

Pima County Community College District

Single Audit Report

Year Ended June 30, 2023



A Report to the Arizona Legislature

Lindsey A. Perry
Auditor General





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Annual Comprehensive Financial Report

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*



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

Opinion on each major federal program

We have audited Pima County Community College District's compliance with the types of compliance requirements identified as subject to audit 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, 2023. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the 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, 2023.

Basis for opinion on each major federal program

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 U.S. Comptroller General, and the audit requirement of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the auditors' responsibilities for the audit of compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Management's responsibilities for compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditors' responsibilities for the audit of compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, we express no such opinion.

We are required to communicate with those charged with governance regarding, among other matters, the audit's planned scope and timing and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 auditors' responsibilities for the audit of compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses,

as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 18, 2023, that contained unmodified opinions on those financial statements. Our report also included a reference to our reliance on other auditors. Our audit was performed 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

March 21, 2024



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
Is a going concern emphasis-of-matter paragraph included in the auditors' report?	No
Internal control over financial reporting	
Material weaknesses identified?	No
Significant deficiencies identified?	Yes
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
21.027	COVID-19 – Coronavirus State & Local Fiscal Recovery Funds
84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster
84.031	Higher Education—Institutional Aid
84.425	COVID-19 – Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs	\$1,300,817
Auditee qualified as low-risk auditee?	No

Financial statement findings

Financial statement findings were reported in the separately issued 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*.

Federal award findings and questioned costs

None reported.

DISTRICT SECTION

**PIMA COUNTY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Period 7/1/2022 - 6/30/2023**

<i>Federal Awarding Agency/Program Title</i>	<i>Assistance Listings Number</i>	<i>Additional Award Identification (Optional)</i>	<i>Name of Funder Pass-Through Entity</i>	<i>Identifying Number Assigned By Funder Pass-Through Entity</i>	<i>Total Amount Provided to Sub-Recipients</i>	<i>Federal Expenditures</i>	<i>Federal Program Total</i>	<i>Cluster Name</i>	<i>Cluster Total</i>
DEPARTMENT OF LABOR									
H-1B JOB TRAINING GRANTS	17.268				\$241,503	\$417,530	\$417,530	N/A	\$0
REENTRY EMPLOYMENT OPPORTUNITIES	17.270		GOODWILL	YF-36570-21-60-A-24		\$77,297	\$77,297	N/A	\$0
TOTAL DEPARTMENT OF LABOR					\$241,503	\$494,827			
DEPARTMENT OF TRANSPORTATION									
AVIATION MAINTENANCE TECHNICAL WORKFORCE GRANT PROGRAM	20.112					\$70,309	\$70,309	N/A	\$0
NATIONAL PRIORITY SAFETY PROGRAMS	20.616		GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2022-405H-007, 022-405H-037, 2023-405H-008, 2023-405H-033		\$26,224	\$26,224	N/A	\$0
UNIVERSITY TRANSPORTATION CENTERS PROGRAM	20.701		UNIVERSITY OF SOUTHERN CALIFORNIA	85319007		\$101,771	\$101,771	N/A	\$0
TOTAL DEPARTMENT OF TRANSPORTATION						\$198,304			
DEPARTMENT OF TREASURY									
COVID-19 CORONAVIRUS STATE & LOCAL FISCAL RECOVERY FUNDS	21.027	COVID-19	PIMA COUNTY	CT-GMI-22*277		\$1,876,514	\$1,931,070	N/A	\$0
COVID-19 CORONAVIRUS STATE & LOCAL FISCAL RECOVERY FUNDS	21.027	COVID-19	STATE OF ARIZONA, OFFICE OF THE GOVERNOR	ISA-ARPA-PIMACCD-042022-118		\$4,348	\$1,931,070		
COVID-19 CORONAVIRUS STATE & LOCAL FISCAL RECOVERY FUNDS	21.027	COVID-19	CITY OF TUCSON	N/A		\$50,208	\$1,931,070		
TOTAL DEPARTMENT OF TREASURY						\$1,931,070			
NATIONAL AERONAUTICS & SPACE ADMINISTRATION									
OFFICE OF STEM ENGAGEMENT (OSTEM)	43.008		UNIVERSITY OF ARIZONA	569111, 571943		\$44,471	\$44,471	N/A	\$0
TOTAL NATIONAL AERONAUTICS & SPACE ADMINISTRATION						\$44,471			
NATIONAL SCIENCE FOUNDATION									
STEM EDUCATION (FORMERLY EDUCATION AND HUMAN RESOURCES)	47.076		UNIVERSITY OF ARIZONA	1930455		\$420,908	\$543,741	RESEARCH AND DEVELOPMENT	\$543,741
STEM EDUCATION (FORMERLY EDUCATION AND HUMAN RESOURCES)	47.076					\$6,467	\$543,741	RESEARCH AND DEVELOPMENT	\$543,741
STEM EDUCATION (FORMERLY EDUCATION AND HUMAN RESOURCES)	47.076				\$20,091	\$80,726	\$543,741	RESEARCH AND DEVELOPMENT	\$543,741
STEM EDUCATION (FORMERLY EDUCATION AND HUMAN RESOURCES)	47.076		AMATYC	2013493-002		\$35,640	\$543,741	RESEARCH AND DEVELOPMENT	\$543,741
TOTAL NATIONAL SCIENCE FOUNDATION					\$20,091	\$543,741			
SMALL BUSINESS ADMINISTRATION									
COVID-19 - SMALL BUSINESS DEVELOPMENT CENTERS	59.037	COVID-19	MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT	SBAHQ20C001		\$56,093	\$277,437	N/A	\$0
SMALL BUSINESS DEVELOPMENT CENTERS	59.037		MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT	SBAHQ22B004		\$221,344	\$277,437	N/A	\$0
TOTAL SMALL BUSINESS ADMINISTRATION						\$277,437			
DEPARTMENT OF EDUCATION									
ADULT EDUCATION - BASIC GRANTS TO STATES	84.002		ARIZONA DEPARTMENT OF EDUCATION	33AEW04-312501, 23FABASC-312501-01A, 23FIELCC-312501-01A, 23FIECTC-312501-01A, 23FIEFCO-312501-01A, 23FVLEEC-312501-01A		\$3,027,301	\$3,027,301	N/A	\$0
FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS	84.007					\$494,573	\$494,573	STUDENT FINANCIAL ASSISTANCE	\$30,699,739
HIGHER EDUCATION_INSTITUTIONAL AID	84.031					\$2,017,633	\$2,017,633	N/A	\$0
FEDERAL WORK-STUDY PROGRAM	84.033					\$532,005	\$532,005	STUDENT FINANCIAL ASSISTANCE	\$30,699,739
TRIO STUDENT SUPPORT SERVICES	84.042					\$783,671	\$783,671	TRIO CLUSTER	\$2,924,550
TRIO_TALENT SEARCH	84.044					\$480,968	\$480,968	TRIO CLUSTER	\$2,924,550
TRIO_UPWARD BOUND	84.047					\$1,659,911	\$1,659,911	TRIO CLUSTER	\$2,924,550
CAREER AND TECHNICAL EDUCATION -- BASIC GRANTS TO STATES	84.048		ARIZONA DEPARTMENT OF EDUCATION	22FCTDBG-212501-20A, 23FCTDBG-312501-20A		\$506,883	\$506,883	N/A	\$0
FEDERAL PELL GRANT PROGRAM	84.063					\$22,617,553	\$22,617,553	STUDENT FINANCIAL ASSISTANCE	\$30,699,739
FEDERAL DIRECT STUDENT LOANS	84.368					\$7,055,608	\$7,055,608	STUDENT FINANCIAL ASSISTANCE	\$30,699,739
CHILD CARE ACCESS MEANS PARENTS IN SCHOOL	84.335					\$304,439	\$304,439	N/A	\$0
EDUCATION STABILIZATION FUND	84.425	COVID-19, 84.425E				\$39,600	\$171,858	N/A	\$0
EDUCATION STABILIZATION FUND	84.425	COVID-19, 84.425L				\$132,258	\$171,858	N/A	\$0
TOTAL DEPARTMENT OF EDUCATION						\$39,652,403			
DEPARTMENT OF HEALTH AND HUMAN SERVICES									
PUBLIC HEALTH TRAINING CENTERS PROGRAM	93.516		EL RIO HEALTH	T29HP46685-PCC		\$817	\$817	N/A	\$0
REFUGEE AND ENTRANT ASSISTANCE STATE/REPLACEMENT DESIGNEE ADMINISTERED PROGRAMS	93.566					\$199,832	\$199,832	N/A	\$0
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES						\$200,649			
DEPARTMENT OF HOMELAND SECURITY									
CITIZENSHIP EDUCATION AND TRAINING	97.010		CATHOLIC COMMUNITY SERVICES	22CICET00258-01-00		\$17,676	\$17,676	N/A	\$0
TOTAL DEPARTMENT OF HOMELAND SECURITY						\$17,676			
TOTAL EXPENDITURE OF FEDERAL AWARDS					\$261,594	\$43,360,578			

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 7/1/2022 - 6/30/2023

Significant Accounting Policies Used in Preparing the SEFA

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such 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, 2023. 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 2023 Federal Assistance Listings.

DISTRICT RESPONSE



PimaCountyCommunityCollegeDistrict

District Office

Office of the Executive Vice Chancellor
for Finance and Administration
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Tucson, Arizona 85709-1200
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March 1, 2024

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,

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, 2023**

Federal awards and questioned costs

**Finding Number: 2022-101 (This finding initially occurred in fiscal year 2022)
Assistance listing number and name: 84.425 COVID-19 Education Stabilization
Fund**

Status: Fully corrected

