

Single Audit  
Reporting  
Package

June 30,  
2025



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## **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***

#### ***Opinion on Each Major Federal Program***

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, 2025. 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.

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 major federal programs for the year ended June 30, 2025.

#### ***Basis for Opinion on Each Major Federal Program***

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.

## ***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 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 2025-001. 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 a certain deficiency in internal control over compliance that we consider to be a material weakness.

*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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a material weakness.

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.

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.

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

We have audited the financial statements of Harrisburg Area Community College (the College), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated November 13, 2025, which contained an unmodified opinion 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.

*Smith & Elliott Reams & Company, LLC*

Chambersburg, Pennsylvania  
February 12, 2026, except for our report on  
the Schedule of Expenditures of Federal  
Awards for which the date is  
November 13, 2025.

# HARRISBURG AREA COMMUNITY COLLEGE

## Schedule of Expenditures of Federal Awards

### Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass Through Grantor's Number	Total Passed- Through to Subrecipients	Cash Receipts/ (Repayments)	Accrual Basis Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>					
<b>Student Financial Aid Cluster</b>					
FSEOG Program	84.007	N/A	\$ -	\$ 723,747	\$ 708,980
FWS Program	84.033	N/A	-	202,589	171,760
Job Location and Development Program	84.033		-	<u>30,168</u>	<u>24,610</u>
Total 84.033 Federal Work-Study Program			-	232,757	196,370
Federal PELL Grant Program	84.063	N/A	-	24,197,147	23,534,771
Federal Direct Student Loan	84.268	N/A	-	28,435,065	27,942,403
Total Student Financial Aid Cluster			-	<u>53,588,716</u>	<u>52,382,524</u>
<b>Higher Education Institutional Aid</b>					
Title III SIP	84.031A	N/A	-	<u>423,842</u>	<u>428,702</u>
<b>Passed through Pennsylvania Department of Education</b>					
Vocational Educational Grants Perkins III	84.048A	FA-381-24-0007	-	30,510	-
Vocational Educational Grants Perkins III	84.048A	FA-381-25-0018	-	<u>1,617,859</u>	<u>1,573,419</u>
Total 84.048A Vocational Educational Grants Perkins III			-	<u>1,648,369</u>	<u>1,573,419</u>
Total passed through Pennsylvania Department of Education			-	<u>1,648,369</u>	<u>1,573,419</u>
<b>Passed through Tri-County Opportunities Industrialization Center, Inc.</b>					
Adult Basic Education	84.002	064-22-0030A	-	<u>24,601</u>	-
<b>Passed through Tuscarora Intermediate Unit No. 11</b>					
Adult Basic Education	84.002	064-25-035	-	52,751	72,102
Total 84.002 Adult Basic Education			-	<u>77,352</u>	<u>72,102</u>
Total U.S. Department of Education			-	<u>55,738,279</u>	<u>54,456,747</u>
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>					
AmeriCorps	94.006	N/A	-	<u>6,673</u>	<u>13,344</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					
<b>Passed through Pennsylvania Department of Human Services</b>					
Administration for Children and Families - Keystone Education Yields Success (KEYS)	93.558	4100095766	-	<u>246,058</u>	<u>187,684</u>
<b>Passed through Shippensburg University</b>					
Strengthening and Aligning Higher Education Systems for Early Care and Education Professions	93.434	PTE 90TP0038	-	10,172	-
Strengthening and Aligning Higher Education Systems for Early Care and Education Professions	93.434	4100084467	-	<u>283,327</u>	<u>289,454</u>
Total 93.434 Strengthening and Aligning Higher Education Systems for Early Care and Education Professions			-	<u>293,499</u>	<u>289,454</u>
Total U.S. Department of Health and Human Services			-	<u>539,557</u>	<u>477,138</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>					
<b>Passed through Pennsylvania Department of Human Services</b>					
Supplemental Nutrition and Assistance Program (SNAP) - Keystone Education Yields Success (KEYS)	10.561	4100095766	-	401,633	348,819
<b>Passed through Rural Utilities Services</b>					
Rural Utilities Service (RUS) Distance Learning and Telemedicine Grant (DLT)	10.855	PA0756-A16 (Direct)	-	<u>577,653</u>	<u>529,601</u>
Total U.S. Department of Agriculture			-	<u>979,286</u>	<u>878,420</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>					
<b>Passed through the City of Philadelphia</b>					
PA Urban Search and Rescue Task Force	97.025	PA-TF-1	-	<u>571,679</u>	<u>593,875</u>
<b>U.S. DEPARTMENT OF Treasury</b>					
County of York: Group Violence Intervention	21.027	PCCD Grant ID: 36732	-	<u>8,413</u>	<u>7,322</u>
<b>NATIONAL SCIENCE FOUNDATION</b>					
<b>Passed through Shippensburg University</b>					
Robert Noyce Teacher Scholarship Program	47.076	2150966-01	-	-	<u>27,578</u>
Total Federal Financial Assistance			<u>\$ -</u>	<u>\$ 57,843,887</u>	<u>\$ 56,454,424</u>

**HARRISBURG AREA COMMUNITY COLLEGE**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2025**

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**NOTE 1 GENERAL INFORMATION**

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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**

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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**

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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**

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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**

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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, 2025**

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**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?
- Significant deficiencies identified?

Yes  No  
 Yes  None reported

Noncompliance material to financial statements noted?

Yes  No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiencies identified?

Yes  No  
 Yes  None reported

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

**Unmodified**

- 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:

<b>Assistance Listing Number(s)</b>	<b>Name of Federal Program or Cluster</b>
	<b>Student Financial Aid Cluster:</b>
84.007	FSEOG Program
84.033	FWS Program
84.063	Federal PELL Grant Program
84.268	Federal Direct Student Loan

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

Yes  No

## **Section II – Financial Statement Findings**

### **A. Significant Deficiencies or Material Weaknesses in Internal Control**

None Noted

### **B. Compliance Findings**

There were no compliance findings related to the financial statements audit required to be reported.

## **Section III – Federal Award Findings and Questioned Costs**

**Finding Reference:** 2025-001  
**Federal Agency:** U.S. Department of Education  
**Federal Program:** Student Financial Assistance Cluster  
**Compliance Requirement:** Return of Title IV Funds  
**Type of Finding:** Material Weakness in Internal Control over Compliance and Noncompliance

*Criteria:* Under 34 CFR 668.21(b), institutions are required to return Title IV funds within 30 days of determining that a student never began attendance. Additionally, 34 CFR 668.173(b) requires institutions to return Title IV funds within the timeframes established under the federal cash-management regulations, generally within 45 days of the date the institution determines a return is necessary. Institutions must also maintain internal controls sufficient to ensure accurate calculation and timely processing of required returns.

*Statement of Condition:* The College did not comply with federal requirements related to the timely return of Title IV funds. Specifically, the College failed to return aid for four students who never attended within the 30-day period required under 34 CFR 668.21(b). In addition, the College did not return funds for one student who began attendance but subsequently required a refund within the 45-day timeframe mandated under 34 CFR 668.173(b).

*Statement of Cause:* These instances occurred due to a breakdown in internal controls and insufficient review procedures. The College did not consistently ensure that the refunds calculated were returned within the required federal deadlines. Additionally, the review process was inadequate to ensure that students who never attended were identified timely and that the corresponding Title IV funds were returned in accordance with regulatory requirements.

*Possible Asserted Effect:* Failure to return Title IV funds within required timeframes places federal funds at risk and results in noncompliance with Title IV regulations. Continued deficiencies may expose the College to potential liabilities for improperly retained funds or increased oversight such as heightened cash monitoring.

**HARRISBURG AREA COMMUNITY COLLEGE**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended June 30, 2025**

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*Questioned Costs:* \$ 10,349

*Context:* A sample of 50 students were selected for return to Title IV testing and 5 students were identified with untimely refunds. The sample was not intended to be, and was not, a statistically valid sample. The College has already returned these funds to the U.S. Department of Education.

*Repeat Finding:* No

*Recommendation:* The College should strengthen its internal controls and monitoring procedures to ensure compliance with federal return-of-funds requirements. This should include timely verification that calculated refund amounts match what is actually returned, improved review processes to confirm that students who never attended are identified promptly, and training for relevant staff to ensure consistent understanding and execution of federal aid return requirements.

*Views of Responsible  
Officials and Planned  
Corrective Actions:*

The College acknowledges and accepts this finding. Processes that will mitigate this concern in the future had already been underway in the 2025-2026 aid year, and those practices, in addition to other steps we will take as part of the Corrective Action Plan, should eliminate future findings of this nature.



## **Summary Schedule of Prior Audit Findings Year Ended June 30, 2024**

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### **Findings related to financial statements:**

None

### **Findings related to Federal Awards and Questions Costs:**

None