risk of loss	1.6%	1
Low risk of loss	3.2%	2
Moderate risk of loss	12.7%	8
Significant risk of loss	30.2%	19
Very high risk of loss	52.4%	33
Total	100%	63

XI: Appendix B. RISK RESEARCH

Internal Audit research and activities considered in the Risk Assessment and Engagement Plan Report included the following:

- Review of the Pima Community College 2017-2021 Strategic Plan
- Review of previous Internal Audit Reports
- Review of State of Arizona, Office of the Auditor General Audit Reports, Pima Community College
- Review of the Pima Community College Fall 2020 Enrollment and Student Characteristics Report
- Protiviti Executive Perspectives on Top Risks for 2021
- American Association of State Colleges and Universities (AASCU)-Top 10 Higher Education State Policy Issues for 2021 – April 2021
- The State of Higher Education in 2020 – Grant Thornton Ninth Annual Report
- United Educator’s Risk Management Premium Credit (RMPC) Survey Results Top Risks
- Pima Community College Mission, Vision and College Values
- PCC Core Themes from the Mission Fulfillment Framework
- Centers for Disease Control and Prevention (CDC) – Considerations for Institutions of Higher Education
- EDUCAUSE Review-Top IT Issues, 2021: Emerging from the Pandemic-November 2, 2020
- WILEY – The Top Challenges Facing U.S. Higher Education Challenges 2021
- Deloitte – Significant Risks Facing Higher Education

XII. Appendix C: Pima Community College (PCC) Core Themes and Objectives

PCC's Core Themes from the Mission Fulfillment Framework



Pima Community College Core Themes and Objectives

The risk areas identified impact the College's ability to meet its core themes and objectives if not adequately addressed. The Core Themes and Objectives for the College are listed below:

Student Success

- Support and increase student goal achievement
- Support student progress toward goals
- Enhance course, program and general education assessment to improve learning

Access

- Provide educational pathways and resources that meet student and community needs
- Increase enrollment across the College

Teaching and Program Excellence

- Provide excellent teaching that utilizes best practices to support student success

- Offer relevant and quality programs that provide positive contributions to the economy of the region

Student Services

- Provide quality and appropriate student support services at the campuses
- Provide student-centered admissions and financial aid processes that support student success

Community Engagement

- Promote initiatives that provide opportunities for the development of our students and community
- Engage with national, state and local authorities on initiatives that support the mission of the College
- Develop and enhance partnerships that identify and respond to the educational needs of the community
- Engage with industry and increase the skilled workforce within Pima County

Diversity, Inclusion and Global Education

- Expand and support the diversity of the College's student population
- Close the achievement gap
- Expand and support the diversity of the College's workforce
- Develop and increase the student population through global education

Institutional Effectiveness

- Ensure effective and ethical use of the College's financial resources, technology and infrastructure
- Enhance an evidence-based approach to decision-making that is based on continuous improvement processes



Clery Act Compliance Audit Audit Report

May 25, 2021

DISTRIBUTION:

Lee Lambert, Chancellor

Governing Board

Finance and Audit Committee

Harold Janes, Executive Director Department of Public Safety

Michelle Nieuwenhuis, Police Commander

Jeff Silvyn, General Counsel

Completed By:
Jose A. Saldamando, Internal Audit



The Office of the Internal Auditor (Internal Audit) has completed an audit of the College's compliance with the Jeanne Clery Act (Clery Act) in accordance with its Audit Plan. Internal Audit recognize that valuable time was required of the Public Safety Departments' staff during the audit, and express our appreciation for their efforts in helping us complete the audit as efficiently as possible.

The objectives of the audit were:

- to determine whether Pima Community College (PCC) is in compliance with requirements for collecting crime reports and fires statistics;
- to determine the accuracy of the latest crime statistics in the College's 2019 Campus Security and Fire Safety Report; and
- to evaluate the current policies and procedures related to the Clery Act.

SCOPE & METHODOLOGY

Internal Audit performed tests on controls over gathering, reporting, and accuracy of crimes and fire statistics reported in the College's 2019 Campus Security and Fire Safety Report.

The audit procedures included:

1. Interviewing Public Safety staff and administration;
2. Reviewing various procedures manuals/policies – Administrative Procedures, Board Policies, PCC Alert Emergency Notification System Policy, and PCC Police Department Administrative Directive Policies;
3. Obtaining and reviewing crime log records;
4. Obtaining and reviewing alert notification documentation; and
5. Reviewing Campus Security Authority (CSA) job descriptions.

BACKGROUND

The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) requires all colleges with federal Title IV student financial assistance programs to publically report Clery Act defined crimes. The U.S. Department of Education ("DoE") oversees the Clery Act; requirements of the Act include (but are not limited to) annual reporting such as the College's Annual Security Report issued on September 2019. DoE may assess civil penalties up to \$58,328 per violation and suspend participation in federal student financial aid programs.

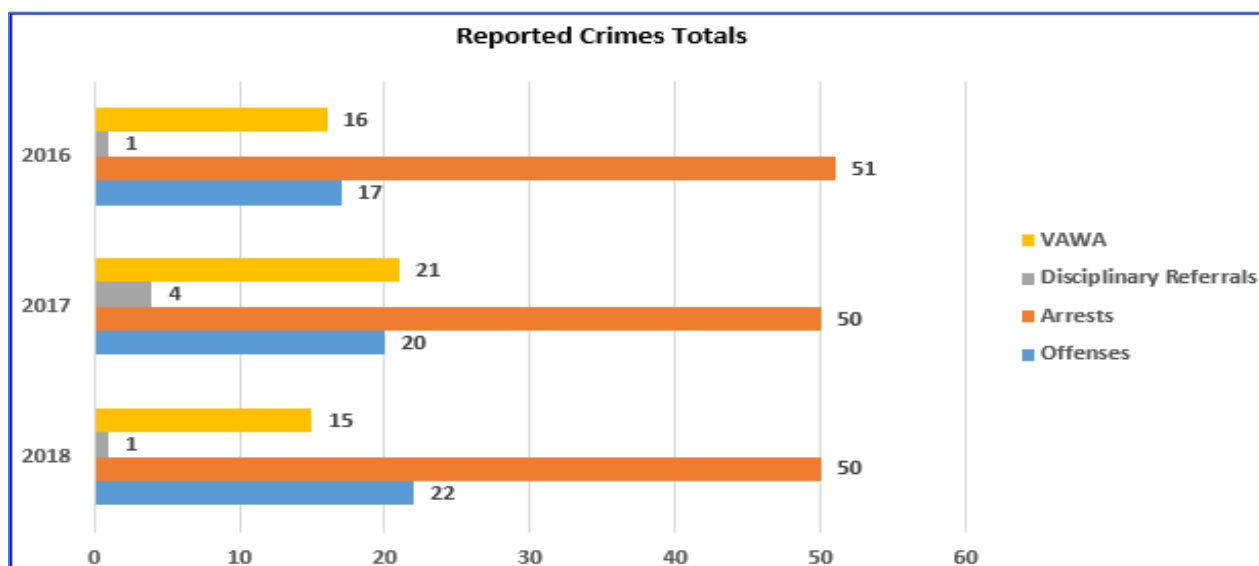
PCC is responsible for reporting significant crime incidents on or near the campuses that may pose a continuing threat to campus safety and security in accordance with the Act. The most recent Annual Crime Report prepared by PCC's Department of Public Safety is posted on PCC's website (<https://www.pima.edu/administration/police/reports.html>). The report includes statistics concerning reported crimes that occurred on a campus, in certain off-campus buildings or property owned or controlled by PCC, and on public property within, or immediately adjacent to and accessible from, property controlled by PCC. Per the Act, the College statistics reflect the number of crimes reported, rather than the number of crimes substantiated. The report also includes institutional polices concerning College Safety and Fire Safety report for leased student housing.

As of September 5, 2020, the Executive Director of Public Safety, Police Commander, and Police Lieutenant oversee the Clery Act activities. The College Clery Compliance Officer (CCO) retired on September 4, 2020; recently the College has hired a CCO (May 2021).

PCC 2019 Annual Security & Fire Safety Report Statistics

Below is a summary of the crimes reported in the 2019 Annual Security & Fire Safety Report for the years of 2016, 2017, and 2018:

Year	Offenses	Arrests	Disciplinary Referrals	VAWA
2016	17	51	1	16
2017	20	50	4	21
2018	22	50	1	15
Total	59	151	6	52



Crimes Definition for Clery Act Purposes

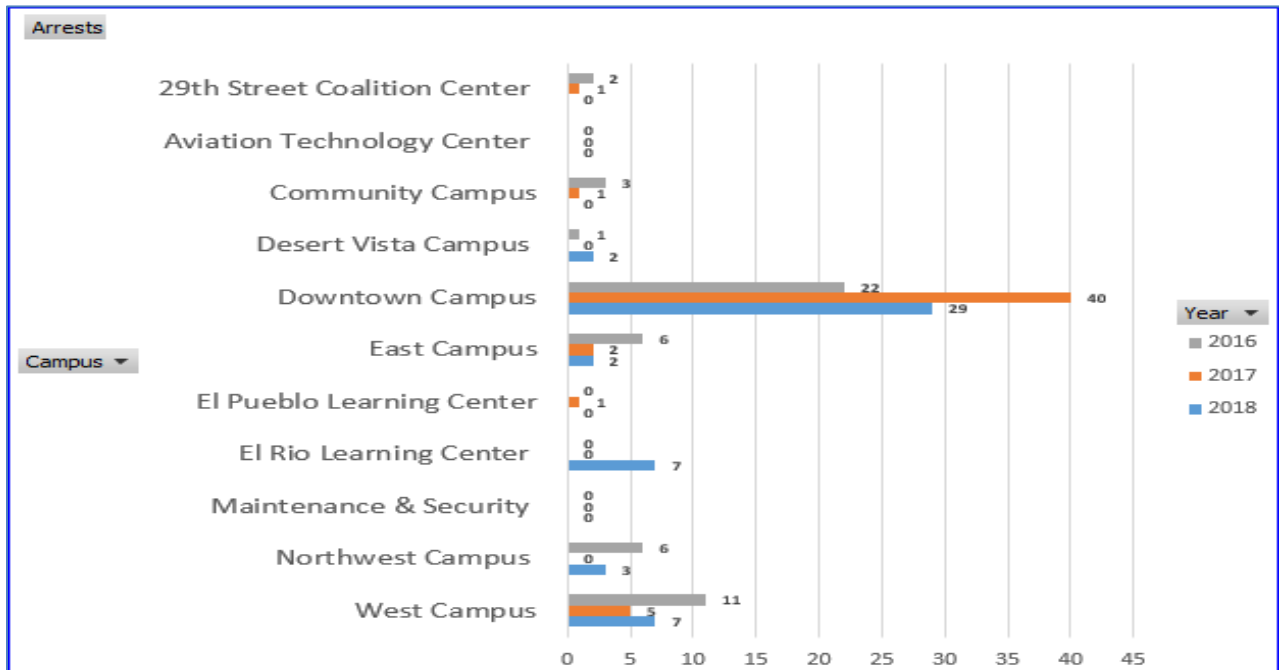
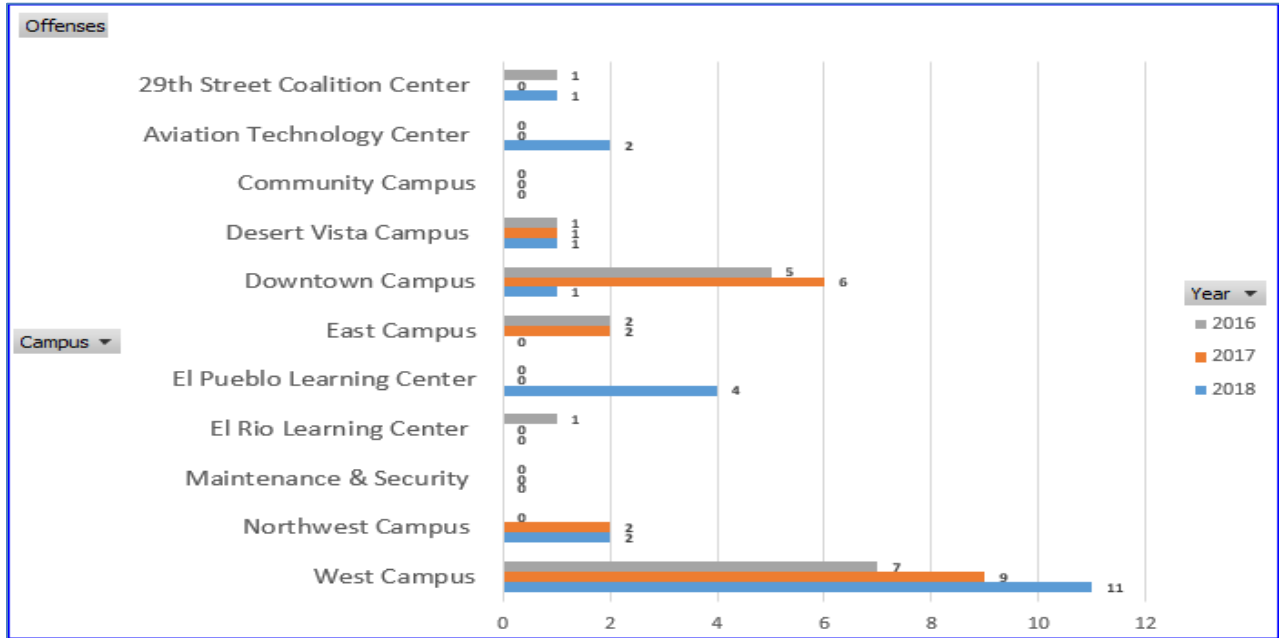
Offense – is defined as a *breach of a law; an illegal act*. Offenses are classified into eleven (11) categories: Murder/Non-Negligent Manslaughter; Manslaughter by Negligence; Rape; Fondling; Incest; Statutory Rape; Robbery; Aggravated Assault; Burglary; Motor Vehicle Theft; and Arson.

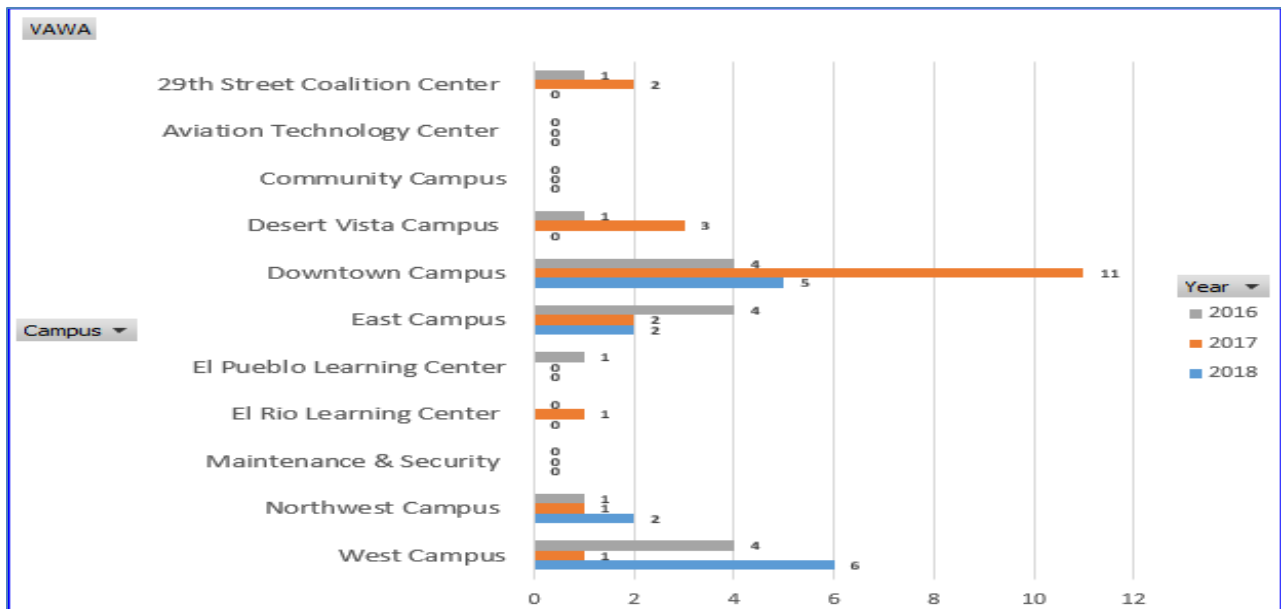
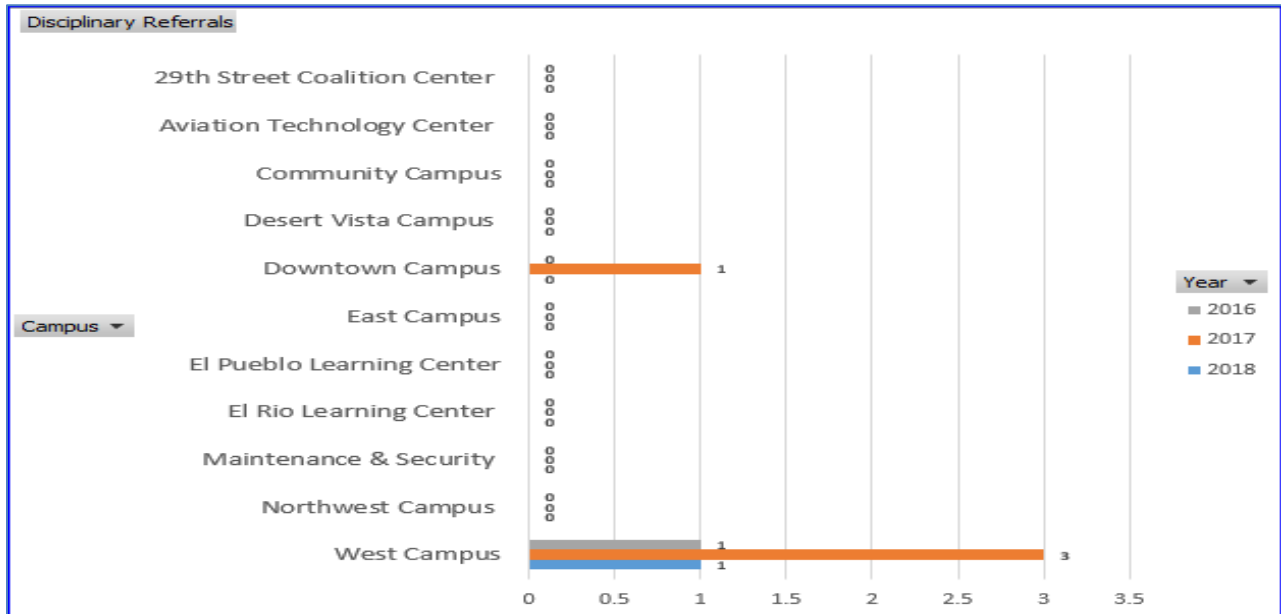
Arrest – is defined as *person processed by arrest, citation or summons*. Arrests are classified in three (3) categories: Weapon Violations; Drug Violations; and Liquor Violations.

Disciplinary Referrals – are defined as *the referral of any person to any official who initiates a disciplinary action of which a record is established and which may result in the imposition of a sanction*. Disciplinary Referrals are classified in three (3) categories: Weapon Violations; Drug Violations; and Liquor Violations.

Violence Against Women Act of 1994 (VAWA) – is federal legislation that expanded the juridical tools to combat violence against women and provide protection to women who had suffered violent abuses. VAWA is classified in three (3) categories: Domestic Violence; Dating Violence; and Stalking.

PCC 2019 Annual Security & Fire Safety Report Statistics by Crimes & Locations





CONCLUSION

This report offers observations and recommendations for strengthening controls and procedures and better ensuring consistent reporting.

Internal Audit has determined that overall PCC is in general compliance with gathering and reporting crimes and fire statistics pursuant to the Clery Act. However, we identified corrections and improvements to further reduce the risk of noncompliance with the Clery Act. These items are noted in the Executive Summary below and should be addressed to prevent adverse consequences to the College and campus community.

EXECUTIVE SUMMARY OF FINDINGS

Internal Audit noted the following areas require improvement to better ensure compliance and prevent negative impacts to the College and campus community:

- Two internal policies and procedures related to Clery Act have not been reviewed/updated with current processes. In addition, there are no written procedures for the development of the Annual Security & Fire Safety Report (ASFSR).
- Three of the fifteen (20%) crimes reported in the ASFSR were not consistent with the Crime Log information (e.g. one instance where the crime description/type was not consistent; two instances in which the annual report shows only one incident type/description for the location and the crime log(s) show more than one incident type/description for that specific location).
- Three of the fifteen (20%) crimes reported in the ASFSR that Public Safety staff were not able to identify/match incidents with the crime logs.
- The current process to identify, notify and train CSA is not effective. The survey questionnaire sent to individuals that are considered and/or may be considered CSA's is not always completed by all staff and not all CSA's are identified and trained; only 53% completed the survey. In addition, there are no internal written procedures for this process.
- Currently not all PCC staff and faculty are enrolled for emergency alert notifications.

Additional detail of audit exceptions are in “Appendix A – Audit Findings.”

The audit exceptions listed in Appendix A are a result of procedural gaps and/or deficiencies and listed in order of significance. These findings were deemed to have a residual risk level of low to high and include responses from Management. Management should review the appendix and related recommendations in their entirety to determine if changes to procedures are needed.

See Appendix B – for risk level definitions.

Internal Audit thank the entire Public Safety Department team for their cooperation and courtesy extended to us during the audit.

APPENDIX A

AUDIT FINDINGS

RESIDUAL RISK: HIGH

1. A review of Clery Act related internal policies and procedures resulted in two instances where the procedure has not been reviewed/updated with current processes. Administrative Procedure (AP) 8.05.01-Sexual Violence was last reviewed on April 7, 2003; this AP should be reviewed every three years. Pima Community College Police Department Administrative Directive – Chapter 4: Clery Campus Security Act Compliance Policy, shows a review/updated date of April 24, 2015. In addition, there are no written procedures for the development of the College Annual Security & Fire Safety Report (ASF SR). The ASF SR was completed by the College Clery Compliance Officer; he retired in September 2020 and no documented procedures were completed prior to his retirement.

The lack of current policies and procedures could lead to:

- Failing to comply with new/updated laws and regulations, resulting in fines, penalties and reputational risks to the College;
- Staff not effectively completing their roles and responsibilities, resulting in bypassing of key processes, unclear expectations and low morale;
- Failing to address new systems or technology, resulting in inconsistent practices; and
- Missing essential information when developing the ASF SR.

Recommendation: Management should update the above policies and procedures with current processes. Management should also develop procedures for the development of the ASF SR. In addition, training should be provided to staff to ensure awareness and consistency of the processes.

Public Safety Management’s Response:

AP 8.05.01 Sexual Violence was reviewed in 2020 and forwarded to college’s legal counsel in July, 2020. PCC Public Safety Management last followed up with legal counsel on November 19, 2020.

PCC Police Department Administrative Directive –Chapter 4, Clery Campus Security Act Compliance Policy, will be updated with the department’s current subscription to Lexipol. The command staff are currently engaged with a Lexipol Professional Services Manager to begin the policy review process.

Clery Compliance Officer’s attend a Clery school from a reputable consultant who provides a manual and a step by step recommended process for completing the ASF SR. With this guidance, the CCO develops their process (Steven Hogan (former CCO), provided a USB flash drive but no specific outline).

Estimated Implementation Date:

PCC Public Safety Management will inquire with legal counsel (via Michael Smith) to determine a review and post date for the revised AP. Michael Smith calendars these follow up dates and copies PCC Public Safety Management. This inquiry will be by July 1, 2021.

Chapter 4, Clery Campus Security Act Compliance Policy should be completed by October 2021. The new CCO will start on May 10, 2021, and is scheduled for Clery training in early June, 2021. After completion and publication of the 2021 ASFSR, a practice guide will be developed as part of that process by March 31, 2022.

2. A review of a sample of 15 Clery Act Crimes reported in the 2019 Annual Security & Fire Safety Report (ASFSR) for the year 2018 against PCC Crime and Fire Logs (CFL) resulted in the following findings:
 - Three of the fifteen (20%) crimes reported in the ASFSR were not consistent with the CFL information.
 - One instance in which the crime was reported as “Domestic Violence –Simple Assault-PCC Leased location” in the CFL compare to “Arrest Drug Violation-Student Housing Facilities” in the ASFSR.
 - Two instances in which the ASFSR shows only one incident type/description for the location and the CFL shows more than one incident type/description for that specific location.
 - There were three of the fifteen (20%) crimes reported in the ASFSR that Public Safety staff were not able to identify/match incidents with the crime logs.

Based on conversation with Public Safety Management, it’s unclear what methodology the Clery Compliance Officer used to classify crime statistics. There are no documented procedures for this process.

Inaccurate crime statistics reported and not ensuring crime documentation is readily available could lead to:

- Misinformed readers, resulting in fines from the U.S. Department of Education;
- Reputational risks for the College;
- The inability to provide supporting documentation (evidence) when requested; and
- Confusion/unclear expectations from staff.

Recommendation: Management should consider reviewing records for calendar year 2018 to identify all incidents of reportable Clery Act crimes to ensure accuracy and amend the ASFSR to correct errors and/or disclose updates in the 2021 ASFSR. In addition, supporting documentation should be readily available for each crime reported in the CFL; procedures should be documented for this process. Management should hire a Clery Act Compliance Officer as soon as possible and train all staff involved in the issuing of the ASFSR.

Public Safety Management’s Response:

It is possible that the CCO applied the hierarchy rule to the incident that was reported to and handled by Tucson PD with two crime types listed. The data from TPD indicated several crime clearance codes under the same incident number.

It is unknown why multiple offenses were listed on the Daily Crime Log (NWC stolen vehicle) while the ASFSR only listed one for that location.

Crime data obtained from other agencies twice annually, may not make the Crime Log at the time the incident occurred. Smaller jurisdictions may better accomplish this task, however the Tucson

Police Department is too large for us to expect that data to be shared in proximity to the incident. The Tucson PD's assistance with crime statistics has increased considerably under Steven Hogan, a relationship we will maintain moving forward.

Estimated Implementation Date:

The new CCO begins May 10, 2021. After completing his Clery training in June 2021, we will review the 2018 data for orientation as well as possible corrective action regarding crime statistics. This will be commenced after the publication of the 2021 ASFSR on October 1, and completed by March 31, 2022.

3. The current process to identify, notify and train CSA is not effective. The Clery Act Compliance Officer sends a survey questionnaire to individuals that are considered and/or may be considered CSA's on annual basis. However, the survey is not completed by all staff and not all CSA's are identified and trained. In addition, there are no formal procedures for this process. Our review of CSA showed that 92 of the 175 (53%) individuals completed the Pima Community College CSA Annual Clery Crime Survey. The survey includes information on the roles and responsibilities of a CSA.

Unable to identify, notify and train CSA's may lead to:

- Non-compliance with Clery Act requirements, which can result in fines/penalties and reputational risks to the College; and
- Staff may not effectively complete their roles and responsibilities, which can result in unclear expectations, low morale, and risks to the college (e.g. unable to take appropriate action when an indecent(s) is reported to him/her, etc.).

Recommendation: Public Safety Management in collaboration with the Human Resources (HR) Department should determine specifically which individuals and/or departments are CSA's for the College (e.g. functions involving relationship with student and campus activities, etc.). Job descriptions should be updated to reflect CSA roles and responsibilities and require annual training for those positions. Management may consider documenting procedures for this process.

Public Safety Management's Response:

Steven Hogan worked with enterprise services to obtain a list of employee's to determine the list of CSA's for that year's survey. There have been multiple methods of deliver for the CSA training with varying degrees of success (completion of quiz/survey). This requirement needs to be tied to the employee's annual review and should be considered college required training.

PCC Public Safety Management will work with HR Department on implementing a new process for the identification of CSA's to ensure roles and responsibilities are tied to the employee's annual review and annual training is completed.

Estimated Implementation Date:

December 31, 2021 with appropriate consultation with HR.

RESIDUAL RISK: LOW

4. Currently not all PCC staff and faculty are enrolled for emergency alert notifications. The PCC Alerts group meets at least every month to continue progress on enrollment efforts.

Non-enrollment for emergency alert notification may result in:

- Non-compliance with the actions advised by the alert;
- Injuries to staff and/or faculty; and
- Non-compliance with College policy.

Recommendation: Management should continue its efforts to enroll all staff and faculty for alert notifications. In addition, its efforts to enroll students should also continue. Management should consider documenting this process.

Public Safety Management's Response:

I.T. continues to work with facilities and college police to import employee cell numbers from Banner into the PCCAlerts system. Reports are run every other week to identify those employees who have not signed up, and their supervisor works with them to complete enrollment. Approximately 80% of employees are enrolled. A small number of employees have opted out and approximately 20 indicate they do not own a cellular phone. Those employees without text notification will continue to receive the email notices and can be notified via the Hyperspike mass notification system. New employees will be enrolled in the PCCAlerts notification system as part of new employee orientation moving forward which will eliminate the need to solicit employees to enroll.

Estimated Implementation Date:

September 2021 (time to capture faculty after they return for fall semester).

APPENDIX B
RISK DEFINITIONS

Risk Level	Definitions and Examples
High	<p>Considerations incorporated into this risk level include one or more of the criteria listed below. Issues ranked as high risks do not necessarily meet every criterion listed below but could comprise one or more items.</p> <ul style="list-style-type: none"> • Misappropriations or losses considered significant by internal audit and management. • A repeat control weakness that has not been addressed by management or is slowly being addressed. • An unintentional error in the financial results. • Inadequate segregation of duties. • Inappropriate authority levels in place. • Findings that could result in an undesirable consequence relative to legal position or publicity. • Significant policy violation present. • Policy violation that in isolation would not be significant but which displays a consistent pattern of behavior that would represent a significant policy violation. • Any other matter that internal audit believes to be of a significant nature. <p>Examples: non-compliance with laws and federal regulations (e.g. Student Financial Aid compliance; Higher Learning Commission (HLC) accreditation; Information Technology cybersecurity data breach, etc.), high dollar risks (e.g. \$500k), ethical issues, reputational, etc.</p>
Medium	<p>Considerations incorporated into this risk level include one or more of the criteria listed below. Issues ranked as medium risks do not necessarily meet every criterion listed below but could comprise one or more items.</p> <ul style="list-style-type: none"> • Control weaknesses that could lead to significant misappropriation, losses or misstatement of financial results but which are compensated for by informal controls. There is no reliance that the informal control system will continue to operate in a consistent fashion. • Control weaknesses that could result in a loss considered significant by internal audit and management and upwards, but have not yet resulted in a loss and which are being properly addressed by management. • Some segregation of duties issues. • Policy violations • An unintentional material misstatement of financial results or a control weakness, which could result in an unintentional material misstatement of financial results. • A lack of policy and procedures covering significant transactions/activities or non-compliance with policies and procedures covering significant transactions/activities. • Misappropriations considered less than significant. <p>Examples: unauthorized travel expense incurred by employee with PCC travel card.</p>

Low

Considerations incorporated into this risk level include one or more of the criteria listed below. Issues ranked as low risks do not necessarily meet every criterion listed below but could comprise one or more items.

- Objectives are being achieved.
- Adequate segregation of duties present.
- Appropriate approval authority levels present.
- Control weaknesses are of minor importance and are not likely to significantly impact the accuracy of results or effectiveness of operations. These types of control weaknesses are related mainly to strengthening the control environment where some value would result to management.
- Controls that provide management with worthwhile benefits relative to greater confidence in decision-making.
- Controls which, if eliminated or re-engineered, would benefit productivity or effectiveness.

Examples, petty cash <\$100, office supplies inventory, etc.

Revenue Bond Projects - Inception to Date

FY=21 Period=14

<u>FUND</u>	<u>FUND_DESC</u>	<u>Revenues</u>	<u>Personnel</u>	<u>Other Expenditures</u>	<u>Transfers</u>	<u>Fund Balance</u>
581999	Rev Bonds Control Fund	67,856,868	0	(443,102)	(24,606,135)	42,807,631
5R8000	RVB PROJ - Control	67,856,868	0	(443,102)	(24,606,135)	42,807,631
581001	RVB Proj -Advanced Mfg.New Bldg	0	0	(5,327,157)	4,596,240	(730,917)
5R8001	RVB PROJ - Applied Tech- Building	0	0	(5,327,157)	4,596,240	(730,917)
581003	RVB Proj - Transportation New Bldg	0	0	(13,746,598)	12,943,048	(803,550)
5R8002	RVB PROJ - AppTech COE AE WFD SS	0	0	(13,746,598)	12,943,048	(803,550)
581005	RVB Proj - ST Bldg Renovations	0	0	(297,177)	305,713	8,536
5R8003	RVB PROJ - AppTech Weld,Mach,Engr,M	0	0	(297,177)	305,713	8,536
581007	RVB Proj - AppTech Makerspace CAD	0	0	(1,787)	1,787	0
5R8004	RVB PROJ - AppTech Makerspace CAD	0	0	(1,787)	1,787	0
581011	RVB Proj -DC Copper RE	0	0	(1,373,263)	1,373,263	0
581009	RVB Proj -DC Frontier RE	0	0	(1,361,845)	1,361,845	0
581037	RVB Proj -DC CoE Program Space Renv	0	0	(438,321)	438,321	0
581036	RVB Proj -DC RE Infrastructure Dev	0	0	(173,502)	95,900	(77,602)
581034	RVB Proj -DC 333 W Drachman (FT2)	0	0	(1,712,800)	1,712,800	0
581032	RVB Proj -DC Historic Assessment	0	0	(102,638)	85,042	(17,596)
5R8005	RVB -DC Campus Expansion & Developm	0	0	(5,162,370)	5,067,171	(95,199)
581013	RVB Proj -PSI ESI	0	0	(35,480)	35,480	0
5R8007	RVB PROJ -PSEI EMSI	0	0	(35,480)	35,480	0
581015	RVB Proj -Science Labs	0	0	(1,124,852)	1,130,795	5,943
5R8008	RVB PROJ -Science Labs	0	0	(1,124,852)	1,130,795	5,943
581017	RVB Proj -Allied Health COE	0	0	(20,032)	20,032	0
5R8009	RVB PROJ -Allied Health COE	0	0	(20,032)	20,032	0
581019	RVB Proj -EC Bookstore/Food Svc	0	0	(49,443)	49,443	0
5R8010	RVB PROJ -EC Bookstore/Food Svc	0	0	(49,443)	49,443	0
581021	RVB Proj -DC Bookstore/Food Svc	0	0	(446,916)	446,916	0
5R8011	RVB PROJ -DC Bookstore/Food Svc	0	0	(446,916)	446,916	0
581023	RVB Proj -NW Bookstore/Food Svc	0	0	(3,642)	3,642	0
5R8012	RVB PROJ -NW Bookstore/Food Svc	0	0	(3,642)	3,642	0
581025	RVB Proj -WC Campus Store	0	0	0	0	0
5R8013	RVB PROJ -WC Bookstore/Food Svc	0	0	0	0	0
581027	RVB Proj -DV Cafe	0	0	0	0	0
5R8014	RVB PROJ -DV Bookstore/Food Svc	0	0	0	0	0

Revenue Bond Projects - Inception to Date

FY=21 Period=14

<u>FUND</u>	<u>FUND_DESC</u>	<u>Revenues</u>	<u>Personnel</u>	<u>Other Expenditures</u>	<u>Transfers</u>	<u>Fund Balance</u>
500005	"Revenue Bonds" Revenue	0	0	0	0	0
5RVBND	Revenue Bond Funded Projects	0	0	0	0	0
		67,856,868	0	(26,658,554)	(5,870)	41,192,444

Pima Community College - Public Hearing

Adoption of FY 2022 Proposed Budget

June 9, 2021

Presented by: Dr. David Bea

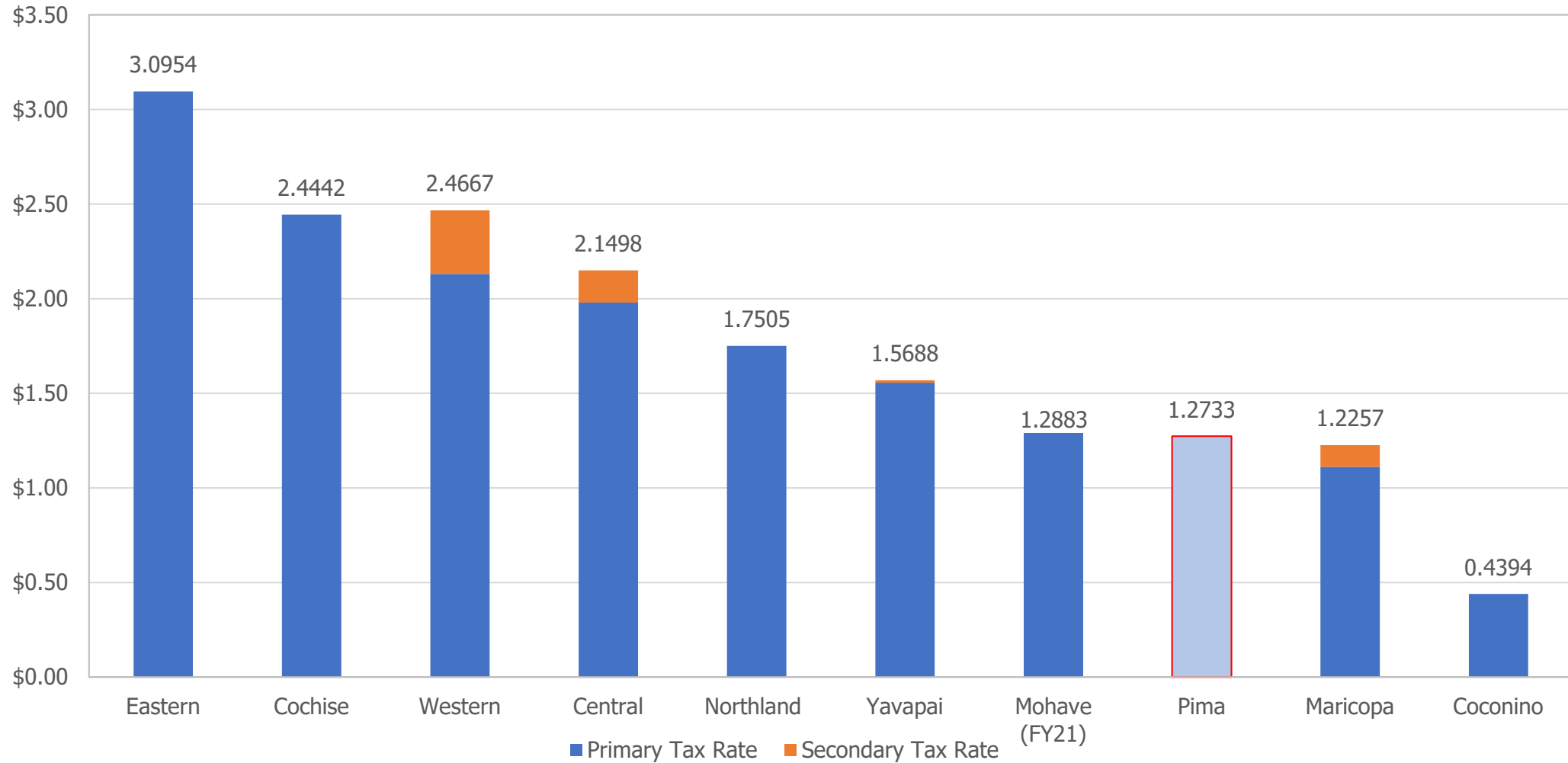


Primary Property Tax Levy Detail - Proposed

	FY 2021	FY 2022 (Levy Neutral)
Net Taxable Value Current Year (\$100s)	\$91,404,259	\$96,961,504
Overall Change in Valuation	4.70%	6.08%
Change from New Property	1.66%	1.11%
Estimated Primary Tax Rate Authorization (per \$100 net assessed valuation)	\$1.3359	\$1.2733
Primary Tax Levy	\$122,106,950	\$123,461,082
Change from Previous Fiscal Year		\$1,354,132
Truth in Taxation Levy Increase		\$0

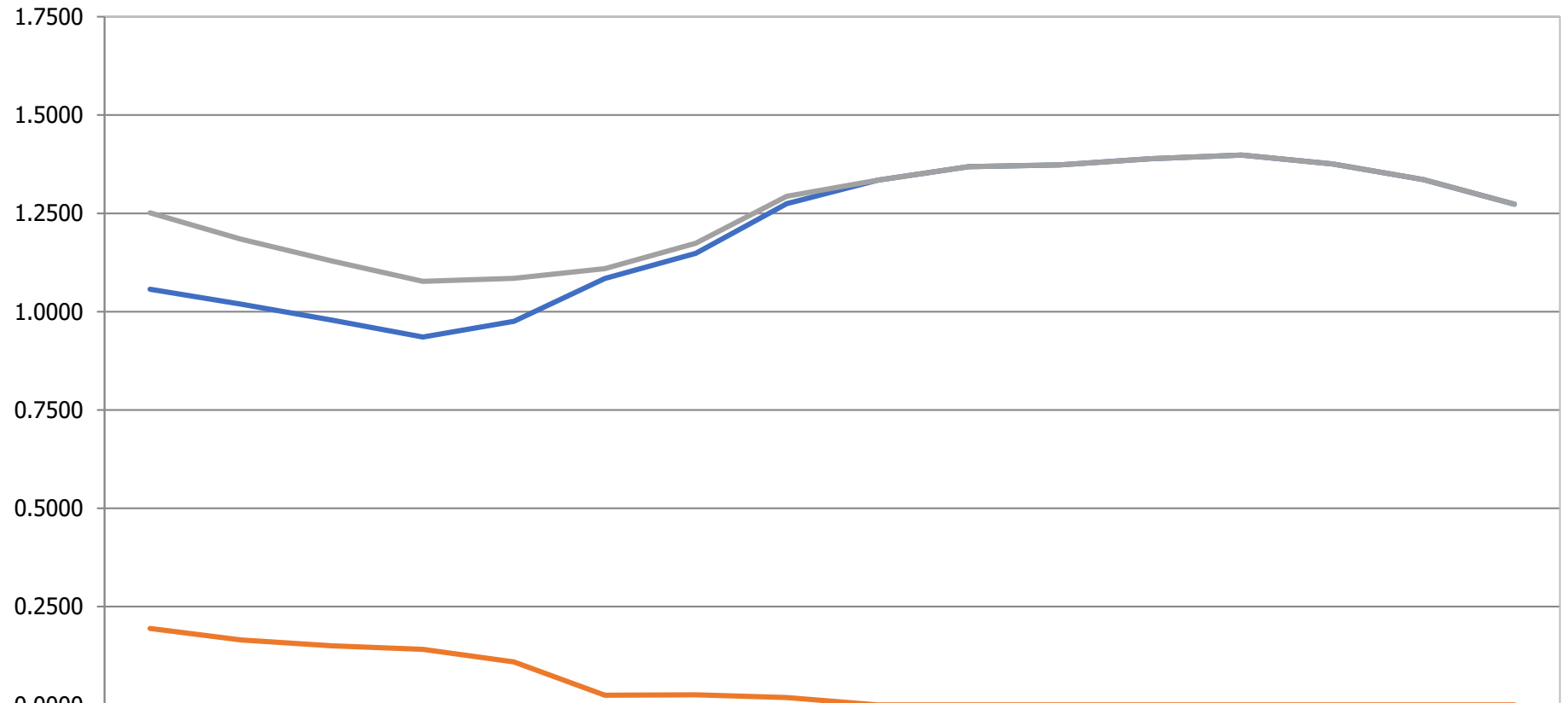
Proposed AZ Community Colleges Property Tax Rates FY 2022

(Rates per \$100 net assessed valuation)



PCC Primary, Secondary & Combined Property Tax Rates ¹⁰⁶

(Fiscal Years 2007-2022 Proposed)



	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Primary Property Tax Rate	1.0570	1.0191	0.9787	0.9356	0.9755	1.0846	1.1484	1.2746	1.3344	1.3689	1.3733	1.3890	1.3983	1.3758	1.3359	1.2733
Secondary Property Tax Rate	0.1945	0.1654	0.1502	0.1414	0.1093	0.0248	0.0257	0.0187	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Combined Primary + Secondary Tax Rates	1.2515	1.1845	1.1289	1.0770	1.0848	1.1094	1.1741	1.2933	1.3344	1.3689	1.3733	1.3890	1.3983	1.3758	1.3359	1.2733

Questions?



Adoption of Fiscal Year 2022 Proposed Budget



Fiscal Year 2022 Budget Summary

- Establishes the maximum spending capacity for Fiscal Year 2022
 - Does not require all funds to be expended if fewer programs or services are needed
 - Allows for future reductions based on lower revenue projections
- Reflects increased expenditure capacity due to passage of Prop 481
- Prioritizes employee compensation
- Includes significant increase in capital outlay per COE plans



Projected Revenues

- Approved tuition and fees
 - No tuition increase
 - Maintain \$87.00 per credit in-state resident rate from FY 2021
 - Provide Success Support Courses at no cost
- Levy neutral property taxes
 - No increase to property tax rate
 - Growth of existing property, +\$1.35M over FY 2021
- Federal funding opportunities
 - Higher Education Emergency Relief Funds (HEERF) II & III
 - Other new grant opportunities

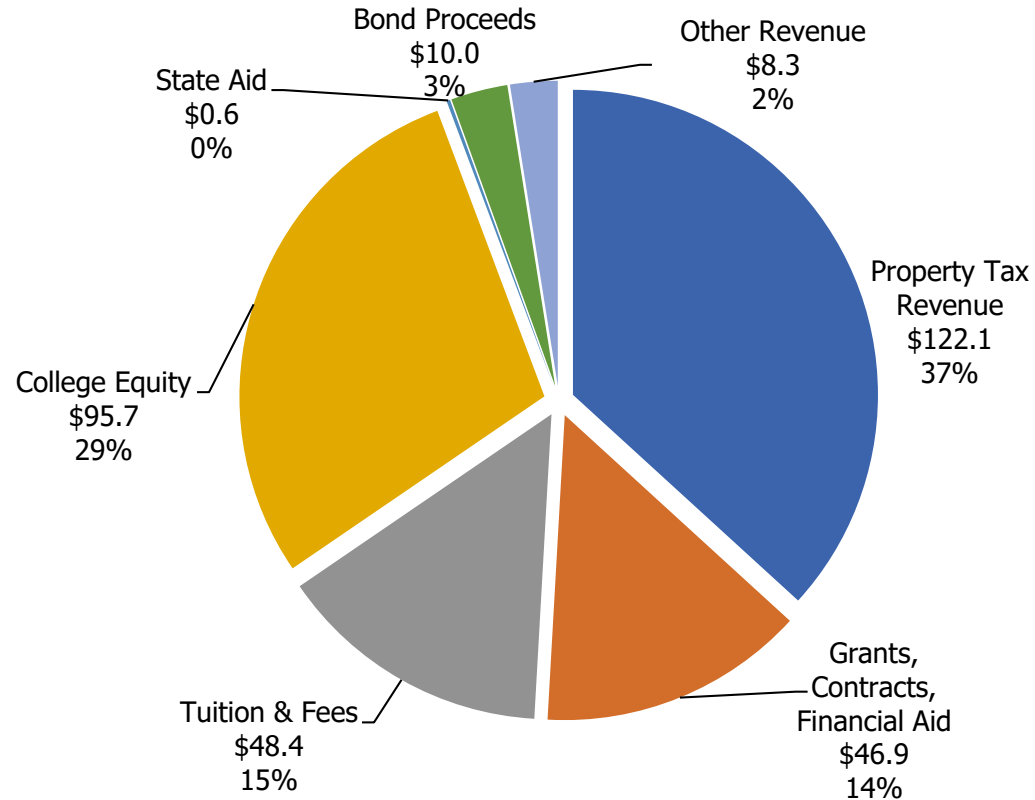
Expenditure Priorities

- Salaries and Wages, \$5.6M
 - 2.0% increase to salary pools and a \$1,000 supplemental for all regular employees
 - 3.1% increase to adjunct faculty load rate (to \$870 per load hour)
 - Lift to the A11 job classification salary scale to meet a minimum of \$15.00 per hour
 - Day of Relief
- Capital and IT Infrastructure Commitments, \$47.9M
 - IT Infrastructure enhancements
 - Centers of Excellence
 - Deferred maintenance
- Strategic Plan 2021-2025 and Chancellor Goals
 - Prop 481 initiatives
 - Marketing and Enrollment Management
 - Student Success enhancements

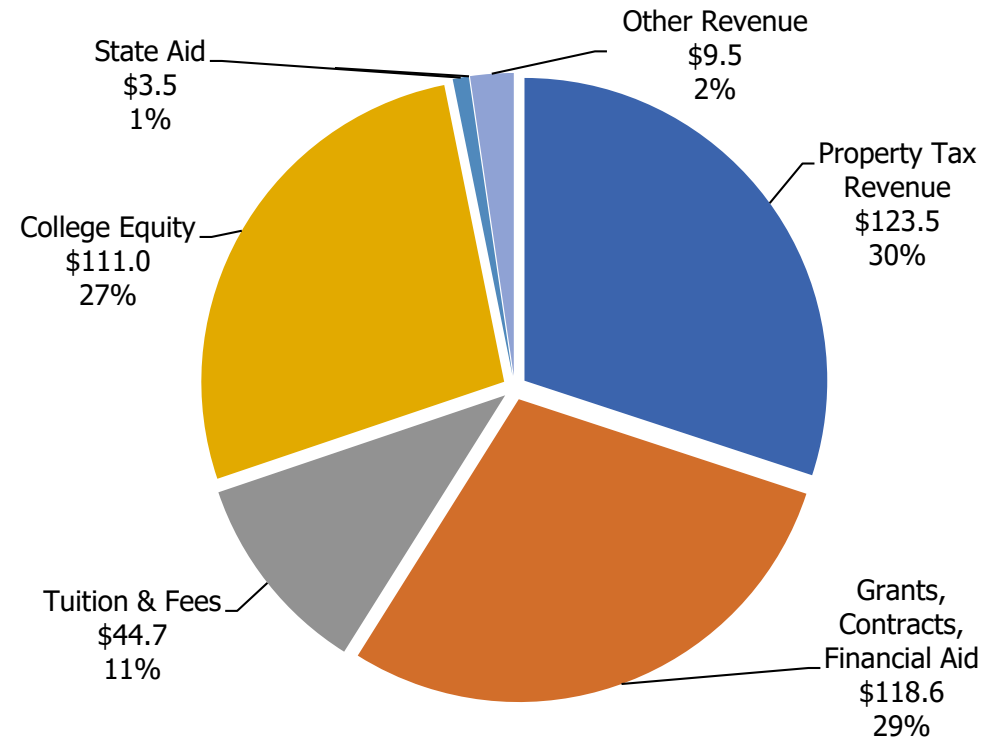


Budgeted Revenues Comparison – Adopted FY2021 vs. Proposed FY 2022

FY 2021

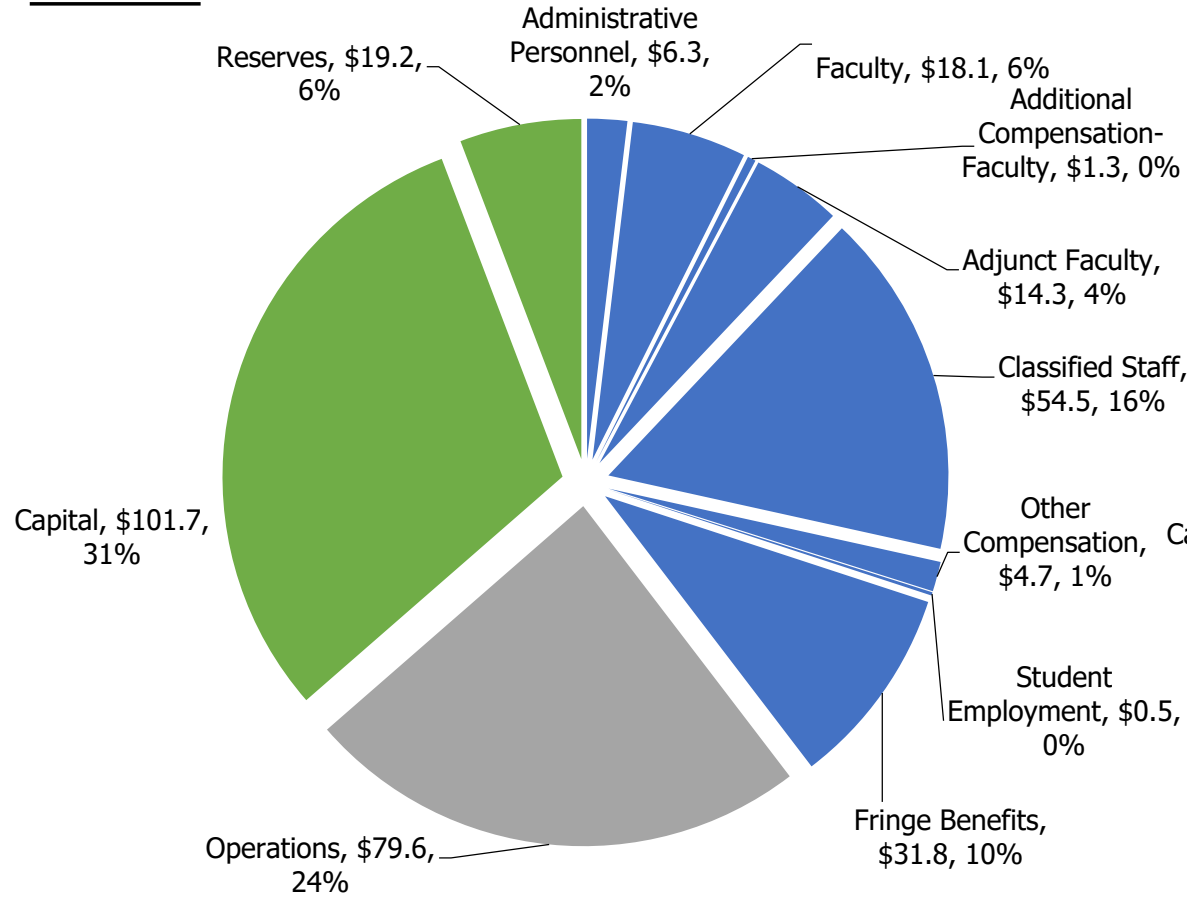


FY 2022 - Proposed

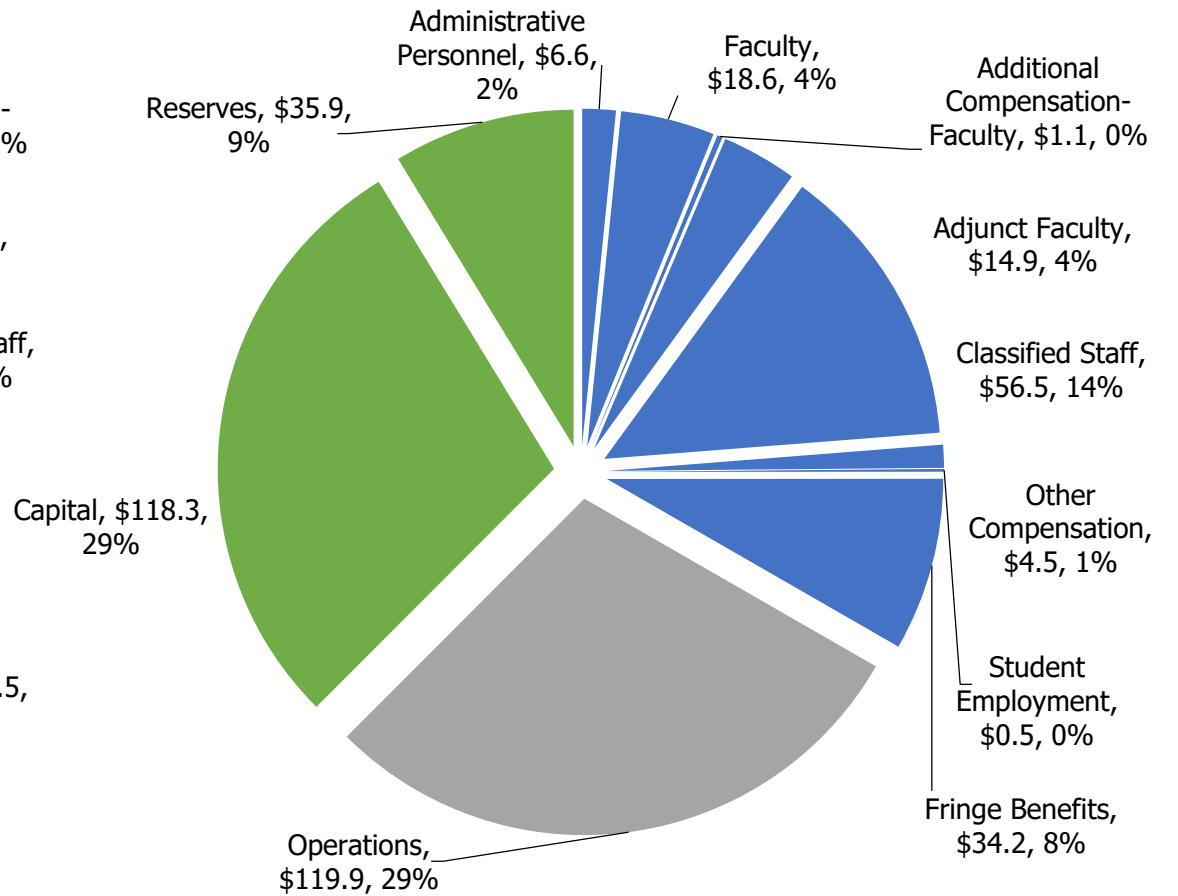


Budgeted Expenditures Comparison – Adopted FY 2021 & Proposed FY 2022 (All Funds, in \$Millions)

FY 2021



FY 2022 - Proposed



Questions?



Thank you!

**The Fiscal Year 2022 Budget would not be possible
without Finance and Business Services Staff.**



Additional Information & Resources



State Budget Form – Schedule A

**Pima County Community College District
Pima Community College
Budget for fiscal year 2022
Summary of Budget Data**

	Budget 2022	Budget 2021	Increase/Decrease From budget 2021 To budget 2022	
			Amount	%
I. Current General and Plant Funds				
A. Expenditures:				
Current General Fund	\$ 187,965,000	\$ 175,660,000	\$ 12,305,000	7.0%
Unexpended Plant Fund	105,900,000	46,263,000	59,637,000	128.9%
Retirement of indebtedness Plant Fund	5,381,000	5,807,000	(426,000)	-7.3%
Total	\$ 299,246,000	\$ 227,730,000	\$ 71,516,000	31.4%
B. Expenditures Per Full-Time Student Equivalent (FTSE):				
Current General Fund	\$ 14,075 /FTSE	\$ 12,327 /FTSE	\$ 1,748 /FTSE	14.2%
Unexpended Plant Fund	\$ 7,930 /FTSE	\$ 3,247 /FTSE	\$ 4,683 /FTSE	144.2%
Projected FTSE count	13,355	14,250		
II. Total all funds estimated personnel compensation				
Employee salaries and hourly costs	\$ 102,672,000	\$ 99,684,000	\$ 2,988,000	3.0%
Retirement costs	11,233,000	10,751,000	482,000	4.5%
Healthcare costs	12,690,000	11,807,000	883,000	7.5%
Other benefit costs	10,236,000	9,254,000	982,000	10.6%
Total	\$ 136,831,000	\$ 131,496,000	\$ 5,335,000	4.1%
III. Summary of primary and secondary property tax levies and rates				
A. Amount levied:				
Primary tax levy	\$ 123,461,082	\$ 122,106,950	\$ 1,354,132	1.1%
Property tax judgment	0	0	0	
Secondary tax levy	0	0	0	
Total levy	\$ 123,461,082	\$ 122,106,950	\$ 1,354,132	1.1%
B. Rates per \$100 net assessed valuation:				
Primary tax rate	1.2733	1.3359	(0.0626)	-4.7%
Property tax judgment			0.0000	
Secondary tax rate			0.0000	
Total rate	1.2733	1.3359	(0.0626)	-4.7%
IV. Maximum allowable primary property tax levy for fiscal year 2022 pursuant to A.R.S. §42-17051			\$ 125,933,601	
V. Amount received from primary property taxes in fiscal year 2021 in excess of the maximum allowable amount			\$ _____	

State Budget Form – Schedule B

Pima County Community College District
 Pima Community College
 Budget for fiscal year 2022
 Resources

	Current funds			Plant Fund		Total all funds 2022	Total all funds 2021	% Increase/Decrease
	General Fund 2022	Restricted Fund 2022	Auxiliary Fund 2022	Unexpended Plant Fund 2022	Retirement of indebtedness 2022			
Beginning balances—July 1*								
Restricted	\$	\$ 18,314,000	\$	\$ 38,000,000	\$ 1,441,000	\$ 57,755,000	\$ 81,637,000	-29.3%
Unrestricted	121,396,000		8,435,000	15,000,000		144,831,000	148,572,000	-2.5%
Total beginning balances	\$ 121,396,000	\$ 18,314,000	\$ 8,435,000	\$ 53,000,000	\$ 1,441,000	\$ 202,586,000	\$ 230,209,000	-12.0%
Revenues and other inflows								
Student tuition and fees								
General tuition	\$ 36,844,000	\$	\$	\$	\$	\$ 36,844,000	\$ 40,429,000	-8.9%
Out-of-district tuition						0		0.0%
Out-of-State tuition	3,798,000					3,798,000	4,024,000	-5.6%
Student fees	7,557,000		1,000	1,000,000		8,558,000	8,506,000	0.6%
Tuition and fee remissions or waivers	(4,492,000)					(4,492,000)	(4,603,000)	-2.4%
State appropriations								
Maintenance support		430,000				430,000	630,000	-31.7%
Equalization aid						0		0.0%
STEM Workforce				400,000		400,000		--
Rural Community College Aid						0		0.0%
Property taxes								
Primary tax levy	123,461,082					123,461,082	122,106,950	1.1%
Secondary tax levy						0	0	0.0%
Gifts, grants, and contracts	1,699,649	117,792,000				119,491,649	48,895,000	144.4%
Sales and services	1,065,000		582,000			1,647,000	1,473,000	11.8%
Investment income	3,500,000		1,000			3,501,000	3,501,000	0.0%
State shared sales tax (Prop 301)		2,400,000				2,400,000	1,200,000	100.0%
Smart and Safe Act (Prop 207)		2,700,000				2,700,000		--
Other revenues	855,351		216,000			1,071,351	764,050	40.2%
Proceeds from sale of bonds						0	10,000,000	-100.0%
Total Revenues and Other Inflows	\$ 174,288,082	\$ 123,322,000	\$ 800,000	\$ 1,400,000	\$ 0	\$ 299,810,082	\$ 236,926,000	26.5%
Transfers								
Transfers in	34,144,638			38,300,000	5,381,000	77,825,638	57,325,000	35.8%
(Transfers out)	(63,733,638)	(13,400,000)	(692,000)			(77,825,638)	(57,325,000)	35.8%
Total transfers	(29,589,000)	(13,400,000)	(692,000)	38,300,000	5,381,000	0	0	0.0%
Reduction for amounts reserved for future budget year expenditures:								
Maintained for future financial stability	(19,765,000)		(2,300,000)			(22,065,000)	(17,111,000)	29.0%
Maintained for future capital acquisitions/projects	(58,365,082)		(4,867,000)	13,200,000		(50,032,082)	(110,484,000)	-54.7%
Maintained for future debt retirement						0		0.0%
Maintained for grants or scholarships		(18,057,000)				(18,057,000)	(5,714,000)	216.0%
Debt Service					(1,441,000)	(1,441,000)	(1,219,000)	18.2%
						0		0.0%
Total resources available for the budget year	\$ 187,965,000	\$ 110,179,000	\$ 1,376,000	\$ 105,900,000	\$ 5,381,000	\$ 410,801,000	\$ 332,607,000	23.5%

*These amounts exclude amounts not in spendable form (i.e., prepaids, inventories, and capital assets) or amounts legally or contractually required to be maintained intact.

State Budget Form – Schedule C

Pima County Community College District
Pima Community College
Budget for fiscal year 2022
Expenditures and other outflows

	Current funds			Plant Fund		Other funds 2022	Total all funds 2022	Total all funds 2021	% Increase/ Decrease
	General Fund 2022	Restricted Fund 2022	Auxiliary Fund 2022	Unexpended Plant Fund 2022	Retirement of indebtedness 2022				
Total resources available for the budget year (from Schedule B)	\$ 187,965,000	\$ 110,179,000	\$ 1,376,000	\$ 105,900,000	\$ 5,381,000	\$ 0	\$ 410,801,000	\$ 332,607,000	23.5%
Expenditures and other outflows									
Instruction	\$ 61,834,067	\$ 3,983,175	\$	\$	\$	\$	\$ 65,817,242	\$ 65,620,194	0.3%
Public service							0		0.0%
Academic support	24,256,402	6,576,398					30,832,800	28,189,694	9.4%
Student services	29,421,880	14,032,487					43,454,367	31,320,624	38.7%
Institutional support (Administration)	47,954,767	970,988					48,925,755	45,210,327	8.2%
Operation and maintenance of plant	14,283,011	0					14,283,011	15,059,008	-5.2%
Scholarships	1,329,000	54,493,000	14,000				55,836,000	29,076,000	92.0%
Auxiliary enterprises			1,362,000				1,362,000	1,527,000	-10.8%
Capital assets		7,000,000		105,900,000			112,900,000	101,006,000	11.8%
Debt service—general obligation bonds							0	0	0.0%
Debt service—other long term debt					5,381,000		5,381,000	5,807,000	-7.3%
Other expenditures		6,192,000					6,192,000	0	--
Property tax judgments							0	0	0.0%
Contingency	8,885,873	16,930,952					25,816,825	9,161,153	181.8%
Total expenditures and other outflows	\$ 187,965,000	\$ 110,179,000	\$ 1,376,000	\$ 105,900,000	\$ 5,381,000	\$ 0	\$ 410,801,000	\$ 331,977,000	23.7%



 **Keep striving.**



**Governing Board's Finance and Audit Committee
Annual Calendar of Meetings &
Locations for Fiscal Year 2021-2022
9:00 a.m.***

August 20, 2021	<u>Regular Meeting</u> PCC - District Office Building D/Room D-225 4905 East Broadway Tucson, AZ 85709-1010
October 22, 2021	<u>Regular Meetings</u> PCC - District Office Building D/Room D-225 4905 East Broadway Tucson, AZ 85709-1010
December 10, 2021	<u>Regular Meeting and Winter Jubilee</u> PCC - District Office Building D/Room D-225 4905 East Broadway Tucson, AZ 85709-1010
February 18, 2022	<u>Regular Meeting</u> PCC - District Office Building D/Room D-225 4905 East Broadway Tucson, AZ 85709-1010
April 15, 2022	<u>Regular Meeting</u> PCC - District Office Building D/Room D-225 4905 East Broadway Tucson, AZ 85709-1010
June 17, 2021	<u>Regular Meeting</u> PCC - District Office Building D/Room D-225 4905 East Broadway Tucson, AZ 85709-1010

Special Meetings will be held as necessary.

*The Committee may utilize virtual meeting options via Zoom Webinar.