



**COLORADO MOUNTAIN JUNIOR
COLLEGE DISTRICT**

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

Year Ended June 30, 2009

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

November 10, 2009

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, 2009, and have issued our report thereon dated November 10, 2009. 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 of Colorado Mountain Junior College District, taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis 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, 2009

<u>U.S. Department of Education</u>	<u>CFDA #</u>	<u>Expenditures</u>
Passed through Colorado Department of Education:		
Adult Education – State Grant Program	84.002	\$ 210,156
Even Start – State Educational Agencies	84.213	79,200
Passed through Colorado Department of Higher Education		
State Fiscal Stabilization Fund Grant	84.394	1,393,631
Passed through Colorado Community College System		
Mountain Bureau of Cooperative Services- Carl D Perkins IV Grant	84.048	76,812
Passed through Colorado Department of Corrections		
Colorado Youth Offender Program	84.331	86,000
Passed through Colorado Community and Occupational Education System:		
Vocational Education – Basic Grants to States	84.048	148,490
Direct assistance:		
Federal Supplemental Education Opportunity Grants	84.007	26,010
Federal Family Education Loans	84.032	4,346,167
Federal Work-Study Program	84.033	33,581
TRIO-Student Support Services	84.042	272,452
TRIO-Upward Bound	84.047	256,142
Academic Competitiveness Grant	84.375	8,325
Federal Pell Grant Program	84.063	<u>1,145,275</u>
Total U.S. Department of Education		8,082,241
<u>U.S. Small Business Administration</u>		
Passed through Colorado Office of Economic Development and International Trade		
Small Business Development Center	59.037	13,509
<u>Corporation for National and Community Service</u>		
Passed through other governments:		
Retired and Senior Volunteer Program	94.002	58,037
<u>U.S. Department of the Interior</u>		
Passed through Bureau of Land Management		
Cooperation Agreement: Abandoned Mine Land Reclamation Program and Environmental Quality and Protection Resource Management	15.236	63,493
<u>U.S. Department of Health and Human Services</u>		
Passed through Associated Governments of Northwest		
Colorado Area Agency on Aging:		
Special Programs for the Aging:		
Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	2,551
Title III, Part C - Nutrition Services	94.968	<u>7,401</u>
Total U.S. Department of Health and Human Services		9,952
<u>Environmental Protection Agency</u>		
Passed through Colorado Department of Public Health and Environment:		
Nonpoint Source Implementation Grants	66.460	15,752
Passed through State of Colorado:		
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	66.802	<u>104,604</u>
Total Environmental Protection Agency		<u>120,356</u>
<u>National Endowment for Humanities</u>		
Direct assistance:		
Preservation Technology	45.149	<u>976</u>
Total		<u>\$ 8,348,564</u>

Colorado Mountain Junior College District

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2009

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.



**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**

November 10, 2009

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, 2009, and have issued our report thereon dated November 10, 2009. 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 opinions 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Colorado Mountain Junior College District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Colorado Mountain Junior College District's financial statements that is more than inconsequential will not be prevented or detected by Colorado Mountain Junior College District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Colorado Mountain Junior College District's internal control.



Board of Trustees
Colorado Mountain Junior College District
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Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be 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.

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, grant agreements and other matters, 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 which are described in the accompanying schedule of findings and questioned costs as finding 2009-01.

We noted certain matters that we reported to management of Colorado Mountain Junior College District, in a separate letter dated November 10, 2009.

Colorado Mountain Junior College District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Colorado Mountain Junior College District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the audit committee, the board of trustees, and 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 APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

November 10, 2009

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 *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. 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, *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 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 on 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 requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.



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

The management of Colorado Mountain Junior College District is responsible for establishing and maintaining effective internal control over compliance with 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 requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

Colorado Mountain Junior College District's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Colorado Mountain Junior College District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, board of trustees, others within the entity, and 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, 2009

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 <u> ✓ </u>	no
Significant deficiencies identified not considered to be material weaknesses?	_____	yes <u> ✓ </u>	no
Noncompliance material to financial statements noted?	_____	yes <u> ✓ </u>	no

Federal Awards

Internal Control over major programs:			
Material weakness(es) identified?	_____	yes <u> ✓ </u>	no
Significant deficiencies identified not considered to be material weaknesses?	_____	yes <u> ✓ </u>	none reported

Type of auditor's report issued on compliance for major programs:	<u>Unqualified Opinion</u>		
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Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	_____	yes <u> ✓ </u>	no
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.xxx	Student Financial Assistance Cluster
84.394	State Fiscal Stabilization Fund Grant

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 300,000
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Auditee qualified as low-risk auditee?	_____	yes <u> ✓ </u>	no
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Colorado Mountain Junior College District

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

Year Ended June 30, 2009

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2009-01

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.

Colorado Mountain Junior College District
SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2009

Findings From the Year Ended June 30, 2008

The 2008 audit reported one finding as follows:

2008-01 Financial Reporting

Condition: One of ten student files reviewed for compliance with Title IV refund requirements was found to have been not timely refunded. \$554.11 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 an infrequent event (death of a student) which caused the College staff, who were unfamiliar with such a situation to delay processing the return of the funds to the Department of Education.

Recommendation: Strengthen procedures for identifying and handling non-routine events.

Management Response and Corrective Action Plan: Our current process collects withdrawal information through e-mails from a financial aid specialist from the campuses reported during the semester and from the Attendance Mismatch Report "run" after the semester is complete. Upon receipt of the information Gary Lewis uses colleague to input the data and calculate the RTIV. Gary Lewis then updates the student award and students that have to refund Pell/SEOG or have a post withdrawal disbursement are sent letters. This process has been in place for several years and in compliance with refund regulations.

Regarding the finding: Gary Lewis was notified on April 16, 2008 via an e-mail from Candy Chant at the Timberline Campus that a student who received financial aid at her campus had died on 2/24/08. Initially there was a question of what to use as the withdrawal date, the determination date and what information on the loan was to be mailed to the parents.

Gary Lewis planned to contact College Assist for guidance but misplaced the information. The calculation was not done until 6/26/08. This was error on Gary Lewis' part and does not reflect a problem with the process or the procedure. However, the process /procedure is not in writing and will be added to the 08-09 Program Procedures guide and will address identifying and handling non-routine events.

Resolution: A similar finding exists in the current year. Not resolved.