

# **MOUNTAINLAND TECHNICAL COLLEGE**

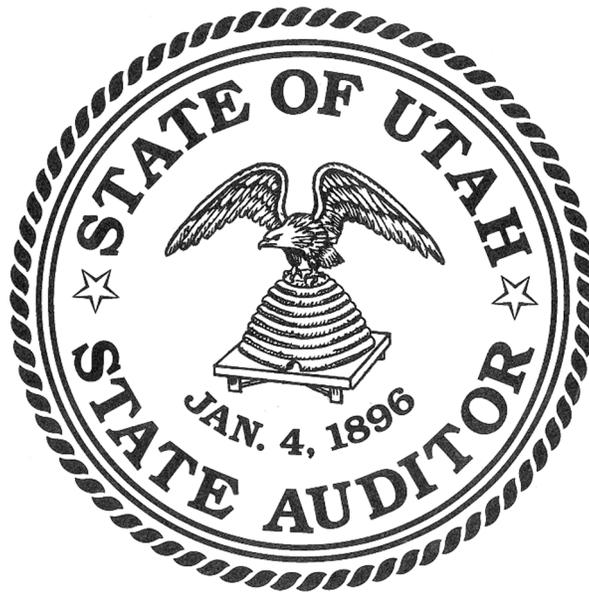
**A Component Unit of the State of Utah**

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Government Auditing Standards  
For the Year Ended June 30, 2019

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Report No. 19-40



## **OFFICE OF THE STATE AUDITOR**

**AUDIT LEADERSHIP:**

John Dougall, State Auditor  
Jason Allen, CPA, CFE, Audit Director  
Chantel Wixon, Audit Senior

**MOUNTAINLAND TECHNICAL COLLEGE**  
FOR THE YEAR ENDED JUNE 30, 2019

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OFFICE OF THE  
**STATE AUDITOR**

**INDEPENDENT STATE AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors, Audit Committee,  
and  
Clay E. Christensen, President  
Mountainland Technical College

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of Mountainland Technical College (the College) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the College's financial statements, and have issued our report thereon dated February 18, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the College'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College'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 to 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 entity's 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 not identify a certain deficiency in internal control, described in the accompanying finding and recommendation, that we consider to be a material weakness.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the College's 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*.

## **College's Response to Finding**

The College's response to the finding identified in our audit accompanies the finding and recommendation. The College's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, pursuant to Utah Code Title 63G Chapter 2, this report is a matter of public record, and as such, its distribution is not limited.

*Office of the State Auditor*

Office of the State Auditor  
February 18, 2020

# **MOUNTAINLAND TECHNICAL COLLEGE**

## **FINDING AND RECOMMENDATION FOR THE YEAR ENDED JUNE 30, 2019**

### **1. OVERSTATEMENT OF TUITION AND FEE REVENUE**

Mountainland Technical College (the College) incorrectly recognized \$667,499 as earned tuition and fee revenue for fiscal year 2019 when it had not earned the revenue as of June 30, 2019. The College records tuition and fee revenue and unearned revenue using reports generated from the Northstar Student System (System).

College management relied on information generated from the System without ensuring the validity of the output. Management should verify the reasonableness and accuracy of System generated reports prior to making adjustments that affect their financial statements. Failing to check for inaccurate information may result in undetected errors in the financial statements. The College adjusted its fiscal year 2019 financial statements to correct the \$667,499 error.

#### **Recommendation:**

**We recommend the College verify the reasonableness and accuracy of the Northstar student system generated reports.**

#### **College's Response:**

*The College agrees with the recommendation and will implement processes to verify the reasonableness and accuracy of Northstar system reports.*