



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Single Audit

Yavapai County Community College District

(Yavapai College)

Year Ended June 30, 2014



Debra K. Davenport
Auditor General

The **Auditor General** is appointed by the Joint Legislative Audit Committee, a bipartisan committee composed of five senators and five representatives. Her mission is to provide independent and impartial information and specific recommendations to improve the operations of state and local government entities. To this end, she provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits of school districts, state agencies, and the programs they administer.



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Yavapai County Community College District
(Yavapai College)
Single Audit Reporting Package
Year Ended June 30, 2014

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Reports Issued Separately

Comprehensive Annual Financial Report

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*



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
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 OMB Circular A-133

Members of the Arizona State Legislature

The Governing Board of
Yavapai County Community College District

Report on Compliance for Each Major Federal Program

We have audited Yavapai County Community College District's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, Yavapai County Community College District 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, 2014.

Report on Internal Control over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the business-type activities and discretely presented component unit of Yavapai County Community College District as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 12, 2014, that contained an unmodified opinion on those financial statements. Our report also included a reference to our reliance on other auditors. Our

audit was conducted 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 OMB Circular A-133 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, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Jay Zsorey, CPA
Financial Audit Director

March 17, 2015

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**Yavapai County Community College District
(Yavapai College)
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014**

| Federal agency/CFDA number (Note 2) | Federal program name | Cluster title | Pass-through grantor | Pass-through grantor's number | Program expenditures |
|---|---|---------------------------------|--|-------------------------------------|-------------------------|
| Department of Agriculture | | | | | |
| 10 170 | Specialty Crop Block Grant Program—Farm Bill | | Arizona Department of Agriculture | SCBGP-FB12-34 | \$ 26,418 |
| 10 558 | Child and Adult Care Food Program | | | | 23,926 |
| | Total Department of Agriculture | | | | <u>50,344</u> |
| Department of Labor | | | | | |
| 17 282 | Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants | | | | <u>511,641</u> |
| National Foundation of the Arts and Humanities | | | | | |
| 45 024 | Promotion of the Arts—Grants to Organizations and Individuals | | | | 10,000 |
| 45 129 | Promotion to the Humanities—Federal/State Partnership | | Arizona Humanities Council | GG04-5724-2012 | 5,000 |
| | Total National Foundation of the Arts and Humanities | | | | <u>15,000</u> |
| National Science Foundation | | | | | |
| 47 076 | Education and Human Resources | | | | <u>44,210</u> |
| Small Business Administration | | | | | |
| 59 037 | Small Business Development Center | | Maricopa County Community College District | 2-603001-Z-0003A | <u>92,685</u> |
| Department of Education | | | | | |
| 84 007 | Federal Supplemental Educational Opportunity Grants | Student Financial Assistance | | | 114,567 |
| 84 033 | Federal Work-Study Program | Student Financial Assistance | | | 95,899 |
| 84 038 | Federal Perkins Loan Program—Federal Capital Contributions | Student Financial Assistance | | | 302,003 |
| 84 063 | Federal Pell Grant Program | Student Financial Assistance | | | 10,701,768 |
| 84 268 | Federal Direct Student Loans | Student Financial Assistance | | | <u>7,295,841</u> |
| | <i>Total Student Financial Assistance Cluster</i> | | | | <u>18,510,078</u> |
| 84 042 | TRIO—Student Support Services | TRIO Cluster | | | 387,242 |
| 84 044 | TRIO—Talent Search | TRIO Cluster | | | 253,807 |
| 84 047 | TRIO—Upward Bound | TRIO Cluster | | | 189,116 |
| | <i>Total TRIO Cluster</i> | | | | <u>830,165</u> |
| 84 002 | Adult Education—Basic Grants to States | | Arizona Department of Education | 13FAECCP- 370620-0SA | 159,273 |
| 84 048 | Career and Technical Education—Basic Grants to States | | Arizona Department of Education | 14FCTDGB- 470620-01A | 156,787 |
| 84 069 | Leveraging Educational Assistance Partnership | | Arizona Commission for Postsecondary | None | <u>40,164</u> |

See accompanying notes to schedule

**Yavapai County Community College District
(Yavapai College)
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014**

| Federal agency/CFDA number (Note 2) | Federal program name | Cluster title | Pass-through grantor | Pass-through grantor's number | Program expenditures |
|--|--|---------------|---|-------------------------------------|-------------------------|
| 84 335 | Child Care Access Means Parents in School (CCAMPIS) | | | | 8,183 |
| | Total Department of Education | | | | <u>19,704,650</u> |
| Department of Health and Human Services | | | | | |
| 93 575 | Child Care and Development Block Grant | | Arizona Department of Economic Security | ADES12-026247 | 137,253 |
| | Total expenditures of federal awards | | | | <u>\$ 20,555,783</u> |

Yavapai County Community College District
(Yavapai College)
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Yavapai County Community College District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2 - Catalog of Federal Domestic Assistance (CFDA) Numbers

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2014 Catalog of Federal Domestic Assistance.

Note 3 - Loans Outstanding

The expenditures reported on the Schedule of Expenditures of Federal Awards included loan balances outstanding at June 30, 2014, of \$302,003 for the Federal Perkins Loan Program—Federal Capital Contributions, CFDA number 84.038.

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Yavapai County Community College District
(Yavapai College)
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

Summary of Auditors' Results

Financial Statements

| | |
|---|---|
| Type of auditors' report issued: | Unmodified |
| | Yes No |
| Internal control over financial reporting: | |
| Material weaknesses identified? | <u> X </u> <u> </u> |
| Significant deficiencies identified? | <u> </u> <u> X </u> (None reported) |
| Noncompliance material to the financial statements noted? | <u> </u> <u> X </u> |

Federal Awards

| | |
|--|---|
| Internal control over major programs: | |
| Material weaknesses identified? | <u> </u> <u> X </u> |
| Significant deficiencies identified? | <u> </u> <u> X </u> (None reported) |
| Type of auditors' report issued on compliance for major programs: | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (section .510[a])? | <u> </u> <u> X </u> |

Identification of major programs:

| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> |
|--------------------|--|
| 17.282 | Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants |
| | Student Financial Assistance Cluster: |
| 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 |
| | Trio Cluster: |
| 84.042 | TRIO—Student Support Services |

Yavapai County Community College District
 (Yavapai College)
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2014

| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> |
|--------------------|---|
| 84.044 | TRIO—Talent Search |
| 84.047 | TRIO—Upward Balance |

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

| | Yes | No |
|--|------------|-----------|
| Auditee qualified as low-risk auditee? | — | <u>X</u> |

Other Matters

| | | |
|---|----------|---|
| Auditee's Summary Schedule of Prior Audit Findings required to be reported in accordance with Circular A-133 (section .315[b])? | <u>X</u> | — |
|---|----------|---|

March 17, 2015

Debbie Davenport
Auditor General
2910 N. 44th Street, Suite 410
Phoenix, AZ 85018

Dear Ms. Davenport:

We have prepared the accompanying Summary Schedule of Prior Audit Findings as required by U.S. Office of Management and Budget Circular A-133. Specifically, we are reporting the status of audit findings included in the prior audit's Schedule of Findings and Questioned Costs related to federal awards.

Sincerely,

Dr. Clint Ewell,
Vice President, Finance and Administrative Services

Yavapai County Community College District
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2014

Status of Prior Year Federal Award Findings and Questioned Costs

Finding Numbers: 2013-001, 2013-002 and 2013-003

CFDA Numbers: 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

Status: Fully corrected