

Pima County Community College District

Single Audit Report

Year Ended June 30, 2021



A Report to the Arizona Legislature

Lindsey A. Perry
Auditor General





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TABLE OF CONTENTS

Auditors section

Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of basic financial statements performed in accordance with *Government Auditing Standards* 1

Independent auditors' report on compliance for each major federal program; report on internal control over compliance; and report on schedule of expenditures of federal awards required by the Uniform Guidance 3

Schedule of findings and questioned costs 6

Summary of auditors' results 6

District section

Schedule of expenditures of federal awards 7

Notes to schedule of expenditures of federal awards 8

District response

Summary schedule of prior audit findings

Report issued separately

Annual Comprehensive Financial Report



LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of basic financial statements performed in accordance with *Government Auditing Standards*

Members of the Arizona State Legislature

The Governing Board of
Pima County Community College District

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of Pima County Community College District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 15, 2021. Our report includes a reference to other auditors who audited the financial statements of the Pima Community College Foundation, Inc., the discretely presented component unit, as described in our report on the District's financial statements. The Foundation's financial statements were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Internal control over financial reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and other matters

As part of obtaining reasonable assurance about whether the District's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this report

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

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

December 15, 2021



LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

**Independent auditors' report on compliance for each major federal program;
report on internal control over compliance; and report on schedule of
expenditures of federal awards required by the Uniform Guidance**

Members of the Arizona State Legislature

The Governing Board of
Pima County Community College District

Report on compliance for each major federal program

We have audited Pima County Community College District's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's responsibility

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

Auditors' responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on each major federal program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on internal control over compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on schedule of expenditures of federal awards required by the Uniform Guidance

We have audited the financial statements of the District's business-type activities and discretely presented component unit as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 15, 2021, that contained unmodified opinions on those financial statements. Our report also included a reference to our reliance on other auditors. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of the District's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information

directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

February 1, 2022



SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of auditors' results

Financial statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles	Unmodified
Internal control over financial reporting	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to the financial statements noted?	No

Federal awards

Internal control over major programs	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)?	No
Identification of major programs	
Assistance Listings number	Name of federal program or cluster
84.002	Adult Education—Basic Grants to States
84.425	COVID-19 - Education Stabilization Fund
Dollar threshold used to distinguish between Type A and Type B programs	\$1,920,166
Auditee qualified as low-risk auditee?	Yes

DISTRICT SECTION

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

<i>Federal Awarding Agency/Program Title</i>	<i>Federal CFDA Number</i>	<i>Additional Award Identification (Optional)</i>	<i>Name of Funder Pass-Through Entity</i>	<i>Identifying Number Assigned By Funder Pass-Through Entity</i>	<i>Total Amount Provided to Sub-Recipients</i>	<i>Federal Expenditures</i>	<i>Federal Program Total</i>	<i>Cluster Name</i>	<i>Cluster Total</i>
DEPARTMENT OF THE INTERIOR									
NATIONAL WILDLIFE REFUGE FUND	15.659		ARIZONA GAME AND FISH	800.80100.10.10000.10000.40		\$23,280	\$23,280	N/A	\$0
TOTAL DEPARTMENT OF THE INTERIOR						\$23,280			
DEPARTMENT OF JUSTICE									
BULLETPROOF VEST PARTNERSHIP PROGRAM	16.607					\$946	\$946	N/A	\$0
TOTAL DEPARTMENT OF JUSTICE						\$946			
DEPARTMENT OF LABOR									
H-1B JOB TRAINING GRANTS	17.268				\$169,738	\$518,084	\$518,084	N/A	\$0
APPRENTICESHIP USA GRANTS	17.285		AMERICAN ASSOCIATION OF COMMUNITY COLLEGES	AP330251975A11		\$34,412	\$34,412	N/A	\$0
TOTAL DEPARTMENT OF LABOR					\$169,738	\$552,496			
DEPARTMENT OF TRANSPORTATION									
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2019-PTS-048		\$30,141	\$30,141	HIGHWAY SAFETY CLUSTER	\$49,380
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION (NHTSA) DISCRETIONARY SAFETY GRANTS	20.614		GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2021-PTS-047		\$1,996	\$1,996	N/A	\$0
NATIONAL PRIORITY SAFETY PROGRAMS	20.616		GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2021-207-030		\$19,239	\$19,239	HIGHWAY SAFETY CLUSTER	\$49,380
UNIVERSITY TRANSPORTATION CENTERS PROGRAM	20.701		UNIVERSITY OF SOUTHERN CALIFORNIA	85319007		\$78,661	\$78,661	N/A	\$0
TOTAL DEPARTMENT OF TRANSPORTATION						\$130,037			
NATIONAL AERONAUTICS & SPACE ADMINISTRATION									
EDUCATION	43.008		UNIVERSITY OF ARIZONA	571943 569111		\$30,781	\$30,781	N/A	\$0
TOTAL NATIONAL AERONAUTICS & SPACE ADMINISTRATION						\$30,781			
NATIONAL SCIENCE FOUNDATION									
BIOLOGICAL SCIENCES	47.074					\$49,797	\$49,797	N/A	\$0
EDUCATION AND HUMAN RESOURCES	47.076				\$16,326	\$288,451	\$288,451	N/A	\$0
TOTAL NATIONAL SCIENCE FOUNDATION					\$16,326	\$338,248			
SMALL BUSINESS ADMINISTRATION									
SMALL BUSINESS DEVELOPMENT CENTERS	59.037		MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT	SBAHQ18B0042		\$32,041	\$66,053	N/A	\$0
COVID-19 - SMALL BUSINESS DEVELOPMENT CENTERS	59.037	COVID-19	MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT	SBAHQ20C0012		\$34,012	\$66,053	N/A	\$0
TOTAL SMALL BUSINESS ADMINISTRATION						\$66,053			
DEPARTMENT OF EDUCATION									
ADULT EDUCATION - BASIC GRANTS TO STATES	84.002		ARIZONA DEPARTMENT OF EDUCATION	21FABSE-112501-01A 21FIELCE-112501-01A 21FIELTR-112501-01A 21FIETFE-112501-01A 21FVRTUL-112501-01A 21FAWIOA-112501-01A 21FPROFL-112501-01A		\$2,563,889	\$2,563,889	N/A	\$0
FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS	84.007					\$976,497	\$976,497	STUDENT FINANCIAL ASSISTANCE	\$29,296,642
HIGHER EDUCATION INSTITUTIONAL AID	84.031					\$1,997,901	\$1,997,901	N/A	\$0
TRIO STUDENT SUPPORT SERVICES	84.042					\$715,719	\$715,719	TRIO CLUSTER	\$2,500,532
TRIO TALENT SEARCH	84.044					\$487,425	\$487,425	TRIO CLUSTER	\$2,500,532
TRIO UPWARD BOUND	84.047					\$1,297,388	\$1,297,388	TRIO CLUSTER	\$2,500,532
CAREER AND TECHNICAL EDUCATION -- BASIC GRANTS TO STATES	84.048		ARIZONA DEPARTMENT OF EDUCATION	21FCTDBG-112501-20A		\$392,679	\$392,679	N/A	\$0
FEDERAL PELL GRANT PROGRAM	84.063					\$20,718,719	\$20,718,719	STUDENT FINANCIAL ASSISTANCE	\$29,296,642
FEDERAL DIRECT STUDENT LOANS	84.268					\$7,601,426	\$7,601,426	STUDENT FINANCIAL ASSISTANCE	\$29,296,642
COVID-19 - EDUCATION STABILIZATION FUND	84.425	COVID-19, 84.425E				\$6,948,200	\$24,054,856	N/A	\$0
COVID-19 - EDUCATION STABILIZATION FUND	84.425	COVID-19, 84.425F				\$16,988,123	\$24,054,856	N/A	\$0
COVID-19 - EDUCATION STABILIZATION FUND	84.425	COVID-19, 84.425L				\$118,533	\$24,054,856	N/A	\$0
TOTAL DEPARTMENT OF EDUCATION						\$60,806,499			
DEPARTMENT OF HEALTH AND HUMAN SERVICES									
AFFORDABLE CARE ACT (ACA) HEALTH PROFESSION OPPORTUNITY GRANTS	93.093				\$316,214	\$1,813,619	\$1,813,619	N/A	\$0
REFUGEE AND ENTRANT ASSISTANCE STATE ADMINISTERED PROGRAMS	93.566					\$243,586	\$243,586	N/A	\$0
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES					\$316,214	\$2,057,205			
TOTAL EXPENDITURE OF FEDERAL AWARDS					\$502,278	\$64,005,545			

Please Note:

Italicized award lines indicate pass-through funding

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of the schedule.

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

Significant Accounting Policies Used in Preparing the SEFA

Expenditures reported on the schedule are reported on the accrual basis of accounting, except for the COVID-19 - Education Stabilization Fund (84.425 F). For this program, \$13,432,071 of revenues received during the fiscal year as reimbursement for lost revenues that were reduced or eliminated because of the COVID-19 pandemic are also reported as expenditures of federal awards. All other expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

10% De Minimis Cost Rate

The District did not elect to use the 10 percent de minimis indirect cost rate as covered in 2 CFR §200.414.

Basis of presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Pima County Community College District for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Federal Assistance Listings numbers

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

DISTRICT RESPONSE



PimaCountyCommunityCollegeDistrict

District Office

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for Finance and Administration
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January 27, 2022

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

Dear Ms. Perry:

We have prepared the accompanying summary schedule of prior audit findings as required by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Specifically, we are reporting the status of audit findings included in the prior audit's schedule of findings and questioned costs.

Sincerely,

A handwritten signature in black ink, appearing to read "David Bea".

David Bea, Ph.D.
Executive Vice Chancellor for Finance and Administration

**Pima County Community College District
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2021**

Financial Statement Findings

**Finding Number: 2020-01 (This finding initially occurred in fiscal year 2017)
Information technology (IT) controls—configuration and change management**

Status: Fully Corrected

