

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	Yes

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Student Financial Assistance Cluster	84.007, 84.033, 84.063 and 84.268
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP)	84.334A
COVID-19: CARES Act Higher Education Emergency Relief Funds, Student Aid Portion	84.425E
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

STATE AWARDS

Type of auditor's report issued on compliance for programs:	Unmodified
---	------------

None reported

The following findings represent significant deficiencies of noncompliance and internal control over compliance that are required to be reported by the Uniform Guidance. The findings have been coded as follows:

2020-001 Special Tests and Provisions – Return to Title IV

Program Name: Student Financial Assistance Cluster
CFDA Numbers: 84.007, 84.003, 84.063 and 84.268
Direct funded by the U.S. Department of Education (ED)
Federal Agency: U.S. Department of Education (ED)

Criteria or Specific Requirement

Timing of Return of Title IV Funds – 34 CFR section 668.173(b):

Returns of Title IV funds are required to be deposited or transferred into the Student Financial Assistance (SFA) account or electronic fund transfers initialed to ED or the appropriate Federal Family Education Loan (FFEL) lender as soon as possible, but no later than 45 days after the date the institution determines that the student withdrew. Returns by check are late if the check is issued more than 45 days after the institution determined the student withdrew or the date on the canceled check shows the check was endorsed more than 60 days after the date the institution determined that the student withdrew or the date on the canceled check shows the check was endorsed more than 60 days after the date of institution determined that the student withdrew.

Condition

Significant Deficiency – The District's portion of the Return to Title IV (R2T4) funds was not returned within the 45 day requirement for two students tested.

Questioned Costs

No questioned costs as the funds were all returned to the Department of Education.

Context

The District performed 377 R2T4 calculations during the 2019-2020 fiscal year. Of the 40 records tested, two instances were noted in which the District did not return the Title IV funds within the required 45-day timeframe. One student was returned in 62 days, while the other was returned in 66 days.

Cause

The District internal controls did not operate effectively to ensure the college submitted funds in a timely manner, within the 45 day requirement.

Effect

The District did not comply with federal requirements associated with the Return to Title IV process.

Repeat Finding from Prior Year:

No

Recommendation

It is recommended the District should establish effective controls to ensure the Return of Title IV funds occurs within 45 days from the date the District determines the student withdrew from all classes.

View of Responsible Officials and Corrective Action Plan

The District has established a corrective action to ensure the Return of the Title IV funds within 45 days. The errors occurred partially due to the office structure for processing R2T4s, which has been changed as a result. All staff have been trained and the process is to monitor course withdrawals on a bi-weekly basis.

2020-002 Reporting

Program Name: COVID-19: CARES Act Higher Education Emergency Relief Funds (HEERF), Student Aid Portion

CFDA Numbers: 84.425E

Direct funded by the U.S. Department of Education (ED)

Federal Agency: U.S. Department of Education (ED)

Criteria or Specific Requirement

Section 18004(a)(1) of The Coronavirus Aid, Relief, and Economic Security Act required that institutions that received the HEERF 18004(a)(1) Student Aid Portion award to publicly post certain information on their website no later than 30 days after their award allocation date, and update that information every 45 days thereafter.

Condition

Significant Deficiency – During our testing over reporting for the student aid portion at the District, we noted that the report required to be publicly available 30 days following the award becoming available was late by 81 days and therefore, the District did not meet the timeliness requirement.

Questioned Costs

None reported.

Context

The District has one college that was required to report student grant metrics and other data within 30 days of their award allocation date. The report was reviewed for compliance, noting it was not submitted in a timely manner.

Cause

The District did not have an effective procedure in place to ensure the initial report was filed timely.

Effect

The District did not comply with the federal reporting requirements.

Repeat Finding from Prior Year:

No

Recommendation

It is recommended the District should establish a procedure to ensure timeliness of reporting requirements is met.

View of Responsible Officials and Corrective Action Plan

The District has established a quarterly reporting timeline for the HEERF (CARES) Act funds to be posted no later than 10 days after each calendar quarter (October 10th, January 10, April 10, and July 10) apart from the first report. The Director of Financial Aid & Scholarships has committed the quarterly report due dates to the operational calendar and data collection for reporting will be centralized moving forward.

None Reported

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

Financial Statement Findings

None reported.

Federal Awards Findings

None reported.

State Awards Findings

None reported.