

**COCONINO COUNTY  
COMMUNITY COLLEGE DISTRICT  
(COCONINO COMMUNITY COLLEGE)  
SINGLE AUDIT REPORTING PACKAGE  
FOR THE YEAR ENDED JUNE 30, 2001**

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
(COCONINO COMMUNITY COLLEGE)  
SINGLE AUDIT REPORTING PACKAGE  
FOR THE YEAR ENDED JUNE 30, 2001**

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

Auditor General of the State of Arizona

The Governing Board of  
Coconino County Community College District

We have audited the financial statements of Coconino County Community College District as of and for the year ended June 30, 2001, and have issued our report thereon dated September 28, 2001, which was modified as to consistency because of a change in the capitalization threshold for property, buildings and equipment. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted one other matter involving the internal control over financial reporting that we have reported to the District's management in a separate letter dated September 28, 2001.

This report is intended solely for the information and use of the members of the Arizona State Legislature, the Auditor General of the State of Arizona, the Governing Board, federal awarding agencies, and pass-through entities. It is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

HEINFELD & MEECH, P.C.  
Certified Public Accountants

September 28, 2001



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Auditor General of the State of Arizona

The Governing Board of  
Coconino County Community College District

Compliance

We have audited the compliance of Coconino County Community 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, 2001. The District's major federal programs are identified in the summary of auditors' 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 the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, Coconino County Community 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, 2001.

### Internal Control Over Compliance

The District's management 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 the 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 and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

### Schedule of Expenditures of Federal Awards

We have audited the District's financial statements as of and for the year ended June 30, 2001, and have issued our report thereon dated September 28, 2001, which was modified as to consistency because of a change in the capitalization threshold for property, buildings and equipment. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information 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.

This report is intended solely for the information and use of the members of the Arizona State Legislature, the Auditor General of the State of Arizona, the Governing Board, federal awarding agencies, and pass-through entities. It is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

HEINFELD & MEECH, P.C.  
Certified Public Accountants

September 28, 2001

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
(COCONINO COMMUNITY COLLEGE)  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2001**

| <u>Federal Grantor/Pass-Through<br/>Grantor/Program Title</u>           | <u>CFDA<br/>Number</u> | <u>Pass-Through<br/>Grantor's<br/>Number</u> | <u>Expenditures</u>        |
|-------------------------------------------------------------------------|------------------------|----------------------------------------------|----------------------------|
| <b><u>U.S. Department of Education</u></b>                              |                        |                                              |                            |
| Direct Programs:                                                        |                        |                                              |                            |
| Title III - Strengthening Institutions                                  | 84.031A                | N/A                                          | \$ 350,502                 |
| Student Financial Assistance Cluster:                                   |                        |                                              |                            |
| Supplemental Educational Opportunity Grants                             | 84.007                 | N/A                                          | 153,487                    |
| Work-Study Program                                                      | 84.033                 | N/A                                          | 97,819                     |
| Pell Grant Program                                                      | 84.063                 | N/A                                          | 899,614                    |
| Total Student Financial Assistance Cluster                              |                        |                                              | <u>1,501,422</u>           |
| Passed through Arizona State Board of Directors for Community Colleges: |                        |                                              |                            |
| Vocational Education - Basic Grants to State                            | 84.048                 | 30102                                        | 135,348                    |
| Vocational Education - Tech Prep                                        | 84.243                 | 10102                                        | 121,316                    |
| Passed through Arizona Department of Education:                         |                        |                                              |                            |
| Vocational Education - Tech Prep                                        | 84.243                 | 00FVEDTP-070545-01A                          | 3,174                      |
| Vocational Education - Tech Prep                                        | 84.243                 | 01FVEDTP-170545-01A                          | 25,000                     |
| Passed through Arizona Commission for Postsecondary Education:          |                        |                                              |                            |
| State Student Incentive Grant                                           | 84.069                 | 86-6004791                                   | <u>32,011</u>              |
| <b>Total U.S. Department of Education</b>                               |                        |                                              | <u><u>1,818,271</u></u>    |
| <br><b><u>Small Business Administration</u></b>                         |                        |                                              |                            |
| Passed through Maricopa County Community College District:              |                        |                                              |                            |
| Small Business Development Center                                       | 59.037                 | 0-7620-0003-8                                | 41,998                     |
|                                                                         |                        | 01-7620-0003-9                               | <u>37,222</u>              |
| <b>Total Expenditures of Federal Awards</b>                             |                        |                                              | <u><u>\$ 1,897,491</u></u> |

See accompanying notes to schedule.

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
(COCONINO COMMUNITY COLLEGE)  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2001**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Coconino County Community College District and is presented on the full accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**NOTE 2 - CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS**

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2001 *Catalog of Federal Domestic Assistance*.



**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
(COCONINO COMMUNITY COLLEGE)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2001**

**SECTION I-SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:  
 Material weakness(es) identified?           yes   X  no  
 Reportable condition(s) identified  
 not considered to be material weakness(es)?           yes   X  none reported

Noncompliance material to financial statements noted?           yes   X  no

**Federal Awards**

Internal control over major programs:  
 Material weakness(es) identified?           yes   X  no  
 Reportable condition(s) identified  
 not considered to be material weakness(es)?           yes   X  none reported

Type of auditors' report issued on compliance  
 for major programs: Unqualified

Any audit findings disclosed that are required to be reported  
 in accordance with Circular A-133, Section .510(a)?           yes   X  no

Identification of major programs:

| <u>CFDA Numbers</u> | <u>Name of Federal Program or Cluster</u>   |
|---------------------|---------------------------------------------|
|                     | Student Financial Assistance Cluster:       |
| 84.007              | Supplemental Educational Opportunity Grants |
| 84.033              | Work-Study Program                          |
| 84.063              | Pell Grant Program                          |
| 84.031A             | Title III – Strengthening Institutions      |

Dollar threshold used to distinguish between Type A  
 and Type B programs: \$300,000

Auditee qualified as low-risk auditee?   X  yes           no

**Other Matters**

Auditee's summary schedule of prior audit findings  
 required to be reported in accordance with  
 Circular A-133 (Section .315[b])?           yes   X  no

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
(COCONINO COMMUNITY COLLEGE)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2001**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

We noted no reportable conditions, material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*, Chapter 5, paragraph 18.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

We noted no reportable conditions, material weaknesses or instances of noncompliance related to the audit of major federal programs as required to be reported by OMB Circular A-133.

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
(COCONINO COMMUNITY COLLEGE)  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2001**

**STATUS OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

The District had no findings or questioned costs related to federal awards noted in prior audits that require a status report.