Maricopa County Community College District

Single Audit Report
Year Ended June 30, 2021

A Report to the Arizona Legislature

Lindsey A. Perry
Auditor General

ARIZONA
Auditor General
Making a Positive Difference
The Arizona Auditor General’s mission is to provide independent and impartial information and specific recommendations to improve the operations of State and local government entities. To this end, the Office provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits and special reviews of school districts, State agencies, and the programs they administer.

The Joint Legislative Audit Committee

Representative Joanne Osborne, Chair
Representative Tim Dunn
Representative Steve Kaiser
Representative Jennifer L. Longdon
Representative Pamela Powers Hannley
Representative Rusty Bowers (ex officio)

Senator Nancy Barto, Vice Chair
Senator Rosanna Gabaldon
Senator David Livingston
Senator Martin Quezada
Senator Kelly Townsend
Senator Karen Fann (ex officio)

Audit Staff

Stephanie Gerber, Director
Taryn Stangle, Manager

Contact Information

Arizona Auditor General
2910 N. 44th St., Ste. 410
Phoenix, AZ  85018-7271

(602) 553-0333
contact@azauditor.gov
www.azauditor.gov
TABLE OF CONTENTS

Auditors section

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 1

Schedule of findings and questioned costs 4

Summary of auditors’ results 4

Financial statement findings 5

Federal award findings and questioned costs 5

District section

Schedule of expenditures of federal awards 10

Notes to schedule of expenditures of federal awards 12

District response

Corrective action plan

Summary schedule of prior audit findings

Reports issued separately

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
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
Maricopa County Community College District

Report on compliance for each major federal program

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

Management’s responsibility

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

Auditors’ responsibility

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

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the District’s compliance.
**Basis for qualified opinion on Student Financial Assistance Cluster and Higher Education—Institutional Aid**

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding the Student Financial Assistance Cluster for special tests and provisions as described in findings 2021-101 and 2021-103 and the Higher Education—Institutional Aid program for reporting and special tests and provisions as described in item 2021-104. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to each program.

**Qualified opinion on the Student Financial Assistance Cluster and Higher Education—Institutional Aid**

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

**Unmodified opinion on each of the other major federal programs**

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 other major federal programs identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

**Other matters**

The results of our auditing procedures disclosed another instance of noncompliance that is required to be reported in accordance with the Uniform Guidance and that is described in the accompanying schedule of findings and questioned costs as item 2021-102. Our opinion on each major federal program is not modified with respect to this matter.

**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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2021-101, 2021-102, 2021-103, and 2021-104, that we consider to be material weaknesses.

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

District response to findings

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

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

We have audited the financial statements of the District’s business-type activities and discretely presented component unit as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements. We issued our report thereon dated January 28, 2022, 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

June 23, 2022
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 weakness identified? No

Significant deficiency identified? Yes

Noncompliance material to the financial statements noted? No

Federal awards

Internal control over major programs

Material weaknesses identified? Yes

Significant deficiency identified? None reported

Type of auditors’ report issued on compliance for major programs

Qualified for the Student Financial Assistance Cluster and the Higher Education—Institutional Aid program and unmodified for all other major programs

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

Identification of major programs

<table>
<thead>
<tr>
<th>Assistance Listings number</th>
<th>Name of federal program or cluster</th>
</tr>
</thead>
<tbody>
<tr>
<td>84.007, 84.033, 84.038,</td>
<td>Student Financial Assistance Cluster</td>
</tr>
<tr>
<td>84.063, 84.268</td>
<td></td>
</tr>
<tr>
<td>84.002</td>
<td>Adult Education—Basic Grants to States</td>
</tr>
<tr>
<td>84.031</td>
<td>Higher Education—Institutional Aid</td>
</tr>
<tr>
<td>84.425E, 84.425F, 84.425L</td>
<td>COVID-19 Education Stabilization Fund</td>
</tr>
</tbody>
</table>

Dollar threshold used to distinguish between Type A and Type B programs $3,000,000

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

2021-101
Cluster name: Student Financial Assistance Cluster
Assistance Listings numbers and names:
- 84.007 Federal Supplemental Educational Opportunity Grants
- 84.033 Federal Work-Study Program
- 84.038 Federal Perkins Loan Program—Federal Capital Contributions
- 84.063 Federal Pell Grant Program
- 84.268 Federal Direct Student Loans
Award year: July 1, 2020 through June 30, 2021
Federal agency: U.S. Department of Education
Compliance requirement: Special tests and provisions
Questioned costs: Unknown

Condition—The District’s Student Financial Assistance (SFA) offices at 7 of its 10 colleges did not accurately and/or timely report enrollment-status changes to the National Student Loan Data System (NSLDS) for 11 of 40 students we tested District-wide participating in the Federal Pell Grant (Pell) or Federal Direct Student Loans (Direct Loans) programs. Specifically, the District’s SFA offices did not report:

- Accurate enrollment status and effective date information for 7 students.
- An enrollment status change within 60 days of the enrollment change for 4 students, which were reported between 2 to 55 days late.

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

Cause—The District did not monitor its SFA office’s adherence to District-wide policies and procedures to ensure their compliance with Pell and Direct Loans requirements. Specifically, although the District had communicated District-wide policies to the SFA offices at each of its 10 colleges that are responsible for administering the federal programs, adhering to federal regulations, and following District-wide policies and procedures, it did not monitor the colleges’ adherence to them. Thus, when the SFA offices at 7 of the 10 colleges did not follow the District-wide policies and procedures requiring them to review, verify, and correct, as necessary, the student data compiled from the District’s student information system before submitting reports to NSLDS, the District did not identify the errors.

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

Recommendations

1. The District’s SFA offices should follow the District-wide policies and procedures to:
   a. Report accurate enrollment statuses and changes to the NSLDS within 60 days of the students’
      change for all students receiving Pell and Direct Loans.
   b. Follow District-wide procedures to review, verify, and correct as necessary the student-enrollment
      status data they compiled prior to submitting it to NSLDS.
2. The District should monitor its SFA offices to ensure their compliance with District policies and
   procedures for the Pell and Direct Loans programs.

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

This finding is similar to prior-year finding 2020-101.

2021-102
Cluster name: Student Financial Assistance Cluster
Assistance Listings numbers and names: 84.007 Federal Supplemental Educational Opportunity Grants
                                                                 84.033 Federal Work-Study Program
                                                                 84.038 Federal Perkins Loan Program—Federal Capital Contributions
                                                                 84.063 Federal Pell Grant Program
                                                                 84.268 Federal Direct Student Loans
Award year: July 1, 2020 through June 30, 2021
Federal agency: U.S. Department of Education
Compliance requirement: Reporting
Questioned costs: Unknown

Condition—The District’s SFA offices at 2 of its 10 colleges reported student information for the Pell
Program late on the Common Origination and Disbursement (COD) system for 3 of 50 students we tested.
Specifically, contrary to federal regulations requiring the SFA offices to report in the COD system award
disbursements within 15 days after being disbursed to students and correct any SFA office input errors,
the District’s SFA offices:

• Did not correct 2 students’ Pell disbursements that the COD system rejected due to input errors made
  by the SFA offices for both the fall and spring semesters. Instead, for 1 student, the SFA office
  corrected both semesters’ disbursements in July 2021, 277 days late for the fall semester and 152
days late for the spring semester. For the second student, the SFA office inputted the corrected
  disbursements in August 2021, 252 days late for the fall semester and 200 days late for the spring
  semester.
• Did not update 1 student’s disbursement record within 15 days for both fall and spring semesters,
  which meant the disbursement records were 35 days and 49 days late for each semester, respectively.
**Effect**—The District may disburse more Pell monies than allowable to a student if the COD system does not accurately reflect students’ award-origination record and disbursement data.

**Cause**—The District did not monitor its SFA offices’ adherence to District-wide policies and procedures to ensure their compliance with Pell requirements. Specifically, although the District had communicated District-wide policies to the SFA offices at each of its 10 colleges that are responsible for administering the Pell, adhering to federal regulations, and following District-wide policies and procedures, it did not monitor the college’s adherence to them. Consequently, the District was unaware that 2 SFA offices did not follow the District-wide policies and procedures for performing complete and timely monthly reviews and reconciliations of students’ information in the District student records to what they inputted in the COD system and did not immediately review the information they inputted in the COD system to ensure they updated and corrected any incomplete or rejected student disbursement records in the COD system.

**Criteria**—Federal regulations require reporting disbursement data, such as anticipated or actual disbursement dates and amounts, as well as student record origination data, such as a student’s social security number, enrollment date, verification status code, and cost of attendance on the COD system for the Pell Program. Institutions must report student disbursement data within 15 calendar days after the institution makes a disbursement or becomes aware of the need to make an adjustment to previously reported student disbursement data or expected student disbursement data (34 CFR §690.83[b][2] and Federal Register, Volume 85, Number 134, July 14, 2020). Also, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

**Recommendations**

1. The District’s SFA offices should follow the District-wide policies and procedures to:
   a. Perform complete and timely monthly reconciliations of their student information system information to what they inputted in the COD system, and immediately correct any errors in student data.
   b. Establish timelines and verify that all student information is input in the COD system within the required 15 days after they disburse Pell monies to students and identify, correct, and update all student information that is rejected from the COD system immediately.

2. The District should monitor its SFA offices to ensure their compliance with District policies and procedures for the Pell Program.

The District’s corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.
Cluster name: Student Financial Assistance Cluster
Assistance Listings numbers and names:
- 84.007 Federal Supplemental Educational Opportunity Grants
- 84.033 Federal Work-Study Program
- 84.038 Federal Perkins Loan Program—Federal Capital Contributions
- 84.063 Federal Pell Grant Program
- 84.268 Federal Direct Student Loans

Award year: July 1, 2020 through June 30, 2021
Federal agency: U.S. Department of Education
Compliance requirement: Special tests and provisions
Questioned costs: Unknown

Condition—The District’s Student Financial Assistance (SFA) offices at 7 of its 10 colleges did not follow federal regulations over the Direct Loans program required monthly and annual reconciliations of its student disbursement records with what was reported on the Common Origination and Disbursement (COD) system. Specifically at 4 of 10 colleges, the SFA offices did not complete 5 of the 24 monthly reconciliations we selected, and at 3 of the 10 colleges did not resolve and investigate discrepancies found on another 5 of the 24 monthly reconciliations we selected. Finally, of the 10 Direct Loans program year closeouts we selected, 1 college did not complete the closeout until 61 days after it was due.

Effect—A student may be disbursed more Direct Loans monies than is allowable if the COD system does not accurately reflect students’ award origination and disbursement data.

Cause—The District did not monitor its SFA offices’ adherence to District-wide policies and procedures to ensure their compliance with Direct Loans program requirements. Specifically, although the District had communicated District-wide policies to the SFA offices at each of its 10 colleges that are responsible for administering the Direct Loans program, adhering to federal regulations, and following District-wide policies and procedures, it did not monitor the colleges’ adherence to them. As a result, the District was unaware that 7 SFA offices did not follow the District-wide policies and procedures for performing timely monthly and annual reconciliations of students’ Direct Loans information in the District student records to what they inputted in the COD system and to ensure they updated and corrected any discrepancies found in the reconciliations performed.

Criteria—Federal regulations require institutions on a monthly basis and program year closeout to reconcile institutional student records with disbursement records submitted to and accepted on the COD system for the Direct Loan (34 CFR §§685.300 [b][5] and [9]). Also, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations

1. The District’s SFA offices should follow the District-wide policies and procedures to:
   a. Perform timely monthly reconciliations of their Direct Loans student information maintained on the District’s student system to the COD system and correct any errors in student data.
   b. Complete annual program year closeout of their Direct Loans within 30 days after fiscal year-end.
2. The District should monitor its SFA offices to ensure their compliance with District policies and procedures for the Direct Loans program.
The District’s corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

2021-104
Assistance Listing number and name: 84.031 Higher Education—Institutional Aid
Award numbers and years: P031S150085, October 1, 2015 through September 30, 2020
                             P031S150032, October 1, 2015 through September 30, 2021
                             P031S150098, October 1, 2015 through September 30, 2021
                             P031S160090, October 1, 2016 through September 30, 2021
                             P031S190167, October 1, 2019 through September 30, 2024
                             P031S200096, October 1, 2020 through September 30, 2025
                             P031S200081, October 1, 2020 through September 30, 2025
Federal agency: U.S. Department of Education
Compliance requirements: Reporting and special tests and provisions
Questioned costs: Unknown

Condition—The District did not act in accordance with several federal regulations for its 10 endowments established with Higher Education—Institutional Aid (HEIA) program monies held by its Foundation with a combined fiscal year-end balance of $1.9 million, including interest earned, that 6 of the District’s 10 colleges have established since 2005. Specifically, from 2005 through 2021, the District did not report 4 endowments’ year-end balances on the Schedule of Expenditures of Federal Awards (SEFA), which ranged from a total of $176,000 to $582,000 each year, or interest earned on its 10 endowments, and did not maintain a comprehensive listing of its endowments, including the source of matching funds, investments, endowment income, and expenditures of the endowment income. The District corrected the current year SEFA to report the additional $1.1 million we identified in endowments, including interest earned. Further, during fiscal year 2021, the District did not submit required annual financial reports for 8 of its 10 endowments to the U.S. Department of Education (ED) or certify that these endowment monies were spent in accordance with federal regulations.

Effect—Due to the District not reporting and certifying to ED that these endowments were properly spent in accordance with federal regulations, ED could terminate these endowments and require the District to reimburse ED for the original endowment balances, including interest earned. In addition, because the District had underreported HEIA program monies on its SEFA since 2005 and did not maintain a comprehensive listing of these endowments, the District may not have reported additional endowments on its SEFA that it was unaware its colleges established.

Cause—The District did not require a designated District office employee to centrally monitor these endowments, which the District allowed each college to separately administer, to ensure the colleges’ compliance with the federal regulations over recordkeeping and reporting on the SEFA and to ED.

Criteria—Federal regulations require reporting the federal portion of the endowment balances on the SEFA and recording each endowment, including the source of the matching funds, investments, endowment income, and expenditures of the endowment income (2 CFR §200.502[e] and 34 CFR §§628.10 and 628.47). Also, the grant agreement requires the District to complete an annual financial report (OMB 1840-0564) for each of its endowments, certifying that the endowments are in compliance with federal regulations. Further, management should design internal control activities to achieve
objectives and respond to noncompliance risks and should implement and monitor its control activities through effective policies by following guidance for essential and effective internal control standards, such as Standards for Internal Control in the Federal Government issued by the Comptroller General of the United States.

Recommendations

1. The District should develop and implement District-wide policies and procedures to:
   a. Create and maintain a comprehensive listing of all endowments held by its Foundation identifying
      the source of matching funds, investments, endowment income, and expenditures of the
      endowment income, by requiring the Foundation to produce reports of these endowments.
   b. Report all fiscal year-end endowment balances, including interest earned, on the SEFA.
   c. Require each college to complete an annual financial report for each endowment and submit these
      reports to ED certifying that endowment monies were spent in accordance with federal regulations.

2. The District should designate a District office employee to centrally monitor the endowments with the
   Foundation to ensure compliance with federal requirements.

The District’s corrective action plan at the end of this report includes the views and planned corrective
action of its responsible officials. We are not required to audit and have not audited these responses and
planned corrective actions and therefore provide no assurances as to their accuracy.
<table>
<thead>
<tr>
<th>Department of Agriculture</th>
<th>Federal Award Identification (Optional)</th>
<th>Name of Recipient</th>
<th>Total Amount Provided to Sub-Recipients</th>
<th>Federal Expenditures</th>
<th>Federal Program Total</th>
<th>Cluster Name</th>
<th>Cluster Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM</td>
<td>01.041</td>
<td>ARIZONA WELFARE</td>
<td>$16,277</td>
<td>$16,277</td>
<td>$16,277</td>
<td>SNAP CLUSTER</td>
<td>$16,277</td>
</tr>
<tr>
<td>TOTAL DEPARTMENT OF AGRICULTURE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$11,058</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department of Commerce</th>
<th>Federal Award Identification (Optional)</th>
<th>Name of Recipient</th>
<th>Total Amount Provided to Sub-Recipients</th>
<th>Federal Expenditures</th>
<th>Federal Program Total</th>
<th>Cluster Name</th>
<th>Cluster Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>INVESTMENTS FOR PUBLIC WORKS AND ECONOMIC DEVELOPMENT PROJECTS</td>
<td>01.308</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>ECONOMIC DEVELOPMENT CLUSTER</td>
<td>$422,544</td>
</tr>
<tr>
<td>TOTAL DEPARTMENT OF COMMERCE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$422,544</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department of Education</th>
<th>Federal Award Identification (Optional)</th>
<th>Name of Recipient</th>
<th>Total Amount Provided to Sub-Recipients</th>
<th>Federal Expenditures</th>
<th>Federal Program Total</th>
<th>Cluster Name</th>
<th>Cluster Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>APPROPRIATIONS FOR GRANTS TO陕西省</td>
<td>07.285</td>
<td>ARIZONA ASSOCIATION FOR COMMUNITY COLLEGES</td>
<td>$98,763</td>
<td>$98,763</td>
<td>$98,763</td>
<td></td>
<td>$98,763</td>
</tr>
<tr>
<td>TOTAL DEPARTMENT OF EDUCATION</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$56,086</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>National Aeronautics &amp; Space Administration</th>
<th>Federal Award Identification (Optional)</th>
<th>Name of Recipient</th>
<th>Total Amount Provided to Sub-Recipients</th>
<th>Federal Expenditures</th>
<th>Federal Program Total</th>
<th>Cluster Name</th>
<th>Cluster Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL NATIONAL AERONAUTICS &amp; SPACE ADMINISTRATION</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$53,644</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Institute of Museum and Library Services on National Endowment for the Arts or National Endowment for the Humanities</th>
<th>Federal Award Identification (Optional)</th>
<th>Name of Recipient</th>
<th>Total Amount Provided to Sub-Recipients</th>
<th>Federal Expenditures</th>
<th>Federal Program Total</th>
<th>Cluster Name</th>
<th>Cluster Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$50,455</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>National Science Foundation</th>
<th>Federal Award Identification (Optional)</th>
<th>Name of Recipient</th>
<th>Total Amount Provided to Sub-Recipients</th>
<th>Federal Expenditures</th>
<th>Federal Program Total</th>
<th>Cluster Name</th>
<th>Cluster Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL NATIONAL SCIENCE FOUNDATION</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$165,043</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Small Business Administration</th>
<th>Federal Award Identification (Optional)</th>
<th>Name of Recipient</th>
<th>Total Amount Provided to Sub-Recipients</th>
<th>Federal Expenditures</th>
<th>Federal Program Total</th>
<th>Cluster Name</th>
<th>Cluster Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL SMALL BUSINESS ADMINISTRATION</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$2,880,579</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department of Education</th>
<th>Federal Award Identification (Optional)</th>
<th>Name of Recipient</th>
<th>Total Amount Provided to Sub-Recipients</th>
<th>Federal Expenditures</th>
<th>Federal Program Total</th>
<th>Cluster Name</th>
<th>Cluster Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL DEPARTMENT OF EDUCATION</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,374,751</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department of Labor</th>
<th>Federal Award Identification (Optional)</th>
<th>Name of Recipient</th>
<th>Total Amount Provided to Sub-Recipients</th>
<th>Federal Expenditures</th>
<th>Federal Program Total</th>
<th>Cluster Name</th>
<th>Cluster Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL DEPARTMENT OF LABOR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,181,163</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department of Health and Human Services</th>
<th>Federal Award Identification (Optional)</th>
<th>Name of Recipient</th>
<th>Total Amount Provided to Sub-Recipients</th>
<th>Federal Expenditures</th>
<th>Federal Program Total</th>
<th>Cluster Name</th>
<th>Cluster Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$141,095,084</td>
</tr>
<tr>
<td>EDUCATION STABILIZATION FUND - STUDENT PORTION</td>
<td>84.425</td>
<td>COVID-19, 84.425E</td>
<td>$24,312,788</td>
<td>$91,815,962</td>
<td>N/A</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>EDUCATION STABILIZATION FUND - INSTITUTIONAL PORTION</td>
<td>84.425</td>
<td>COVID-19, 84.425F</td>
<td>$60,005,241</td>
<td>$91,815,962</td>
<td>N/A</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>EDUCATION STABILIZATION FUND - HSI PORTION</td>
<td>84.425</td>
<td>COVID-19, 84.425L</td>
<td>$2,597,873</td>
<td>$91,815,962</td>
<td>N/A</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>TOTAL DEPARTMENT OF EDUCATION</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$243,549,560</td>
<td></td>
</tr>
</tbody>
</table>

| TOTAL EXPENDITURE OF FEDERAL AWARDS | $1,481,424 | $248,859,389 | $0 |

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.
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. Also included in the schedule is $41,828,058 in revenues recorded for the Educational Stabilization Fund (Assistance Number 84.425F) program that were received by the District to recover lost revenues. In addition, for the Higher Education—Institutional Aid (Assistance Number 84.031) program the District recorded on the SEFA a total of $1,880,248 for endowment funds that are federally restricted. This balances includes $640,000 in current year endowments and $1,240,248 from prior year endowments that are each being held for 20 years. 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 Maricopa 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 (Uniform Guidance).

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.

Loans outstanding
The expenditures reported on the schedule of expenditures of federal awards for the Federal Perkins Loan Program Federal Capital Contributions (CFDA No. 84.038) included loan balances outstanding at June 30, 2021 of $59,776.
June 20, 2022

Lindsey Perry
Auditor General
2910 N. 44th Street, Suite 410
Phoenix, AZ 85018

Dear Ms. Perry:

We have prepared the accompanying corrective action plan as required by the standards applicable to financial audits contained in Government Audit Standards and by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Specifically, for each finding we are providing you with our responsible officials’ views, the names of the contact people responsible for corrective action, the corrective action planned, and the anticipated completion date.

Sincerely,

Dawn D. Rector, CPA, MBA.
Interim Associate Chief Financial Officer and Controller
The Maricopa Community College District understands the importance of accurate and timely enrollment reporting and applicable laws under 34 CFR 685.309(b), 682.610(c), 674.33(j), h 34 CFR 682.610(c) and 34 CFR 685.300(b), 34 CFR Part 668. MCCC has implemented several system modifications and increased training efforts since FY 2019, contributing to significant improvements in reporting enrollment to the National Student Loan Database System (NSLDS). The District will continue these efforts and improve its monitoring of compliance with reporting requirements.

The District understands the Federal Student Aid reconciliation requirements under 34 CFR Part 668, Subpart K, and further understands the requirements to reconcile Federal Student Aid disbursements in the Maricopa PeopleSoft System, Common Origination and Disbursement System, Student Accounts, General Ledger, and G5. The District will review, evaluate, and revise procedures and monitoring activities for Pell awards to ensure accurate student data is uploaded to the COD system timely.
2021-103
Cluster name: Student Financial Assistance Cluster
Assistance Listing number and name: 84.007 Federal Supplemental Educational Opportunity Grants
84.033 Federal Work-Study Program
84.038 Federal Perkins Loan Program – Federal Capital Contributions
84.063 Federal Pell Grant Program
84.268 Federal Direct Student Loans
Award year: July 1, 2020 through June 30, 2021
Federal Agency: U.S. Department of Education
Compliance Requirements: Special tests and provisions
Questioned costs: Unknown
Name of contact persons: Annette Linders, District Director of Financial Aid Operations and Compliance
Anticipated completion date: June 30, 2023

Maricopa Community College District understands the importance of monthly reconciliations for Direct Loans and all Federal Student Aid programs to meet fiduciary responsibilities. The District understands the Federal Student Aid reconciliation requirements under 34 CFR Part 668, Subpart K, and further understands the requirements to reconcile Federal Student Aid disbursements in the Maricopa PeopleSoft System, Common Origination and Disbursement System, Student Accounts, General Ledger, and G5. The District will review, evaluate, and revise procedures and monitoring activities for Direct Loans to ensure accurate student data is uploaded to the COD system timely.

2021-104
Assistance Listing number and name: 84.031 Higher Education – Institutional Aid
Award numbers and years: P03IS150085, October 1, 2015 through September 30, 2020
P03IS150032, October 1, 2015 through September 30, 2021
P03IS150098, October 1, 2015 through September 30, 2021
P03IS160090, October 1, 2015 through September 30, 2021
P03IS190167, October 1, 2015 through September 30, 2024
P03IS2000096, October 1, 2020 through September 30, 2025
P03IS2000081, October 1, 2020 through September 30, 2025
Federal Agency: U.S. Department of Education
Compliance Requirements: Reporting and special tests and provisions
Questioned costs: Unknown
Name of contact persons: Kristina Winterstein, Associate Controller
Anticipated completion date: December 31, 2022

The District understands the importance of maintaining accurate records and reporting all related federal expenditures on the Schedule of Expenditures of Federal Awards (SEFA), which includes the federal portion of endowment balances held by the MCCCD Foundation. The District has a comprehensive listing of its endowments, including the source of matching funds, investments, endowment income and expenditures of the endowment income as of April 8, 2022, and has reported the appropriate expenditure totals for the federal endowment balances on the Fiscal Year 2021 SEFA. The District will ensure that all required endowment reporting is completed on an annual basis and submitted in the appropriate Department of Education-designated system. The District Accounting Manager for Grants will work with the Foundation to monitor endowment activity and maintain compliance with all federal requirements.
June 20, 2022

Lindsey Perry
Auditor General
2910 N. 44th Street, Suite 410
Phoenix, AZ 85018

Dear Ms. Perry:

We have prepared the accompanying summary schedule of prior audit findings as required by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Specifically, we are reporting the status of audit findings included in the prior audit's schedule of findings and questioned costs. This schedule also includes the status of audit findings reported in the prior audit's summary schedule of prior audit findings that were not corrected.

Sincerely,

[Signature]

Dawn D. Rector, CPA, MBA.
Interim Associate Chief Financial Officer and Controller
Status of Financial Statement Findings

The District’s supervisors did not always review and approve hourly employees’ time sheets, elevating the risk of overpaying them and putting the District at risk of violating the Arizona Constitution.
Finding No: 2020-01. This finding initially occurred in fiscal year 2014.
Status: Fully corrected

The District’s deficiencies in its process for managing and documenting its risks may put its operations and IT systems and data at unnecessary risk.
Finding No: 2020-02. This finding initially occurred in fiscal year 2014.
Status: Fully corrected

The District’s control procedures over IT systems and data were not sufficient, which increases the risk that the District may not adequately protect those systems and data.
Finding No: 2020-03. This finding initially occurred in fiscal year 2008.
Status: Partially corrected

As of June 30, 2021, the District had not fully implemented its corrective action for access controls due to the complexity of the requirements. Though some issues were noted during the audit period, District Office Information Technology Services (ITS) has dramatically improved control procedures over IT systems and data in the past year, including the introduction of Single Sign-On and Multi-Factor Authentication for all employees. ITS has monitoring mechanisms in place and is monitoring to ensure all systems are adequately protected. The District has also implemented processes for the regular review of employee roles, access levels and permissions to ensure appropriateness and compatibility with job responsibilities in order to further enhance the protection of the District’s IT systems and data.

The District overstated its full-time equivalent student enrollment, which could potentially result in the District inappropriately receiving excess State sales tax distribution.
Finding No: 2019-05
Status: Fully corrected
Status of Federal Award Findings and Questioned Costs

Cluster Name: Student Financial Assistance Cluster
CFDA No. and program name:
- 84.007 Federal Supplemental Educational Opportunity Grants
- 84.033 Federal Work-Study Program
- 84.038 Federal Perkins Loan Program—Federal Capital Contributions
- 84.063 Federal Pell Grant Program
- 84.268 Federal Direct Student Loans

Finding No: 2020-101. This finding initially occurred in fiscal year 2014
Status: Not corrected

The District understands the importance of reporting accurate enrollment status to the National Student Loan Database (NSLDS). The District implemented a centralized Quality Assurance team to review, reconcile, and correct enrollment mismatches between NSLDS and the District’s Student Information System. The centralized quality assurance and internal audit process continues to be refined to ensure early and accurate identification of potential errors, resulting in significant improvements since FY 2019. The District attributes much of the errors during FY2021 to be a result of grading flexibilities and extensions in response to the COVID-19 pandemic. The District plans to refine and improve quality assurance policies, procedures and corrective action plans based on identified deficiencies.

Cluster Name: Student Financial Assistance Cluster
CFDA No. and program name:
- 84.007 Federal Supplemental Educational Opportunity Grants
- 84.033 Federal Work-Study Program
- 84.038 Federal Perkins Loan Program—Federal Capital Contributions
- 84.063 Federal Pell Grant Program
- 84.268 Federal Direct Student Loans

Finding No: 2020-102
Status: Fully corrected