

Annual Fiscal Report

Reporting Year: 2018-2019

Final Submission

04/22/2020

American Samoa Community College

P.O. Box 2609

Pago Pago, American Samoa 96799

General Information

#	Question	Answer
1.	Confirm the correct institution's report	Confirmed
2.	Parent Organization name	American Samoa Community College
3.	Contact information for Chief Business Officers a. Name of College Chief Business Officer (CBO) b. Title of College CBO c. Phone number of College CBO d. E-mail of College CBO	Elsie Lesa Financial Officer (684) 699-9155 ext. 308 e.lesa@amsamoa.edu

e. Name of Parent Organization CBO if different than the College CBO	N/A
f. Title of Parent Organization CBO if different than the College CBO	N/A
g. Phone number of Parent Organization CBO	N/A
h. E-mail of Parent Organization CBO	N/A

Parent Organization Data

4.	Parent Organization fiscal year:	from first day of October to last day of September		
5.	a. Annual General Fund and Tuition & Fee Revenue	REPORT-2	REPORT-1	REPORT
		\$ 7,895,652	\$ 6,979,417	\$ 8,100,340
	b. Revenue from other unrestricted sources (non-General Fund)	\$ 4,717,129	\$ 5,625,314	\$ 4,683,764
6.	a. Net Beginning Balance available to fund operations	REPORT-2	REPORT-1	REPORT
		\$ -1,396,157	\$ -2,928,567	\$ -5,780,426
	b. Net end of the year Operational Balance (unspent and uncommitted funds)	\$ -6,078,419	\$ -6,273,457	\$ -5,607,238

Annual Operating Revenue

		REPORT-2	REPORT-1	REPORT
7.	a. Total Operating Expenditures	\$ 8,173,339	\$ 7,795,040	\$ 7,984,224
	b. Total annual Operating Personnel Costs	\$ 5,805,574	\$ 6,147,354	\$ 6,312,319
	c. Other Operating Current Expenditures [Expenditures - Outgo (a - b)]	\$ 2,367,765	\$ 1,647,686	\$ 1,671,905

Liabilities

8.	Did the Parent Organization borrow funds for cash flow purposes?	REPORT-2 No	REPORT-1 No	REPORT No
9.	Total Parent Organization Borrowing	REPORT-2	REPORT-1	REPORT
	a. Short-Term Borrowing (less than one year)	\$ 0	\$ 0	\$ 0
	b. Long Term Borrowing	\$ 0	\$ 0	\$ 0
10.	a. Did the Parent Organization issue long-term debt instruments during the fiscal year noted?	REPORT-2 No	REPORT-1 No	REPORT No

	b. What type(s)	N/A	N/A	N/A
	c. Total amount	\$ 0	\$ 0	\$ 0
11.	Debt Service Payments (General Operating Fund)	REPORT-2 \$ 0	REPORT-1 \$ 0	REPORT \$ 0

Cash Position

		REPORT-2	REPORT-1	REPORT
12.	Parent Organization end of fiscal year Cash Balance (unencumbered cash):	\$ 1,207,509	\$ 929,390	\$ 815,196
13.	Does the parent organization prepare multi-year cash flow projections during the year?	Yes		

Annual Audit Information

14.	Date annual audit report for the REPORT fiscal year was electronically submitted to accjc.org, along with the institution's response to any audit exceptions	04/21/2020
	NOTE: Audited financial statements are due to the ACCJC no later than the end of the 9th month following the close of the fiscal year. A multi-college organization may submit a single district audit report on behalf of all colleges in the organization that are accredited by the ACCJC.	

Summarize Material Weaknesses and Significant Deficiencies from annual audit report (enter n/a if not applicable):

REPORT-
2

Summary of 2 Findings: (1) Special Test and Provisions: Auditors noted that the verification process for the Financial Aid Office was not completed correctly. Of the 1,117 students receiving financial aid, the auditors tested 157 students file of which 105 were flagged for verification process and 23 of those student's verification process was not completed correctly.

(2) Activities Allowed - Student Records: The Auditors noted that the College Financial Aid Office did not use all the days in the Spring semester to calculate R2T4 correctly. It should have been 116 days and not 109 days. By the Financial Aid Department not using the full semester days the award could be calculated incorrectly.

15.

REPORT-
1

Summary of 2 Findings: (1) Special Tests and Provisions: Auditors noted that the verification process for the Financial Aid Department was conducted incompletely . Of the 944 students receiving financial aid, the auditors tested 165 students file of which 89 were flagged for verification process and 2 of those student's verification process was not completed correctly.

(2) Activities Allowed - Federal Work Study: The Auditors noted that the college is not in compliance with Federal Work Study allowability requirements. Of the 132 students awarded federal work study we tested 46 students of which only 2 had issues of working while they should have been in class.

REPORT

Summary of 8 Findings: (1)Material Weakness, Lack of adequate controls surrounding the capitalization of capital asset expenditures. The College expensed certain capital asset expenditures during 2018 that should have been capitalized. The cumulative effect to the financial statements was material, creating a prior period restatement. Approximately \$1.3 million was moved from expense to capital asset accounts, and an additional \$43 thousand was recorded in depreciation expense related to these assets.

(2) Significant Deficiency, Lack of adequate controls surrounding the preparation of the Schedule of

Expenditures of Federal Awards. The College lacked controls surrounding the preparation of the SEFA. Several errors in the SEFA were noted: The SEFA was prepared with incorrect CFDA numbers, incomplete descriptions, incomplete program names, and inaccurate expenditures. Pass through grant identifying numbers were also missing from the SEFA.

(3) Special Tests and Provisions - Return of Title IV Funds, Significant Deficiency in Internal Control over Compliance. A sample of 10 students who were recipients of Title IV funding and had withdrawn during the year was selected from a population of 25. Student records were compared to the calculation of the return of Title IV funds. We noted there were inconsistencies within the calculations, creating variances between what was returned and what should have been returned. Additionally, the Title IV funds were not returned within the 45-day period as required. The Financial Aid office recalculated each of the R2T4 calculations for the entire population of both unofficial and official withdrawals during the award period 2018-2019 that were under the 60% attendance requirement. This resulted in 24 recalculations and a total net adjustment in the amount of \$7,371, which was returned to the ED subsequent to year end.

(4) Enrollment Reporting, Significant Deficiency in Internal Control over Compliance. In our audit sample of 10 withdrawals and 10 graduated students, none had been reported timely. Subsequently, the withdrawn student status had been corrected for the sampled students, but not within the required timeframe. Our sample was selected using a random methodology, rather than a statistical sampling methodology.

(5) Special Tests and Provisions - Gramm-Leach-Bliley Act - Student Information Security, Significant Deficiency in Internal Control over Compliance. A written risk assessment wasn't performed that addressed the three required areas noted in 6 CFR 314.4 (b), which are (1) Employee training and management; (2) Information systems, including network and software design, as well as information processing, storage, transmission and disposal; and (3) Detecting, preventing and responding to attacks, intrusions, or other systems failures.

(6) Equipment and Real Property Management, Significant Deficiency in Internal Control over Compliance. During our testing of equipment and real property management, we noted that for all four items in our sample, an inventory of these items had not been performed in the prior two years. Our sample was selected using a random methodology, rather than a statistical sampling methodology.

(7) Allowable Costs/Cost Principles, Significant Deficiency in Internal Control Over Compliance. During

our testing of Allowable Costs/Cost Principles, we selected a sample of 25 items from a population of 361. Two of the 25 selections were for housing allowances, which is a part of faculty contracts in these cases. These costs are unallowable per Uniform Guidance without prior approval from the awarding agency, which was not obtained in advance.

(8) Allowable Costs/Cost Principles, Significant Deficiency in Internal Control Over Compliance. During our testing of Allowable Costs/Cost Principles, we selected a sample of 26 items from a population of 13,564. Two of the 26 selections' time and effort report did not represent the amount of expenditure allocated to the grant. These costs are unallowable based upon the Uniform Guidance, as the proportionate share of payroll costs should have been allocated based on the time and effort reports.

Other Information

		REPORT-2	REPORT-1	REPORT
16.	a. Budgeted or Planned Students	1,053	996	878
	b. Actual Students	916	895	830
17.	a. During the reporting period, did the College or Parent Organization settle any contracts with employee bargaining units?	No		
	b. Did any negotiations remain open?	No		
	c. Describe significant fiscal impacts:	N/A		

College Data

COLLEGE DATA (for a single college the same answers as in the above Parent Organization sections)			
	REPORT-2	REPORT-1	REPORT
18.			
a. Budgeted or Planned number of Students	1,053	996	878
b. Actual number of Students	916	895	830
19.			
Unrestricted budget or operating resources allocated to the College by the Parent Organization	\$ 7,895,652	\$ 6,979,417	\$ 8,100,340
20.			
At the end of the fiscal year what was the amount, if any, of general fund or operating budget allocation that was unspent by the College?	\$ -6,078,419	\$ -6,273,457	\$ -5,607,238
21.			
What percentage of any ending fund balance or allocation does the Parent Organization allow the College to carry-over into the following fiscal year?			0 %
22.			
College Data: USDE official cohort Student Loan Default Rate (FSLD) (3 year rate)	Most Recent Year 0 %	Most Recent Year-1 0 %	Most Recent Year-2 0 %

College Data: Were there any executive or senior administration leadership changes at the institution during the fiscal year?

Yes

Please describe the leadership change(s)

23.

Vice President of Finance and Administration - Dr. Lina Scanlan (Outgoing)
Vice President of Finance and Administration - Sonny Leomiti (Incoming)
Executive Director of Institutional Effectiveness - Sonny Leomiti (Outgoing)
Executive Director of Institutional Effectiveness - Tauvela Fale (Incoming)

The data included in this report are certified as a complete and accurate representation of the reporting institution.