

**Governing Board's Finance and Audit Committee
Meeting Notice and Agenda*
Thursday, August 26, 2021
9:00am
Virtual Meeting#**

General Matters

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

- | | | |
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| 2. Approval of Minutes from June 24, 2021 | Tracy Nuckolls | 9:05am |
| 3. Vote to Recommend Kathleen Witt for Membership on the Governing Board's Finance and Audit Committee
<i>Outcome of decision to be presented to the Governing Board for approval on September 8, 2021.</i> | Tracy Nuckolls | 9:10am |
| 4. Vote to Elect Committee Chair & Chair-Elect | Tracy Nuckolls | 9:25am |

Reports and Feedback

- | | | |
|---|------------------------------|---------|
| 5. Internal Audit Update | Jeff Silvyn, Jose Saldamando | 9:30am |
| a. Office of the Internal Auditor Quarterly Report - August 2021 | | |
| 6. Enterprise Risk Management (ERM) Update | David Parker | 9:45am |
| a. ERM & Compliance Program Development | | |
| b. FY22 Insurance Renewal and Outlook Discussion | | |
| 7. CFO Update | David Bea | 10:15am |
| a. Revenue Bonds | | |
| b. Moody's Investors Service Credit Ratings | | |
| c. Interim Arbitrage Analysis Report for Revenue Bonds, Series 2019 | Agnes Maina | |
| d. FY23 Budget Discussion | | |

Effectiveness Discussion**Information Items**

- | | |
|---|--|
| 8. Future Agenda Items | |
| a. Marketing | |
| b. Workforce Update | |
| c. Quarterly Update on Capital Projects | |

Adjournment

Next Meeting
October 29, 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/99892653809>

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Webinar ID: 998 9265 3809

[International numbers](#)



Governing Board's Finance and Audit Committee

Thursday, June 24, 2021

9:00am

Virtual Meeting - Zoom Webinar

Meeting Minutes

In Attendance:

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

Not in Attendance:

Ken Marcus, Clarence Vatne

Guests:

John Utter, RBC Global Asset Management; Jeff Silvyn, General Counsel; Jose Saldamando, Internal Auditor

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 April 9, 2021 Regular Meeting; April 9, 2021 Executive Session Summary; May 27, 2021 Executive Session Summary, and May 27, 2021 Regular Meeting

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. 202106-01: Approve Minutes from April 9, 2021 Regular Meeting; April 9, 2021 Executive Session Summary; May 27, 2021 Executive Session Summary, and May 27, 2021 Regular Meeting

First: Demion Clinco

Second: Scott Odom

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

Motion Carried.

Reports and Feedback

3. Investment Update (John Utter)

Mr. Utter began with the portfolio performance, moving into a discussion of the short-term and ultra-short portfolios. Chair Nuckolls inquired as to the portfolio allocations versus those in the investment guidelines, and Mr. Utter provided an overview of the allocations.

The conversation moved to the Federal Reserve (“the Fed”) and the actions to maintain an accommodative stance to support recovery. Although the goal of the Fed is to keep interest rates low, it is not a sustainable practice. Mr. Utter provided an example of previous market behavior and discussed whether this may predict future rate hikes.

Economic activity is expected to rebound strongly in 2021. Related to inflation, the Consumer Price Index is running high; the Fed seeks long-term inflation at two percent, but in the last few months it has been five to six percent. Of the recent inflation, 60% is attributed to five areas: used cars, rental cars, lodging, airfare, and food away from home (non-grocery store food). Inflation is not seen as a long-term threat. For example, lumber was steadily increasing until a peak five weeks ago, and the price has since decreased by 40 percent. The yield curve is steep, and long-term technology and demographics will reign in inflation.

Dr. David Bea stated that supply chain issues, especially related to technology with the pressure to increase digitization and building and construction materials, as well as labor issues with the return to work, make the inflation issue a concern for the College. Mr. Utter clarified that inflation is a concern, and stabilization may take a couple of years.

Mr. Scott Odom inquired about allocations in the short- and long-term portfolios. Mr. Utter discussed the balance between short- and long-term needs and the impact on the allocations.

4. Internal Audit Update (Jeff Silvyn, Jose Saldamando)

Mr. Jose Saldamando began with a general overview of activities in the Office of the Internal Auditor. The office has developed a newsletter, expanded its professional network, and is working with Strategy, Analytics and Research to develop tools.

Ms. Maria Garcia joined the meeting in progress.

Related to the recent Clery Act Compliance Report, Mr. Saldamando answered a question raised by Ms. Garcia about the age of the data utilized. Mr. Saldamando explained that this was related to the extended date for the reporting of the data as a result of the pandemic, and as a result, the data tested was from 2018. He continued with the findings and the remediation plan that is in place. Chair Nuckolls inquired about the collaboration between the College and law enforcement related to reporting, and Mr. Jeff Silvyn provided additional information about that relationship.

Mr. Saldamando continued with an overview of current audits. The College is co-sourcing the Purchasing Audit with CliftonLarsonAllen (CLA), and the report should be completed within the next few months.

There are seven internal audit items currently open. The Information Technology (IT) change management issue with the Arizona Auditor General has officially been closed. Chair Nuckolls commended Mr. Saldamando on his work to close out so many long-standing issues, and Mr. Saldamando attributed the success to communication with the various departments.

Mr. Saldamando provided an introduction to the PCC Risk Assessment and the Audit Plan Report. The areas identified for significant risk include Human Resources, IT, Enrollment Management, Governance, and Facilities Management. He noted that these categories are influenced by the perceptions of those surveyed and interviewed, and additional work will be required to identify the scope and the methodology to provide meaningful audit reports.

Mr. Saldamando described the stakeholders engaged in developing this report, as well as the common areas of concern across the other community colleges. He also shared the time management plan for his role, which was developed with input from Mr. Jesus Manzanedo, as well as the draft audit plan for 2021-2022.

Chair Nuckolls stated that the nuance required to interpret perception is important when developing the risk management plan, and he asked if there was a motion to approve the 2021 PCC Risk Assessment and Audit Plan Report:

Motion No. 202106-02: Approve the 2021 PCC Risk Assessment and Audit Plan Report

First: Demion Clinco

Second: Scott Odom

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

Motion Carried.

5. CFO Update (David Bea)

Dr. Bea began with a report on the revenue bond expenditures and the status of construction projects.

Ms. Agnes Maina stated that the College recently met with its financial advisor, Stifel, to discuss compliance. A consultant is being engaged to review the CUSIPs and compliance related to arbitrage; an initial discussion indicated the College is likely in compliance, and the first report will be prepared in the Fall. Related to the requirement for an 85% commitment of revenue bonds proceeds within the first three years after issuance, the College is within compliance.

The Fiscal Year 2022 (FY22) budget was adopted earlier this month, and the Governing Board set a levy neutral property tax rate. The capital budget reflects the large number of ongoing capital projects, as well as the influx of federal Higher Education Emergency Relief Funds (HEERF). Quarterly reports on the capital budget will be provided to this Committee and to the Governing Board. Supply chain issues will likely impact the actual expenditure of capital funds.

The FY22 budget includes increased compensation, as well as the Day of Relief concept to address employee strain as a result of the pandemic. Proposition 481 and HEERF provide a bridge into FY22 and stabilize the College. The College is advocating for the State to increase the allocation of STEM funds.

Mr. Demion Clinco inquired about overages for construction projects and the strategies to mitigate them without impacting the programmatic side of the College. Dr. Bea said that overages are as much as 10%; value engineering has been utilized, and there is potential to move other projects to next year to maintain the integrity of the vision.

Chair Nuckolls asked about the large increase in Grants, Contracts, and Financial Aid for Fiscal Year 2021 to Fiscal Year 2022. This was largely due to HEERF, as well as capacity for a proposal that was submitted to the State but has not yet been funded.

6. 2021-2022 Meeting Schedule (Tracy Nuckolls)

The proposed schedule for Fiscal Year 2021-2022 was provided to the Committee. Any questions or comments can be sent to the Office of Finance and Administration, and flexibility with Zoom attendance will continue after on-site meetings recommence.

7. Committee Membership (Tracy Nuckolls)

Three members, Chair Nuckolls, Mr. Manzanedo, and Mr. Vatne, have terms expiring. Members of this Committee were asked to submit any nominations.

Information Items

8. Future Agenda Items

- a. Workforce Update
- b. Marketing

Adjournment

The meeting adjourned at 10:34am.

Next Meeting:

August 26, 2021

Virtual Meeting - Zoom Webinar



Office of the Internal Auditor Executive Summary Quarterly Report August 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, 2020 CIEGE Audit, and Clery Act Compliance Audit. See the Audit Recap section below for more details.

On July 30, 2021 the Purchasing Audit Report was issued. Internal Audit co-sourced this audit with CliftonLarsonAllen (CLA). The audit objectives were 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. There was one item noted; management is currently working on the remediation of this item.

Internal Audit is planning the Information Technology (IT) and Facilities Management Audits. Internal Auditor is currently meeting with IT and Facilities Management to discuss risks, concerns and key controls. The audit scope and objectives will be developed soon.

On June 17, 2021, Internal Auditor met with the Director of Organizational Effectiveness and Development, to discuss best practices on required annual training courses for PCC staff and faculty (e.g. information security awareness training, ethical and responsible conduct training, Title IX training, etc.). Examples of required annual training from various higher education institutions were provided.

Internal Auditor assisted the Arizona Auditor General with the requested items for the Pima County Community College District Financial Statement Audit. All requested items were provided.

During the months of July and August, 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 and 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 this quarter, Internal Auditor has attended several virtual webinars. Some of these include: Ethics, Compliance and Risk-Creating a Shared ESG Vision webinar; ACUA-Hot Topics in Athletics webinar; IIA District Workshops; 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, 2020 Center for International Education and Global Engagement Audit and Clery Act Compliance Audit). During this quarter, there was one finding closed. Currently there are 56 findings closed (85%) and 10 findings open* (15%) as depicted below:

*Matrix includes the Clery Act Compliance Audit Findings

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)	Dec. 2021
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; currently the Automotive program is tracking the students who are going through the official apprenticeship partnerships with dealers. The portal is scheduled for the end of the year rollout. The implementation date was moved from 10/31/2021 to 12/31/2021. The risk rating for the remaining open item is medium.						



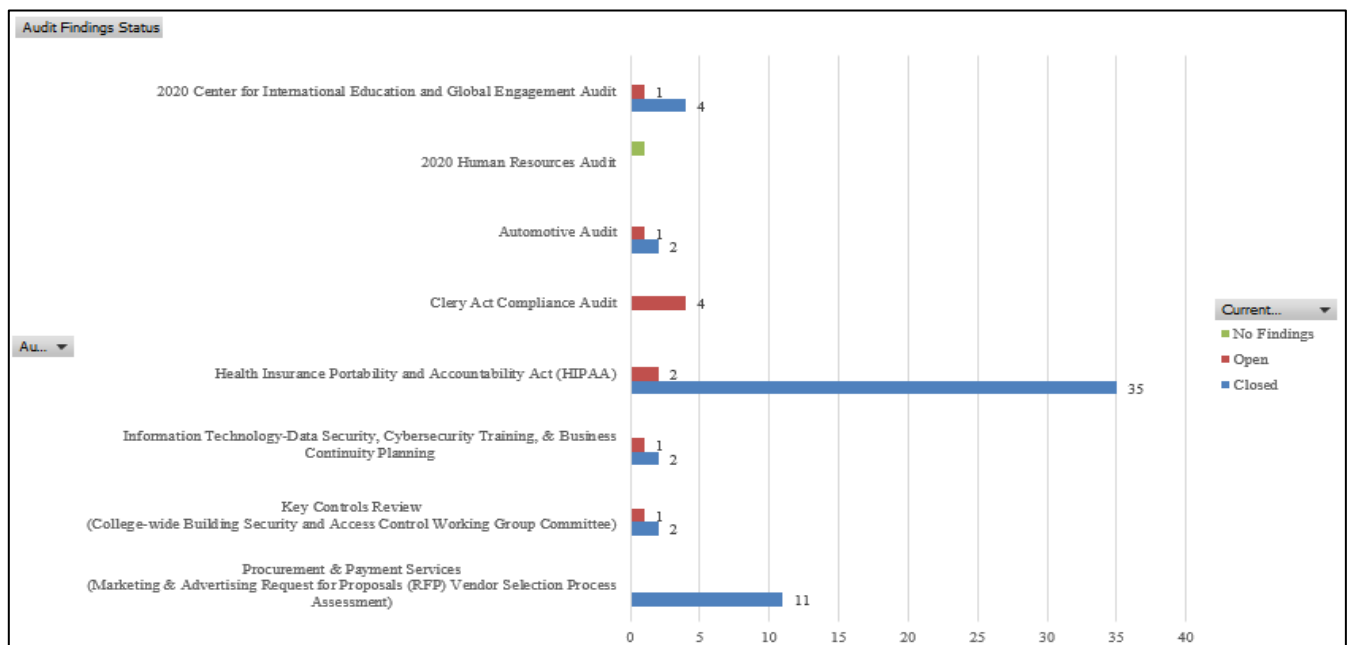
Audit Title	Audit(s) Date (Initial & Follow up Audits)	Number of Findings Issued	Number of Findings Open	Department/Area	Expected Completion Date * (Based on Audit Report)	New Expected Completion Date (Based on Follow-up)
2020 Center for International Education and Global Engagement	Nov. 20,2020	5	1	Vice President of International Development & Vice Chancellor for Educational Services and Institutional Integrity	Apr. 2021 (longest date out)	Sep. 2021
<p>Comments: There was one item closed in July 2021; this item was related to reviewing all CIEGE Memorandum of Understanding (MOU); AP 4.01.03-Contracts and CIEGE MOU review process procedure will be followed. The remaining open item is related to formalize job descriptions and provide training to staff working at the Educational Orientation Window at the Consulate of Mexico, Tucson Office. Management met with HR and they will be developing a job description for this position. The implementation date for this finding is 9/30/2021. The risk rating for the remaining open item is 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 is currently working on the remediation of the remaining open items; these are related to implementing a HIPAA ePHI Enforcement Policy (currently being presented to the All Employee Representative Council (AERC)) and implementing a data security committee (first meeting scheduled for August 2021). The risk rating for the remaining open items are high.</p>						
Information Technology-Data Security, Cybersecurity Training, & Business Continuity Planning	May 26, 2016 & May 31, 2017	3	1	Director of Cybersecurity	May 2019	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. The Director of Infrastructure Services is working on this item. The risk rating for the remaining open item is high.</p>						
Key Controls Review	Jan. 6, 2017	3	1	Director of Facilities	Jan. 2017	Jun. 2023
<p>Comments: During this quarter, there has been progress on card access installation for exterior doors, cameras and other security equipment. Facilities Management will provide more details soon. The risk rating for the remaining open item is 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)
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 remaining items were closed in Q2 2021. 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.).						
Clery Act Compliance Audit	May 25, 2021	4	4	Public Safety Management	Mar. 2022 (longest date out)	Mar. 2022
Comments: There were four items noted in this audit. These items are related to updating/formalizing policies and procedures, amending reported crime statistics, reviewing/updating Campus Security Authority (CSA) job description with roles and responsibilities, and enrollment to the emergency alert notification system. The new Clery Act Compliance Officer and Public Safety Management are currently working on the remediation of these findings. The risk rating for the open items range from low to high.						
TOTAL		66	10	Percentage Closed 85%	Percentage Open 15%	

* 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	1		4	5
Clery Act Compliance Audit		4		4
Total	5	5	56	66

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	

The item related to the Arizona Auditor General audit was remediated in 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**
	2020 - 2021	2021 - 2022		
<u>Audits / Projects:</u>				
2021 College Risk Assessment & Audit Plan Report	Spring 2021		Complete	-
Clery Act Compliance Audit	Spring 2021		Complete	High
Purchasing & Contracting	Spring 2021		Complete	Medium
Information Technology		Fall 2021	-	High
Facilities Management		Fall 2021		High
Grants Management		Spring 2022	-	Medium
Enrollment Management		Spring 2022	-	Medium
Human Resources/Payroll		Spring 2022	-	Medium
<u>Advisory Services:</u>				
Special Projects and Reviews		Fall 2021 – Spring 2022	-	-
Advising & Academic Support		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)	Fall 2020 - Spring 2021	Fall 2021 - Spring 2022	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 Education

July 13, 2021

U.S. Department of Education Announces Temporary Changes to the Federal Aid Verification Process for the 2021-22 Award Year.

<https://www.ed.gov/news/press-releases/us-department-education-announces-temporary-changes-federal-aid-verification-process-2021-22-award-year>

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

U.S. Department of Education

July 20, 2021

Questions and Answers on the Title IX Regulations on Sexual Harassment (july2021).

https://www2.ed.gov/about/offices/list/ocr/docs/202107-qa-titleix.pdf?utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery&utm_term=

=

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

U.S. Department of Education

July 23, 2021

Department of Education Releases Resource to Help Schools Improve Ventilation Systems to Prevent COVID-19.

<https://www.ed.gov/news/press-releases/department-education-releases-resource-help-schools-improve-ventilation-systems-prevent-covid-19>

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

Enterprise Risk Management and Compliance

Finance and Audit Committee Update

August 26, 2021

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Enterprise Risk Management & Compliance's mission is to advance and protect Pima Community College's value proposition, enabling visualization, assessment, and management of risk in a matter that encourages and strengthens attainment of key institutional objectives.

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Enterprise Risk Management and Compliance aspires to be a highly valued strategic partner and resource providing innovation, high quality service, and cost efficient tools for appropriately balancing risk and opportunity, enhancing resilience, and assuring compliance.

Strategic Goals Statements (Principles)

- Better informed decision-making requires an integrated framework to better assess, manage, and communicate risk
- Some strategic objectives are subject to greater uncertainty that may impact the timeliness and quality of achievement
- A strong management structure and ethical culture ensures compliance, proper reporting and accountability, and provides Board assurance
- Strategic development of operational risk management and resilience builds capacity, ensures continuity, and protects appropriately

Informed Decision-Making

- Strong leadership commitment to integrated Enterprise Risk Management
- Effective framework development
- Common understanding of risk and culture
- Integrated risk assessment tools balance risk and opportunity
 - Auto escalation when potential for higher risk



Improved Strategic Uncertainty

- Key risks and new trends identified and assessed
 - Meets decision makers' needs
 - Portfolio view of risk
- Common understanding of risk appetite
 - Early risk indicators
- Risk register addresses key strategic risks
 - Both summary and detail
 - Easily maintained
 - Communicates well to multiple audiences



Effective Compliance and Ethics

- Organizational commitment and culture
 - Encourages ethical conduct
 - Clear commitment to compliance
- Well designed and enacted program
 - Applied earnestly and in good faith
 - Works in practice
- Comprehensive compliance resource
 - Informs and fosters accountability
 - Improves compliance
- Regular communication informs, engages, and assures
- Effective coordination with Internal Audit and General Counsel



Operational Risk Management

- Health and wellbeing of our staff, students, and visitors protected
- Risk control and financing strategies
 - Are protective
 - Facilitate strong accomplishment of strategic objectives
- Enhance resilience
- Effectively protection from detrimental impacts



Next Steps

- ERM workgroup
 - Charter
 - Orientation (Oct: NCSU ERM Initiative)
 - Framework development
- Compliance program scoping
- Resource needs development
 - GRC platform/resource
 - Staffing and space
 - Educational component options
- Strengthening risk financing options



Revenue Bond Projects - Inception to Date

FY=22 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	67,842,261	0	(443,102)	(26,412,602)	40,986,557
5R8000	RVB PROJ - Control	67,842,261	0	(443,102)	(26,412,602)	40,986,557
581001	RVB Proj -Advanced Mfg.New Bldg	0	0	(8,124,774)	5,316,821	(2,807,953)
5R8001	RVB PROJ - Applied Tech- Building	0	0	(8,124,774)	5,316,821	(2,807,953)
581003	RVB Proj - Transportation New Bldg	0	0	(13,783,717)	13,794,907	11,190
5R8002	RVB PROJ - AppTech COE AE WFD SS	0	0	(13,783,717)	13,794,907	11,190
581005	RVB Proj - ST Bldg Renovations	0	0	(300,146)	309,648	9,501
5R8003	RVB PROJ - AppTech Weld,Mach,Engr,M	0	0	(300,146)	309,648	9,501
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	(439,381)	438,321	(1,060)
581036	RVB Proj -DC RE Infrastructure Dev	0	0	(181,221)	206,775	25,554
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	(141,995)	103,315	(38,681)
5R8005	RVB -DC Campus Expansion & Developm	0	0	(5,210,505)	5,196,318	(14,187)
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	(1,231,707)	1,231,740	33
5R8008	RVB PROJ -Science Labs	0	0	(1,231,707)	1,231,740	33
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=22 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
		67,842,261	0	(29,651,250)	(5,870)	38,185,142

Rating Action: Moody's takes various rating actions in conjunction with the publication of the updated higher education methodology

04 Aug 2021

New York, August 04, 2021 -- Moody's Investors Service has assigned Issuer Ratings to 468 combined 4-year public and private higher education institutions and community colleges/districts in conjunction with the publication on August 4, 2021 of a new methodology for assessing credit risk for higher education institutions. Moody's has also affirmed the existing public Issuer Ratings on 31 institutions. Issuer Ratings are opinions of the ability of entities to honor senior unsecured debt and debt like obligations. Concurrently, Moody's has also affirmed the associated debt instrument ratings of these higher education institutions as well as those of related support organizations. The outlook for each issuer and its debt instruments are unchanged from the outlook currently assigned.

Moody's has also placed debt ratings for 23 four year public and private colleges and community colleges/districts under review for downgrade and 1 under review for upgrade. The rating actions affect 42 securities across these 24 unique issuers.

Further, Moody's has revised the outlooks to "no outlook" for organizations that serve as additional obligors for certain debt instruments. In these cases, the outlooks for these obligor's debt instruments will reflect that of the affiliated parent organization, which is the organization that houses the Issuer Rating.

Moody's has also downgraded Austin Community College District's (TX) lease revenue bonds to Aa3 from Aa2. The outlook is stable. The rating action affects about \$299 million of debt.

Please click on this link http://www.moodys.com/viewresearchdoc.aspx?docid=PBM_PBM907291588 for the List of Affected Credit Ratings. This list is an integral part of this Press Release and identifies each affected issuer.

RATINGS RATIONALE

The assignment or affirmation of Issuer Ratings reflects an evaluation of the key factors of the analysis for higher education institutions including scale, market profile, operating performance, financial resources and liquidity, leverage and coverage, financial policy and strategy, and other relevant considerations.

The affirmation of debt instrument ratings reflects the individual higher education institution's Issuer Rating and each debt instrument's security considerations.

The higher education ratings placed under review primarily reflect the instrument considerations of the institutions' debt relative to its Issuer Rating, as set forth in the updated higher education methodology. The reviews will focus on an evaluation of the key fundamental factors for higher education institutions combined with each debt instrument's security considerations. Placement of debt instrument ratings relative to issuer ratings will include evaluation of the security features, if the pledges are actively or passively managed, characteristics of the revenue base, debt service coverage, and other factors.

The outlooks for organizations that serve as additional obligors for certain debt instruments are being revised to "no outlook" to allow for outlook alignment with the affiliated parent organization. In these cases, the outlooks for these obligor's debt instruments will reflect that of the affiliated parent organization, which is the organization that houses the Issuer Rating.

The downgrade of Austin Community College District's lease revenue bonds reflects the debt instrument considerations and placement relative to the newly assigned Aa2 Issuer Rating under the updated higher education methodology.

Moody's has decided to withdraw 44 Issuer Ratings for community colleges/districts. Moody's has decided to withdraw the ratings for its own business reasons. Please refer to the Moody's Investors Service Policy for Withdrawal of Credit Ratings, available on its website, www.moodys.com. At the same time, Moody's has assigned Pledge-Specific Ratings at the same rating level to 42 of those issuers. The withdrawn Issuer Ratings

aligned with the definition for Issuer Ratings as applied to US local governments (outlined in Moody's Rating Symbols and Definitions, updated and published June 29, 2021), reflecting an unlimited general obligation pledge. With the publication of the updated higher education methodology, that definition no longer applies to community colleges/districts. Instead Issuer Ratings for community colleges/districts will reflect our opinion of the ability of entities to honor senior unsecured debt and debt-like obligations. The newly assigned Pledge-Specific Ratings reflect an entity's unlimited general obligation pledge.

RATING OUTLOOK

For the assigned and affirmed issuer and debt instrument ratings, the outlooks are unchanged from those currently assigned.

The stable outlook for Austin Community College District reflects its credit fundamentals and expectations around future performance.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- For issuer level ratings: Improvement in fundamental credit factors, including those related to scale, market profile, operating performance, financial resources and liquidity, leverage and coverage, financial policy and strategy, and other relevant considerations
- For debt instrument ratings: improvement in issuer level rating or strengthening of the structural and performance characteristics of individual debt securities

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- For issuer level ratings: deterioration of fundamental credit factors, including those related to scale, market profile, operating performance, financial resources and liquidity, leverage and coverage, financial policy and strategy, and other relevant considerations
- For debt instrument ratings: deterioration of the issuer level rating or weakening of the structural and performance characteristics of individual debt securities

METHODOLOGY

The principal methodology used in the non-pledge specific ratings (PSR) was Higher Education Methodology published in August 2021 and available at https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBM_1257002. The principal methodology used in the pledge specific ratings was US Local Government General Obligation Debt published in January 2021 and available at https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBM_1260094. Alternatively, please see the Rating Methodologies page on www.moody.com for a copy of these methodologies.

REGULATORY DISCLOSURES

The List of Affected Credit Ratings announced here are all solicited credit ratings. Additionally, the List of Affected Credit Ratings includes additional disclosures that vary with regard to some of the ratings. Please click on this link http://www.moody.com/viewresearchdoc.aspx?docid=PBM_PBM907291588 for the List of Affected Credit Ratings. This list is an integral part of this Press Release and provides, for each of the credit ratings covered, Moody's disclosures on the following items:

- Rating Solicitation
- Issuer Participation
- Participation: Access to Management
- Participation: Access to Internal Documents
- Disclosure to Rated Entity
- Endorsement
- State

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

For ratings issued on a program, series, category/class of debt or security this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series, category/class of debt, security or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moody.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at http://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC_1288435.

The below contact information is provided for information purposes only. Please see the ratings tab of the issuer page at www.moody.com, for each of the ratings covered, Moody's disclosures on the lead rating analyst and the Moody's legal entity that has issued the ratings.

Please see www.moody.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on www.moody.com for additional regulatory disclosures for each credit rating.

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MOODY'S
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RATINGS	VIEW ALL
LONG TERM ISSUER RATING	
Aa2	
ISSUER RATING 05 AUG 2021 Not On Watch	
SENIORMOST REVENUE BACKED RATING	
Aa3	
LT SR REV UNDERLYING 05 AUG 2021	
OUTLOOK	
Stable	
05 AUG 2021	

Source: Moody's Investors Service

Moody's Org Id 800030608
Market Segment U.S. Public Finance
Sector Community Colleges (Revenue-Backed)
State Arizona



\$57,415,000

Pima County Community College District
of Pima County, Arizona

Revenue Bonds, Series 2019

INTERIM ARBITRAGE ANALYSIS

For the Computation Period:
February 5, 2019 – June 30, 2021

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Arbitrage Computations



BLX Group LLC

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August 20, 2021

Pima County Community College District
4905 East Broadway Boulevard
Tucson, AZ 85709

Re: \$57,415,000
Pima County Community College District
of Pima County, Arizona
Revenue Bonds, Series 2019
Interim Arbitrage Analysis
Computation Period: February 5, 2019 through June 30, 2021

Ladies and Gentlemen:

This report (the "Report"), which is being delivered to you pursuant to our engagement letter, consists of computations and the assumptions on which such computations are based with respect to the arbitrage liability of Pima County Community College District of Pima County, Arizona (the "Issuer") in connection with the above-captioned issue (the "Bonds") for the above-referenced period (the "Interim Computation Period").

The computations herein are based on an analysis of existing laws, regulations, and rulings. The Department of the Treasury ("Treasury") may publish additional regulations and supplement, amend, or interpret such laws, regulations, and rulings from time to time, with the result that the amount of arbitrage liability described in the Report may be subject to adjustment under such future pronouncements.

The scope of our engagement was limited to preparing the Report based on information supplied to us. In accordance with our engagement letter (which is incorporated herein by reference), our engagement did not include determination of whether securities allocable to proceeds of the Bonds were purchased at fair market value within the meaning of the Treasury Regulations, or an audit or review of the investments acquired with gross proceeds or the payment of debt service on the Bonds. With your permission, we have relied entirely on the information provided to us without independent verification, and we express no opinion as to the completeness, accuracy, or suitability of such information for purposes of calculating arbitrage liability with respect to the Bonds. We have undertaken no responsibility to audit or review the tax-exempt status of interest on the Bonds or any other aspect of the Bond program. We are under no obligation to consider any information obtained by us pursuant to this engagement for any purpose other than determining such arbitrage liability. Also, we have no obligation to update this Report because of any events occurring, changes in existing laws, regulations, or rulings or interpretations thereof, or data or information received, subsequent to the date hereof.


For the Interim Computation Period February 5, 2019 through June 30, 2021:

Allowable Yield on Investments:	2.751920%
Cumulative Rebate Liability:	<u>\$0.00</u>

Ninety percent (90%) of the Cumulative Rebate Liability (reduced by any applicable computation date credits) is required to be rebated to the United States no later than 60 days after June 30, 2023 (the end of the fifth Bond Year). Such Cumulative Rebate Liability is subject to change, however, pursuant to computations undertaken up to and including June 30, 2023. Additionally, should the Bonds be retired prior to June 30, 2023, 100% of the Cumulative Rebate Liability (reduced by any applicable computation date credits) as of such retirement date will become due and payable within 60 days.

This Report does not address or determine the amount of any penalty in lieu of rebate that may be payable with respect to the Bonds.

This Report is not to be used, circulated, quoted, referred to, or relied upon by any other person without our express written permission.

Very truly yours,

BLX Group LLC



August 20, 2021

Orrick, Herrington & Sutcliffe LLP

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+1 213 629 2020

orrick.com

Pima County Community College District
4905 East Broadway Boulevard
Tucson, AZ 85709

Re: \$57,415,000
Pima County Community College District
of Pima County, Arizona
Revenue Bonds, Series 2019
Interim Arbitrage Analysis
Computation Period: February 5, 2019 through June 30, 2021

Ladies and Gentlemen:

This opinion is being delivered to you pursuant to our engagement by BLX Group LLC ("BLX") to provide certain legal services to BLX and accompanies a report (the "Report") prepared on the date hereof by BLX consisting of computations and the assumptions on which such computations are based with respect to the arbitrage liability of Pima County Community College District of Pima County, Arizona (the "Issuer") in connection with the above-captioned issue (the "Bonds") for the above-referenced period (the "Interim Computation Period"). In particular, we note that our opinion is specifically subject to the notes and assumptions contained in the Report.

The opinion expressed herein is based on an analysis of existing laws, regulations, and rulings. The Department of the Treasury ("Treasury") may publish additional regulations and supplement, amend, or interpret such laws, regulations, and rulings from time to time, with the result that the amount of arbitrage liability described in the Report and in this opinion may be subject to adjustment under such future pronouncements.

The scope of our engagement was limited to preparing this opinion, based on information supplied to us by you, BLX, and US Bank, N.A. (the "Trustee"). Our engagement did not include work performed by prior counsel, independent determination of which funds were subject to or exempt from rebate, determination of whether securities allocable to proceeds of the Bonds were purchased at fair market value within the meaning of the Treasury Regulations, or an audit or review of the investments acquired with gross proceeds or the payment of debt service on the Bonds. With your permission, we have relied entirely on information provided by you, BLX, and the Trustee without independent verification, and we express no opinion as to the completeness, accuracy, or suitability of such information for purposes of calculating arbitrage liability with respect to the Bonds. We have undertaken no responsibility to audit or review the tax-exempt status of interest on the Bonds or any other aspect of the Bond program. No opinion is expressed on any matter other than arbitrage liability to the extent set forth below, and we are under no obligation to consider any information obtained by us pursuant to this engagement for any purpose other than determining such arbitrage liability. Also, we have no obligation to update this opinion because of any events occurring, changes in existing laws, regulations, or rulings or interpretations thereof, or data or information received, subsequent to the date hereof.



Based on and subject to the foregoing, and subject to the notes and assumptions contained in the Report, in our opinion, the computations shown in the Report were performed in accordance with applicable federal law and regulations and reflect the following:

For the Interim Computation Period February 5, 2019 through June 30, 2021:

Allowable Yield on Investments:	2.751920%
Cumulative Rebate Liability:	<u>\$0.00</u>

This opinion and Report do not address or determine the amount of any penalty in lieu of rebate that may be payable with respect to the Bonds.

This letter is furnished by us as counsel to BLX. No attorney-client relationship has existed or exists between our firm and you by virtue of this opinion. This opinion is not to be used, circulated, quoted, referred to, or relied upon by any other person without our express written permission. This opinion is not intended to, and may not, be relied upon by any owners of the Bonds.

Very truly yours,

A handwritten signature in cursive script that reads "Orrick, Herrington & Sutcliffe LLP".

ORRICK, HERRINGTON & SUTCLIFFE LLP

NOTES AND ASSUMPTIONS

1. The Dated Date of the Bonds is February 5, 2019.
2. The Issue Date of the Bonds is February 5, 2019.
3. The Interim Computation Period is February 5, 2019 to June 30, 2021.
4. The Bonds constitute one issue for federal taxation purposes and are not treated as part of any other issue of governmental obligations.
5. The end of the first Bond Year with respect to the Bonds for purposes of determining installment computation dates is June 30, 2019. Subsequent Bond Years end annually thereafter until the final redemption date of the Bonds.
6. For debt service, yield, and investment cash flow purposes, all payments and receipts with respect to the Bonds and proceeds thereof are accurately set forth in the schedules contained herein.
7. The purchase price of each investment is at fair market value, exclusive of brokerage commissions, administrative expenses, or similar expenses and is representative of an arm's length transaction which did not reduce the rebate amount required to be paid to the United States.
8. Certain funds and accounts constitute a bona fide debt service fund, and accordingly, were not taken into account in determining the Cumulative Rebate Liability.
9. Certain amounts are subject to yield restriction and may not be invested at a yield materially higher than the yield on the Bonds. Any excess spread is eligible for yield reduction payments pursuant to 1993 Regulations Section 1.148-5. The yield restriction liability, if any, is set forth on Schedule A hereof.

DEFINITIONS

1. 1992 Regulations: The Treasury Regulations issued on May 18, 1992.
2. 1993 Regulations: The Treasury Regulations issued on June 14, 1993.
3. Treasury Regulations: Either the 1992 Regulations or the 1993 Regulations, as applicable.
4. Bona Fide Debt Service Fund: Pursuant to Section 148(f)(4)(A) of the Internal Revenue Code (the "Code"), amounts held in a bona fide debt service fund in connection with either short term, private activity or variable rate bonds are not subject to rebate if gross earnings on such fund do not exceed \$100,000 in each bond year. Amounts held in a bona fide debt service fund for all other bond issues are not subject to rebate. As defined in Section 1.148-1(b) of the 1993 Regulations, a bona fide debt service fund may include proceeds of an issue.
5. Commingled Fund: As defined in Section 1.148-4(a)(4) of the 1992 Regulations or Section 1.148-1(b) of the 1993 Regulations.

Commingled Funds arise when gross proceeds of a bond issue are mixed or "commingled" with other monies (e.g., proceeds of other bonds issues, equity contributions, revenues, etc.). Uncommingling generally entails employing one of the methodologies allowable under the Treasury Regulations to identify the portions of investments, and earnings thereon, made with gross proceeds of the bond issue under examination.

6. Qualified Guarantee: As defined in Section 1.148-3(b)(12) of the 1992 Regulations or Section 1.148-4(f) of the 1993 Regulations.
7. Qualified Hedge: As defined in Section 1.148-4(h)(2) of the 1993 Regulations.
8. Transferred Proceeds: As defined in Section 1.148-11(c) of the 1992 Regulations or Section 1.148-9(b) of the 1993 Regulations.

Transferred Proceeds arise when a bond issue (the "Refunding Bonds") defeases or redeems one or more bond issues (the "Refunded Bonds"). Proceeds of the Refunded Bonds become Transferred Proceeds of the Refunding Bonds as proceeds of the Refunding Bonds are used to redeem principal of the Refunded Bonds. Subsequent to being transferred, arbitrage earnings on Transferred Proceeds are calculated using the arbitrage yield of the Refunding Bonds.

9. Yield Restricted Funds: Any funds required to be invested at a yield that is not materially higher than the yield on the Bonds under Section 148(a) of the Code and Section 1.148-2 of the 1993 Regulations.

Yield restricted funds typically arise in connection with project, construction or acquisition proceeds that remain unspent subsequent to the expiration of the so-called "temporary period" during which such proceeds can be invested without regard to yield. Yield restricted funds also arise in connection with advance refundings, sinking funds, and over-funded reserve funds.

10. Universal Cap: As described in Section 1.148-4(b)(3) of the 1992 Regulations or Section 1.148-6(b)(2) of the 1993 Regulations.
11. Computation Date Credit: Per Section 1.148-2(b)(4) of the 1992 Regulations, a \$3,000 credit is applied on each eligible computation date. Per Section 1.148-3(d)(iv) of the 1993 Regulations, a \$1,000 credit is applied on the last day of each Bond Year during which amounts are allocated to gross proceeds of an issue that are subject to the rebate requirement. In addition, pursuant to Final Treasury Regulations, dated July 18, 2016, for any Bond Year ending in 2007, a computation date credit in the amount of \$1,400 and, for Bond Years ending after 2007, a computation date credit in the amount of \$1,400 or higher (as adjusted in the future for inflation as described in said Regulations) is applicable.

Schedule A - Summary of Rebate Analysis
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Issue Date: February 5, 2019
 Rebate Computation Date: June 30, 2021

Fund Reference Number	Fund Description	Current Fund Status	Computation Date Valuation	Gross Earnings	Internal Rate of Return	Excess Earnings
1	Costs of Issuance Fund	Inactive	\$0.00	\$7.40	1.833950%	(\$3.92)
2	Acquisition Fund	Active	\$42,122,984.24	\$2,364,417.02	1.765068%	(\$1,360,135.94)
Totals:			<u>\$42,122,984.24</u>	<u>\$2,364,424.42</u>		<u>(\$1,360,139.86)</u>

Summary	
Arbitrage Yield:	2.751920%
Return on Investments:	1.765069%
Shortfall %:	-0.986851%
Actual Gross Earnings:	2,364,424.42
Allowable Gross Earnings:	3,724,564.28
Excess Earnings:	<u>(\$1,360,139.86)</u>
FV of Computation Date Credit (06/30/19):	(1,730) (\$1,827.20)
FV of Computation Date Credit (06/30/20):	(1,760) (\$1,808.77)
FV of Computation Date Credit (06/30/21):	(1,780) (\$1,780.00)
Cumulative Rebate Liability:	<u>(\$1,365,555.83)</u>

\$57,415,000
Pima County Community College District
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Schedule B - Sources & Uses of Funds

<i>Sources of Funds</i>	<u>Bond Proceeds</u>	<u>Prior Bond Proceeds</u>	<u>Other Sources</u>	<u>Total</u>
Par Amount	57,415,000.00			
+ Original Issue Premium	8,033,935.60			
- Original Issue Discount	<u>0.00</u>			
Net Production	65,448,935.60			65,448,935.60
Accrued Interest	0.00			<u>0.00</u>
Total Sources:	<u>65,448,935.60</u>	<u>0.00</u>	<u>0.00</u>	<u>65,448,935.60</u>
 <i>Uses of Funds</i>				
Costs of Issuance Fund	234,748.31			234,748.31
Acquisition Fund	65,000,000.00			65,000,000.00
Underwriter's Discount	<u>214,187.29</u>			<u>214,187.29</u>
Total Uses:	<u>65,448,935.60</u>	<u>0.00</u>	<u>0.00</u>	<u>65,448,935.60</u>

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Schedule C - Annual Debt Service & Production

Period Ending	Coupon	Par Amount	Yield	Price	Interest	Debt Service	Production
07/01/19	5.000%	3,270,000	1.720%	101.317	1,130,607.78	4,400,607.78	3,313,065.90
07/01/20	5.000%	1,775,000	1.750%	104.491	2,624,300.00	4,399,300.00	1,854,715.25
07/01/21	5.000%	1,865,000	1.790%	107.523	2,535,550.00	4,400,550.00	2,005,303.95
07/01/22	5.000%	1,955,000	1.820%	110.453	2,442,300.00	4,397,300.00	2,159,356.15
07/01/23	5.000%	2,055,000	1.900%	113.040	2,344,550.00	4,399,550.00	2,322,972.00
07/01/24	5.000%	2,155,000	1.990%	115.352	2,241,800.00	4,396,800.00	2,485,835.60
07/01/25	5.000%	2,265,000	2.090%	117.359	2,134,050.00	4,399,050.00	2,658,181.35
07/01/26	5.000%	2,380,000	2.190%	119.111	2,020,800.00	4,400,800.00	2,834,841.80
07/01/27	5.000%	2,495,000	2.270%	120.781	1,901,800.00	4,396,800.00	3,013,485.95
07/01/28	5.000%	2,620,000	2.380%	121.960	1,777,050.00	4,397,050.00	3,195,352.00
07/01/29	5.000%	2,750,000	2.490%	120.929	1,646,050.00	4,396,050.00	3,325,547.50
07/01/30	5.000%	2,890,000	2.640%	119.539	1,508,550.00	4,398,550.00	3,454,677.10
07/01/31	5.000%	3,035,000	2.740%	118.624	1,364,050.00	4,399,050.00	3,600,238.40
07/01/32	5.000%	3,185,000	2.800%	118.078	1,212,300.00	4,397,300.00	3,760,784.30
07/01/33	5.000%	3,345,000	2.860%	117.536	1,053,050.00	4,398,050.00	3,931,579.20
07/01/34	5.000%	3,515,000	2.920%	116.996	885,800.00	4,400,800.00	4,112,409.40
07/01/35	5.000%	3,690,000	2.980%	116.460	710,050.00	4,400,050.00	4,297,374.00
07/01/36	5.000%	3,875,000	3.040%	115.926	525,550.00	4,400,550.00	4,492,132.50
07/01/37	4.000%	4,065,000	3.460%	104.301	331,800.00	4,396,800.00	4,239,835.65
07/01/38	4.000%	4,230,000	3.520%	103.812	169,200.00	4,399,200.00	4,391,247.60
		<u>57,415,000</u>			<u>30,559,207.78</u>	<u>87,974,207.78</u>	<u>65,448,935.60</u>

Schedule D - Semi-Annual Debt Service
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Date	Coupon	Principal Amount	Accelerated Principal	Interest	Debt Service
07/01/19	5.000%	3,270,000		1,130,607.78	4,400,607.78
01/01/20				1,312,150.00	1,312,150.00
07/01/20	5.000%	1,775,000		1,312,150.00	3,087,150.00
01/01/21				1,267,775.00	1,267,775.00
07/01/21	5.000%	1,865,000		1,267,775.00	3,132,775.00
01/01/22				1,221,150.00	1,221,150.00
07/01/22	5.000%	1,955,000		1,221,150.00	3,176,150.00
01/01/23				1,172,275.00	1,172,275.00
07/01/23	5.000%	2,055,000		1,172,275.00	3,227,275.00
01/01/24				1,120,900.00	1,120,900.00
07/01/24	5.000%	2,155,000		1,120,900.00	3,275,900.00
01/01/25				1,067,025.00	1,067,025.00
07/01/25	5.000%	2,265,000		1,067,025.00	3,332,025.00
01/01/26				1,010,400.00	1,010,400.00
07/01/26	5.000%	2,380,000		1,010,400.00	3,390,400.00
01/01/27				950,900.00	950,900.00
07/01/27	5.000%	2,495,000		950,900.00	3,445,900.00
01/01/28				888,525.00	888,525.00
07/01/28	5.000%	2,620,000	34,580,000	888,525.00	38,088,525.00
		<u>22,835,000</u>	<u>34,580,000</u>	<u>21,152,807.78</u>	<u>78,567,807.78</u>

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Schedule E - Arbitrage Yield Calculation

Date	Total Issue Payments	Discount Factor @ 2.751920%	Present Value as of 02/05/19
07/01/19	4,400,607.78	0.98897673	4,352,098.69
01/01/20	1,312,150.00	0.97555350	1,280,072.53
07/01/20	3,087,150.00	0.96231247	2,970,802.95
01/01/21	1,267,775.00	0.94925116	1,203,436.89
07/01/21	3,132,775.00	0.93636712	2,933,427.51
01/01/22	1,221,150.00	0.92365796	1,127,924.92
07/01/22	3,176,150.00	0.91112130	2,893,857.91
01/01/23	1,172,275.00	0.89875479	1,053,587.77
07/01/23	3,227,275.00	0.88655614	2,861,160.45
01/01/24	1,120,900.00	0.87452305	980,252.89
07/01/24	3,275,900.00	0.86265329	2,825,965.91
01/01/25	1,067,025.00	0.85094463	907,979.20
07/01/25	3,332,025.00	0.83939490	2,796,884.78
01/01/26	1,010,400.00	0.82800192	836,613.14
07/01/26	3,390,400.00	0.81676358	2,769,155.25
01/01/27	950,900.00	0.80567778	766,119.00
07/01/27	3,445,900.00	0.79474244	2,738,602.99
01/01/28	888,525.00	0.78395553	696,564.09
07/01/28	38,088,525.00	0.77331503	29,454,428.75
	<u>78,567,807.78</u>		<u>65,448,935.60</u>

Issue Price Calculation	
+ Par Amount of Issue	57,415,000.00
+ Accrued Interest	0.00
+/- Original Issue Prem/(Disc)	8,033,935.60
Issue Price:	65,448,935.60
- Qualified Guarantee	0.00
Adjusted Issue Price:	65,448,935.60
Present Value Result:	65,448,935.60
Variance:	0.00
Arbitrage Yield:	2.751920%

Schedule F1 - Costs of Issuance Fund	Fund 1
Remaining Balance Analysis	

Summary- Fund 1	
Gross Earnings:	\$7.40
Internal Rate of Return:	1.833950%
Excess Earnings:	(\$3.92)

Security Type	Par Amount	Coupon	Maturity Date	Settlement Date	Settlement Price	Yield	Accreted Price	Accrued Interest	Computation Date Value
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.00
Value as of June 30, 2021:									<u>0.00</u>

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Schedule F2 - Costs of Issuance Fund	Fund 1
Net Nonpurpose Investments Cash Flow	

Date	Description	Net Nonpurpose Investments Cash Flow	Muni-Days/ Computation Date	Rebate Calculations		IRR Calculations	
				FV Factor @ 2.751920%	FV As Of 06/30/21	FV Factor @ 1.833950%	FV As Of 06/30/21
02/05/19	Deposit	(234,748.31)	865	1.06787611	(250,682.11)	1.04484122	(245,274.71)
02/05/19	Held in Cash	234,748.31	865	1.06787611	250,682.11	1.04484122	245,274.71
02/06/19	Deposit	(7,083.31)	864	1.06779504	(7,563.52)	1.04478824	(7,400.56)
02/06/19	W/D	1,250.00	864	1.06779504	1,334.74	1.04478824	1,305.99
03/01/19	W/D	5,833.31	839	1.06577026	6,216.97	1.04346452	6,086.85
03/01/19	W/D	7.40	839	1.06577026	7.89	1.04346452	7.72
06/30/21	Balance	0.00	0	1.00000000	0.00	1.00000000	0.00
Earnings:		<u>7.40</u>		Excess Earnings:	<u>(3.92)</u>		<u>(0.00)</u>

Schedule G1 - Acquisition Fund
Remaining Balance Analysis

Fund 2

Summary- Fund 2	
Gross Earnings:	\$2,364,417.02
Internal Rate of Return:	1.765068%
Excess Earnings:	(\$1,360,135.94)

Security Type	Par Amount	Coupon	Maturity Date	Settlement Date	Settlement Price	Yield	Accreted Price	Accrued Interest	Computation Date Value
US Treasury Note	130,000.00	1.750%	11/30/21	02/08/19	98.059	2.469%	99.702	189.58	129,802.42
US Treasury Note	50,000.00	2.125%	12/31/21	02/08/19	99.075	2.458%	99.836	0.00	49,917.81
US Treasury Note	1,050,000.00	2.250%	07/31/21	02/11/19	99.555	2.437%	99.983	9,843.75	1,059,660.86
US Treasury Note	775,000.00	2.000%	08/31/21	02/11/19	98.910	2.443%	99.924	5,252.78	779,662.45
US Treasury Note	400,000.00	2.125%	09/30/21	02/11/19	99.219	2.432%	99.920	2,148.61	401,830.49
FNMA	300,000.00	1.375%	10/07/21	02/11/19	97.260	2.447%	99.711	962.50	300,095.65
US Treasury Note	2,000,000.00	2.625%	07/15/21	08/05/20	102.368	0.116%	100.104	24,208.33	2,026,297.84
US Treasury Note	2,500,000.00	2.125%	08/15/21	08/25/20	101.926	0.142%	100.248	19,921.88	2,526,114.86
US Treasury Note	2,000,000.00	2.750%	09/15/21	08/25/20	102.750	0.142%	100.543	16,347.22	2,027,208.02
US Treasury Note	1,500,000.00	2.875%	10/15/21	08/25/20	103.106	0.145%	100.796	9,104.17	1,521,040.72
US Treasury Bill	4,500,000.00	0.000%	09/09/21	03/02/21	99.973	0.051%	99.990	0.00	4,499,559.45
US Treasury Bill	5,000,000.00	0.000%	12/02/21	03/02/21	99.958	0.056%	99.976	0.00	4,998,817.25
US Treasury Bill	5,500,000.00	0.000%	09/02/21	03/04/21	99.972	0.057%	99.990	0.00	5,499,457.54
FHLB DN	1,000,000.00	0.000%	10/20/21	04/23/21	99.983	0.036%	99.989	0.00	999,891.24
US Treasury Bill	2,800,000.00	0.000%	10/14/21	05/04/21	99.988	0.027%	99.992	0.00	2,799,781.61
US Treasury Bill	3,000,000.00	0.000%	10/28/21	05/04/21	99.984	0.033%	99.989	0.00	2,999,679.90
FHLB DN	700,000.00	0.000%	11/26/21	06/11/21	99.988	0.025%	99.990	0.00	699,927.73
US Treasury Bill	2,500,000.00	0.000%	11/12/21	06/25/21	99.983	0.045%	99.983	0.00	2,499,583.14
US Treasury Bill	2,000,000.00	0.000%	11/04/21	06/30/21	99.984	0.045%	99.984	0.00	1,999,689.56
MM	4,304,938.26	N/A	N/A	N/A	N/A	Variable	100.000	27.45	4,304,965.71

Value as of June 30, 2021:

42,122,984.24

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Schedule G2 - Acquisition Fund
Net Nonpurpose Investments Cash Flow

Fund 2

Date	Description	Net Nonpurpose Investments Cash Flow	Muni-Days/ Computation Date	Rebate Calculations		IRR Calculations	
				FV Factor @ 2.751920%	FV As Of 06/30/21	FV Factor @ 1.765068%	FV As Of 06/30/21
03/09/21	W/D	739,516.02	111	1.00846285	745,774.43	1.00543313	743,533.90
04/01/21	W/D	26.47	89	1.00677986	26.65	1.00435395	26.59
04/05/21	Deposit	(26.47)	85	1.00647416	(26.64)	1.00415786	(26.58)
04/12/21	W/D	1,250,539.80	78	1.00593941	1,257,967.27	1.00381480	1,255,310.35
05/03/21	W/D	34.82	57	1.00433688	34.97	1.00278631	34.92
05/04/21	Deposit	(34.82)	56	1.00426063	(34.97)	1.00273736	(34.92)
05/11/21	W/D	1,652,781.62	49	1.00372706	1,658,941.64	1.00239478	1,656,739.66
06/01/21	W/D	19.99	29	1.00220414	20.03	1.00141663	20.02
06/02/21	Deposit	(19.99)	28	1.00212805	(20.03)	1.00136774	(20.02)
06/17/21	W/D	641,166.90	13	1.00098746	641,800.03	1.00063479	641,573.91
06/30/21	Balance	42,122,984.24	0	1.00000000	42,122,984.24	1.00000000	42,122,984.24
Earnings:		<u>2,364,417.02</u>		Excess Earnings:	<u>(1,360,135.94)</u>		<u>0.00</u>