

# Maricopa County Community College District

Single Audit Report

Year Ended June 30, 2024



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  
Maricopa County Community College District

**Report on compliance for each major federal program**

***Qualified and unmodified opinions***

We have audited Maricopa 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, 2024, except for the portion of the COVID-19 - Coronavirus State and Local Fiscal Recovery Funds major federal program, Assistance Listings number 21.027, administered by the Maricopa County Community College District Foundation. A portion of this major program was audited by other auditors whose report has been furnished to us, and our opinion, insofar as it related to this major federal program's compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, is based solely on the report of the other auditors. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

*Qualified opinions on Adult Education—Basic Grants to States and Higher Education—Institutional Aid programs*

In our opinion, except for the noncompliance described in the basis for qualified and unmodified opinions section of our report, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Adult Education—Basic Grants to States program, Assistance Listings number 84.002, and the Higher Education—Institutional Aid program, Assistance Listings number 84.031, for the year ended June 30, 2024.

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

In our opinion, based on our audit and the report of the other auditors, 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 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, 2024.

### ***Basis for qualified and unmodified opinions***

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 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). 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 qualified and unmodified opinions 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.

#### ***Matters giving rise to qualified opinions on Adult Education—Basic Grants to States and Higher Education—Institutional Aid programs***

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding activities allowed or unallowed and allowable costs/cost principles for the Adult Education—Basic Grants to States and Higher Education—Institutional Aid programs as described in item 2024-102. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to those programs.

### ***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.

### ***Other matters***

The results of our auditing procedures disclosed an other 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 2024-101. Our opinion on each major federal program is not modified with respect to this matter.

### **Report on internal control over compliance**

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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a material weakness and a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-102 to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-101 to be a significant deficiency.

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.

## **District response to findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the noncompliance and internal control over compliance findings that 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 other 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, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 19, 2024, 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, based on our audit, the procedures performed as described previously, and the report of the other auditors, 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 31, 2025



# 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 U.S. 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? **Yes**

Significant deficiencies identified? **Yes**

Noncompliance material to the financial statements noted? **No**

### Federal awards

#### Internal control over major programs

Material weaknesses identified? **Yes**

Significant deficiencies identified? **Yes**

#### Type of auditors' report issued on compliance for major programs

Qualified for Adult Education—Basic Grants to States and Higher Education—Institutional Aid 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

Assistance Listings number	Name of federal program or cluster
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
84.002	Adult Education—Basic Grants to States
84.007, 84.033, 84.038, 84.063, 84.268	Student Financial Assistance Cluster
84.031	Higher Education—Institutional Aid
93.575	Child Care and Development Block Grant

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

### 2024-101

**Assistance Listings number and name:** 93.575 **Child Care and Development Block Grant**

**Award numbers and years:** DI22-002326, July 1, 2023 through June 30, 2024;  
P00003796, July 1, 2023 through June 30, 2024;  
P0001273602, July 1, 2023 through June 30, 2024

**Federal agency:** **U.S. Department of Health and Human Services**

**Pass-through grantor:** **Arizona Department of Economic Security**

**Compliance requirements:** Reporting

**Questioned costs:** Not applicable

**Condition**—Contrary to federal regulation, the District’s Student Affairs Department (Department) did not develop, document, or implement internal control procedures to monitor compliance with the program’s reporting requirements. Specifically, for all 4 federal program reports we tested, the Department did not retain documentation that it had reviewed and approved reports prior to submitting them to the pass-through grantor to ensure the reported expenditures were accurate and agreed to the District’s records, and contained only allowable expenses. Despite lacking internal control procedures, we did not identify any inaccurate program information reported to the pass-through grantor.

**Effect**—Without effective internal control procedures in place, there is an increased risk that the Department may not prevent or detect and correct errors on reports it submits to the pass-through grantor, which relies on them to effectively monitor the program administration, including its compliance with program requirements and ability to prevent and detect fraud, and to evaluate the program’s success. Finally, the District is at risk that this finding applies to other federal programs it administers.

**Cause**—The Department’s management reported that it had performed independent reviews and approvals of the reports but did not maintain documentation because the District did not have a formal policy requiring a documented review and approval of its reports.

**Criteria**—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).

**Recommendation**—The Department should develop, document, and implement policies and procedures, and train responsible employees, to monitor compliance with the program’s reporting requirements, including processes to perform and document an independent review and approval of all federal program reports before submitting them to the pass-through grantor to ensure reports are accurate, agree to District records, and contain only allowable expenditures.

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.

## 2024-102

**Assistance Listings number and name:**

84.002 **Adult Education—Basic Grants to States**

**Award numbers and years:**

24FABASC-412421-01A, July 1, 2023 through June 30, 2024;  
24FIELCC-412421-01A, July 1, 2023 through June 30, 2024;  
24FIETCO-412421-01A, July 1, 2023 through June 30, 2024;  
24FPRLEC-412421-01A, July 1, 2023 through June 30, 2024;  
24FIECTC-412421-01A, July 1, 2023 through June 30, 2024

**Compliance requirements:**

Activities Allowed or Unallowed and Allowable Costs / Cost Principles

**Questioned costs:**

\$52,754

**Assistance Listings number and name:**

84.031 **Higher Education—Institutional Aid**

**Award numbers and years:**

P031S160090, October 1, 2016 through September 30, 2023;  
P031S190167, October 1, 2019 through September 30, 2024;  
P031S200096, October 1, 2020 through September 30, 2025;  
P031S200281, October 1, 2020 through September 30, 2025;  
P031C210057, October 1, 2021 through September 30, 2026;  
P031C210077, October 1, 2021 through September 30, 2026;  
P031S220015, October 1, 2022 through September 30, 2027;  
P031S220179, October 1, 2022 through September 30, 2027;  
P031A230147, October 1, 2023 through September 30, 2028;  
P031S230158, October 1, 2023 through September 30, 2028

**Compliance requirements:**

Activities allowed or unallowed

**Questioned costs:**

\$20,411

**Federal agency:**

**U.S. Department of Education**

**Total questioned costs:**

\$73,165

**Condition**—Contrary to federal regulations, State law, and District policies, the District did not always retain documentation supporting the Adult Education—Basic Grants to States and Higher Education—Institutional Aid programs' payroll costs or approve employee time sheets after the work was performed for these programs. Specifically, the District could not provide documentation to support employees' pay rates and authorization to perform work for these programs, such as offer letters, contracts, and personnel action forms, or did not approve employee time sheets after the work was performed for 22 of 54 payroll transactions we tested totaling \$73,165. See finding 2024-01 in our *Report on Internal Controls and Compliance* for a similar finding related to the District not reviewing or approving employee timesheets.<sup>1</sup> Also, see Table 1 on the next page for further information.

**Table 1****Summary of the \$73,165 of payroll costs the District did not properly support or approve  
Fiscal year 2024**

	84.002 Adult Education—Basic Grants to States	84.031 Higher Education—Institutional Aid	Total for both programs
Total employees tested	35	19	54
Total employees with unsupported pay rates and lack of authorization to perform work for the programs	7	1	8
Total unsupported payroll costs	\$52,366	\$9,636	\$62,002
Total employee time sheets lacking approval after the work was performed <sup>2</sup>	2	12	14
Total unapproved payroll costs	\$388	\$10,775	\$11,163
Total number of employees with unsupported or unapproved payroll costs	9	13	22
<b>Total salaries not supported</b>	<b>\$52,754</b>	<b>\$20,411</b>	<b>\$73,165</b>

**Effect**—The District's failure to retain documentation supporting payroll costs and approve time sheets increased the risk that the \$52,754 for the Adult Education—Basic Grants to States and \$20,411 for the Higher Education—Institutional Aid programs may not have been spent in accordance with their award terms and conditions. Consequently, the District may be required to return these monies to the federal agency in accordance with federal requirements.<sup>3</sup> Further, see Table 2 for information on the overall payroll costs per program during fiscal year 2024 that are at an increased risk of not being spent in accordance with the award terms and conditions. Finally, the District is at risk that this finding applies to other federal programs it administers.

**Table 2****Calculation of percent of payroll costs to total program expenditures  
Fiscal year 2024**

	84.002 Adult Education—Basic Grants to States	84.031 Higher Education—Institutional Aid
Total number of employees	279	214
Total payroll costs	\$3,613,133	\$1,984,462
Total program costs	\$5,026,228	\$6,696,263
<b>% of payroll costs to total program costs</b>	<b>72%</b>	<b>30%</b>

**Cause**—The District's management reported that it did not retain documentation to support employees' pay rates and authorization to perform work for the federal programs for employees hired prior to 2018 as they were archived and support was no longer available, and some offers for temporary employees were made verbally over the phone and never documented. The District's policies and procedures lack requirements to document all employment offers, including temporary employment offers. Additionally, as discussed in finding 2024-01 in our *Report on Internal Controls and Compliance*, some supervisors did not follow District policies and procedures requiring employees' time sheets to be reviewed and approved either before processing payroll or within 3 business days after receiving a payroll email notification that the employee's time sheet needed approval.<sup>1</sup> Finally, District management did not sufficiently monitor whether each college's Human Resources Department was enforcing these policies and procedures or verifying that supervisors reviewed and approved employees' time sheets, as required.

**Criteria**—Federal regulation requires the District to maintain records for salaries and wages charged to federal awards that accurately reflect the work performed to ensure they are accurate, allowable, and properly allocated (2 CFR §200.430[g][1][i]). Also, federal regulation, similar to State law and the District's record retention policies, requires the District to retain all public records, including those contained in personnel files, related to a federal program for a period of 3 years from the date the program's final report was submitted to the federal awarding agency or pass-through grantor (2 CFR §200.334).<sup>4,5</sup> Further, the District's written procedures require each employee's time sheet to be reviewed and approved by the employee's supervisor either before processing payroll or within 3 business days from receiving a payroll email notification that the employee's time sheet needs approval. Additionally, each college's Human Resources Department is responsible for verifying that supervisors review and approve time sheets timely.<sup>6</sup> Finally, 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**—The District should:

1. Retain documentation for all payroll costs, such as employment agreements or acceptance letters, to demonstrate employees' salaries and wages are authorized to be charged to federal programs and spent in accordance with the programs' award terms and conditions.
2. Review the fiscal year 2024 payroll costs for the Adult Education—Basic Grants to States and Higher Education—Institutional Aid programs to ensure they were properly supported and spent in accordance with the award terms and conditions and coordinate with the U.S. Department of Education, as necessary, to adjust future federal reimbursement requests or repay any unallowable costs the District charged to the programs.
3. Enforce and train employees on District written procedures and requirements to:
  - a. Retain all public records, including those contained in personnel files, related to a federal program for a period of 3 years from the date the program's final report was submitted to the federal awarding agency or pass-through grantor.
  - b. Ensure supervisors review and approve employees' time sheets, either before payroll is processed or within 3 business days from receiving the payroll email notification that a time sheet needs approval, to verify employees accurately reported their time worked. This review should be performed after the employee performed the work to ensure the payroll costs charged to the programs accurately reflect the work performed and are accurate, allowable, and properly allocated.
4. Update District written procedures to require documentation of all employment offers, including offers for temporary employees.

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.

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<sup>1</sup> Arizona Auditor General. (2024). *Report on Internal Control and Compliance, June 30, 2024*. Phoenix, AZ.

[https://www.azauditor.gov/sites/default/files/2025-02/MaricopaCountyCommunityCollegeDistrictJune30\\_2024ReportOnInternalControlAndCompliance.pdf](https://www.azauditor.gov/sites/default/files/2025-02/MaricopaCountyCommunityCollegeDistrictJune30_2024ReportOnInternalControlAndCompliance.pdf)

<sup>2</sup> The 14 employee time sheets lacking approval after the work was performed includes 5 time sheets totaling \$6,917 for the Higher Education—Institutional Aid program that were never approved by a supervisor and 2 time sheets totaling \$388 for the Adult Education—Basic Grants to States program and 7 time sheets totaling \$3,858 for the Higher Education—Institutional Aid program that were approved by a supervisor between 1 and 7 days prior to the work being performed by the employee.

<sup>3</sup> Federal Uniform Guidance requires federal awarding agencies to follow up on audit findings and issue a management decision to ensure the recipient, the District, takes appropriate and timely corrective action (2 CFR §200.513[c]). Further, it requires that federal awarding agencies' management decisions clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action, as directed by the federal awarding agencies (2 CFR §200.521).

<sup>4</sup> Maricopa County Community College District (MCCCD). (2023). Staff Policy Manual.

<sup>5</sup> Arizona State Library, Archives and Public Records. (2023) General Retention Schedule Created for All Public Bodies. Retrieved 3/12/25 from [https://apps.azlibrary.gov/files/docs/all\\_general\\_schedules\\_searchable.pdf](https://apps.azlibrary.gov/files/docs/all_general_schedules_searchable.pdf)

<sup>6</sup> Maricopa County Community College District (MCCCD). Version 1.1 (2019). Monitoring Time Approvals: Monitoring Procedures.

# DISTRICT SECTION

**MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Fiscal Period 7/1/2023 - 6/30/2024**

Federal Awarding Agency/Program Title	Additional		Identifying Number		Total Amount Provided to Sub-Recipients	Federal Expenditures	Federal Program Total	Cluster Name	Cluster Total
	Assistance Listings Number	Award Identification (Optional)	Name of Grantor Pass-Through Entity	Assigned By Grantor Pass-Through Entity					
<b>DEPARTMENT OF AGRICULTURE</b>									
NATIONAL SCHOOL LUNCH PROGRAM	10.555		ARIZONA DEPARTMENT OF EDUCATION	07-86-47, 07-87-43		\$152,237	\$152,237	CHILD NUTRITION CLUSTER	\$152,237
STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM	10.561		WILDFIRE	ADES18-195811 12182023		\$63,088	\$63,088	SNAP CLUSTER	\$63,088
COOPERATIVE FORESTRY ASSISTANCE	10.664		ARIZONA DEPARTMENT OF FORESTRY AND FIRE MANAGEMENT	CCG 22-102		\$39,377	\$39,377	N/A	\$0
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>						<b>\$254,702</b>			
<b>DEPARTMENT OF COMMERCE</b>									
CONNECTING MINORITY COMMUNITIES PILOT PROGRAM	11.028					\$1,274,139	\$1,274,139	N/A	\$0
<b>TOTAL DEPARTMENT OF COMMERCE</b>						<b>\$1,274,139</b>			
<b>DEPARTMENT OF DEFENSE</b>									
PROCUREMENT TECHNICAL ASSISTANCE FOR BUSINESS FIRMS CENTERS FOR ACADEMIC EXCELLENCE	12.002		UNIVERSITY OF ARIZONA	2020-20061700005		\$386,418	\$386,418	N/A	\$0
	12.598		UNIVERSITY OF ARKANSAS LITTLE ROCK	253315-22EMCC		\$21,424	\$21,424	N/A	\$0
CYBERSECURITY CORE CURRICULUM	12.905					\$13,603	\$13,603	N/A	\$0
<b>TOTAL DEPARTMENT OF DEFENSE</b>						<b>\$421,445</b>			
<b>DEPARTMENT OF LABOR</b>									
WIOA ADULT PROGRAM	17.258		ARIZONA DEPARTMENT OF EDUCATION	23AEWIOA-312421		\$17,058	\$17,058	WIOA CLUSTER	\$105,128
WIOA YOUTH ACTIVITIES	17.259		ARIZONA OFFICE OF ECONOMIC OPPORTUNITY	AA-36307-21-55-A-4		\$1	\$1	WIOA CLUSTER	\$105,128
WIOA NATIONAL DISLOCATED WORKER GRANTS/WIA NATIONAL EMERGENCY GRANTS	17.277		CITY OF PHOENIX	159695-0		\$88,069	\$88,069	WIOA CLUSTER	\$105,128
<b>TOTAL DEPARTMENT OF LABOR</b>						<b>\$105,128</b>			
<b>DEPARTMENT OF STATE</b>									
ACADEMIC EXCHANGE PROGRAMS - UNDERGRADUATE PROGRAMS	19.009		NORTHERN VIRGINIA UNIVERSITY	SECAGD22CA0021		\$408,512	\$408,512	N/A	\$0
<b>TOTAL DEPARTMENT OF STATE</b>						<b>\$408,512</b>			
<b>DEPARTMENT OF TREASURY</b>									
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	COVID-19	CITY OF AVONDALE	22-037C		\$159,918	\$6,028,780	N/A	\$0
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	COVID-19	CITY OF PEORIA	ACON28722		\$49,610	\$6,028,780	N/A	\$0
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	COVID-19	CITY OF PHOENIX	074491515, 157096-001		\$3,001,164	\$6,028,780	N/A	\$0
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	COVID-19	MARICOPA COUNTY HUMAN SERVICES	C-22-23-041-X-00		\$2,818,088	\$6,028,780	N/A	\$0
<b>TOTAL DEPARTMENT OF TREASURY</b>						<b>\$6,028,780</b>			
<b>NATIONAL AERONAUTICS &amp; SPACE ADMINISTRATION</b>									
SCIENCE	43.001		UNIVERSITY OF ARIZONA	PO #342523		\$17,103	\$17,103	N/A	\$0
<b>TOTAL NATIONAL AERONAUTICS &amp; SPACE ADMINISTRATION</b>						<b>\$17,103</b>			
<b>INSTITUTE OF MUSEUM AND LIBRARY SERVICES OR NATIONAL ENDOWMENT FOR THE ARTS OR NATIONAL ENDOWMENT FOR THE HUMANITIES</b>									
GRANTS TO STATES	45.310		ARIZONA DEPARTMENT OF LIBRARY AND PUBLIC RECORDS	2023-0340-WIFI-05		\$1,928	\$1,928	N/A	\$0
<b>TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES OR NATIONAL ENDOWMENT FOR THE ARTS OR NATIONAL ENDOWMENT FOR THE HUMANITIES</b>						<b>\$1,928</b>			
<b>NATIONAL SCIENCE FOUNDATION</b>									
MATHEMATICAL AND PHYSICAL SCIENCES	47.049		ARIZONA STATE UNIVERSITY	1757573		\$1,000	\$1,000	N/A	\$0
COMPUTER AND INFORMATION SCIENCE AND ENGINEERING	47.070		UNIVERSITY OF TEXAS EL PASO	226100998H		\$2,418	\$2,418	N/A	\$0
STEM EDUCATION	47.076		ARIZONA STATE UNIVERSITY	2120021		\$108,140	\$2,046,214	N/A	\$0
STEM EDUCATION	47.076		PENN STATE UNIVERSITY	2229983		\$86,178	\$2,046,214	N/A	\$0
STEM EDUCATION	47.076		SANTA CLARITA COMMUNITY COLLEGE DISTRICT	10044		\$5,535	\$2,046,214	N/A	\$0
STEM EDUCATION	47.076					\$718,972	\$1,846,361	N/A	\$0
<b>TOTAL NATIONAL SCIENCE FOUNDATION</b>						<b>\$718,972</b>	<b>\$2,049,632</b>		
<b>SMALL BUSINESS ADMINISTRATION</b>									
SMALL BUSINESS DEVELOPMENT CENTERS	59.037					\$336,730	\$2,397,790	N/A	\$0
<b>TOTAL SMALL BUSINESS ADMINISTRATION</b>						<b>\$336,730</b>	<b>\$2,397,790</b>		
<b>DEPARTMENT OF EDUCATION</b>									
ADULT EDUCATION BASIC GRANTS TO STATES	84.002		ARIZONA DEPARTMENT OF EDUCATION	24FABASC-412421-01A, 24FIELCC-412421-01A, 24FIETCO-412421-01A, 24FPRLEC-412421-01A, 24FIECTC-412421-01A		\$5,026,228	\$5,026,228	N/A	\$0
FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS	84.007					\$3,819,762	\$3,819,762	STUDENT FINANCIAL ASSISTANCE CLUSTER	\$137,952,173
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES (TITLE I, PART A OF THE ESEA)	84.010A		ARIZONA DEPARTMENT OF EDUCATION	23FT1TTI-310133-01A, 23FT1TTI-312481-01A, 24FT1TTI-410133-01A, 24FT1TTI-412481-01A		\$211,457	\$211,457	N/A	\$0
SPECIAL EDUCATION GRANTS TO STATES	84.027		ARIZONA DEPARTMENT OF EDUCATION	23FESCBG-310133-09A, 23FESCBG-312481-09A, 24ICSGBA-410133-01A, 24ICSGBA-412481-01A		\$75,186	\$75,186	SPECIAL EDUCATION CLUSTER (IDEA)	\$75,186
HIGHER EDUCATION INSTITUTIONAL AID	84.031					\$6,696,263	\$6,696,263	N/A	\$0
FEDERAL WORK-STUDY PROGRAM	84.033					\$1,763,373	\$1,763,373	STUDENT FINANCIAL ASSISTANCE CLUSTER	\$137,952,173
FEDERAL PERKINS LOAN (FPL) - FEDERAL CAPITAL CONTRIBUTIONS	84.038					\$51,118	\$51,118	STUDENT FINANCIAL ASSISTANCE CLUSTER	\$137,952,173
TRIO STUDENT SUPPORT SERVICES	84.042					\$652,835	\$652,835	TRIO CLUSTER	\$1,136,131
TRIO UPWARD BOUND	84.047					\$483,296	\$483,296	TRIO CLUSTER	\$1,136,131

CAREER AND TECHNICAL EDUCATION BASIC GRANTS TO STATES	84.048		ARIZONA DEPARTMENT OF EDUCATION	23FCTDBG-312331-20A, 24FCTDBG-412331-20A	\$1,797,274	\$1,797,274	N/A	\$0
FEDERAL PELL GRANT PROGRAM	84.063				\$99,461,683	\$99,461,683	STUDENT FINANCIAL ASSISTANCE CLUSTER	\$137,952,173
FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION	84.116				\$546,546	\$546,546	N/A	\$0
FEDERAL DIRECT STUDENT LOANS	84.268				\$32,856,237	\$32,856,237	STUDENT FINANCIAL ASSISTANCE CLUSTER	\$137,952,173
SPECIAL EDUCATION - PERSONNEL DEVELOPMENT TO IMPROVE SERVICES AND RESULTS FOR CHILDREN WITH DISABILITIES	84.325		ARIZONA STATE UNIVERSITY	ASUB00000302	\$725	\$725	N/A	\$0
CHILD CARE ACCESS MEANS PARENTS IN SCHOOL	84.335				\$112,593	\$112,593	N/A	\$0
SUPPORTING EFFECTIVE INSTRUCTION STATE GRANTS, TITLE II, PART A	84.367A		ARIZONA DEPARTMENT OF EDUCATION	23FT1TII-310133-03A	\$15,550	\$15,550	N/A	\$0
EDUCATION INNOVATION & RESEARCH	84.411		CENTER FOR THE FUTURE OF ARIZONA	U411C190109	\$38,073	\$38,073	N/A	\$0
STUDENT SUPPORT AND ACADEMIC ENRICHMENT PROGRAM	84.424		ARIZONA DEPARTMENT OF EDUCATION	24FT4TIV-410133-01A, 24FT4TIV-412481-01A	\$9,435	\$9,435	N/A	\$0
EDUCATION STABILIZATION FUND - INSTITUTIONAL RESILIENCE AND EXPANDED POSTSECONDARY OPPORTUNITY	84.425	COVID-19, 84.425P			\$748,521	\$1,805,254	N/A	\$0
EDUCATION STABILIZATION FUND - AMERICAN RESCUE PLAN ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND	84.425	COVID-19, 84.425U	ARIZONA DEPARTMENT OF EDUCATION	21FESIII-110133-01A, 21FESIII-112481-01A	\$443,007	\$1,805,254	N/A	\$0
EMERGENCY ASSISTANCE FOR NON-PUBLIC SCHOOLS	84.425	COVID-19, 84.425V	ARIZONA GOVERNOR'S OFFICE	IGA-EANS-MCC-040124-02	\$593,391	\$1,805,254	N/A	\$0
EDUCATION STABILIZATION FUND - ELEMENTARY AND SECONDARY EDUCATION EMERGENCY RELIEF - HOMELESS CHILDREN AND YOUTH	84.425	COVID-19, 84.425W	ARIZONA DEPARTMENT OF EDUCATION	22FAHIE-210133-01A, 22FARHMG-210133-01A	\$20,335	\$1,805,254	N/A	\$0
<b>TOTAL DEPARTMENT OF EDUCATION</b>						\$155,422,888		
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>								
CHILD CARE AND DEVELOPMENT BLOCK GRANT	93.575		ARIZONA DEPARTMENT OF ECONOMIC SECURITY	D122-002326, P00003796, P0001273602	\$3,179,548	\$3,179,548		
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>						\$3,179,548		
<b>TOTAL EXPENDITURE OF FEDERAL AWARDS</b>					\$1,055,702	\$171,561,597		

**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.



**MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Fiscal Period 7/1/2023 - 6/30/2024**

**Summary of significant accounting policies**

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 are endowment funds that are federally restricted for the Higher Education – Institutional Aid (Assistance Listings Number 84.031) program. The District recorded a total of \$1,825,440 on the SEFA in Fiscal Year 2024. The total balance is 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, 2024. 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 *2024 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 (Assistance Listings Number 84.038) included loan balances outstanding at June 30, 2024, of \$51,118.

# DISTRICT RESPONSE



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2411 W. 14th Street, Tempe, Arizona 85281 - 6942 • T 480.731.8000 • F 480.731.8506 • [www.maricopa.edu](http://www.maricopa.edu)

March 31, 2025

Lindsey A. Perry  
Auditor General  
2910 N. 44<sup>th</sup> Street, Suite 410  
Phoenix, AZ 85018

Dear Ms. Perry:

We have prepared the accompanying summary corrective action plan as required by the standards applicable to financial audits contained in Government Auditing 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 planned, and the anticipated completion date.

Sincerely,

Dawn D. Rector, CPA, MBA.  
Associate Vice Chancellor and Controller, Business Services

**Maricopa County Community College District  
Corrective Action Plan  
Year Ended June 30, 2024**

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**2024-101**

Assistance Listing number and name: 93.575 Child Care and Development Block Grant  
Award numbers and years: D122-002326, July 1, 2023 through June 30, 2024;  
P00003796, July 1, 2023 through June 30, 2024;  
P0001273602, July 1, 2023 through June 30, 2024  
Federal Agency: U.S. Department of Health and Human Services  
Pass-through grantor: Arizona Department of Economic Security  
Compliance Requirements: Reporting  
Questioned Costs: Not applicable  
Name of Contact Persons: Kristina Winterstein, Associate Controller  
Anticipated Completion Date: June 30, 2025

The Maricopa County Community College District understands the importance of maintaining documentation that demonstrates the information provided to sponsoring agencies accurately reflects approved program activities and expenditures for a reporting time period. The District has internal controls in place that outline the procedures for the review and approval of financial reports for its grants that are submitted separately to the sponsoring agency for the reimbursement of program expenses. The reports identified in this test work were related to the overall program report. The District will develop a review and approval procedure to ensure that the review and approval of overall programmatic reporting provided to sponsoring agencies, which may contain financial information that has been reviewed and approved, is documented and maintained within program files.

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**2024-102**

Assistance Listing numbers and name: 84.002 Adult Education – Basic Grants to States  
Award numbers and years: 24FABASC-412421-01A, July 1, 2023 through June 30, 2024;  
24FIELCC-412421-01A, July 1, 2023 through June 30, 2024;  
24FIETCO-412421-01A, July 1, 2023 through June 30, 2024;  
24FPRLEC-412421-01A, July 1, 2023 through June 30, 2024;  
24FIECTC-412421-01A, July 1, 2023 through June 30, 2024  
Federal Agency: U.S. Department of Education  
Pass-through grantor: Arizona Department of Education  
Compliance Requirements: Activities Allowed or Unallowed and Allowable Costs/Cost Principles  
Questioned costs: \$52,754  
Assistance Listing numbers and name: 84.031 Higher Education – Institutional Aid  
Award numbers and years: P031S160090, October 1, 2016 through September 30, 2023;  
P031S190167, October 1, 2019 through September 30, 2024;  
P031S200096, October 1, 2020 through September 30, 2025;  
P031S200281, October 1, 2020 through September 30, 2025;  
P031C210057, October 1, 2021 through September 30, 2026;  
P031C210077, October 1, 2021 through September 30, 2026;  
P031S220015, October 1, 2021 through September 30, 2027;  
P031S220179, October 1, 2022 through September 30, 2027;  
P031A230147, October 1, 2023 through September 30, 2028;  
P031S230158, October 1, 2023 through September 30, 2028  
Federal Agency: U.S. Department of Education  
Compliance Requirements: Activities allowed or unallowed  
Questioned Costs: \$20,411  
Total Questioned Costs: \$73,165  
Name of contact persons: Kristina Winterstein, Associate Controller, District Business Services  
Mum Martens, Associate Chief Human Resources Officer

Anticipated completion date:

June 30, 2025

The District is aware of the importance of maintaining documentation that demonstrates expenditures charged to a program are allocable and allowable. The District will review existing procedures related to the review of temporary workers to ensure that documentation is available to demonstrate charges to programs comply with federal guidelines and regulations. The District also recognizes the importance of timely approval of time and effort in compliance with federal regulations. While the District does perform regular reconciliations of expenses to ensure allowability, the District will review and update procedures, as necessary, to continue to improve and document timely supervisory approvals after each bi-weekly payroll is processed in relation to finding 2024-01 in the District's *Report on Internal Controls and Compliance*.

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March 27, 2025

Lindsey A. Perry  
Auditor General  
2910 N. 44<sup>th</sup> 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,

Dawn D. Rector, CPA, MBA.  
Associate Vice Chancellor & Controller, Business Services

Maricopa County Community College District  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2024

## Status of Financial Statement Findings

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District deficiencies related to supervisors not reviewing and approving 8,412 employee time sheets representing \$5.37 million in total wages increased the risk of fraud and potential misuse of public monies  
Finding No: 2023-01. This finding initially occurred in fiscal year 2014.  
Status: Partially corrected

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As of June 30, 2024, the District had not resolved the inconsistent use of the District's documented procedures that require advance review and approval of employee time reporting or maintaining documentation of post-payment approval. The District's Human Capital Management System (HCM) is configured to require supervisory approval of time sheets prior to paying employees for hours recorded; however, because Department of Labor regulations require that employees be paid for time worked regardless of approval status, a system-generated approval process is used to ensure employees are paid timely. As a compensating control, the system-generated approval process triggers an automated email to supervisors following each bi-weekly payroll run identifying unapproved time and providing an opportunity for supervisors to manually approve employee time worked and paid.

There are many budget checks of all expenses, including wages, that are monitored and any material deviations from budget or large variances from prior year's actual expenses are investigated. Furthermore, District Grants Accounting procedures state that grant-funded time sheets not approved by a supervisor be certified by the project director prior to requests for reimbursement.

Additional communications, reminders, monitoring, exception reporting, and other efforts to increase compliance and improve approval documentation are currently being enacted. These include scheduling time on all supervisors' calendars at noon of each bi-weekly payroll deadline, prompting timely review and approval of employee time. Starting at 8:00 a.m. on the morning of each bi-weekly payroll deadline, all supervisors who have not yet approved employee time will receive hourly reminders with links to HCM to review and approve employee time. In addition, reports of supervisors who have not yet approved employee time by noon will be elevated to relevant district and college personnel to allow time for additional communication directly from these key individuals (rather than the system-generated emails) and prior to the 5:00 p.m. deadline that triggers the system-generated approval. Additional enhancements to replace the manual approval process, which follows the system-generated approval, that allows supervisors to access the system to approve employee time after each bi-weekly payroll is processed was put in place in February 2025.

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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: 2023-02. This finding initially occurred in fiscal year 2023.  
Status: Partially Corrected

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The District has implemented some measures to address this concern, however the District will be implementing additional protocols to further strengthen the protection of the District's IT systems and sensitive data. This includes the implementation of a new Identity and Access Management (IAM) solution to enhance the overall account management, provisioning, access rights, privileged access review and role-based access assignment upon hire.

Maricopa County Community College District  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2024

Status of Federal Award Findings and Questioned Costs

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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

Finding No: 2023-101. This finding initially occurred in fiscal year 2014.

Status: Fully Corrected

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Cluster name: TRIO Cluster

Assistance Listing number and name: 84.042 TRIO – Student Support Services

84.047 TRIO – Upward Bound

Award numbers and years:

P047A171009, September 1, 2017 through August 31, 2022

P047A170820, September 1, 2017 through August 31, 2023

P042A200873, P042A201342 and P042A200859, September 1, 2020 through August 31, 2025

P047A221154 and P047A221160, September 1, 2022 through August 31, 2027

Finding No: 2023-102. This finding initially occurred in fiscal year 2022.

Status: Fully Corrected

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Assistance Listing number and name: 84.031 Higher Education – Institutional Aid

Award numbers and years:

P031S160090, October 1, 2016 through September 30, 2023

P031S190167, October 1, 2019 through September 30, 2024

P031S200096 and P031S200281, October 1, 2020 through September 30, 2025

P031SC210057 and P031S220179, October 1, 2021 through September 30, 2026

P031S220015 and P031S220179, October 1, 2022 through September 30, 2027

Finding No: 2023-103. This finding initially occurred in fiscal year 2021.

Status: Fully Corrected

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