Community College Financial Statements and Single Audit Reporting Guidelines–2015

The Office of the Auditor General created these reporting guidelines following the Governmental Accounting Standards Board's, the Office of Management and Budget's, and the American Institute of Certified Public Accountants' authoritative literature. They include illustrative examples of financial statements, disclosures, and schedules, as well as the auditors' reports. The examples are neither authoritative nor required to be followed. Instead, they provide sample displays and disclosures to help ensure consistent and accurate presentation.

When district management uses these guidelines, management agrees to take responsibility for preparing and fairly presenting the District's basic financial statements, related note disclosures, and all accompanying information, including required supplementary information (RSI), supplementary information other than RSI, and other required disclosures. District management should ensure that its reports follow applicable authoritative guidance.

_____ County Community College District
(_____ College) *Use at District's discretion*
Single Audit Reporting Package
Year Ended June 30, 2015

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[1] When the discretely presented component unit's financial statements are presented on a separate page, appropriately label each financial statement to distinguish between the District's and the component unit's financial statements.

[2] GASB Statement 34, paragraph 125, requires that the District present only the statements of financial position and activities for a discretely presented component unit. The District should not include the statement of cash flows for the discretely presented component unit in the District's basic financial statements.

[3] If the District contributes to the Public Safety Personnel Retirement System (PSPRS) and has included the District's PSPRS plan net pension liability in the financial statements, add "—Cost-Sharing Pension Plan" and include the following additional schedules in the table of contents:
Schedule of Changes in the District's Net Pension Liability and Related Ratios—Agent Pension Plan
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_____ County Community College District
(_____ College) *Use at District's discretion*
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_____ County Community College District
(_____ College) *Use at District's discretion*
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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*[1]

[1] When the Yellow Book report on internal control and compliance is issued separately move to the Reports Issued Separately section at the bottom of the page.

(Letterhead)

Independent Auditors' Report

Members of the Arizona State Legislature

The Governing Board of
_____ County Community College District

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of the _____ County Community College District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the discretely presented component unit were not audited by the other auditors in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of _____ County Community College District as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

Adoption of New Accounting Standard—Add an emphasis-of-matter paragraph for consistency here if the District adopted a new GASB accounting standard during fiscal year 2015 and the implementation of the new standard had a material effect on the District's financial statements/disclosures (i.e., GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date; and GASB Statement No. 69, Government Combinations and Disposals of Governmental Operations). See AU-C §§708.07 and 708.A7 for additional guidance.

As discussed in Note __ to the financial statements, for the year ended June 30, 2015, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. ***(insert new accounting standards adopted)***. Our opinion is not modified with respect to this matter.

Correction of a Material Misstatement (Error) in Previously Issued Financial Statements—Add an emphasis-of-matter paragraph here when beginning net position is restated to correct a material misstatement in the previously issued financial statements (AU-C §708.13).

As described in Note __ to the financial statements, the District restated beginning net position of its financial statements for the year ended June 30, 2015, to correct a misstatement(s) in its previously issued financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages ___ through ___, Schedule of the District's Proportionate Share of the Net Pension Liability on page ___, and Schedule of District Pension Contributions on page ___ be presented to supplement the basic financial statements.[1] Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

[1] If the District contributes to PSPRS and has included the District's PSPRS plan net pension liability in the financial statements, this sentence should be modified as follows: "U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages ___ through ___, Schedule of the District's Proportionate Share of the Net Pension Liability—Cost-Sharing Pension Plan on page ___, Schedule of District Pension Contributions on page ___, Schedule of Changes in the District's Net Pension Liability and Related Ratios—Agent Pension Plan on page ___, and Schedule of Agent OPEB Plan's Funding Progress on page ___be presented to supplement the basic financial statements."

Add the following two paragraphs if the District includes a Schedule of Expenditures of Federal Awards with its financial statements.

Supplementary Information—Schedule of Expenditures of Federal Awards

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards 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. Such 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.

Add the following two paragraphs if the District issues a Comprehensive Annual Financial Report (CAFR).

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated ***[date of report]***, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

OR

In accordance with *Government Auditing Standards*, we will issue our report on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters at a future date. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and

compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Debbie Davenport
Auditor General

_____
Date of auditors' report.

OR

_____
Date of auditors' report, except for our report on the Supplementary Information—Schedule of Expenditures of Federal Awards for which the date is _____.

When reporting on the Schedule of Expenditures of Federal Awards (SEFA) in the auditors' report on the financial statements, the date of the report on the SEFA depends on when the auditors have completed the procedures relating to the SEFA. When those procedures are performed concurrently with the financial statements, the date on the SEFA would be the same as the auditors' report on the financial statements. However, when the procedures related to the SEFA are completed subsequent to the financial statement report date, the report on the schedule will carry a later date, resulting in a dual-dated report. See the AICPA Audit Guide, Government Auditing Standards and Single Audits, February 1, 2015, paragraphs 13.17 and 13.18.

When the discretely presented component unit's financial statements have not been audited, auditors should disclaim an opinion on those statements. When the discretely presented component unit's financial statements are not presented, auditors should issue an adverse opinion on the reporting entity's financial statements.

Illustrative auditors' reports, other than the preceding unmodified opinions on basic financial statements, are included in the AICPA Audit and Accounting Guide, State and Local Governments, as of March 1, 2015, Chapter 15, Appendix A.

Management's Discussion and Analysis

This should be printed on the District's letterhead or otherwise clearly noted that it is the District's document. The District's MD&A must comply with the provisions of GASB Statement 34, but cannot go beyond those provisions. Refer to GASB Statement 34, paragraphs 8-11 and GASB Statement 37, paragraph 4.

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the year ended June 30, 2015. Please read it in conjunction with the transmittal letter on page ___ and the District's basic financial statements, which begin on page ___. ***Modify as needed.***

____County Community College District in 2015

Using This Annual Report
Explain the reporting model—give a brief description of each financial statement, including how the statements relate to one another.

Analysis—
Discuss the District's current-year results in comparison with the prior year, emphasizing the current year. Explain the District's overall financial position from the Statement of Net Position and results of operations from the Statement of Revenues, Expenses, and Changes in Net Position in a way that helps users assess whether conditions are better or worse than the previous year and why. MD&A should focus on the District. Determining whether to discuss matters related to a component unit is a matter of professional judgment and should be based on the component unit's significance and relationship with the District. If a component unit must be discussed, be sure the readers know that the discussion's focus has shifted. When appropriate, the District's MD&A should refer readers to the component unit's separately issued financial statements.

The analysis should focus on the reasons for significant changes rather than simply on the amounts or percentages of changes. The analysis should also take into account any important economic factors that significantly affected the District's operating results during the year. Use graphics where appropriate. Also where appropriate, incorporate the required elements listed in the next section. Also explain any restrictions, commitments, or other limitations that significantly affect the future use of resources.

Required elements—
The District should present the information needed to support the preceding analysis. Accordingly, MD&A must include comparative financial data derived from the financial statements comparing the current year to the prior year and must include the following elements:

- ***Total assets, distinguishing between capital and other assets***
- ***Total deferred outflows of resources***
- ***Total liabilities, distinguishing between long-term liabilities and other liabilities***
- ***Total deferred inflows of resources***
- ***Total net position, distinguishing among net investment in capital assets, restricted amounts, and unrestricted amounts***
- ***Operating revenues, by major source***
- ***Total revenues***
- ***Operating expenses, by function***
- ***Total expenses***
- ***Income before contributions to term and permanent endowments or permanent fund principal and special and extraordinary items***

- *Contributions*
- *Special and extraordinary items*
- *Change in net position*
- *Ending net position*

Capital Asset and Debt Administration—
Describe significant capital asset and long-term debt activity, including commitments for capital expenditures. Also discuss any changes in the District's credit ratings and debt limitations that may affect its ability to finance its plans.

Other—
Comment on any facts, decisions, or conditions known by the end of the auditors' fieldwork that could significantly impact the District's financial position or results of operations. Examples of these types of situations include acceptance or termination of major grant awards, claims adjudicated, natural disasters, significant increases in tuition rates, pollution remediation obligations, etc. These matters should include situations that occurred during the year and up through the auditors' opinion date.

_____ County Community College District
(_____ College) ***Use at District's discretion***
Statement of Net Position—Primary Government[1]
June 30, 2015

	Business-Type Activities
Assets	
Current assets:	
Cash and cash equivalents	
Investments	
Receivables (net of allowances for uncollectibles):	
Accounts	
Property taxes	
Government grants and contracts	
Student loans, current portion	
Interest	
Other	
Inventories	
Prepaid items	
Total current assets	
Noncurrent assets:	
Hedging derivative instruments— interest rate swap	
Restricted assets:	
Cash and cash equivalents	
Cash and investments held by trustee(s)	
Endowment investments	
Property taxes receivable (net of allowances of $_____)	
Interest receivable	
Student loans receivable (net of allowances of $_____)	
Investments	
Capital assets, not being depreciated	
Capital assets, being depreciated, net	
Total noncurrent assets	
Total assets	
Deferred Outflows of Resources	
Deferred outflows related to pensions	
Deferred charge on debt refunding	
Accumulated decrease in fair value of hedging derivatives	
List other deferred outflows	
Total deferred outflows of resources	

[1] Label as "Primary Government" when the discretely presented component unit's counterpart financial statement is presented on a separate page.

See accompanying notes to financial statements.

_____ County Community College District
(_____ College) ***Use at District's discretion***
Statement of Net Position—Primary Government[1]
June 30, 2015

	Business-Type Activities
Liabilities	
Current liabilities:	
Accounts payable	
Accrued payroll and employee benefits	
Interest payable	
Deposits held in custody for others	
Unearned revenues	
Forward contract	
Current portion of compensated absences payable	
Current portion of insurance claims payable	
Current portion of long-term debt	
Total current liabilities	
Noncurrent liabilities:	
Deposits held in custody for others	
Compensated absences payable	
Insurance claims payable	
Long-term debt	
Net pension liability	
Total noncurrent liabilities	
Total liabilities	
Deferred Inflows of Resources	
Deferred inflows related to pensions	
Deferred credit on debt refunding	
Accumulated increase in fair value of hedging derivatives	
List other deferred inflows	
Total deferred inflows of resources	
Net Position	
Net investment in capital assets	
Restricted:	
Nonexpendable:	
Student loans	
Endowments	
Expendable:	
Scholarships	
Grants and contracts	
Debt service	
Capital projects	
Other ***Use this line item for the accumulation of immaterial restricted amounts.***	
Unrestricted (deficit)	
Total net position	

[1] Label as "Primary Government" when the discretely presented component unit's counterpart financial statement is presented on a separate page.

See accompanying notes to financial statements.

_____ County Community College District
(_____ College) ***Use at District's discretion***
Statement of Financial Position—Component Unit[1]
June 30, 2015

(Name)
Foundation

[1] When it is impractical to reformat the nongovernmental discretely presented component unit's financial statements into a display that is comparable with the District's financial statements, the individual financial statements of the component unit should be presented on the page directly following the District's counterpart financial statement (GASB Comprehensive Implementation Guide—2013-2014, question 4.33.1).

See accompanying notes to financial statements.

_____ County Community College District
(_____ College) ***Use at District's discretion***
Statement of Revenues, Expenses, and Changes in Net Position—Primary Government[1]
Year Ended June 30, 2015

	Business-Type Activities
Operating revenues:	
Tuition and fees (net of scholarship allowances of $_____)	
Government contracts	
Private contracts	
Bookstore income	
Food service income	
Dormitory rentals and fees (net of scholarship allowances of $_____)	
Other	
Total operating revenues	
Operating expenses:	
Educational and general:	
Instruction	
Public service	
Academic support	
Student services	
Institutional support	
Operation and maintenance of plant	
Scholarships	
Auxiliary enterprises	
Depreciation	
Total operating expenses	
Operating income (loss)	
Nonoperating revenues (expenses):	
Property taxes	
State appropriations	
Government grants	
Share of state sales taxes	
Private grants and gifts	
Investment earnings	
Interest expense on debt	
Gain (Loss) on disposal of capital assets	
Total nonoperating revenues (expenses)	
Income (Loss) before other revenues, expenses, gains, or losses	
Capital appropriations	
Capital grants and gifts	
Additions to permanent endowments	
Special item(s):	
Describe nature of event or transaction	
Extraordinary item(s):	
Describe nature of event or transaction	
Increase (Decrease) in net position	
Net position as restated, July 1, 2014	
Net position, June 30, 2015	

[1] Label as "Primary Government" when the discretely presented component unit's counterpart financial statement is presented on a separate page.

See accompanying notes to financial statements.

_____ County Community College District
(_____ College) ***Use at District's discretion***
Statement of Activities—Component Unit[1]
Year Ended June 30, 2015

(Name)
Foundation

[1] When it is impractical to reformat the nongovernmental discretely presented component unit's financial statements into a display that is comparable with the District's financial statements, the individual financial statements of the component unit should be presented on the page directly following the District's counterpart financial statement (GASB Comprehensive Implementation Guide—2013-2014, question 4.33.1).

See accompanying notes to financial statements.

_____ County Community College District
(_____ College) ***Use at District's discretion***
Statement of Cash Flows—Primary Government
Year Ended June 30, 2015

	Business-Type Activities
Cash flows from operating activities:	
Tuition and fees	
Contracts	
Bookstore receipts	
Food services receipts	
Dormitory rentals and fees	
Collection of loans to students	
Other receipts ***Describe if necessary.***	
Payments to suppliers and providers of goods and services	
Payments for employee wages and benefits	
Payments to students for scholarships and ***(or)*** loans	
Other payments ***Describe if necessary.***	
Net cash provided by (used for) operating activities	
Cash flows from noncapital financing activities:	
Property taxes	
State appropriations	
Grants	
Share of state sales taxes	
Noncapital endowments and gifts	
Federal direct lending receipts	
Federal direct lending disbursements	
Deposits held in custody for others received	
Deposits held in custody for others disbursed	
Net cash provided by (used for) noncapital financing activities	
Cash flows from capital and related financing activities:	
Capital appropriations	
Proceeds from issuance of capital debt	
Capital endowments and gifts	
Proceeds from sale of capital assets	
Principal paid on capital debt	
Interest paid on capital debt	
Payments made to contractors	
Purchases of capital assets	
Net cash provided by (used for) capital and related financing activities	

See accompanying notes to financial statements.

_____ County Community College District
(_____ College) ***Use at District's discretion***
Statement of Cash Flows—Primary Government
Year Ended June 30, 2015

	Business-Type Activities
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	
Interest received on investments	
Purchases of investments	
Net cash provided by (used for) investing activities	
Net increase (decrease) in cash and cash equivalents	
Cash and cash equivalents, July 1, 2014	
Cash and cash equivalents, June 30, 2015	
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	
Pension expense ***Add***	
Employer pension contributions ***Subtract***	
Provision for uncollectible accounts	
Expenses incurred but not reported	
Changes in assets and liabilities:	
Increase in:	
List appropriate accounts	
Decrease in:	
List appropriate accounts	
Net cash provided by (used for) operating activities	

If statement of net position line items are other than cash and cash equivalents, provide a reconciliation.

Noncash investing, capital, and noncapital financing activities: ***Information about all investing, capital, and noncapital financing activities of a governmental enterprise during a period that affects recognized assets, deferred outflows of resources, liabilities, or deferred inflows of resources but does not result in cash receipts or cash payments in the period should be reported. This information should be presented in a separate schedule, which may be in either a narrative or a tabular format, and it should clearly describe the cash and noncash aspects of transactions involving similar items. The schedule may be presented, if space permits, on the same page as the statement of cash flows.***

See accompanying notes to financial statements.

_____ County Community College District
(_____ College) ***Use at District's discretion***
Notes to Financial Statements
June 30, 2015

Note to preparers: In GASB Statement No. 38, the GASB emphasized that disclosure of immaterial information can be misleading and cited the following guidance in paragraph 6 of NCGA Interpretation 6:

> ***The notes to financial statements should not be cluttered with unnecessary and immaterial disclosures. Attendant circumstances and materiality must be considered in assessing the propriety of the notes to the financial statements disclosures.***

The 2012 GAAFR also emphasizes the importance of including only material disclosures and discourages negative disclosures such as "there are no subsequent events to report." See GAAFR, p. 346, for more information.

Note 1 - Summary of Significant Accounting Policies

_____ County Community College District's accounting policies conform to generally accepted accounting principles applicable to public institutions engaged only in business-type activities adopted by the Governmental Accounting Standards Board (GASB).

Add and adapt the following paragraph if implementing GASB Statement Nos. 68, 69, or 71 had a material effect on the District's financial statements.

For the year ended June 30, 2015, the District implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, and GASB Statement No. 69, *Government Combinations and Disposals of Governmental Operations*. GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits. GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. ***Modify as necessary.***

A. Reporting Entity

The District is a special-purpose government that is governed by a separately elected governing body. It is legally separate and fiscally independent of other state and local governments. The accompanying financial statements present the activities of the District (the primary government) and its discretely presented component unit, the _____ Foundation.

The _____ Foundation is a legally separate, tax-exempt organization. It acts primarily as a fund-raising organization that receives gifts and bequests, administers those resources, and disburses payments to or on behalf of the District for scholarships,

_____ ***(modify as appropriate)***. Although the District does not control the timing or amount of receipts from the Foundation, the Foundation's restricted resources can be used only by or for the benefit of the District or its constituents. Consequently, the Foundation is considered a component unit of the District and is discretely presented in the District's financial statements.

For financial reporting purposes, the Foundation follows the Financial Accounting Standards Board statements for not-for-profit organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information included in the District's financial report. Accordingly, those financial statements have been reported on separate pages following the District's respective counterpart financial statements. For financial reporting purposes, only the Foundation's statements of financial position and activities are included in the District's financial statements as required by generally accepted accounting principles for public colleges and universities. The Foundation has a June 30 year-end.

During the year ended June 30, 2015, the Foundation distributed $_____ to the District for both restricted and unrestricted purposes. Complete financial statements for the Foundation are not available ***OR*** can be obtained from _____.

B. Basis of Presentation and Accounting

The financial statements include a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows.

A statement of net position provides information about the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at the end of the year. Assets and liabilities are classified as either current or noncurrent. Net position is classified according to external donor restrictions or availability of assets to satisfy the District's obligations. Net investment in capital assets represents the value of capital assets, net of accumulated depreciation, less any outstanding debt incurred to acquire or construct the assets. Nonexpendable restricted net position includes gifts that have been received for endowment purposes and federal contributions for the Federal Perkins Loan Program, the corpus of which cannot be expended. ***Modify the preceding sentence as appropriate.*** Expendable restricted net position represents grants, contracts, gifts, and other resources that have been externally restricted for specific purposes. Unrestricted net position consists of all other resources, including those that have been designated by management to be used for other than general operating purposes.

A statement of revenues, expenses, and changes in net position provides information about the District's financial activities during the year. Revenues and expenses are classified as either operating or nonoperating, and all changes in net position are reported, including capital contributions and additions to endowments. Operating revenues and expenses generally result from exchange transactions. Accordingly, revenues, such as tuition and bookstore, food

service, and dormitory charges, in which each party receives and gives up essentially equal values, are considered operating revenues. Other revenues, such as property taxes, state appropriations, and government grants, result from transactions in which the parties do not exchange equal values and are considered nonoperating revenues. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Other expenses, such as interest expense, are considered nonoperating expenses.

A statement of cash flows provides information about the District's sources and uses of cash and cash equivalents during the year. Increases and decreases in cash and cash equivalents are classified as either operating, noncapital financing, capital financing, or investing.

The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. State appropriations are recognized as revenue in the year in which the appropriation is first made available for use. Grants and donations are recognized as revenue as soon as all eligibility requirements the provider imposed have been met.

The District should disclose its policy for eliminating internal activity.

If both unrestricted and restricted net position are available prior to expenditure, the District should disclose its policy concerning which resources are used first.

C. Cash and Investments

For the statement of cash flows, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, cash and investments held by the County Treasurer, investments in the State Treasurer's Local Government Investment Pool, and only those highly liquid investments with a maturity of 3 months or less when purchased. ***Modify as appropriate.***

Nonparticipating interest-earning investment contracts are stated at cost. Money market investments and participating interest-earning investment contracts with a remaining maturity of 1 year or less at the time of purchase are stated at amortized cost. All (other) investments are stated at fair value. ***Modify the disclosure as necessary to describe the District's policy for valuing investments. Also, describe the methods and significant assumptions used to estimate fair value if it is based on other than quoted market prices.***

If investments are negotiable or transferable, causing changes in the market or interest rates to affect their value, the District should report those investments at fair value. However, if investments are not negotiable or transferable, and therefore not affected by changes in the market or interest rates, the District should report those investments at amortized cost. Further, if those same investments are money market investments or

interest-earning contracts that were not a part of the treasurer's pool and were purchased within 1 year of their maturity, the District may report them at amortized cost.

D. Inventories

The bookstore inventory is stated at cost by specific identification. All other inventories are stated at the lower of cost (first-in, first-out method) or market.

E. Capital Assets

Capital assets are reported at actual cost (or estimated historical cost if historical records are not available). Donated assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land			
Land improvements			
Buildings			
Equipment			
Intangibles ***(may list by major categories)***			
Library books			
Capitalized collections			

F. Deferred Outflows and Inflows of Resources

The statement of net position includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense in future periods. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will be recognized as a revenue in future periods.

G. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net

position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

H. Investment Earnings

Investment earnings is composed of interest, dividends, and net changes in the fair value of applicable investments.

I. Compensated Absences

Compensated absences payable consists of vacation leave and a calculated amount of sick leave employees earned based on services already rendered.

Employees may accumulate up to ___ hours of vacation depending on years of service, but they forfeit any unused vacation hours in excess of the maximum amount at (fiscal/calendar) year-end. Upon terminating employment, the District pays all unused and unforfeited vacation benefits to employees. Accordingly, vacation benefits are accrued as a liability in the financial statements.

Employees may accumulate an unlimited number of sick leave hours. Generally, sick leave benefits provide for ordinary sick pay and are cumulative, but employees forfeit them upon terminating employment. Because sick leave benefits do not vest with employees, a liability for sick leave benefits is not accrued in the financial statements. However, for employees who ***describe the circumstances (for example, employees with a certain number of years of service and/or over a certain age)***, sick leave benefits do vest and, therefore, are accrued as a liability in the financial statements.

J. Scholarship Allowances

A scholarship allowance is the difference between the stated charge for goods and services the District provides and the amount that the student or third parties making payments on the student's behalf pays. Accordingly, some types of student financial aid, such as Pell grants and scholarships the District awards, are considered scholarship allowances. These allowances are netted against tuition and fees revenues in the statement of revenues, expenses, and changes in net position.

Note _ - Correction of a Misstatement—Prior Period Adjustment

A correction of a material misstatement (error) in previously issued financial statements should be reported as a prior period adjustment. A prior period adjustment is reported in the year a misstatement is discovered as a restatement of beginning net position for the effects. Misstatements in financial statements may result from factors such as mathematical mistakes, mistakes in the application of accounting principles, classification errors, or oversight or misuse of facts that existed at the time the financial

statements were prepared. The cumulative effect of a misstatement in previously issued financial statements that is not deemed material should be corrected prospectively in the current year's financial statements.

In addition, the following disclosures are required for a correction of a misstatement, see GASB Statement 62 for additional guidance:

1. ***The nature of the misstatement,***
2. ***The effect of the misstatement on beginning net position, and***
3. ***The effect of the misstatement with respect to the amount reported for changes in net position in the previous fiscal year.***

When a material misstatement is discovered subsequent to the issuance of the financial statements, management must take the following steps to ensure that anyone in receipt of the audited financial statements is informed of the situation, including that the audited financial statements are not to be relied upon. Management's steps may include the following, see AU-C §560:

- ***Notification to anyone who is known to be relying or who is likely to rely on the financial statements that the auditors' report and financial statements are not to be relied upon and that revised financial statements, together with a new auditors' report will be issued.***
- ***Issuing, as soon as practicable, revised financial statements with appropriate disclosure of the misstatement.***
- ***Issuing the subsequent year's financial statements with the appropriate disclosure of the misstatement. This is usually appropriate when issuance of the subsequent year's financial statements is imminent.***

The auditor should include an emphasis-of-matter paragraph in the auditors' report when there is an adjustment to correct a material misstatement in previously issued financial statements, see AU-C §708.

Note _ - Change in Accounting Principle

Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.*

	Primary Government
Net Position as previously reported at June 30, 2014	$
Prior period adjustment–implementation of GASB 68:	
Net pension liability (measurement date as of June 30, 2013)	
Deferred outflows—district contributions made during fiscal year 2014	
Total prior period adjustment	
Net position as restated, July 1, 2014	$

Note _ - Change in Accounting Principle ***OR*** Change in Accounting Estimate ***OR*** Change in Reporting Entity

Change in accounting principle—For a change in accounting principle, including the implementation of a new accounting principle, the effects of the change should be reported as a restatement of beginning net position. In addition, the following disclosures are required for a change in accounting principle, see GASB Statement No. 62 for additional guidance:

1. ***A description of the new accounting principle,***
2. ***An explanation of why the new treatment is considered preferable (for changes other than the implementation of a new accounting principle), and***
3. ***The effect of the change on beginning net position.***

Change in accounting estimate—A change in accounting estimate results from new information or subsequent developments and, accordingly, from better insight or improved judgment. Future events and their effects cannot be perceived with certainty; estimating, therefore, requires the exercise of judgment. Therefore, accounting estimates change as new events occur, as more experience is acquired, or as additional information is obtained.

The effects of a change in an accounting estimate should be accounted for in the period of change. The effect on the changes in net position of the current period should be disclosed for a change in estimate that affects several future periods, such as a change in service lives of depreciable assets. Disclosure of the effect on the changes in net position is not necessary for estimates made each period in the ordinary course of accounting for items such as uncollectible accounts or inventory obsolescence. See GASB Statement No. 62 for additional guidance.

Change in reporting entity—When there is a change in the organizations included in the reporting entity (e.g., addition or removal of a component unit), the effects of the change should be reported as a restatement of beginning net position. In addition, the following

disclosures are required for the change in reporting entity, see GASB Statement No. 62 for additional guidance:

1. ***A description of the nature of the change,***
2. ***The reasons for the change, and***
3. ***The effects of the change in reporting entity on beginning net position.***

Note _ - Deposits and Investments

Arizona Revised Statutes (A.R.S.) requires the District to deposit special tax levies for the District's maintenance or capital outlay with the County Treasurer. Although not statutorily required, the District has also chosen to deposit other public monies in its custody with the County Treasurer. A.R.S. requires collateral for deposits at 102 percent of all deposits not covered by federal depository insurance. A.R.S. does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the District's investments.

OR

Arizona Revised Statutes (A.R.S.) requires the District to deposit special tax levies for the District's maintenance or capital outlay with the County Treasurer. A.R.S. does not require the District to deposit other public monies in its custody with the County Treasurer; however, the District must act as a prudent person dealing with another's property when making investment decisions about those monies. A.R.S. requires collateral for deposits at 102 percent of all deposits not covered by federal depository insurance. A.R.S. does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the District's investments.

Deposits—At June 30, 2015, the carrying amount of the District's deposits was $_____, and the bank balance was $_____. ***Describe the District's formal policy with respect to custodial credit risk or indicate that the District does not have a policy. If the District has any category 3 deposits at June 30, 2015, add the following recap and modify as necessary.***

At June 30, 2015, $_____ of the District's bank balance was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$
Uninsured with collateral held by the pledging financial institution	
Uninsured with collateral held by the pledging financial institution's trust department or agent but not in the District's name	
	$

According to the GASB Comprehensive Implementation Guide–2013-2014, question 1.39.1, nonnegotiable CDs are time deposits that should be treated as deposits, and negotiable CDs are securities that should be treated as investments for purposes of Statement Nos. 3 and 40 disclosures.

Investments—The District's investments at June 30, 2015, were as follows:

Investments with significantly different risk profiles should not be aggregated into a single investment type for all investment disclosures, as applicable. See question 1.3.2 in the GASB Comprehensive Implementation Guide–2013-2014.

Investment Type	Amount
State Treasurer's investment pools	$
County Treasurer's investment pool	
U.S. Treasury securities	
U.S. agency securities	
Repurchase agreements	
Local government bonds	
Common stock	
	$

The State Board of Investment provides oversight for the State Treasurer's pools. The fair value of a participant's position in the pool approximates the value of that participant's pool shares, and the participant's shares are not identified with specific investments. No comparable oversight is provided for the County Treasurer's investment pool, and that pool's structure does not provide for shares.

Credit risk—*Briefly describe the District's formal investment policy with respect to credit risk or indicate that it does not have one.* At June 30, 2015, credit risk for the District's investments was as follows: ***Modify as necessary.***

Investment Type	Rating	Rating Agency	Amount
U.S. agency securities			$
Repurchase agreements			
Local government bonds			
Local government bonds			
State Treasurer's investment pool 5	AAAf/S1+	Standard and Poor's	
State Treasurer's investment pool 7	Unrated	Not applicable	
County Treasurer's investment pool	Unrated	Not applicable	
			$

Disclose the credit quality ratings of investments in debt securities as described by nationally recognized statistical rating agencies as of June 30, 2015, by aggregating investment amounts by investment type and rating categories. When multiple ratings exist and the District is aware of the different ratings, present the rating with the greatest

degree of risk. U.S. government obligations and obligations the U.S. government explicitly guarantees do not require disclosure of credit risk. However, obligations of U.S. government-sponsored enterprises that the U.S. government implicitly guarantees are subject to credit risk disclosures. See question 1.9.7 in the GASB Comprehensive Implementation Guide–2013-2014 for more information. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreements are exempt from credit risk disclosures. See question 1.9.10 in the GASB Comprehensive Implementation Guide—2013-2014. If credit risk disclosure is required and the investment is unrated, the disclosure should indicate that fact. See Illustrations 1-4 in GASB Statement No. 40 for additional examples of required disclosures.

Custodial credit risk—For an investment, custodial credit risk is the risk that, in the event of the counterparty's failure, the District will not be able to recover the value of its investments or collateral securities that are in an outside party's possession. ***Briefly describe the District's formal investment policy with respect to custodial credit risk or indicate that it does not have one. If the District had any category 3 investments at June 30, 2015, add the following and modify as necessary:*** At June 30, 2015, the District had $_____ of ***name of investment type*** that was uninsured, not registered in the District's name, and held by the counterparty, and $_____ of ***name of investment type*** that was uninsured, not registered in the District's name, and held by the counterparty's trust department or agent but not in the District's name. ***Disclose amounts by investment type and how the investments were held. See Illustration 1 in GASB Statement No. 40 for an example of required disclosure. Investments in external investment pools and in open-end mutual funds are not exposed to custodial credit risk. (GASB Statement No. 40, paragraph 9)***

Normally, the line item investments held by trustees is category 3 (see questions 1.16.4 and 1.16.5 of the GASB Comprehensive Implementation Guide—2013-2014).

Concentration of credit risk— ***If the County's investments held at year-end were exposed to concentration of credit risk, briefly describe the District's formal investment policy with respect to concentration of credit risk or indicate that it does not have one.*** The District had investments at June 30, 2015, of 5 percent or more in _____ and _____. These investments were ___ percent and ___ percent, respectively, of the District's total investments. ***Modify as necessary depending on the number of investments in any one issuer of 5 percent or more. See Illustration 2 in GASB Statement No. 40 for an example of required disclosure. Investments the U.S. government issues or explicitly guarantees and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. (GASB Statement No. 40, paragraph 12)***

Interest rate risk—*Briefly describe the District's formal investment policy with respect to interest rate risk or indicate that it does not have one. See Illustrations 1-5 in GASB Statement No. 40 for examples of required disclosure. List investments by investment type and amount using one of the following interest rate risk methods: segmented time distribution, specific identification, weighted average maturity, duration, or simulation*

model. Governments are encouraged to select the disclosure method that is most consistent with the method they use to identify and manage interest rate risk.

The interest rate risk disclosure for a government's investments in mutual funds, external investment pools, or other pooled investments should be limited to investments in debt mutual funds, external debt investment pools, or other pooled debt investments that do not meet the requirements to be reported as a 2a7-like pool. (GASB Statement No. 59, paragraph 6)

At June 30, 2015, the District had the following investments in debt securities:

Segmented Time Distribution Example

		Investment Maturities			
Investment Type	**Amount**	**Less than 1 Year**	**1-5 Years**	**6-10 Years**	**More than 10 Years**
State Treasurer's investment pools	$	$	$	$	$
County Treasurer's investment pool					
U.S. Treasury securities					
U.S. agency securities					
Repurchase agreements					
Local government bonds					
	$	$	$	$	$

OR

Specific Identification Example

Investment	Maturity	Amount
State Treasurer's investment pool 5		$
State Treasurer's investment pool 7		
County Treasurer's investment pool		
U.S. Treasury bills ***(list each investment separately)***		
Federal National Mortgage Association ***(list each investment separately)***		
		$

OR

Weighted Average Maturity Example

Investment Type	Amount	Weighted Average Maturity (Years) or (Months)
State Treasurer's investment pool 5	$	
State Treasurer's investment pool 7		
County Treasurer's investment pool		
U.S. Treasury securities		
U.S. agency securities		
Local government bonds		
	$	

See Illustration 3 in GASB Statement No. 40 for an example of how to calculate weighted average maturity.

OR

Duration—See Illustration 4 in GASB Statement No. 40.

OR

Simulation Model—See Illustration 5 in GASB Statement No. 40.

The District must also disclose the terms of investments with fair values that are highly sensitive to changes in interest rates. See Illustration 7 in GASB Statement No. 40 for an example of this required disclosure. Further, if a method requires an assumption regarding timing of cash flows (for example, whether an investment is or is not assumed to be called), interest rate changes, or other factors that affect interest rate information, the District should disclose that assumption.

Foreign currency risk—***If the District's deposits or investments held at year-end were exposed to foreign currency risk, disclose the following: briefly describe the District's formal investment policy with respect to foreign currency risk or indicate that it does not have one. Also, the District should disclose the U.S. dollar balances of deposits or investments exposed to foreign currency risk organized by currency denomination and investment type. See Illustration 8 in GASB Statement No. 40 for an example of required disclosure.***

A reconciliation of cash, deposits, and investments to amounts shown on the Statement of Net Position follows:

Cash, deposits, and investments:		Statement of Net Position:	
Cash on hand	$	Cash and cash equivalents	$
Amount of deposits		Current investments	
Amount of investments		Restricted assets:	
		Cash and cash equivalents	
		Cash and investments held by trustee(s)	
		Endowment investments	
Total	$	Total	$

Note _ - Receivables

If the District had significant individual receivable accounts whose nature is obscured by aggregation, provide details about those accounts here. Also, describe any receivable balance not expected to be collected within 1 year. See GASB Statement No. 38, paragraph 13.

Note _ - Sale of Future Revenues

If the District sold future revenue streams, the District should disclose information about the specific revenues sold in the year of sale. See GASB Statement No. 48, paragraph 22, for the specific information that needs to be disclosed.

Note _ - Capital Assets

Capital asset activity for the year ended June 30, 2015, was as follows:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Capital assets not being depreciated:				
Land				
Land improvements				
Construction in progress	_____	_____	_____	_____
Total capital assets not being depreciated	_____	_____	_____	_____
Capital assets being depreciated:				
Buildings				
Equipment				
Intangibles ***(may list by major categories)***				
Library books				
Capitalized collections	_____	_____	_____	_____
Total	_____	_____	_____	_____
Less accumulated depreciation for:				
Buildings				
Equipment				
Intangibles ***(may list by major categories)***				
Library books				
Capitalized collections	_____	_____	_____	_____
Total	_____	_____	_____	_____
Total capital assets being depreciated, net	_____	_____	_____	_____
Capital assets, net	_____	_____	_____	_____

If the District has any collections (such as art or historical treasures) that are not capitalized, describe the collection and disclose why the assets are not capitalized. See GASB Statement No. 34, paragraph 118.

Note _ - Construction and Other Commitments

The District had major contractual commitments related to various capital projects at June 30, 2015, for the construction of ***(list projects)***. At June 30, 2015, the District had spent $_____ on these projects and had remaining contractual commitments with contractors

of $_____. These projects are being financed ***(describe source of payment/financing and terms of the commitment)***.

If the District had other significant commitments, provide a description of the commitment, dollar amounts and basic terms of the commitment (including amounts spent to date and amounts remaining under the commitment), and source of payment.

Note _ - Restricted Assets

If the nature and purpose of restricted assets is obscured by aggregation or otherwise not sufficiently explained in the financial statements, provide that information here.

Note _ - Derivatives

Common types of derivative instruments governments use include interest rate and commodity swaps, interest rate locks, options (caps, floors, and collars), swaptions, forward contracts, and futures contracts. GASB Statement No. 53 specifies the disclosure requirements for derivative instruments. The disclosure should include a summary of the District's derivative instrument activity during the fiscal year and balances at year-end, paragraph 69. Additional disclosures are required for hedging derivative instruments, paragraphs 70-75; investment derivative instruments, paragraph 76; contingency features, paragraph 77; hybrid instruments, paragraph 78; and synthetic guaranteed investment contracts, paragraph 79. Place disclosure in the assets, deferred outflows of resources, liabilities, or deferred inflows of resources sections, as appropriate.

Note _ - Short-Term Liabilities

Payables—***If the District had significant individual payable accounts whose nature is obscured by aggregation, provide details about those accounts here. See GASB Statement No. 38, paragraph 13.***

Short-term debt—***If the District had short-term debt (e.g., anticipation notes, lines of credit, and similar loans) activity during the year, even if no short-term debt is outstanding at year-end, the District should explain why the debt was issued and present a schedule of changes that discloses beginning and ending balances as well as increases and decreases. See GASB Statement No. 38, paragraph 12.***

Note _ - Financial Guarantees

If the District has extended nonexchange financial guarantees of another entity's obligations or issued obligations another entity guarantees as part of a nonexchange transaction, it should disclose the information required by GASB Statement No. 70, paragraphs 14-17, as applicable.

Note _ - Service Concession Arrangement for _____

The disclosure should include a general description of the arrangement, including management's objective for entering into it and, if applicable, the project's status during the construction period; the nature and amounts of assets, liabilities, and deferred inflows of resources that have been recognized in the financial statements; the nature and extent of rights retained by the transferor or granted to the governmental operator; and identification, duration, and significant contract terms of any guarantees or commitments. See GASB Statement No. 60, paragraphs 16 and 17, for more information.

Note _ - Long-Term Liabilities

The following schedule details the District's long-term liability and obligation activity for the year ended June 30, 2015:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due within 1 year
Bonds payable:					
General obligation bonds					
Revenue bonds					
Discounts/premiums	_____	_____	_____	_____	_____
Total bonds payable	_____	_____	_____	_____	_____
Certificates of participation payable					
Installment purchase contracts payable					
Capital leases payable					
Net pension liability					
Insurance claims payable					
Compensated absences payable					
Pollution remediation obligations	_____	_____	_____	_____	_____
Total long-term liabilities	_____	_____	_____	_____	_____

Bonds—The District's bonded debt consists of various issues of general obligation and revenue bonds that are generally callable (noncallable) with interest payable semiannually (annually). Bond proceeds primarily pay for acquiring or constructing capital facilities. Bonds have also been issued to advance-refund previously issued bonds. The District repays general obligation bonds from voter-approved property taxes. Revenue bonds are repaid from tuition and fees and dormitory rentals and fees. ***Modify as necessary. Include the following as applicable.*** During the year, the District issued general obligation bonds totaling $_____ to ***describe the purpose***. In addition, revenue bonds totaling $_____ were issued to ***describe the purpose***.

Of the total general obligation bond and revenue bond amounts originally authorized, $_____ and $_____, respectively, remain unissued. ***If all the authorized bonds were issued, delete the preceding sentence.*** The following bonds were outstanding at June 30, 2015:

Description	Original Amount Authorized	Amount Issued	Maturity Ranges	Interest Rates	Outstanding Principal
General obligation bonds	$	$			$
General obligation bonds—refunding					
Revenue bonds					
Revenue bonds—refunding					
					$

If issuing a CAFR for the GFOA certificate program, it is recommended that the District disclose the information above for each debt issuance. The District should also describe the legal debt limit/margin and the applicability of federal arbitrage regulations.

If the terms of any bond indentures require sinking or maintenance fund contributions, disclose the requirements.

The following schedule details debt service requirements to maturity for the District's bonds payable at June 30, 2015:

Year ending	General Obligation Bonds		Revenue Bonds	
June 30	Principal	Interest	Principal	Interest
2016				
2017				
2018				
2019				
2020				
2021-25				
2026-30				
2031-35				
2036-40				
2041-45				
Total				

If the District has variable-rate debt, disclose interest requirements based on the rate effective at the end of the reporting year. In addition, the District should add a paragraph following the table that discloses the terms under which interest rates may change. See GASB Statement No. 38, paragraph 10.

Pledged revenues are those specific revenues that have been formally committed to directly collateralize or secure debt (e.g., bonds, certificates of participation, etc.) of a

pledging government, or directly or indirectly collateralize or secure debt of a component unit. For each period in which secured debt remains outstanding, the District must disclose the following:

a. Identification of the specific revenue pledged and the approximate pledge amount,
b. Identification of, and general purpose for, the debt the pledged revenue secures,
c. Commitment term,
d. Relationship of the pledged amount to the total for that specific revenue stream (i.e., percent of the specific revenue stream that has been pledged),
e. Comparison of the pledged revenues recognized during the period to the principal and interest requirements for the debt those revenues directly or indirectly collateralize.

See GASB Statement No. 48, paragraph 21, for more information regarding the disclosure requirements for pledged revenues. Also, see Appendix D, Examples 1-3, in GASB Statement No. 48 for examples of required disclosure. For more complex situations, the District may want to present tables with the required disclosures.

During the year ended June 30, 2015, the District issued general obligation (revenue) bonds with an average interest rate of __ percent to advance-refund older, higher-rate issues with an average interest rate of __ percent. The District realized net proceeds of $_____ after payment of $_____ in underwriting fees, insurance, and other issuance costs, plus $_____ of _____ sinking fund monies. The District used these proceeds to purchase securities that it placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. The refunded debt is considered defeased, and related liabilities are not included in the District's financial statements. Details of the refunding transactions are as follows:

	Bond Category
Amount of refunding bonds issued	
Amount of bonds refunded	
Reduction in debt service payments	
Economic gain(loss)	

Complete the above schedule and applicable portions of the preceding paragraph for the fiscal year in which a bond refunding occurs. For all periods following an advance refunding that end with refunded bonds still outstanding, complete the next paragraph.

In prior years, the District defeased certain general obligation and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for these defeased bonds are not included in the District's financial statements. At June 30, 2015, the following outstanding bonds were considered defeased:

Description	Amount *(Principal balance of defeased bonds outstanding at June 30, 2015.)*
General obligation bonds	
Revenue bonds	

If the refunded (old) debt is variable-rate debt, it cannot be considered defeased because of the uncertainty of the future debt service requirements. It is possible to defease old fixed-rate debt with new variable-rate debt, but additional disclosures should be made. See footnote 4 of GASB Statement No. 7 for additional details.

Certificates of participation—The District has issued certificates of participation that are generally callable (noncallable) with interest payable semiannually (annually) to purchase or construct ***describe the assets***. During the year, the District issued certificates totaling $_____ to ***describe the purpose***.

Of the total amount(s) originally authorized, $_____ remains unissued. ***If all the authorized certificates were issued, delete the preceding sentence.*** The following certificates were outstanding at June 30, 2015:

Description *List by COP issue*	Original Amount Authorized	Amount Issued	Maturity Ranges	Interest Rates	Outstanding Principal

Describe other significant features of certificates of participation issues. Also, if the District advance-refunded any certificates of participation during the fiscal year, modify the wording in the second-to-last paragraph of the bonds payable note accordingly.

In all periods following an advance refunding for which certificates of participation defeased in substance remain outstanding, the amount of those certificates of participation, if any, outstanding at fiscal year-end should be disclosed. Modify the wording of the last paragraph of the bonds payable note accordingly.

The following schedule details debt service requirements to maturity for the District's certificates of participation payable at June 30, 2015:

Year ending June 30	Principal	Interest
2016		
2017		
2018		
2019		
2020		
2021-25		

Year ending June 30	Principal	Interest
2026-30		
2031-35		
2036-40		
2041-45		
Total		

Installment purchase contracts—The District has acquired ***describe assets by major classes*** under contract agreements at a total purchase price of $_____. The following schedule details debt service requirements to maturity for the District's installment purchase contracts payable at June 30, 2015:

Year ending June 30	Principal	Interest
2016		
2017		
2018		
2019		
2020		
2021-25		
2026-30		
2031-35		
Total		

Capital leases—The District has acquired ***describe assets by major classes*** under the provisions of various long-term lease agreements classified as capital leases for accounting purposes because they provide for a bargain purchase option or a transfer of ownership by the end of the lease term. ***Modify accordingly.***

The following assets were acquired through capital leases:

List major class of assets	
Less: accumulated depreciation	
Carrying value	

The following schedule details debt service requirements to maturity for the District's capital leases payable at June 30, 2015:

Year ending June 30
2016
2017
2018
2019

Year ending June 30	
2020	
2021-25	
2026-30	_____
Total minimum lease payments	
Less amount representing executory costs	
Less amount representing interest	_____
Present value of net minimum lease payments	_____

Pollution remediation obligations—*If the District has recognized pollution remediation liabilities or recoveries of pollution remediation outlays or has pollution remediation liabilities that are not yet recognized because they are not reasonably estimable, it should follow the disclosure requirements of GASB Statement No. 49, paragraphs 25 and 26.*

Note _ - Termination Benefits

If the District reports employee termination benefits in its financial statements, it should disclose in the notes a description of the termination benefit arrangements, the cost of the termination benefits, and significant methods and assumptions used to determine termination benefit liabilities as GASB Statement No. 47, paragraphs 18-21, require.

Note _ - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all such risks of loss, including workers' compensation, employees' health, and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past 3 fiscal years. ***Modify as appropriate.***

Provide similar disclosures for all other district risk-financing activities when it assumes the risks of loss, including its participation in a risk pool or being self-insured for health, dental, and other benefits to its employees. See GASB Codification §§C50.144 and Po20 for disclosure requirements.

Note _ - Operating Leases

The District leases ***describe assets by major classes*** under the provisions of various long-term lease agreements classified as operating leases for accounting purposes. Rental expenses under the terms of the operating leases were $_____ for the year ended June 30, 2015. The operating leases have remaining noncancelable terms of ___ years (from

__ to __ years) and provide renewal options. The following future minimum payments were required under the operating leases at June 30, 2015:

Year ending June 30	
2016	
2017	
2018	
2019	
2020	
2021-25	
2026-30	
Total minimum lease payments	

Note _ - Pension and Other Postemployment Benefits

With the implementation of GASB Statement No. 68, there are differences between the disclosures required for pensions and OPEB. Accordingly, the disclosures below include some information for pensions that is not included for OPEB and vice versa.

Pima and Pinal Community College Districts—Refer to the Office of the Auditor General's Reporting Guidelines for Counties for the agent retirement plan disclosures and RSI related to the Public Safety Personnel Retirement System (PSPRS) if the District's PSPRS plan is significant to the District's financial statements and note disclosures.

If the District provides its own retirees' healthcare benefits, the District should also follow the accounting and disclosure requirements of GASB Statement No. 45 or, if applicable, GASB Statement No. 43. For additional disclosure guidance for district-provided retiree healthcare benefits, see end of note.

Plan description—District employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its Web site at www.azasrs.gov.

Benefits provided—The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Retirement Initial membership date:	
	Before July 1, 2011	**On or after July 1, 2011**
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years age 62 5 years age 50* any years age 65	30 years age 55 25 years age 60 10 years age 62 5 years age 50* any years age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits.

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Contributions—In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2015, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.6 percent (11.48 percent for retirement and 0.12 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 11.6 percent (10.89 percent for retirement, 0.59 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members' annual covered payroll. ***If the District also made alternative contributions for retired members who returned to work, add the following sentence:*** In addition, the District was required by statute to contribute at the actuarially determined rate of 9.57 percent (9.51 percent for retirement and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked for the District in positions that would typically be filled by an employee who contributes to the ASRS. The District's contributions to the pension plan for the year ended June 30, 2015, were $_____. The District's contributions for the current and 2 preceding years for OPEB, all of which were equal to the required contributions, were as follows:

Year ended June 30	Health Benefit Supplement Fund	Long-Term Disability Fund
2015	$	$
2014		
2013		

Pension liability—At June 30, 2015, the District reported a liability of $_____ for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The District's proportion measured as of June 30, 2014, was _____ percent, which was an (increase/decrease) of _____ from its proportion measured as of June 30, 2013.

If changes expected to have a significant effect on the measurement of the District's proportionate share of the collective net pension liability occurred between the measurement date and the reporting date, the District should provide a brief description of the nature of the changes and the amount of the expected resultant change in the District's proportionate share of the collective net pension liability, if known.

Pension expense and deferred outflows/inflows of resources—For the year ended June 30, 2015, the District recognized pension expense for ASRS of $_____. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	$
Net difference between projected and actual earnings on pension plan investments		
Changes in proportion and differences between district contributions and proportionate share of contributions		
District contributions subsequent to the measurement date		
Total	$	$

The $_____ reported as deferred outflows of resources related to ASRS pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year ending June 30	
2016	$
2017	
2018	
2019	

Actuarial assumptions—The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2013
Actuarial roll forward date	June 20, 2014
Actuarial cost method	Entry age normal
Investment rate of return	8%
Projected salary increases	3–6.75%
Inflation	3%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

Actuarial assumptions used in the June 30, 2013, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2012.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.79 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	63%	7.03%
Fixed income	25%	3.20%
Real estate	8%	4.75%
Commodities	4%	4.50%
Total	100%	

Discount rate—The discount rate used to measure the ASRS total pension liability was 8 percent, which is less than the long-term expected rate of return of 8.79 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the ASRS net pension liability to changes in the discount rate—The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 8 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7 percent) or 1 percentage point higher (9 percent) than the current rate:

	1% Decrease (7%)	**Current Discount Rate (8%)**	**1% Increase (9%)**
District's proportionate share of the net pension liability	$	$	$

Pension plan fiduciary net position—Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report.

Pension contributions payable—The District's accrued payroll and employee benefits included $_____ of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2015. ***Pension contributions payable should not include contributions to the ASRS health benefit supplement fund and long-term disability fund. If the District reported other payables to ASRS for pensions as of June 30, 2015, the District should disclose the payable amount, significant terms related to the payable, and a description of what gave rise to the payable.***

District-provided OPEB benefit disclosures:

If the District also participates in other healthcare retirement plans or allows its retirees to participate in its employees' healthcare plans (i.e., implicit rate subsidy), it needs to add the following disclosures for those other plan(s):

a. ***Plan description;***
b. ***Funding policy;***
c. ***Annual OPEB cost and the dollar amount of contributions made;***
d. ***For the current year and each of the two preceding years, annual OPEB cost, percentage of annual OPEB cost contributed during that year, and net OPEB obligation at the end of the year;***

e. ***Information about the plan's funded status as of the most recent actuarial valuation date; and***
f. ***Disclosure of information about actuarial methods and assumptions used in valuations on which reported information about the ARC, annual OPEB cost, and the funded status and funding progress of OPEB plan(s) are based.***

Also, the District will need to add a required supplementary information section for the most recent actuarial valuation and the two preceding valuations.

See GASB Statement No. 45, paragraphs 24-26, for a more complete explanation of the disclosure requirements. See GASB Statement No. 45, paragraphs 11-21, for an explanation of how to account for the implicit rate subsidy.

Note _ - Operating Expenses

The District's operating expenses are presented by functional classification in the Statement of Revenues, Expenses, and Changes in Net Position—Primary Government. The operating expenses can also be classified into the following:

Personal services	
Contract services	
Supplies and other services	
Communications and utilities	
Scholarships	
Depreciation	
Other	_____
Total	_____

Note _ - Donor-Restricted Endowments

If the District's governing board can authorize expenditures of net appreciation on investments of donor-restricted endowments, disclose the amounts available for authorization for expenditure and how those amounts are reported in net position. Also disclose the state law regarding the ability to spend net appreciation and the policy for authorizing and spending investment income, such as a spending-rate or total-return policy. See GASB Statement 34, paragraph 121, for more information.

Note _ - Segment Information

For any activities that meet the definition of a segment, disclose the type of goods or services the segment provides and present a condensed statement of net position; statement of revenues, expenses, and changes in net position; and statement of cash flows. See GASB Statement No. 34, paragraph 122 (as amended by GASB Statement No. 37, paragraph 17), for segment definition and disclosure requirements.

Note _ - Other Disclosures

If the District had related organizations (*GASB Cod. §2600, paragraph 128*); joint ventures or jointly governed organizations (*GASB Cod. §J50*); related-party transactions (*GASB Cod. §2250*); commitments (*GASB Cod. §2300*); significant contingencies (*GASB Cod. §§1500 and C50*); or significant subsequent events (*GASB Cod. §§2250, 2300, and C50*), disclose the details here.

Note _ - Discretely Presented Component Unit Disclosures

The District must include those disclosures of the discretely presented component unit that are essential to the fair presentation of the District's basic financial statements. Determining which discretely presented component unit disclosures are essential to fair presentation is a matter of professional judgment and a consideration of the nature and significance of the component unit's relationship to the District. See GASB Statement No. 61, paragraph 11, for disclosure requirements.

The District should segregate discretely presented component unit disclosures from disclosures relating to the District. The District can accomplish this by presenting component unit information after the district information for each relevant disclosure or by presenting the component unit's disclosures after the District's disclosures. GASB Comprehensive Implementation Guide–2013-2014, question 4.39.6.

In addition, the District is required to display major discretely presented component unit financial statements separately in the District's financial statements. Determination that a component unit is "major" should be based on the nature and significance of its relationship to the primary government. (GASB Statement No. 61, paragraph 7, and GASB Cod. §2600.108). The reporting requirements may be satisfied by:

- ***presenting each major component unit in a separate column in the District's statements of net position and activities,***
- ***including combining statements of major component units after the District's statements, or***
- ***presenting condensed financial statements in the notes. If the District presents condensed financial statements, it must include all the requirements in GASB Statement No. 34, paragraph 127.***

Nonmajor component units should be aggregated in a single column. A combining statement for the nonmajor component units is not required, but may be presented as supplementary information. (GASB Statement No. 34, paragraph 126, Footnote 50 and GASB Statement No. 61, paragraph 7)

Further, the notes to the financial statements should disclose, for each major component unit, the nature and amount of significant transactions with the primary government and other component units.

_____ County Community College District
(_____ College) ***Use at District's discretion***
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
June 30, 2015

Covered-employee payroll amounts presented in the schedule below should be for the fiscal year ended on the measurement date of the net pension liability. For example, the covered-employee payroll reported in the fiscal year 2015 column (the District's fiscal year-end) should be the covered-employee payroll for fiscal year 2014 (the measurement date of the net pension liability). Covered-employee payroll means total compensation of employees that are provided with pensions through the pension plan. This may include compensation on which the District does not make contributions such as compensation amounts that exceed the maximum annual compensation limit the Internal Revenue Service sets.

Arizona State Retirement System	**Reporting Fiscal Year (Measurement Date)**	
	2015 (2014)	**2014 through 2006**
District's proportion of the net pension liability	%	Information not available
District's proportionate share of the net pension liability	$	
District's covered-employee payroll	$	
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	%	
Plan fiduciary net position as a percentage of the total pension liability	69.49%	

See accompanying notes to pension plan schedules.

_____ County Community College District
(_____ College) ***Use at District's discretion***
Required Supplementary Information
Schedule of District Pension Contributions
June 30, 2015

If the District has the information required below for periods prior to fiscal year 2014, the District should modify the schedule below to provide information for as many years as such information is available.

Amounts presented in the schedule below should be for the District's fiscal year-end.

Arizona State Retirement System	**Reporting Fiscal Year**		
	2015	**2014**	**2013 through 2006**
Statutorily required contribution	$	$	Information not available
District's contributions in relation to the statutorily required contribution			
District's contribution deficiency (excess)	$	$	
District's covered-employee payroll	$	$	
District's contributions as a percentage of covered-employee payroll	%	%	

See accompanying notes to pension plan schedules.

_____ County Community College District
(_____ College) ***Use at District's discretion***
Required Supplementary Information
Notes to Pension Plan Schedules
June 30, 2015

Note 1 – Factors That Affect Trends

Disclose information about the factors that significantly affect trends in the amounts reported in the schedules including, for example, changes in benefit provisions, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions.

Supplementary Information

(Use this cover page when financial statements are included in the single audit reporting package.)

_____ County Community College District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Federal agency/CFDA number	Federal program name	Cluster title	Pass-through grantor	Pass-through grantor's numbers	Program expenditures	Amount provided to subrecipients
Department of Labor						
17 267	Incentive Grants—WIA Section 503				$	$
17 267	Incentive Grants—WIA Section 503					
	Total 17.267					
17 282	Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants					
	Total Department of Labor					
National Endowment for the Humanities						
45 162	Promotion of the Humanities—Teaching and Learning Resources and Curriculum Development					
National Science Foundation						
47 076	Education and Human Resources					
Department of Education						
84 007	Federal Supplemental Educational Opportunity Grants	Student Financial Assistance Cluster				
84 033	Federal Work-Study Program	Student Financial Assistance Cluster				
84 038	Federal Perkins Loan Program—Federal Capital Contributions	Student Financial Assistance Cluster				
84 063	Federal Pell Grant Program	Student Financial Assistance Cluster				
84 268	Federal Direct Student Loans	Student Financial Assistance Cluster				
	Total Student Financial Assistance Cluster					
84 010	Title I Grants to Local Educational Agencies	Title I, Part A Cluster				
	Total Department of Education					
	Total expenditures of federal awards				$	$

With the exception of program clusters, programs should be listed in CFDA number order. In addtion, when there are multiple listings for the same CFDA number, a total for the CFDA number needs to be present.

See accompanying notes to schedule.

_____ County Community College District
(_____ College) ***Use at District's discretion***
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

The Schedule of Expenditures of Federal Awards should include the following at a minimum:

1. *Individual programs by federal agency. For federal programs included in a cluster of programs, list the individual federal programs within the cluster.*
2. *Name of the pass-through grantor agency and the pass-through grantor's identifying number.*
3. *Total federal awards expended for each individual federal program and the associated CFDA number or other identifying number.*
4. *Total amount provided to subrecipients from each federal program. The District may present this information on the face of the schedule or in the notes.*
5. *The value of federal awards expended in the form of noncash assistance, amount of insurance in effect during the year, and loans or loan guarantees outstanding at year-end. The District may present this information on the face of the schedule or in the notes.*

See paragraph 7.20 in the AICPA Audit Guide, Government Auditing Standards and Single Audits, dated February 1, 2015, for more information.

American Recovery and Reinvestment Act (ARRA) monies—The District must separately identify expenditures of ARRA monies on both the Schedule of Expenditures of Federal Awards (SEFA) and on the Data Collection Form. For additional guidance, see OMB Circular A-133 Compliance Supplement, June 2015, Appendix VII–Other OMB Circular A-133 Advisories.

The District may need to modify this schedule if it receives noncash assistance, it receives program clusters, or it provides funding to subrecipients.

Noncash assistance—The value of noncash assistance, such as the amount of insurance in effect during the year and loans or loan guarantees outstanding at year-end, should also be included in the schedule or disclosed as a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present such information in the schedule instead of the notes. If the auditee presents noncash assistance in the notes, such amounts must still be included in part III of the Data Collection Form.

Program clusters—Except for the R&D cluster, list individual programs under the cluster. The District may list programs in the R&D cluster under that cluster or by federal agency and its major subdivisions.

Subrecipient funding—Disclose total amounts passed through to subrecipients by program in the schedule to the extent practical. If not practical, disclose the amount provided to subrecipients from each program in a note to the schedule.

_____ County Community College District
(_____ College) ***Use at District's discretion***
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of _____ 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 2015 *Catalog of Federal Domestic Assistance*. When no CFDA number had been assigned to a program, the two-digit federal agency identifier and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier and the word "unknown" were used.

Note 3 - Loans Outstanding

The expenditures reported on the Schedule of Expenditures of Federal Awards for certain programs included the following loan balances outstanding at June 30, 2015:

Program Title	CFDA Number	Amount Outstanding
Federal Perkins Loan Program—Federal Capital Contributions	84.038	
Health Professions Student Loans	93.342	
Nursing Student Loans	93.364	

Note 4 - Subrecipients ***Disclose amounts passed through to subrecipients by program in the SEFA to the extent practical.***

From the federal expenditures presented in the schedule, the District awarded the following to subrecipients:

Program Title	CFDA Number	Amount

Yellow Book report—no material weaknesses, no or some significant deficiencies identified, and no reportable instances of noncompliance or other matters.

(Letterhead)

Independent Auditors' 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*

Members of the Arizona State Legislature

The Governing Board of
_____ County Community College District

Use the following scope paragraph when a component unit auditor did not audit the component unit under Government Auditing Standards.[1]

We have audited the financial statements of the business-type activities and discretely presented component unit of _____ County Community College District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated _____. Our report includes a reference to other auditors who audited the financial statements of the _____ Foundation, the discretely presented component unit, as described in our report on the District's financial statements. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. However, the financial statements of the _____ Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the _____ Foundation.

OR

Use the following scope paragraph when there are no component units included in the District's financial statements.

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of _____ County Community College District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated _____.

[1] When a component auditor did not perform the audit under *Government Auditing Standards*, the component auditor will not issue the reporting required by *Government Auditing Standards* (that is, the report on internal control over financial reporting and on compliance and other matters). Instead, the component auditor will issue the communication required by AU-C section 265 if there are significant deficiencies or material weaknesses that were identified. In this circumstance, the group auditor is precluded from including the component auditor's significant deficiencies and material weaknesses in the report on internal control over financial reporting and on compliance and other matters. See the AICPA Audit Guide, *Government Auditing Standards and Single Audits,* February 1, 2015, paragraphs 4.76 and 4.81 and footnote 42 to paragraph 4.81, for additional guidance.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Use the following paragraph when there are no material weaknesses or significant deficiencies to report.

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

OR

Use the following paragraph when significant deficiencies are reported.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs ***OR*** Schedule of Findings and Recommendations as items ***list related finding reference numbers***, that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. ***See Government Auditing Standards, Chapter 4, for reporting criteria.***

Yellow Book report—no material weaknesses, no or some significant deficiencies identified, and no reportable instances of noncompliance or other matters.

In the rare instance when a separate letter to management to communicate other matters is being issued, add the following: We also noted certain additional matters that we will report (reported) to the District's management in a separate letter at a future date (dated _____).

_____ County Community College District's Response to Findings

_____ County Community College District's responses to the findings identified in our audit are presented on pages ___ through ___. The District's responses were not subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them. ***Delete this paragraph if there are no significant deficiencies referred to in this report.***

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jay Zsorey, CPA
Financial Audit Director

_____
Date of auditors' report; must be the same as the basic financial statements opinion date.

(Letterhead)

Independent Auditors' 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*

Members of the Arizona State Legislature

The Governing Board of
_____ County Community College District

Use the following scope paragraph when a component unit auditor did not audit the component unit under Government Auditing Standards.[1]

We have audited the financial statements of the business-type activities and discretely presented component unit of _____ County Community College District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated _____. Our report includes a reference to other auditors who audited the financial statements of the _____ Foundation, the discretely presented component unit, as described in our report on the District's financial statements. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. However, the financial statements of the _____ Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the _____ Foundation.

OR

Use the following scope paragraph when there are no component units included in the District's financial statements.

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of _____ County Community College District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated _____.

[1] When a component auditor did not perform the audit under *Government Auditing Standards*, the component auditor will not issue the reporting required by *Government Auditing Standards* (that is, the report on internal control over financial reporting and on compliance and other matters). Instead, the component auditor will issue the communication required by AU-C section 265 if there are significant deficiencies or material weaknesses that were identified. In this circumstance, the group auditor is precluded from including the component auditor's significant deficiencies and material weaknesses in the report on internal control over financial reporting and on compliance and other matters. See the AICPA Audit Guide, *Government Auditing Standards and Single Audits,* February 1, 2015, paragraphs 4.76 and 4.81 and footnote 42 to paragraph 4.81, for additional guidance.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs ***OR*** Schedule of Findings and Recommendations as items ***list related finding reference numbers***, that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and that are described in the accompanying Schedule of Findings and Questioned Costs ***OR*** Schedule of Findings and Recommendations as items ***list related finding reference numbers. See Government Auditing Standards, Chapter 4, for reporting criteria.***

In the rare instance when a separate letter to management to communicate other matters is being issued, add the following: We also noted certain additional matters that we will report (reported) to the District's management in a separate letter at a future date (dated _____).

_____ County Community College District's Response to Findings

_____ County Community College District's responses to the findings identified in our audit are presented on pages ___ through ___. The District's responses were not subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them. ***Delete this paragraph if there are no significant deficiencies referred to in this report.***

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jay Zsorey, CPA
Financial Audit Director

_____
Date of auditors' report; must be the same as the basic financial statements opinion date.

(Letterhead)

Independent Auditors' 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*

Members of the Arizona State Legislature

The Governing Board of
_____ County Community College District

Use the following scope paragraph when a component unit auditor did not audit the component unit under Government Auditing Standards.[1]

We have audited the financial statements of the business-type activities and discretely presented component unit of _____ County Community College District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated _____. Our report includes a reference to other auditors who audited the financial statements of the _____ Foundation, the discretely presented component unit, as described in our report on the District's financial statements. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. However, the financial statements of the _____ Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of noncompliance associated with the _____ Foundation.

OR

Use the following scope paragraph when there are no component units included in the District's financial statements.

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of _____ County Community College District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated _____.

[1] When a component auditor did not perform the audit under *Government Auditing Standards* the component auditor will not issue the reporting required by *Government Auditing Standards* (that is, the report on internal control over financial reporting and on compliance and other matters). Instead, the component auditor will issue the communication required by AU-C section 265 if there are significant deficiencies or material weaknesses that were identified. In this circumstance, the group auditor is precluded from including the component auditor's significant deficiencies and material weaknesses in the report on internal control over financial reporting and on compliance and other matters. See the AICPA Audit Guide, *Government Auditing Standards and Single Audits,* February 1, 2015, paragraphs 4.76 and 4.81 and footnote 42 to paragraph 4.81, for additional guidance.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs ***OR*** Schedule of Findings and Recommendations, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies. ***Modify as necessary.***

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's basic financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs ***OR*** Schedule of Findings and Recommendations as items ***list related finding reference numbers*** to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs ***OR*** Schedule of Findings and Recommendations as items ***list related finding reference numbers*** to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and that are described in the accompanying Schedule of Findings and Questioned Costs ***OR*** Schedule of Findings and Recommendations as items ***list related finding reference numbers***.

In the rare instance when a separate letter to management to communicate other matters is being issued, add the following: We also noted certain additional matters that we will report (reported) to the District's management in a separate letter at a future date (dated _____).

_____ County Community College District's Response to Findings

_____ County Community College District's responses to the findings identified in our audit are presented on pages ___ through ___. The District's responses were not subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jay Zsorey, CPA
Financial Audit Director

_____
Date of auditors' report; must be the same as the basic financial statements opinion date.

(Letterhead)

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
_____ County Community College District

Report on Compliance for Each Major Federal Program

We have audited _____ County Community College District's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015. 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, _____ 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, 2015.

A-133 report—unqualified opinion on compliance, instances of noncompliance, no material weaknesses, and no or some significant deficiencies in internal control over compliance identified.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance that are required to be reported in accordance with OMB Circular A-133 and that are described in the accompanying Schedule of Findings and Questioned Costs as items ***list related finding reference numbers***. Our opinion on each major federal program is not modified with respect to these matters.

_____ County Community College District's responses to the noncompliance findings identified in our audit are presented on pages ___ through ___. The District's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on them. ***When there are no compliance findings to report, the "Other Matters" section of the report should be omitted.***

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.

Use the following paragraph when there are no material weaknesses or significant deficiencies to report.

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.

OR

A-133 report—unqualified opinion on compliance, instances of noncompliance, no material weaknesses, and no or some significant deficiencies in internal control over compliance identified.

Use the following two paragraphs when significant deficiencies are reported.

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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items ***list related finding reference numbers***, that we consider to be significant deficiencies.

_____ County Community College District's responses to the internal control over compliance findings identified in our audit are presented on pages ___ through ___. The District's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on them.

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[1] of _____ County Community College District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated _____, that contained an unmodified opinion(s) on those financial statements. Our report also included a reference to our reliance on other auditors. ***Modify as necessary and describe any additional departures from the standard report.***[1] 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

[1] Modify as appropriate to conform with auditors' report issued for the financial statements.

statements as a whole. ***Delete this paragraph and its subheading if the District's SEFA is included with the basic financial statements.***

Jay Zsorey, CPA
Financial Audit Director

_____
Date of auditors' report.

The auditors' Circular A-133 report carries the same date as that of the financial statement report when the procedures to satisfy the federal compliance audit requirements are completed at the same time. However, when some of the audit procedures performed to satisfy the federal compliance audit requirements are completed subsequent to the procedures performed for the financial statement audit, the Circular A-133 report should be dated no earlier than the date federal compliance test work is completed. See the AICPA Audit Guide, Government Auditing Standards and Single Audits, February 1, 2015, paragraph 13.28.

OR

_____
Date of auditors' report, except for our report on the Schedule of Expenditures of Federal Awards for which the date is _____.

When the Schedule of Expenditures of Federal Awards (SEFA) is presented with the Circular A-133 report, the report date will depend on when the auditor has completed the procedures relating to the federal compliance audit and the SEFA. The report date pertaining to the federal compliance audit would be the date the federal compliance audit test work is completed and the report date for the SEFA would be the date when the procedures relating to the SEFA are completed, which may result in a dual dated report. See the AICPA Audit Guide, Government Auditing Standards and Single Audits, February 1, 2015, paragraph 13.19.

(Letterhead)

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
_____ County Community College District

Report on Compliance for Each Major Federal Program

We have audited _____ County Community College District's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015. 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.

Basis for Qualified Opinion on (Identify Major Federal Program)[1]

As described in the accompanying Schedule of Findings and Questioned Costs, the District did not comply with requirements regarding ***identify the major federal program and associated finding number(s)***

[1] The auditor may consider adding a table to more clearly communicate the basis for the qualified opinion(s) such as follows:

Program Title (CFDA Number)	Compliance Requirement	Finding Number

matched to the type(s) of compliance requirements. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

Qualified Opinion on (Identify Major Federal Program)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, _____ 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 **identify the major federal program** for the year ended June 30, 2015.

Unmodified Opinion on Each of the Other Major Federal Programs[1]

In our opinion, _____ 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 other major federal programs identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance that are required to be reported in accordance with OMB Circular A-133 and that are described in the accompanying Schedule of Findings and Questioned Costs as items **list related finding reference numbers**. Our opinion on each major federal program is not modified with respect to these matters.

_____ County Community College District's responses to the noncompliance findings identified in our audit are presented on pages ___ through ___. The District's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on them.

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

[1] The auditor may include the names of the federal programs for which the auditor is providing an unmodified opinion in the heading or in the opinion paragraph itself.

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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the in the accompanying Schedule of Findings and Questioned Costs as items **list related finding reference numbers**, that we consider to be material weaknesses.

_____ County Community College District's responses to the internal control over compliance findings identified in our audit are presented on pages ___ through ___. The District's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on them.

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[1] of _____ County Community College District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated _____, that contained an unmodified opinion(s) on those financial statements. Our report also included a reference to our reliance on other auditors. ***Modify as necessary and describe any additional departures from the standard report.***[1] 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. ***Delete this paragraph and its subheading if the District's SEFA is included with the basic financial statements.***

[1] Modify as appropriate to conform with the auditors' report issued for the financial statements.

A-133 report—qualified opinion on compliance, other instances of noncompliance, material weaknesses, and no significant deficiencies in internal control over compliance identified.

Jay Zsorey, CPA
Financial Audit Director

_____
Date of auditors' report.

The auditors' Circular A-133 report carries the same date as that of the financial statement report when the procedures to satisfy the federal compliance audit requirements are completed at the same time. However, when some of the audit procedures performed to satisfy the federal compliance audit requirements are completed subsequent to the procedures performed for the financial statement audit, the Circular A-133 report should be dated no earlier than the date federal compliance test work is completed. See the AICPA Audit Guide, Government Auditing Standards and Single Audits, February 1, 2015, paragraph 13.28.

OR

_____
Date of auditors' report, except for our report on the Schedule of Expenditures of Federal Awards for which the date is _____.

When the Schedule of Expenditures of Federal Awards (SEFA) is presented with the Circular A-133 report, the report date will depend on when the auditor has completed the procedures relating to the federal compliance audit and the SEFA. The report date pertaining to the federal compliance audit would be the date the federal compliance audit test work is completed and the report date for the SEFA would be the date when the procedures relating to the SEFA are completed, which may result in a dual dated report. See the AICPA Audit Guide, Government Auditing Standards and Single Audits, February 1, 2015, paragraph 13.19.

(Letterhead)

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
_____ County Community College District

Report on Compliance for Each Major Federal Program

We have audited _____ County Community College District's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015. 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.

Basis for Qualified Opinion on (Identify Major Federal Program)[1]

As described in the accompanying Schedule of Findings and Questioned Costs, the District did not comply with requirements regarding ***identify the major federal program and associated finding number(s)***

[1] The auditor may consider adding a table to more clearly communicate the basis for the qualified opinion(s) such as follows:

Program Title (CFDA Number)	Compliance Requirement	Finding Number

matched to the type(s) of compliance requirements. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

Qualified Opinion on (Identify Major Federal Program)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, _____ 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 **identify the major federal program** for the year ended June 30, 2015.

Unmodified Opinion on Each of the Other Major Federal Programs[1]

In our opinion, _____ 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 other major federal programs identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance that are required to be reported in accordance with OMB Circular A-133 and that are described in the accompanying Schedule of Findings and Questioned Costs as items **list related finding reference numbers**. Our opinion on each major federal program is not modified with respect to these matters.

_____ County Community College District's responses to the noncompliance findings identified in our audit are presented on pages ___ through ___. The District's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on them.

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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

[1] The auditor may include the names of the federal programs for which the auditor is providing an unmodified opinion in the heading or in the opinion paragraph itself.

A-133 report—qualified opinion on compliance, other instances of noncompliance, material weaknesses, and significant deficiencies in internal control over compliance identified.

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items ***list related finding reference numbers*** to be material weaknesses.

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 ***list related finding reference numbers*** to be significant deficiencies.

_____ County Community College District's responses to the internal control over compliance findings identified in our audit are presented on pages ___ through ___. The District's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on them.

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[1] of _____ County Community College District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated _____, that contained an unmodified opinion(s) on those financial statements. Our report also included a reference to our reliance on other auditors. ***Modify as necessary and describe any additional departures from the standard report.***[1] 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

[1] Modify as appropriate to conform with the auditors' report issued for the financial statements.

statements as a whole. ***Delete this paragraph and its subheading if the District's SEFA is included with the basic financial statements.***

Jay Zsorey, CPA
Financial Audit Director

_____
Date of auditors' report.

The auditors' Circular A-133 report carries the same date as that of the financial statement report when the procedures to satisfy the federal compliance audit requirements are completed at the same time. However, when some of the audit procedures performed to satisfy the federal compliance audit requirements are completed subsequent to the procedures performed for the financial statement audit, the Circular A-133 report should be dated no earlier than the date federal compliance test work is completed. See the AICPA Audit Guide, Government Auditing Standards and Single Audits, February 1, 2015, paragraph 13.28.

OR

_____
Date of auditors' report, except for our report on the Schedule of Expenditures of Federal Awards for which the date is _____.

When the Schedule of Expenditures of Federal Awards (SEFA) is presented with the Circular A-133 report, the report date will depend on when the auditor has completed the procedures relating to the federal compliance audit and the SEFA. The report date pertaining to the federal compliance audit would be the date the federal compliance audit test work is completed and the report date for the SEFA would be the date when the procedures relating to the SEFA are completed, which may result in a dual dated report. See the AICPA Audit Guide, Government Auditing Standards and Single Audits, February 1, 2015, paragraph 13.19.

_____ County Community College District
(_____ College) ***Use at District's discretion***
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: ***unmodified, qualified, adverse, disclaimer***[1] _____

	Yes	No
Internal control over financial reporting:		
Material weakness(es) identified?	___	___
Significant deficiency(ies) identified?	___	___ (None reported)
Noncompliance material to the financial statements noted?	___	___

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	___	___
Significant deficiency(ies) identified?	___	___ (None reported)

Type of auditors' report issued on compliance for major programs: ***unmodified, qualified, adverse, disclaimer***[2] _____

Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (section .510[a])?	___	___

[1] As explained in the AICPA Audit and Accounting Guide, *State and Local Governments,* the auditor generally expresses or disclaims an opinion on a government's basic financial statements by providing an opinion or disclaimer of opinion on each opinion unit required to be presented in those financial statements. Therefore, there could be multiple responses to this question for audits of a government's basic financial statements. For example, if the auditors' report was unmodified for the District's business-type activities and adverse for the discretely presented component unit, the response to this question could be as follows: "Unmodified opinion for the business-type activities and adverse opinion for the discretely presented component unit."

[2] If the audit report for one or more major programs is other than unmodified, indicate the type of report issued for each program. For example, if the audit report on major program compliance for an auditee having five major programs includes an unmodified opinion for three of the programs, a qualified opinion for one program, and a disclaimer of opinion for one program, the response to this question could be as follows: "Unmodified for all major programs except for [*name of program*], which was qualified and [*name of program*], which was a disclaimer."

_____ County Community College District
(_____ College) ***Use at District's discretion***
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Identification of major programs: ***Major programs should generally be identified in the same order as reported on the Schedule of Expenditures of Federal Awards.***

CFDA Number	Name of Federal Program or Cluster

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

Auditee qualified as low-risk auditee? ___ ___

Other Matters

Auditee's Summary Schedule of Prior Audit Findings required to be reported in accordance with Circular A-133 (section .315[b])? ___ ___

_____ County Community College District
(_____ College) ***Use at District's discretion***
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, instances of noncompliance, and abuse related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

Audit findings that relate to both the financial statements and federal awards should be reported in both sections. However, the reporting in one section may be in summary form with a reference to a detailed reporting in the other section of the schedule.

When there are no financial statement findings to report, add "None reported.***" However, when the Government Auditing Standards Report on Internal Control over Financial Reporting and on Compliance and Other Matters has been issued separately, include the following:***

Financial statement findings were reported in the separately issued 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*.

OR

Use the following paragraph when the Government Auditing Standards Report on Internal Control and Compliance was issued separately and no findings over financial reporting were included in that separately issued report. The 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* was separately issued.

2015-01

Subject heading

Criteria: ***(In the criteria, describe the required or desired state or expectation. The criteria should refer to laws, regulations, contracts, grant agreements, standards, measures, expected performance, defined business practices, and benchmarks against which performance is compared or evaluated.)***

Condition and context: ***(In the condition, describe the situation that exists and for the context describe the work performed that resulted in the finding and provide information for judging the prevalence and consequences of the finding.)***

Effect: ***(In the effect, describe the impact or potential impact of the difference between the situation that exists and the required or desired state or expectation.)***

Cause: ***(In the cause, describe the reason or explanation for why it happened. Common factors include poorly designed policies, procedures, or criteria; inconsistent, incomplete, or incorrect implementation; or other factors beyond the control of management.)***

Recommendation: ***(In the recommendation, describe the suggested corrective action.)***

Add the following as applicable.
This finding is similar to prior-year finding(s) 201X-XX.

Federal Award Findings and Questioned Costs

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required to be reported by OMB Circular A-133, section 510(a).

Audit findings that relate to both the financial statements and federal awards should be reported in both sections. However, the reporting in one section may be in summary form with a reference to a detailed reporting in the other section of the schedule.

If there are no significant deficiencies, material weaknesses, or instances of noncompliance related to federal programs, add "None reported***."***

2015-101

Cluster Name: ***(Delete row if not applicable)***
CFDA No. and Name:
Award Numbers and Years:
Federal Agency:
Pass-Through Grantor: ***(Delete row if not applicable)***
Compliance Requirements:
Questioned Costs: $

Criteria: ***(In the criteria, describe the required or desired state or expectation. The criteria should refer to laws, regulations, contracts, grant agreements, standards, measures, expected performance, defined business practices, and benchmarks against which performance is compared or evaluated.)***

Condition and context: ***(In the condition, describe the situation that exists and for the context describe the work performed that resulted in the finding and provide information for judging the prevalence and consequences of the finding.)***

Effect: ***(In the effect, describe the impact or potential impact of the difference between the situation that exists and the required or desired state or expectation.)***

Cause: ***(In the cause, describe the reason or explanation for why it happened. Common factors include poorly designed policies, procedures, or criteria; inconsistent, incomplete, or incorrect implementation; or other factors beyond the control of management.)***

Recommendation: ***(In the recommendation, describe the suggested corrective action.)***

In planning and performing the District's fiscal year 2015 single audit, the auditors should consider the effective date of the new Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). ***The administrative requirements and cost principles included in the*** Uniform Guidance ***are required to be implemented by nonfederal entities beginning December 26, 2014, for all new federal awards and funding increments (additional funding to existing awards) with modified award terms and conditions that are awarded after that date. The terms and conditions of the federal awards should identify whether the funding increment is subject to the*** Uniform Guidance ***requirements, or whether it will continue to be governed by the original terms and conditions of the federal award. Accordingly, in the criteria and recommendation sections of the findings references should be made to the new*** Uniform Guidance ***when applicable.***

Add the following as applicable.
This finding is similar to prior-year finding(s) 201X-1XX.

Date

Debbie Davenport
Auditor General
2910 N. 44th St., Ste. 410
Phoenix, AZ 85018

Dear Ms. Davenport:

We have prepared the accompanying Corrective Action Plan as required by the standards applicable to financial audits contained in *Government Auditing Standards* and by U.S. Office of Management and Budget Circular A-133. Specifically, for each financial reporting finding, we are providing you with the corrective action planned, and for each federal award finding, we are providing you with the names of the contact people responsible for corrective action, the corrective action planned, and the anticipated completion date. ***Modify as necessary when either no financial reporting or federal award findings were reported.***

Sincerely,

District representative's name
Title

_____ County Community College District
(_____ College) ***Use at District's discretion***
Corrective Action Plan
Year Ended June 30, 2015

Financial Statement Findings

2015-01

Subject heading
Name(s) of contact person(s)
Anticipated completion date: _____

Describe the corrective action planned.

Omit the above section when there were no financial statement findings reported. However, when the Government Auditing Standards Report on Internal Control over Financial Reporting and on Compliance and Other Matters has been issued separately and included financial statement findings, include the following:

The corrective action plan for financial statement findings was included in the separately issued 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*.

Federal Award Findings and Questioned Costs

2015-101

CFDA No.: _____ ***Name of program***
Name(s) of contact person(s)
Anticipated completion date: _____

Describe the corrective action planned.

Date

Debbie Davenport
Auditor General
2910 N. 44th St., Ste. 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. This schedule also includes the status of audit findings reported in the prior audit's Summary Schedule of Prior Audit Findings that were not corrected.

Sincerely,

District representative's name
Title

_____ County Community College District
(_____ College) ***Use at District's discretion***
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

Status of Federal Award Findings and Questioned Costs

CFDA No.: _____ ***Name of program***
Finding No.: _____ ***Use itemized number from prior report***
Status: ***Choose one of the following:*** Fully corrected, Partially corrected, Not corrected, Significantly different corrective action, or No longer valid.

If status is fully corrected, no further explanation is necessary. If partially corrected, describe the partial action taken and remaining planned action. If not corrected, describe planned action. If the corrective action taken differed significantly from previously reported planned action, explain the action taken and why it was different. If the finding is no longer valid, describe the reasons.

Sample district notification letter to pass-through entity when the District is not required to submit a Single Audit Reporting Package to that entity. See OMB Circular A-133 §___.230(e)—Optional.

Date

Name of audit liaison
Name of pass-through entity
Address

Dear ***name of audit liaison***:

The Arizona Auditor General has completed a single audit of _____ County Community College District for the year ended June 30, 20__. The audit was conducted in accordance with the requirements of U.S. Office of Management and Budget Circular A-133 and included the following federal award(s) received from your agency:

CFDA Number	Award Name	Amount Expended

The auditors' Schedule of Findings and Questioned Costs disclosed no audit findings relating to the federal award(s) your agency provided. Also, the Summary Schedule of Prior Audit Findings did not report on the status of any audit findings related to those awards.

The following paragraph is optional.

If you would like to receive a copy of the Single Audit Reporting Package, please contact ***name and address or phone number of district contact person***.

Sincerely,

District Finance Officer or
Other appropriate official

Note: The District may choose to submit a copy of the reporting package to any pass-through entity to comply with the notification requirement in OMB Circular A-133 §__.320(e)(2).