

Single Audit
Reporting
Package

June 30,
2022

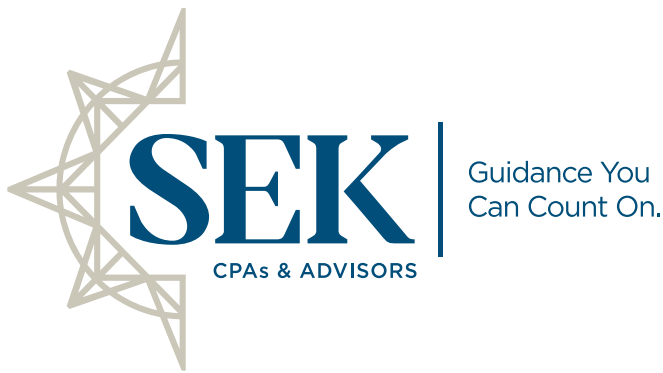
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CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE <i>UNIFORM GUIDANCE</i>	1 - 4
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	5
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	6
SCHEDULING OF FINDINGS AND QUESTIONED COSTS	7 - 12
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	13



INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY *THE UNIFORM GUIDANCE*

Board of Trustees
Harrisburg Area Community College
Harrisburg, Pennsylvania

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Qualified and Unmodified Opinions

We have audited Harrisburg Area Community College’s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Harrisburg Area Community College’s major federal programs for the year ended June 30, 2022. Harrisburg Area Community College’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on the Student Financial Aid Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the Harrisburg Area Community College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Student Financial Aid Cluster for the year ended June 30, 2022.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Harrisburg Area Community College, 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 auditor’s results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2022.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

Matter Giving Rise to Qualified Opinion on Student Financial Aid

As described in the accompanying schedule of findings and questioned costs, the Harrisburg Area Community College did not comply with requirements regarding the Student Financial Aid Cluster for Activities Allowed or Unallowed and Eligibility as described in finding 2022-003.

Compliance with such requirements is necessary, in our opinion, for the Harrisburg Area Community College to comply with the requirements applicable to that program.

Responsibilities of Management 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 Harrisburg Area Community College's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Harrisburg Area Community College'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 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 Harrisburg Area Community College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with 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 Harrisburg Area Community College'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 Harrisburg Area Community College’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 Harrisburg Area Community College’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit 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 other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-004. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Harrisburg Area Community College’s response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Harrisburg Area Community College’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s 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 did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-003 and 2022-004 to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on Harrisburg Area Community College's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Harrisburg Area Community College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE
UNIFORM GUIDANCE**

We have audited the financial statements of Harrisburg Area Community College as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Harrisburg Area Community College's basic financial statements. We issued our report thereon dated November 17, 2022, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the 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 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 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 auditing standards generally accepted in the United States of America. 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.

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.



Chambersburg, Pennsylvania
February 20, 2023, except for our report on the
Schedule of Expenditures of Federal Awards for
which the date is November 17, 2022

HARRISBURG AREA COMMUNITY COLLEGE
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal ALN Number	Pass Through Grantor's Number	Total Passed- Through to Subrecipients	Cash Receipts/ (Repayments)	Accrual Basis Expenditures
DEPARTMENT OF EDUCATION					
Education Stabilization Fund					
COVID-19 - Higher Education Emergency Relief Fund - Student Portion	84.425E	N/A	\$ -	\$ 23,400,000	\$ 23,461,970
COVID-19 - Higher Education Emergency Relief Fund - Institutional Relief	84.425F	N/A	-	25,590,416	13,393,313
COVID-19 - Higher Education Emergency Relief Fund - Strengthening Institutions	84.425M	N/A	-	2,666,736	-
Passed through Pennsylvania Department of Education					
COVID-19 - Governors Emergency Education Relief Fund	84.425C	410087442	-	-	270,517
COVID-19 - Governors Emergency Education Relief Fund II	84.425C	257-21-007	-	685,492	1,745,181
Passed through Tri-County Opportunities Industrialization Center, Inc.					
COVID-19 - Governors Emergency Education Relief Fund	84.425C	064-21-0030A	-	56,782	57,905
Total Education Stabilization Fund			-	52,399,426	38,928,886
Student Financial Aid Cluster					
FSEOG Program	84.007	N/A	-	866,019	774,268
FWS Program	84.033	N/A	-	81,771	124,516
PELL Program	84.063	N/A	-	19,222,994	19,798,103
Direct Student Loan Program	84.268	N/A	-	32,737,703	32,821,275
Total Student Financial Aid Cluster			-	52,908,487	53,518,162
Passed through Pennsylvania Department of Education					
Vocational Educational Grants Perkins III	84.048	FA 381-20-012	-	(16,404)	-
Vocational Educational Grants Perkins III	84.048	FA-381-22-0006	-	1,054,045	1,142,765
Total Vocational Educational Grants Perkins III			-	1,037,641	1,142,765
Passed through Tri-County Opportunities Industrialization Center, Inc.					
Adult Basic Education	84.002	064-20-FEDERAL	-	5,678	-
Total Department of Education			-	106,351,232	93,589,813
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
AmeriCorps	94.006	N/A	-	26,006	26,006
DEPARTMENT OF LABOR					
Passed through Pennsylvania Department of Labor and Industry					
Trade Adjustment Assistance	17.245	TC-22519-11-60-A-42	-	31,220	31,220
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed through Pennsylvania Department of Welfare					
Keystone Education Yields Success (KEYS)	93.558	SAP 410008087	-	323,234	420,015
Keystone Education Yields Success (KEYS)	93.558	4100063543-2	-	93,386	-
Passed through Shippensburg University					
Strengthening and Aligning Higher Education Systems for Early Care and Education Professions	93.434	PTE 90TP0038	-	342,446	301,494
Total Department of Health and Human Services			-	759,066	721,509
DEPARTMENT OF HOMELAND SECURITY					
Passed through the City of Philadelphia					
PA Urban Search and Rescue Task Force	97.025	PA-TF-1	-	275,404	439,003
NATIONAL SCIENCE FOUNDATION					
Passed through Jefferson Community College and Technical College					
Geospatial Tech Center of Excellence: Growing the Workforce	47.076	DUE-1700496-HACC	-	28,507	32,644
Total federal financial assistance			\$ -	\$ 107,471,435	\$ 94,840,195

HARRISBURG AREA COMMUNITY COLLEGE
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

NOTE 1 GENERAL INFORMATION

The accompanying Schedule of Expenditures of Federal Awards presents the activities of the federal financial assistance programs of the Harrisburg Area Community College (the College). Financial awards received directly from federal agencies, as well as financial assistance passed through other governmental agencies or nonprofit organizations, are included in the schedule.

NOTE 2 BASIS OF PRESENTATION/ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal awards activity of the College and the expenditures recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented or used in the preparation of the basic financial statements.

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The Schedule of Expenditures of Federal Awards presents only a selected portion of the activities of the College. It is not intended to, and does not, present either the financial position, changes in net position, or cash flows of the College. The financial activity for the aforementioned awards is reported in the College's statement of revenues, expenses, and changes in net position. In certain programs, the expenditures reported in the financial statements may differ from the expenditures reported in the Schedule of Expenditures of Federal Awards, due to grant or contract budget limitations.

NOTE 4 FEDERAL DIRECT STUDENT LOANS

The College is only responsible for the performance of certain administrative duties and is not considered the lender with respect to the student loan programs, and accordingly, these loans are not included in its financial statements and it is not practical to determine the balance of loans outstanding to students and former students of the College under these programs. The amount reported on the Schedule of Expenditures of Federal Awards represents new loan advances during the year.

NOTE 5 INDIRECT COST RATE

The College has not elected to use the 10% de minimus indirect cost rate for its federal programs.

HARRISBURG AREA COMMUNITY COLLEGE
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified? Yes None reported

Type of auditor's report issued on compliance for major programs: Qualified

- Any audit compliance findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516? Yes No

Identification of major programs:

ALN Number(s)	Name of Federal Program or Cluster
	Student Financial Aid Cluster:
84.007	FSEOG Program
84.063	PELL Program
84.033	FWS Program
84.268	Direct Student Loan Program
	Education Stabilization Fund:
84.425E	Higher Education Emergency Relief Fund – Student Portion
84.425F	Higher Education Emergency Relief Fund – Institutional Relief
84.425C	Governors Emergency Education Relief Fund I and II

Dollar threshold used to distinguish between Type A and Type B programs: \$ 2,845,206

Auditee qualified as low-risk auditee? Yes No

Section II – Financial Statement Findings

A. Significant Deficiencies or Material Weaknesses in Internal Control

See finding 2022-001 in the separately issued Schedule of Findings associated with the Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated November 17, 2022.

B. Compliance Findings

See finding 2022-002 in the separately issued Schedule of Findings associated with the Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated November 17, 2022.

Section III – Federal Findings and Questioned Costs

Finding Reference: 2022-003
Federal Agency: U.S. Department of Education
Federal Program: Student Financial Aid Cluster
Compliance Requirement: Activities Allowed or Unallowed and Eligibility
Type of Finding: Significant Deficiency in Internal Control over Compliance and Noncompliance

Criteria: 34 CFR 668.32 – a student is eligible to receive Title IV, HEA (Higher Education Act) program assistance if the student is a regular student enrolled, or accepted for enrollment, in an eligible program at an eligible institution.

Statement of Condition: Potential noncompliance was identified by the College. It is possible there were students enrolled in ineligible programs during the 2021/2022 fiscal year.

Statement of Cause: No cause could be determined.

Possible Asserted Effect: The institution may have improperly awarded Title IV funds to students who have not been accepted into an eligible program of study leading to a degree or certificate.

The College has reported that the Federal Department of Education initiated a program review during 2022 and the College informed the Department of the potential noncompliance. The College is currently awaiting the final results of that review.

Questioned Costs: \$ 9,065

HARRISBURG AREA COMMUNITY COLLEGE
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2022

Context:

During the performance of the prior year audit, the College reported possible noncompliance to the auditors and noted they were working with consultants to review the situation and make programmatic adjustments as necessary. The College has noted these programmatic adjustments were made during the 2021/2022 fiscal year and took effect in January 2022. The College offers a number of health career programs in which prior to programmatic changes that occurred during 2021/2022, a student was initially enrolled and began the program by taking general education courses and in some cases certain major courses as well. Once these courses were completed the student was able to apply to continue in the program through a selective admissions process to transition to the clinical portion of the program which culminated in the student receiving a certificate or degree. The selective admissions process differed from program to program but was generally based on a published criteria which centers around a ranking based on the completion and final grade for certain initial courses, certain test scores and selection of campus location.

The possible noncompliance centers on whether the College's selective admission process to transition to the clinical portion of the programs, in turn, makes the initial portion of these programs ineligible. In that situation, students enrolled in the initial portion of the program may not be considered regular students enrolled or accepted for enrollment for the purpose of obtaining a degree or certificate offered by the College and would not be eligible for Title IV financial aid.

The auditor selected a sample of 60 students to review program eligibility. This sample include 25 students from the fall semester, 25 students from the spring semester and, 10 students from the summer semester. The sample included six (6) students enrolled in the health career programs noted above. Of these six (6) students, four (4) students did not advance to the clinical portion of the program or transfer to a program receiving credit for their initial courses. The six (6) students enrolled in the heath career programs were all from the fall semester prior to the changes made in January 2022. The auditor was unable to determine if the College's selective admission process related to these health career programs is in compliance with federal regulations. As a result, questioned costs which encompass the financial aid received during 2021/2022 are included above for the possible violation related to the four (4) students noted.

Based on the fact the auditor is unable to determine the eligibility status of students enrolled in these programs or the overall program eligibility for the initial portion of these programs, the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance includes a qualified opinion for the Student Financial Aid Cluster.

HARRISBURG AREA COMMUNITY COLLEGE
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2022

Repeat Finding:

This is a repeat finding.

Recommendation:

We recommend that the College work with the U.S. Department of Education to review the programs in question and determine what additional programmatic changes may be necessary, if any, to ensure the student financial aid program is in compliance with federal regulations.

*Views of Responsible
Officials and Planned
Corrective Actions:*

Management acknowledges and agrees with the finding.

Section III – Federal Findings and Questioned Costs (Continued)

Finding Reference:	2022-004
Federal Agency:	U.S. Department of Education
Federal Program:	Student Financial Aid Cluster
Compliance Requirement:	Reporting
Type of Finding:	Significant Deficiency in Internal Control over Compliance and Noncompliance
<i>Criteria:</i>	Institutions are required to report enrollment information under the Pell grant and the Direct loan programs via the National Student Loan Data System (NSLDS).
<i>Statement of Condition:</i>	One student’s enrollment changes were not properly reported to NSLDS and this was not initially addressed by the College.
<i>Statement of Cause:</i>	The students name and social security number as submitted by the institution do not agree to the information that in NSLDS and thus the submission was rejected.
<i>Possible Asserted Effect:</i>	The College may not in compliance with reporting required to NSLDS in all circumstances.
<i>Questioned Costs:</i>	None noted.
<i>Context:</i>	A sample of 25 students were selected for enrollment testing and 1 student was identified with reporting errors. NSLDS is utilized by all Institutions. The student’s information as reported in the College’s system was submitted. However, there were errors in the submission because of a conflict in name due to an incorrect social security number. Since all Institutions utilize NSLDS at some point a school (perhaps not the College) submitted the social security number provided by this student with a different name.
<i>Repeat Finding:</i>	This is not a repeat finding.
<i>Recommendation:</i>	We recommend that the College contact the student to obtain a copy of their social security card to confirm the name and number to correct this situation. The College should also review its internal procedures to ensure controls are in place to timely identify reporting discrepancies and make corrections as necessary.
<i>Views of Responsible Officials and Planned Corrective Actions:</i>	Management acknowledges and agrees with the findings. The College has developed a process to identify and correct discrepancies.



Schedule of Prior Audit Findings Year Ended June 30, 2021

Findings related to Financial Statements:

See finding 2021-001

Findings related to Federal Awards:

Finding 2021-001

Condition: Potential noncompliance was identified by the College. It is possible there are students enrolled in ineligible programs.

Status: Pending final determination by the U.S. Department of Education, the review is still in process.

Finding 2021-002

Condition: GEER II funds were received during June of 2021; however, a Quarterly Cash on Hand report was not filed for the quarter ended June 30, 2021.

Status: All GEER II Quarterly Cash on Hand Reports for September 2021 and forward have been filed timely.