

COMPLIANCE REPORT

SAN JOAQUIN VALLEY COLLEGE

VISALIA, CALIFORNIA

TIN NUMBER: 942589126

OPE ID NUMBER: 02120700

DUNS NUMBER: 083845776

COMPLIANCE AUDIT
OF THE TITLE IV PROGRAMS

at

VISALIA, CALIFORNIA
FRESNO, CALIFORNIA
BAKERSFIELD, CALIFORNIA
ONTARIO, CALIFORNIA
HANFORD, CALIFORNIA
SALIDA, CALIFORNIA
RANCHO CORDOVA, CALIFORNIA
HESPERIA, CALIFORNIA
TEMECULA, CALIFORNIA
LANCASTER, CALIFORNIA
CHULA VISTA, CALIFORNIA
MADERA, CALIFORNIA
DELANO, CALIFORNIA
PORTERVILLE, CALIFORNIA

FEDERAL PELL GRANT PROGRAM (84.063)
FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY
GRANT PROGRAM (84.007)
FEDERAL WORK STUDY PROGRAM (84.033)
FEDERAL DIRECT LOAN PROGRAM (84.268)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

ALMICH & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

SAN JOAQUIN VALLEY COLLEGE
VISALIA, CALIFORNIA

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Auditor Information Sheet

SAN JOAQUIN VALLEY COLLEGE
 8344 WEST MINERAL KING AVENUE
 VISALIA, CALIFORNIA 93291-9283
 TIN NUMBER: 942589126
 OPE ID NUMBER: 02120700
 DUNS NUMBER: 083845776

School Information:

Telephone Number: (559) 734-9000
 Fax Number: (559) 734-9048
 President: Michael Perry
 Contact Person and Title: Kevin Robinson
Vice President of Student
Financial Services

Audit Firm Information:

Lead Auditor: John F. Woll
 Email Address: jack@almichcpa.com
 License Number (Home State) : 51024
 (Out of State) : n/a
 Firm's Name: Almich & Associates
 Partner in Charge: Linda H. Cooley
 Street: 26463 Rancho Parkway South
 City, State, Zip: Lake Forest, California 92630
 Telephone Number: (949) 600-7550
 Fax Number: (949) 600-7558

Programs Audited:

FSEOG	84.007	<u> x </u>
FWS	84.033	<u> x </u>
Perkins	84.037 and 84.038	<u> </u>
Pell	84.063	<u> x </u>
Direct Loan	84.268	<u> x </u>
TEACH	84.379	<u> </u>
IASG	84.408	<u> </u>

For the award year that ended during the audit period, the audited ratios for establishing institutional eligibility required by 34 C.F.R. 600.7 are provided below:

Correspondence courses to total courses	<u> NA % </u>
Regular students enrolled in correspondence courses to total regular students	<u> NA % </u>
Regular students who are incarcerated to total regular students	<u> N/A % </u>
Regular students enrolled based on ability to benefit to total regular students	<u> N/A % </u>

For short term programs:

Program Name:	Completion Rate:	Placement Rate:
<u> N/A % </u>	<u> N/A % </u>	<u> N/A % </u>

The campuses/locations considered as part of this entity and covered or excluded by this examination are:

Address and Name of Location	>50% of Program Offered @ Site	Location On Eligibility Letter	Notice to ED Prior to Offering Instruction	Date		Of Auditor's Last Visit	Exclusion Reason
				Opened	Closed		
San Joaquin Valley College 8344 West Mineral King Avenue Visalia, CA 93291-9283 Main Campus	Yes	Yes	Yes	1977	N/A	7/20/17	N/A
San Joaquin Valley College - Fresno 295 East Sierra Avenue Fresno, CA 93710-3616 Additional Location	Yes	Yes	Yes	1985	N/A	7/19/17	N/A
San Joaquin Valley College – Fresno Aviation 4985 East Anderson Avenue Fresno, CA 93727-1501 Additional Location	Yes	Yes	Yes	1991	N/A	7/20/17	N/A
San Joaquin Valley College – Bakersfield 201 New Stine Road Bakersfield, CA 93309-2659 Additional Location	Yes	Yes	Yes	1985	N/A	7/20/17	N/A
San Joaquin Valley College – Ontario 4580 Ontario Mills Parkway Ontario, CA 91764-5107 Additional Location	Yes	Yes	Yes	12/5/14	N/A	9/29/17	N/A
San Joaquin Valley College – Hanford Classroom 215 West 7 th Street Hanford, CA 93230-4523 Additional Location	Yes	Yes	Yes	9/21/04	N/A	7/20/17	N/A
San Joaquin Valley College – Modesto 5380 Pirrone Road Salida, CA 95368-9090 Additional Location	Yes	Yes	Yes	10/28/04	N/A	7/25/17	N/A
San Joaquin Valley College – Rancho Cordova 11050 Olson Drive, Suite 100 Rancho Cordova, CA 95670- 5642 Additional Location	Yes	Yes	Yes	9/27/05	N/A	7/26/17	N/A
San Joaquin Valley College – Hesperia 9331 Mariposa Road Hesperia, CA 92344-8086 Additional Location	Yes	Yes	Yes	7/30/09	N/A	9/28/17	N/A
San Joaquin Valley College – Temecula 27270 Madison Avenue Temecula, CA 92590-5678 Additional Location	Yes	Yes	Yes	7/21/11	N/A	10/13/17	N/A
San Joaquin Valley College – Lancaster 42135 10 th Street West Lancaster, CA 93534-7018 Additional Location	Yes	Yes	Yes	11/1/12	N/A	9/28/17	N/A
San Joaquin Valley College – San Diego 333 H Street Suite 1065 Chula Vista, CA 91910-5557 Additional Location	Yes	Yes	Yes	11/1/12	11/16/17	10/13/17	N/A
San Joaquin Valley College – Madera 2185-J West Cleveland Avenue Madera, CA 93637-8724 Additional Location	Yes	Yes	Yes	11/19/15	N/A	7/19/17	N/A

San Joaquin Valley College- Delano 1920 Cecil Avenue Delano, CA 93215-9615	Yes	Yes	Yes	11/19/15	N/A	7/20/17	N/A
Additional Location							
San Joaquin Valley College – Porterville 314 North Main Street Porterville, CA 93257-3730	Yes	Yes	Yes	4/10/17	N/A	4/12/18	N/A
Additional Location							

Corporate Headquarters, Visalia, California: Visited January 29, 2018 through Feb 2, 2018

Expanded Test work Performed: April 19, 2018

Primary Accrediting Organization:

Western Association of Schools and Colleges-Community/Jr. Colleges
10 Commercial Boulevard Suite 204
Novato, California 94949

Other Accrediting Organizations: N/A

Does the school use a servicer to help it administer all or any portion of its Title IV program responsibilities?

Yes No

Location of the school's accounting and administrative records for Title IV Programs administered:

Corporate Office:

San Joaquin Valley College
3828 W. Caldwell Avenue
Visalia, California 93277

Main Campus:

San Joaquin Valley College
8344 West Mineral King Avenue
Visalia, California 93291-9283

Additional Locations:

San Joaquin Valley College - Fresno
295 East Sierra Avenue
Fresno, California 93710-3616

San Joaquin Valley College - Fresno Aviation
4985 East Anderson Avenue
Fresno, California 93727-1501

San Joaquin Valley College - Bakersfield
201 New Stine Road
Bakersfield, California 93309-2659

Additional Locations (continued):

San Joaquin Valley College - Ontario
4580 Ontario Mills Parkway
Ontario, California 91764-5107

San Joaquin Valley College - Hanford Classroom
215 West 7th Street
Hanford, California 93230-4523

San Joaquin Valley College - Modesto
5380 Pirrone Road
Salida, California 95368-9090

San Joaquin Valley College - Rancho Cordova
11050 Olson Drive, Suite 100
Rancho Cordova, California 95670-5642

San Joaquin Valley College - Hesperia
9331 Mariposa Road
Hesperia, California 92344-8086

San Joaquin Valley College - Temecula
27270 Madison Avenue
Temecula, California 92590-5678

San Joaquin Valley College - Lancaster
42135 10th Street West
Lancaster, California 93534-7018

San Joaquin Valley College - San Diego
333 H Street Suite 1065
Chula Vista, California 91910-5557
(Date of Closure: November 16, 2017)

San Joaquin Valley College – Madera
2185-J West Cleveland Avenue
Madera, California 93637-8724

San Joaquin Valley College – Delano
1920 Cecil Avenue
Delano, California 93215-9691

San Joaquin Valley College – Porterville
314 North Main Street
Porterville, California 93257-3730

Has the school stopped participating in all Title IV programs?

Yes No

ALMICH & ASSOCIATES

AN ACCOUNTANCY CORPORATION

• Certified Public Accounting and Business Services •

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
San Joaquin Valley College:

Report on Compliance for Student Financial Assistance Programs

We have audited San Joaquin Valley College's compliance with the compliance requirements regarding Institutional Eligibility and Participation; Reporting; Student Eligibility; Disbursements; Return of Title IV Funds; G5 and Cash Management and Administrative Requirements described in Chapter 3 of the 2016 edition of the U.S. Department of Education's *Guide For Audits of Proprietary Schools and For Compliance Attestation Engagements of Third-Party Servicers Administering Title IV Programs* (the Guide) relative to San Joaquin Valley College's Student Financial Assistance (SFA) Programs, for the year ended December 31, 2017.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for San Joaquin Valley College's SFA programs based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above occurred. An audit includes examining, on a test basis, evidence about San Joaquin Valley College'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 SFA programs. However, our audit does not provide a legal determination of San Joaquin Valley College's compliance.

Opinion on SFA Programs

In our opinion, San Joaquin Valley College complied, in all material respects, with the compliance requirements referred to above for the year ended December 31, 2017.

Report on Internal Control Over Compliance

Management of San Joaquin Valley College is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered San Joaquin Valley College's internal control over compliance with the compliance requirements to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for SFA programs and to test and report on internal control over compliance in accordance with the Guide, 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 San Joaquin Valley College'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 compliance requirement applicable to SFA programs on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement applicable to SFA programs will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance requirements of applicable SFA programs that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2017-006, 2017-008, 2017-009, and 2017-010, which we consider to be material weaknesses.

San Joaquin Valley College's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. San Joaquin Valley College's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

Almich & Associates

Lake Forest, California
June 27, 2018

SAN JOAQUIN VALLEY COLLEGE
VISALIA, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

PART A – INFORMATION ABOUT UNIVERSE AND AUDIT SAMPLE

Total Population:

	Pell	IASG	Direct Loan	FSEOG	Perkins	TEACH	FWS	Total ⁶⁶
Universe -								
Dollars	\$ 25,093,071	\$ -	\$ 52,621,970	\$ 536,840	\$ -	\$ -	\$ 79,508	\$ 78,331,389
Number of Students	5,661	-	5,904	1,254	-	-	30	6,720

Students Enrolled, graduated or students on an approved leave of absence:

	Pell	IASG	Direct Loan	FSEOG	Perkins	TEACH	FWS	Total ⁶⁷
Universe -								
Dollars	\$ 21,694,850	\$ -	\$ 46,693,795	\$ 470,050	\$ -	\$ -	\$ 76,491	\$ 68,935,186
Number of Students	4,579	-	4,954	1,040	-	-	28	5,452
Sample -								
Dollars	\$ 190,178	\$ -	\$ 505,499	\$ 2,700	\$ -	\$ -	\$ -	\$ 698,377
Number of Students	40	-	58	8	-	-	-	60

Withdrew, dropped out, enrolled but never began attendance during the audit, or terminated students*:

	Pell	IASG	Direct Loan	FSEOG	Perkins	TEACH	FWS	Total ⁶⁸
Universe -								
Dollars Returned/Refunded	\$ 483,572	\$ -	\$ 1,972,543	\$ 2,983	\$ -	\$ -	\$ -	\$ 2,459,098
Number of Students	299	-	575	13	-	-	-	728
Sample -								
Dollars Returned/Refunded	\$ 13,208	\$ -	\$ 26,608	\$ -	\$ -	\$ -	\$ -	\$ 39,816
Number of Students	5	-	16	-	-	-	-	21

Supplementary Information:

Total students in universe	6,720
Enrolled, graduated or students on an approved leave of absence	5,452
Withdrew, dropped or terminated students	1,268
Number of students selected from enrolled, graduated or students on approved leave of absence	60
Number of students selected from withdrew, dropped or terminated students	60
Total number of students with refunds paid in universe	728
Total number of students with refunds paid in sample	21

66 "Total" is the total Title IV funds and the number of students receiving Title IV funds (not duplicated if receiving more than one type of Title IV program funds).

67 See Footnote 66.

68 "Total" is the total Title IV refunds paid on behalf of Withdrew, dropped out, enrolled but never began attendance during the audit, or terminated students (not duplicated if refunds were paid to more than one Title IV program).

SAN JOAQUIN VALLEY COLLEGE
VISALIA, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2017

DEFINITION OF MATERIAL NON-COMPLIANCE

The following thresholds, in relation to management’s assertions, have been established with respect to material non-compliance. If the instances of non-compliance exceed these thresholds of materiality, the exceptions are considered material requiring appropriate further action:

	Percent Instances of Non-Compliance
1. Institutional Eligibility and Participation	0%
2. Reporting	12%
3. Student Eligibility	12%
4. Disbursements	12%
5. Return of Title IV Funds / Refund Compliance (except timeliness as to which the percentage is 5% - see Refund Timeliness discussion below)	12%
6. G5 and Cash Management	5% of federal Title IV funds
7. Perkins Loan Program	12%
8. Administrative Requirements	**

Refund Timeliness

With respect to refund timeliness, all instances of non-compliance are reported in the schedules of findings and questioned costs when the refund check clearance date exceeds the required timeframe prescribed in regulation. Expanded samples are performed based on the following criteria:

- (a) If more than 5% (and more than two student refunds) of refunds are *issued and cleared* the bank after the required timeframe.
- (b) If more than 5% (and more than two student refunds) of refunds are *issued prior* to their due date but *clear* the bank more than 15 days after the required timeframe.
- (c) A combination of (a) and (b) above which yields more than 5% (and more than two student refunds) late refunds based on this definition of material non-compliance.

***Administrative Requirements*

With respect to administrative requirements, we use professional judgment to determine the materiality of any noncompliance. Due to the nature of some of the administrative requirements they may or may not be quantifiable in monetary terms. We review a finding to determine the significance of potential liability or possible loss of Title IV eligibility. We also consider the cause of the noncompliance with the compliance requirement in assessing whether any modification is appropriate to our independent auditor’s report.

SAN JOAQUIN VALLEY COLLEGE
VISALIA, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2017

PART B – AUDIT FINDINGS

FINDING NO. 2017-001

Statement of Condition

Federal Direct Loan Program (FDLP) exit counseling was not performed in a timely manner for certain students.

Criteria

All institutions must conduct exit counseling to inform each FDLP borrower of their rights and obligations as a borrower within 30 days of the official withdrawal or graduation date determined by the institution. Documentation of the exit counseling must be maintained in each borrower's file.

Effect

In 5 of 102 FDLP files tested, the documentation indicated that exit counseling was not performed in a timely manner.

Cause

The Institution's procedures for counseling FDLP borrowers in a timely manner were not always applied.

Recommendation

The Institution should adhere to its procedures with respect to providing borrowers with FDLP exit counseling in a timely manner and maintaining documentation in the student files.

Summary Schedules A, B and C Reference

This finding is included on the accompanying summary schedule B.

Views of Responsible Officials

The Institution concurs with the finding. See the Corrective Action Plan for further details.

SAN JOAQUIN VALLEY COLLEGE
VISALIA, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2017

FINDING NO. 2017-002 (Repeat Finding)

Statement of Condition

One student was underawarded in Federal Pell Grant funds.

Criteria

An institution is required to pro-rate Federal Pell Grant award amounts, perform need analysis calculations, and review prior aid history to ensure that students are appropriately awarded.

Effect

In 1 of 89 Federal Pell Grant files tested, the student was underawarded in 2017-18 Federal Pell Grant funds in the amount of \$3,670.

Cause

In this isolated instance, the Institution did not follow its procedures with respect to the awarding of Title IV funds.

Recommendation

The Institution should follow its procedures to ensure that students are appropriately awarded.

Additional Information

Upon learning of this finding, the Institution paid the underpayment in the amount of \$3,670 to the student with Federal Pell Grant funds. We reviewed a copy of the student ledger and found it to be accurate.

Summary Schedules A, B and C Reference

This finding is not included on the accompanying summary schedules A, B and C since there are no questioned costs associated with this finding.

Views of Responsible Officials

The Institution concurs with the finding. The Institution believes this to be an isolated incident where most current ISIR was not used to calculate funding. See Corrective Action Plan for further details.

SAN JOAQUIN VALLEY COLLEGE
VISALIA, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2017

FINDING NO. 2017-003

Statement of Condition

One first-year, first-time borrower received the first disbursements of Federal Direct Loan Program (FDLP) proceeds prior to completing 30 calendar days of instruction.

Criteria

Institutions with a cohort default rate above 15% in any of the three most recent consecutive years are required to schedule disbursements for first-time, first-year borrowers no earlier than 30 days after the first day of classes for the term or payment period. The Institution's 2014 cohort default rate is 19.6%.

Effect

In 1 of 102 FDLP files tested, 1 student's first disbursement of Federal Direct Loan proceeds was delivered 27 days early. Total questioned costs are \$4,536.

Cause

In this isolated instance, the Institution did not adhere to its procedures with respect to disbursing loan proceeds to first-year, first-time students.

Recommendation

The Institution should closely monitor its procedures to ensure that first disbursement loan proceeds to first-year, first-time students are not delivered prior to completion of 30 calendar days of instruction.

Additional Information

We noted that the student completed 30 calendar days of instruction and was then eligible to receive the loan proceeds disbursed. There are no remaining questioned costs associated with this finding.

Summary Schedules A, B, and C Reference

This finding is included on the accompanying summary schedule B.

Views of Responsible Officials

The Institution concurs with the finding. See the Corrective Action Plan for details.

SAN JOAQUIN VALLEY COLLEGE
VISALIA, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2017

FINDING NO. 2017-004 (Repeat Finding)

Statement of Condition

A Return of Title IV funds calculation was not completed correctly when a student withdrew from an instructional program.

Criteria

Refunds for withdrawn students are to be properly calculated in accordance with applicable refund policies.

Effect

Of 60 files tested for refund compliance, 1 student's file contained an incorrect refund calculation. The Return of Title IV funds calculation did not contain the correct amount that could have been disbursed and the correct institutional charges.

Cause

In this isolated instance, procedures to ensure the proper completion of refund calculations and appropriate payment of resulting refunds due were not followed.

Recommendation

Due diligence and care must be exercised in completing refund calculations in accordance with SFA program requirements.

Additional Information

Upon learning of this finding, the Institution recalculated the refund using the correct data and we reviewed the revised calculation. The recalculations resulted in no additional refunds due to the Title IV funds programs. We reviewed the documentation and found it to be accurate. There are no remaining questioned costs associated with this finding.

Summary Schedules A, B and C Reference

This finding is not included on the accompanying summary schedules A, B and C since there are no questioned costs associated with this finding.

Views of Responsible Officials

The Institution concurs with the finding. The Institution believes this represents an isolated occurrence. See the Corrective Action Plan for details.

SAN JOAQUIN VALLEY COLLEGE
VISALIA, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2017

FINDING NO. 2017-005 (Repeat Finding)

Statement of Condition

Verification was not completed prior to disbursement of funds in one student file.

Criteria

Federal regulations require that institutions verify certain need analysis data for students selected for verification by the U.S. Department of Education and for any student whose file contains conflicting data. Under certain conditions for the Federal Pell Grant and campus-based programs, the Institution may make initial payment to the student for the first payment period while verification is being completed. If the student graduates or withdraws prior to completing verification, the Institution is liable for the amount(s) disbursed.

Effect

Of 120 files tested, the file of 1 student selected for V5 verification contained conflicting information with respect to the student's adjusted gross income, household size and income tax paid amount. The student received a Federal Pell Grant in the amount of \$2,907 and a Federal Direct Subsidized Loan in the amount of \$4,304 in the 2016-17 award year. Total net aid received was \$7,211.

Cause

In this isolated instance, the Institution did not apply its procedures for obtaining and reviewing complete documentation with respect to verification.

Recommendation

The Institution should follow its procedures for determining a student's aid eligibility and resolving conflicting information prior to disbursement.

Additional Information

Upon learning of this finding, the Institution recalculated the need analysis for the student using the accurate data. We reviewed the documentation and determined that there was a decrease in the amount of \$2,175 in Federal Pell Grant eligibility. The Institution returned \$2,175 to the Federal Pell Grant Program. We reviewed the documentation and found it to be accurate. The student remained eligible for all other Title IV funds disbursed. There are no remaining questioned costs associated with this finding.

Summary Schedules A, B and C Reference

This finding is included on the accompanying summary schedule A.

SAN JOAQUIN VALLEY COLLEGE
VISALIA, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2017

FINDING NO. 2017-005 (Continued)

Views of Responsible Officials

The Institution concurs with the finding. See Corrective Action Plan for additional details.

SAN JOAQUIN VALLEY COLLEGE
VISALIA, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2017

FINDING NO. 2017-006

Statement of Condition

Reconciliation of Federal Direct Loan Program (FDLP) disbursement dates in the Common Origination and Disbursement system (COD) with the Institutions' records was not always performed.

Criteria

Reconciliation of student disbursement data and/or transmission adjustments of rejected records are required to be submitted to COD within 15 days of payment or of the Institution becoming aware of the need to make an adjustment. Additionally, FDLP disbursement dates in COD are required to match the Institution's records.

Effect

In 17 of 102 FLDP records tested, the FDLP disbursement dates in COD differed from the Institution's records.

Cause

The Institution did not always complete reconciliation of FDLP disbursement dates in COD with the Institution's records.

Recommendation

The Institution should adhere to its policies of reconciliation of FDLP disbursement dates in COD with the Institution's records.

Additional Information

Based on our definition of material non-compliance on page 8 of this report, we expanded our sample by an additional 29 students to achieve a 90% confidence level with a confidence interval of $\pm 5\%$ for COD disbursement date discrepancies. The expanded sample testing resulted in the identification of 8 additional students with COD disbursement date differences. Based on the original sample plus the expanded sample, disbursement dates for 25 of the 131 student COD records tested were not consistent with the Institution's records.

Upon learning of this finding, the Institution corrected the FDLP disbursement dates discrepancies in COD. We reviewed the documentation and found it to be accurate.

Summary Schedules A, B and C Reference

This finding is not included on the accompanying summary schedules A, B and C since there are no fields available for data entry.

SAN JOAQUIN VALLEY COLLEGE
VISALIA, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2017

FINDING NO. 2017-006 (Continued)

Views of Responsible Officials

The Institution concurs with the finding. Existing policy was not followed consistently causing the disbursement posting date reported to COD to vary from the date posted to the student's AR ledger by a few days for some disbursement batches. See Corrective Action Plan.

SAN JOAQUIN VALLEY COLLEGE
VISALIA, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2017

FINDING NO. 2017-007

Statement of Condition

The Institution's 2017 Clery Act Annual Security Report did not contain all required policy statements and had missing/incorrect information related to the crime statistics.

Criteria

Domestic institutions that participate in Title IV financial aid programs are required to comply with the Clery Act. The Clery Act requires institutions to publish and distribute an Annual Security Report (ASR) containing campus crime statistics to enrolled students and current employees by October 1 each year. The ASRs are required to include more than 50 statements of policy, procedures, and other information. Additionally, institutions are required to submit the same crime statistics to the U.S. Department of Education's (U.S.D.E.) website by the published deadline in October of each year.

Effect

We found that the Institution's ASR did not contain all required policy disclosures and had missing/incorrect information related to the crime statistics. Specifically we identified several items not limited to the following:

- The ASR's policy statements are missing/incomplete with respect to:
 - Incomplete on whether security personnel have the authority to make arrests and if any agreements exist, such as written memoranda of understanding between the Institution and such agencies, for the investigation of alleged criminal offenses, as required by 668.46(b)(11)(ii) (A) and (B).
 - Incomplete statement of policy regarding the possession, use, and sale of illegal drugs and enforcement of Federal and State drug laws as required by 668.46(b)(9).
 - Missing the Institution's policy statement describing its process for maintaining as confidential any accommodations or protective measures provided to the victim, to the extent that maintaining such confidentiality would not impair the ability of the Institution to provide the accommodations or protective measures as required by 668.46(b)(11) (iii)(B).
 - Incomplete statement of policy regarding the Institution's process for providing written notification to students and employees or victims as required by 668.46(b)(11)(iv) and (v).
 - Missing the Institution's policy statement regarding its response to a student or employee report to the Institution that the student or employee has been a victim of dating violence, domestic violence, sexual assault, or stalking, whether the offense occurred on or off campus. In these instances, institutions are required to provide the student or employee with a written explanation of their rights and options as required under 668.48(b)(11)(vii).
 - Incomplete policy statements with respect to certain information required for emergency response and evacuation procedures as required by 668.46(g)(2), (3), and (6).
 - Incomplete policy statement that the Institution prohibits the crimes of dating violence, domestic violence, sexual assault, and stalking, as those terms are defined, as required by 668.46(j)(1)(i).

SAN JOAQUIN VALLEY COLLEGE
VISALIA, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2017

FINDING NO. 2017-007 (Continued)

- Incomplete policy statement for proceedings to be conducted by officials who receive annual training at a minimum, as required by 668.46(k).
- The ASR's crime statistics are missing/incorrect with respect to the following:
 - The ASR includes the categories of "forcible" and "non-forcible" sex offenses, and does not include a breakdown for the sex offenses of Rape, Fondling, Incest, and Statutory Rape required effective with the 2015 annual data collection applicable to the current audit period. Use of the outdated former categories in the Institutions' ASR therefore conflicts with the 2015 data reported to the U.S.D.E.'s website.
 - Non-campus statistics were not reported to U.S.D.E.'s website for 2015 for all campuses.
 - The ASR's crime statistics are missing 2 motor vehicle thefts on public property in 2014 that were reported to U.S.D.E.'s website.
 - For the Visalia campus, 1 motor vehicle theft on non-campus property in 2014 in the ASR does not agree to U.S.D.E.'s website.
 - For the Ontario campus, the 1 motor vehicle theft on campus in 2016 from the ASR agrees to the U.S.D.E.'s website, however the support provided indicated that there were 0 incidents and does not agree.
 - For the San Diego campus, the motor vehicle theft on campus in 2016 from the ASR agrees to U.S.D.E.'s website, however the support provided showed that there were 0 incidents and does not agree.
 - For the Madera campus, the 2 drug abuse disciplinary referrals on public property in 2016 from the ASR did not agree to U.S.D.E.'s website. Upon learning of this finding, the Institution noted that the ASR is incorrect and will be updated to 0.

Cause

The Institution did not follow its procedures or the compliance requirements set forth in the regulation with respect to publishing complete ASRs.

Recommendation

The Institution should follow its procedures, the compliance requirements set forth in the regulation, and utilize the 2016 Handbook for Campus Safety and Security Reporting to ensure that the ASRs are complete and accurate.

Summary Schedules A, B and C Reference

This finding is not included on the accompanying summary schedules A, B and C as there are no fields available for data entry.

Views of Responsible Officials

The Institution concurs with the finding and recommendation. ASR policy statements were updated when identified during the audit process. See the Corrective Action for further details.

SAN JOAQUIN VALLEY COLLEGE
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2017

FINDING NO. 2017-008

Statement of Condition

The Institution's 2017 Gainful Employment (GE) website disclosure templates contained certain inaccurate information and are not prominently provided on program home pages as required.

Criteria

The regulations at 34 C.F.R. 668.412 required that beginning January 1, 2017 institutions comply with GE disclosure requirements by updating their GE disclosures using the new GE disclosure template (GEDT) and provide the new and/or revised information to students and applicants on the Institution's website home pages for each academic program. The deadline for updating the GE disclosures was July 1, 2017. GE regulations define a "program" as the combination of the institution's OPE ID, CIP Code, and credential level, which can result in multiple programs at an institution being considered as one program for GE purposes. For each "program" the institution offers that prepares students for gainful employment in a recognized occupation, the institution must make the GE disclosures available to prospective students. The 2017 GE disclosure guidance was provided in the GEDT Quick Start Guide published by U.S.D.E. and via the Information for Financial Aid Professionals (IFAP) GE page that includes frequently asked questions (FAQs) that are updated periodically.

Effect

We found that the Institution's GE website disclosures contained certain inaccurate information. Specifically we identified the following:

- The GE disclosures are not prominently provided on the program home pages as required. There is a link labeled "consumer information" that if a user clicks on it will take the user to a page where GE disclosures and other disclosures are listed.
- The Institution's supporting data file(s) differ from the GE disclosures for 13 programs for on-time completion percentages, median loan debt, and the percentage of students who borrowed in the most recent award year.
- The disclosure templates for 7 programs included program lengths that did not agree to the ECAR.
- The disclosure templates for 2 programs did not include the Social Security Administration median wages provided by U.S.D.E.
- The on-time completers/median loan debt data file did not include students that were Title IV students but only received grants and also contained other systemic errors. As we were unable to verify the accuracy of the data files provided, we did not perform student sample testing in this area.

Cause

The Institution did not always adhere to the GE compliance requirements set forth in regulation and other U.S.D.E. published guidance.

SAN JOAQUIN VALLEY COLLEGE
VISALIA, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2017

FINDING NO. 2017-008 (Continued)

Recommendation

The Institution should adhere to GE compliance requirements set forth in regulation and other U.S.D.E. published guidance including the GEDT quick start guide and the IFAP gainful employment information page to ensure its GE disclosures are in compliance with the requirements.

Summary Schedules A, B and C Reference

This finding is not included on the accompanying summary schedules A, B and C as there are no fields available for data entry.

Views of Responsible Officials

The Institution concurs with the findings and recommendations. See the Corrective Action Plan for further details.

SAN JOAQUIN VALLEY COLLEGE
VISALIA, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2017

FINDING NO. 2017-009

Statement of Condition

The Institution's Gainful Employment (GE) reporting file for award year 2016-17 contained certain inaccurate and/or omitted information.

Criteria

The regulations at 34 C.F.R. 668.411 require that institutions of higher education that participate in the Title IV programs report certain data on their GE programs each year. The regulation provides specifics on the many fields of data that are required to be included for each Title IV recipient in the GE reporting file for the most recent award year and submitted to U.S.D.E. by October 1 of each year.

Effect

We found that the Institution's GE reporting file for the 2016-17 award year included certain inaccurate and/or omitted information. Specifically we identified the following items:

- 8 programs were reported with lengths that did not match the ECAR.
- 2 programs were reported with CIP Codes that did not match the ECAR.
- The Electrical Technology certificate program was improperly excluded.
- The Technical Studies A.S. Degree Completion program was improperly reported for 1 student. The program is a Non-Title IV program and should not have been reported.
- The Porterville campus was improperly excluded.
- 1 program had 1 student reported in a program that is not on the ECAR and is not Title IV eligible. The student and program should not have been reported.
- 29 students of 120 students tested were improperly excluded.
- 36 students of the 120 students tested had one or more of the following issues noted:
 - 1 student had \$0 books and supplies reported and we did not received support for this.
 - 26 students had books and supplies amounts reported that we did not receive support for.
 - 3 students had an incorrect start and/or status date reported or support was not provided.
 - 12 students had transactions included in the amounts reported that occurred after the reported status dates.
 - 8 students had private loan amounts that did not agree to support provided or support was not provided.
 - 4 students had tuition and fees amounts that did not agree to support provided or support was not provided.
 - 7 students had institutional debt that did not agree to support provided and/or was not the amount as of the status date.

Cause

The Institution did not always adhere to GE compliance requirements set forth in regulation and other U.S.D.E. published guidance.

SAN JOAQUIN VALLEY COLLEGE
VISALIA, CA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2017

FINDING NO. 2017-009 (Continued)

Recommendation

The Institution should adhere to the GE compliance requirements set forth in regulation and other U.S.D.E. published guidance to ensure its GE data as reported to U.S.D.E. is fully compliant.

Additional Information

Upon learning of this finding, the Institution ran a revised award year 2016-17 GE reporting file that included an additional 1,688 records. The revised reporting file corrected some of the items noted in the finding above including:

- The Electrical Technology certificate program was reported.
- The Portersville campus was reported.
- 18 of the 29 students improperly excluded were reported.

However, we were unable to obtain from the Institution details on all changes that resulted in the 1,688 additional records and the following changes to students in our sample: 1 student was omitted from the revised file, 1 student's status changed from enrolled to withdrawn, 1 student's private and institutional debt amounts changed, and 11 students that were previously improperly excluded were added.

Summary Schedules A, B and C Reference

This finding is not included on the accompanying summary schedules A, B and C as there are no fields available for data entry.

Views of Responsible Officials

The Institution concurs with the finding. The Institution uses Campus Managements Campus Nexus software to produce GE reporting files. Several software issues were encountered during the original file submission process. During the audit, it was discovered that the original GE file was incomplete due to incorrect system settings. A new file was created and submitted to NSLDS. The Institution is in the process of correcting the differences noted by the auditor. See the Corrective Action Plan for complete details.

SAN JOAQUIN VALLEY COLLEGE
VISALIA, CA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2017

FINDING NO. 2017-010

Statement of Condition

The Institution did not provide students with the graduation rate information as required in 34 CFR 668.45 and 668.41.

Criteria

By July 1 of each year higher education institutions must prepare and disseminate to all enrolled students or prospective students annual information regarding completion or graduation rates and transfer-out rates of certificate or degree-seeking full-time undergraduate students. Completion and graduation rate information must be disaggregated by gender, and by each major racial and ethnic subgroup as defined in the Integrated Postsecondary Education Data System (IPEDS).

Effect

We found that the Institution's notification of the graduation rate disclosure was e-mailed to students at the time of their enrollment, however, the documentation indicated that it was not done annually or on the same date for all students. Additionally, we noted that the disclosure support file provided did not agree to the disclosure. The support file contained a different number of students and graduates, including some duplicate students, and included differences in the disaggregated student counts. As we were unable to resolve these differences we did not perform sample testing on the support file.

Cause

The Institution did not comply with compliance requirements set forth in regulation with respect to inclusion of its calculated graduation rate in its consumer disclosure.

Recommendation

The Institution needs to comply with compliance requirements set forth in regulation and other U.S.D.E. published guidance to ensure consumer disclosures are prepared and provided to students as required.

Summary Schedules A, B and C Reference

This finding is not included on the accompanying summary schedules A, B and C as there are no fields available for data entry.

Views of Responsible Officials

The Institution concurs with the finding. The differences noted during the audit were due to the fact that the data was compiled at different points in time. See the Corrective Action Plan for further details.

SAN JOAQUIN VALLEY COLLEGE
VISALIA, CALIFORNIA
FOR THE YEAR ENDED DECEMBER 31, 2017

Schedule A: STUDENT ELIGIBILITY

	A	E	F	G	H	I	J	K	L
Student/ Number	Incomplete Verification	Not meeting satisfactory academic progress (SAP)	Original ISIR Not Found	Not A Regular Student	Non-eligible citizen	Incorrect SSN	Dependency Override not Documented	Professional Judgment not Documented	No Financial Need
B3	X								
Totals	1								

SAN JOAQUIN VALLEY COLLEGE
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FOR THE YEAR ENDED DECEMBER 31, 2017

Schedule B: DISBURSEMENTS

Student/ Number	A Credited Student's account or paid student directly more than 10 days before the start of classes	B Released funds to a student on LOA	C First time borrower, released first payment before 30 days after the first day of classes	D Made payment prior to student completing the previous payment period	E Verification not complete within the period of time specified by the school, loan proceeds not returned promptly	F Notification of crediting loan funds to student account not provided	G Deficient counseling		H Untimely/unpaid returns of ineligible funds
							Entrance	Exit	
A1								X	
A2								X	
A3								X	
A4								X	
B1								X	
B2			X						
Totals			1					5	

SAN JOAQUIN VALLEY COLLEGE
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INDEPENDENT AUDITOR'S COMMENTS ON RESOLUTION
OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2017

The Institution's compliance audit for the year ended December 31, 2016, dated June 2, 2017, was performed by Almich & Associates.

The Institution received a final audit determination letter from the U.S. Department of Education dated October 19, 2017 (ACN: 09-2016-70982). The determination letter required the Institution to take the necessary actions to correct any deficiencies noted. The auditor is required, as part of the next audit report, to comment on actions taken by the Institution to correct any findings noted in the audit report.

Actions taken on prior audit/attestation findings included in the Institution's compliance audit for the year ended December 31, 2016 (ACN: 09-2016-70982) are:

Finding No. 2016-001

The auditors found that of 75 files tested, 1 student received funds though not eligible at the time of the disbursement. A 2016-17 Federal Pell Grant disbursement was made after the student withdrew from the academic program. The student had not previously established eligibility for the funds in the amount of \$2,908 in the 2016-17 award year. Total questioned costs are \$2,908. Upon learning of this finding, the Institution returned \$2,908 to the Federal Pell Grant Program for the student in this finding. The auditors reviewed the repayment documentation and found it to be accurate. There are no remaining questioned costs associated with this finding.

Status

In the FADL, the finding was closed with no further action required. We found no exceptions with respect to ineligible disbursements during our file testing for the current audit period.

Finding No. 2016-002

The auditors found that in 2 of 63 Federal Pell Grant files tested, the students were underawarded in Federal Pell Grant funds. Student No. 1 was underawarded in the amount of \$1,886 in the 2015-16 award year. Student No. 2 was underawarded in the amount of \$50 in the 2016-17 award year. Upon learning of this finding, the Institution paid the underpayments in the amount of \$1,886 to Student No. 1 with institutional funds and \$50 to Student No. 2 with Federal Pell Grant funds. The auditors reviewed the documentation and found it to be accurate.

Status

In the FADL, the finding was closed with no further action required. As noted in Finding No. 2017-002, the Institution should follow its procedures to ensure that students are appropriately awarded.

Finding No. 2016-003

The auditors found that in 1 of 75 files tested, a second disbursement of a Federal Pell Grant in the amount of \$1,432 was credited to the student's tuition account prior to the beginning of the following term. The auditors noted that the student began the second payment period and remained eligible for the Title IV funds received. There are no questioned costs associated with this finding.

Status

In the FADL, the finding was closed with no further action required. We found no exceptions with respect to early subsequent disbursements during our file testing for the current audit period.

Finding No. 2016-004

The auditors found that of 75 files tested, the file of 1 student selected for verification was missing the student's income tax transcript and conflicting information with respect to the household size was not resolved. Total net aid received was \$6,352. Upon learning of this finding, the Institution returned \$2,888 to the Federal Pell Grant Program and \$3,464 to the Federal Direct Subsidized Loan Program for the student in this finding. The auditors reviewed the repayment documentation and found it to be accurate. There are no remaining questioned costs associated with this finding.

Status

In the FADL, the finding was closed with no further action required. As noted in Finding No. 2017-005, the Institution should follow its procedures for determining a student's aid eligibility and resolving conflicting information prior to disbursement.

Finding No. 2016-005

The auditors found that of 25 files tested for refund compliance, 1 student's file contained an incorrect refund calculation. The Return to Title IV funds calculation did not contain the correct amount that could have been disbursed. Upon learning of this finding, the Institution recalculated the refund using the correct data and we reviewed the revised calculation. The recalculation resulted in an additional refund in the amount of \$1,434 due to the Federal Direct Loan Program. The Institution paid the refund due to the Federal Direct Loan Program for the student in this finding. The auditors reviewed a copy of the refund documentation and found it to be accurate. There are no remaining questioned costs associated with this finding.

Status

In the FADL, the finding was closed with no further action required. As noted in Finding No. 2017-004, due diligence and care must be exercised in completing refund calculations in accordance with SFA program requirements.