



**COLORADO MOUNTAIN JUNIOR  
COLLEGE DISTRICT**

**OMB CIRCULAR A-133 SINGLE  
AUDIT STATEMENTS**

**Year Ended June 30, 2010**

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INDEPENDENT AUDITOR'S REPORT  
ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

October 20, 2010

Board of Trustees  
Colorado Mountain Junior College District  
Glenwood Springs, Colorado

We have audited the financial statements of Colorado Mountain Junior College District as of and for the year ended June 30, 2010, and have issued our report thereon dated October 20, 2010. These financial statements are the responsibility of Colorado Mountain Junior College District management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Colorado Mountain Junior College District's financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. Such information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects, in relation to the financial statements taken as a whole.

*Chadwick, Steinkirchner, Davis & Co., P.C.*

Colorado Mountain Junior College District  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2010

	<u>CFDA #</u>	<u>Expenditures</u>
<u>U.S. Department of Education</u>		
Passed through Colorado Department of Education:		
Adult Education – Basic Grants to States	84.002	\$ 185,520
Passed through Colorado Department of Higher Education:		
State Fiscal Stabilization Fund Education State Grants – ARRA	84.394	3,619,146
Passed through Colorado Community College System:		
Career and Technical Education – Basic Grants to States	84.048	92,231
Passed through Colorado Department of Corrections:		
Grants to States for Workplace and Community Transition Training for Incarcerated Individuals	84.331	4,404
Passed through Colorado Community and Occupational Education System:		
Career and Technical Education – Basic Grants to States	84.048	173,107
Direct assistance:		
Federal Supplemental Educational Opportunity Grants	84.007	29,077
Federal Family Education Loans	84.032	6,682,375
Federal Work-Study Program – ARRA	84.033	39,330
TRIO –Student Support Services	84.042	254,929
TRIO –Upward Bound	84.047	242,640
Academic Competitiveness Grants	84.375	7,775
Federal Pell Grant Program – ARRA	84.063	<u>2,480,007</u>
Total U.S. Department of Education		13,810,541
<u>U.S. Department of Health and Human Services</u>		
Passed through Colorado Department of Local Affairs:		
Community Services Block Grant – ARRA	93.710	55,931
<u>U.S. Small Business Administration</u>		
Passed through Colorado Office of Economic Development and International Trade:		
Small Business Development Centers	59.037	26,278
<u>Corporation for National and Community Service</u>		
Passed through other governments:		
Retired and Senior Volunteer Program	94.002	77,598
<u>U.S. Department of the Interior</u>		
Passed through Bureau of Land Management:		
Abandoned Mine Land Reclamation Program	15.252	19
Environmental Quality and Protection Resource Management	15.236	<u>74,757</u>
Total U.S. Department of the Interior		74,776
<u>Environmental Protection Agency</u>		
Passed through Colorado Department of Public Health and Environment:		
Nonpoint Source Implementation Grants	66.460	28,803
Passed through State of Colorado:		
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	66.802	<u>201,582</u>
Total Environmental Protection Agency		<u>230,385</u>
Total		<u>\$ 14,275,509</u>

Colorado Mountain Junior College District

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2010

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Colorado Mountain Junior 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 B – CLUSTERS OF PROGRAMS**

The following programs are reported as clusters:

	<u>CFDA #</u>	<u>Expenditures</u>
Student Financial Assistance Cluster		
Federal Supplemental Educational Opportunity Grants	84.007	\$ 29,077
Federal Family Education Loans	84.032	6,682,375
Federal Work-Study Program – ARRA	84.033	39,330
Academic Competitiveness Grants	84.375	7,775
Federal Pell Grant Program – ARRA	84.063	<u>2,480,007</u>
Total Student Financial Assistance Cluster		<u>\$ 9,238,564</u>
TRIO Cluster		
TRIO – Student Support Services	84.042	\$ 254,929
TRIO – Upward Bound	84.047	<u>242,640</u>
Total TRIO Cluster		<u>\$ 497,569</u>

**NOTE C – PASS THROUGH ENTITIES WITH THE SAME CFDA PROGRAM**

The following programs are listed separately on the schedule of expenditures of federal awards due to the applicable pass through entity. However, the following programs have the same catalog of federal domestic assistance numbers.

	<u>CFDA #</u>	<u>Expenditures</u>
Mountain Bureau of Cooperative Services – Carl D Perkins IV Grant	84.048	\$ 92,231
Vocational Education – Basic Grants to States	84.048	<u>173,107</u>
Total for CFDA #84.048		<u>\$ 265,338</u>



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

October 20, 2010

Board of Trustees  
Colorado Mountain Junior College District  
Glenwood Springs, Colorado

We have audited the financial statements of Colorado Mountain Junior College District as of and for the year ended June 30, 2010, and have issued our report thereon dated October 20, 2010. We conducted our audit in accordance with 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Colorado Mountain Junior College District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Colorado Mountain Junior College District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Colorado Mountain Junior College District's internal control over financial reporting.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Board of Trustees  
Colorado Mountain Junior College District  
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Compliance and Other Matters

As part of obtaining reasonable assurance that Colorado Mountain Junior College District's financial statements are free of 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*.

This report is intended solely for the information and use of management, the board of trustees, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Chadwick, Steinkirchner, Davis & Co., P.C.



REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT  
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

October 20, 2010

Board of Trustees  
Colorado Mountain Junior College District  
Glenwood Springs, Colorado

Compliance

We have audited the compliance of Colorado Mountain Junior College District with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Colorado Mountain Junior College District's major federal programs for the year ended June 30, 2010. Colorado Mountain Junior College District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Colorado Mountain Junior College District's management. Our responsibility is to express an opinion on Colorado Mountain Junior College District's compliance based on our audit.

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 OMB Circular A-133. 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 Colorado Mountain Junior College 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. Our audit does not provide a legal determination of Colorado Mountain Junior College District's compliance with those requirements.

In our opinion, Colorado Mountain Junior College District complied, in all material respects, with the 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, 2010.





Board of Trustees  
Colorado Mountain Junior College District  
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Internal Control Over Compliance

Management of Colorado Mountain Junior College District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Colorado Mountain Junior College District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 Colorado Mountain Junior College 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 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, board of trustees, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Chadwick, Steinkirchner, Davis & Co., P.C.*

Colorado Mountain Junior College District

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2010

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:		<u>Unqualified Opinion</u>		
Internal control over financial reporting:				
Material weakness(es) identified?	_____	yes	_____ <input checked="" type="checkbox"/>	no
Significant deficiency(ies) identified?	_____	yes	_____ <input checked="" type="checkbox"/>	none reported
Noncompliance material to financial statements noted?	_____	yes	_____ <input checked="" type="checkbox"/>	no

Federal Awards

Internal Control over major programs:				
Material weakness(es) identified?	_____	yes	_____ <input checked="" type="checkbox"/>	no
Significant deficiency(ies) identified?	_____	yes	_____ <input checked="" type="checkbox"/>	none reported

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

Unqualified Opinion

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?

\_\_\_\_\_ yes \_\_\_\_\_  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.007/ 84.032/ 84.033 84.063/ 84.375	Student Financial Assistance Cluster
84.042/ 84.047	TRIO Cluster
<u>84.394</u>	<u>State Fiscal Stabilization Education State Grants – ARRA</u>

Dollar threshold used to distinguish between

Type A and Type B programs: \$ 428,265

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes \_\_\_\_\_  no

Colorado Mountain Junior College District

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

Year Ended June 30, 2010

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SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

Colorado Mountain Junior College District  
SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2010

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Findings From the Year Ended June 30, 2009

The 2009 audit reported one finding as follows:

*Condition:* Two of twenty student files reviewed for compliance with Title IV refund requirements were found to have been not timely refunded. \$2,236.26 was properly refunded but not within the required timeframe.

*Criteria:* A-133 regulations state that a school has 45 days from the notification that a student has withdrawn from school to return any unallocated Title IV funds to the Department of Education.

*Effect:* By not returning the funds within the 45 day window, Colorado Mountain College is not in compliance with the Department of Education's requirements for returning Title IV funds in a timely manner.

*Cause:* The finding was caused by miscommunication between the Financial Aid Office's staff, who determines and calculates the return of Title IV funds, and the Business Office's staff, who handles the disbursement of the return of Title IV funds to the federal agencies.

*Recommendation:* Strengthen procedures for identifying and handling return of Title IV monies.

*Management Response and Corrective Action Plan:* The Office of Financial Aid is committed to compliance to the highest audit standards and requirements. The two students identified were calculated correctly but funds were not returned in a timely manner due to inadequate procedures. The new Return of Title IV procedures will now state: 1) once the last date of attendance is confirmed the process to Return Title IV funds will occur immediately and 2) if a return of funds is necessary, post to account, and 3) immediately following the post, contact student accounts by sending written notification or screen shot indicating funds that need to be reversed and 4) make appropriate adjustments to lender and guarantee agency websites. The Director of Financial Aid will monitor the processing of Return of Title IV. The corrective action date is fall 2009.

*Resolution:* Resolved.