



Federal Awards Reports In Accordance With The
Single Audit Act and OMB Circular A-133
December 31, 2011

Summit County, Colorado

Summit County, Colorado
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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 Summit County Commissioners
Summit County, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Summit County, Colorado as of and for the year ended December 31, 2011, which collectively comprise Summit County's basic financial statements and have issued our report thereon dated June 11, 2012. As noted in the financial statements, the County implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in 2011. 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 Summit County'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 Summit County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Summit County'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 deficiency, or 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Summit County, Colorado's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 the Board of County Commissioners, management, 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.

Eide Bailly LLP

Golden, CO
June 11, 2012



Independent Auditor's 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

Board of Summit County Commissioners
Summit County, Colorado

Compliance

We have audited Summit County, Colorado's compliance 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 Summit County, Colorado's major federal programs for the year ended December 31, 2011. Summit County, Colorado'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 Summit County, Colorado's management. Our responsibility is to express an opinion on Summit County, Colorado'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 Summit County, Colorado's compliance with those requirements and performing such other procedures as we considered necessary. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Summit County, Colorado's compliance with those requirements.

In our opinion, Summit County, Colorado, 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 December 31, 2011.

Internal Control Over Compliance

Management of Summit County, Colorado, 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 Summit County, Colorado's internal control over compliance with 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 Summit County'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 purposes 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 considered to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Summit County, Colorado, as of and for the year ended December 31, 2011, which collectively comprise Summit County, Colorado's basic financial statements, and have issued our report thereon dated June 11, 2012, which contained an unqualified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Summit County, Colorado's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

This report is intended solely for the information and use of the Board of County Commissioners, management, 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.

Eide Bailly LLP

Golden, CO
June 11, 2012

Summit County, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2011

Federal Grant/Program	Federal CFDA Number	Pass-through ID Number	2011 Federal Awards	2011 Grand Total
U.S. Department of Agriculture				
Passed through Colorado Department of Public Health and Environment				
Special Supplemental Nutrition Program for Women, Infant and Children	10.557	WIC-AB1-DOA	145,343	
Special Supplemental Nutrition Program for Women, Infant and Children - non-cash assistance	10.557	*	<u>233,183</u>	
Subtotal - Women, Infant and Children Cluster				378,526
Passed through Colorado Department of Human Services				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	*		95,233
Emergency Food Assistance Program - Food Commodities	10.569	*		<u>11,531</u>
Total U.S. Department of Agriculture				<u>\$ 485,290</u>
U.S. Department of Justice				
Passed through Colorado Division of Criminal Justice				
State Criminal Alien Assistance Program	16.606	*		42,031
Edward Byrne Memorial Justice Assistance Grant	16.738	*		7,224
Bulletproof Vest Partnership Program	16.607	*		<u>350</u>
Total U.S. Department of Justice				<u>49,605</u>
U.S. Department of Housing and Urban Development				
Passed through Colorado Division of Housing				
Community Development Block Grants/State Program	14.228	H9CDG08062G		42,087
U.S. Department of Transportation:				
Passed through Colorado Dept. of Transportation:				
FTA - Formula Grants for Other Than Urbanized Areas-Section 5311	20.509	CO-18-4029.SUMM	427,100	
FTA - Formula Grants for Other Than Urbanized Areas-Section 5311	20.509	CO.18-4029.LAKE	60,000	
FTA - Formula Grants for Other Than Urbanized Areas-Section 5311-ARRA	20.509	CO-86-0001.SUMM	<u>76,599</u>	
Subtotal - FTA - Formula Grants for Other than Urbanized Areas				563,699
FTA - Formula Grants for Other Than Urbanized Areas-Section 5309	20.500	*		<u>151,304</u>
Total U.S. Department of Transportation				<u>715,003</u>
U.S. Department of Health and Human Services:				
Direct Payments				
Head Start	93.600		330,622	
Early Head Start	93.600		74,225	
Early Head Start - ARRA	93.709		<u>250,048</u>	
Total Head Start Cluster				654,895
Healthy Marriage Promotion & Responsible Fatherhood Grants	93.086			21,136
Passed through Colorado Dept. of Public Health and Environment				
Maternal and Child Health Federal Consolidated Programs	93.110	HCP-GZ0-HHS		12,989
Immunization Grants - VFC	93.268	IMM-KA1-HHS	12,052	
TDAP Immunization - ARRA	93.712	IMM-QC9-HHS	17,735	
TDAP Immunization - ARRA	93.712	IMM-QP9-HHS	<u>14,791</u>	
Subtotal Immunization Grants				44,578 (1)
Public Health Emergency Preparedness-Bioterrorism	93.069	EPR-HW1-HHS	58,192	
Public Health Emergency Preparedness-Bioterrorism	93.069	EPR-HW2-HHS	<u>42,942</u>	
				101,134
Maternal and Child Health Services Block Grant to the States	93.994	MCH-MH1-HHS		401
Indoor Radon	66.605	HAZ-AS1-EPA		4,281

Summit County, Colorado
Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2011

	Federal CFDA Number	Pass-through ID Number	2011 Federal Awards	2011 Grand Total
Passed through Colorado Dept. of Human Services				
Temporary Assistance for Needy Families	93.558	*		218,736
Child Support Enforcement	93.563	*		145,167
Low-Income Home Energy Assistance	93.568	*		67,496
Child Care and Development Block Grant	93.575	*	(25,482)	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	*	<u>177,855</u>	
Subtotal - Child Care Cluster				152,373
Child Welfare Services State Grants	93.645	*		4,049
Foster Care Title IV-E	93.658	*	132,463	
Foster Care Title IV-E - ARRA	93.658	*	<u>23</u>	
Subtotal - Foster Care Title IV-E				132,486
Adoption Assistance	93.659	*		10,134
Social Services Block Grant	93.667	*		74,641
Medical Assistance Program	93.778	*		61,862
Block Grants for Prevention and Treatment of Substance Abuse	93.959	ADA11B1COSAP		2,799
Adjustments to Federal Assistance	93.XXX	*		(1,342)
Passed through Colorado Dept. of Social Services				
Special Programs for the Aging - Title III Part B	93.044	*		11,365
Passed through Colorado Department of Education				
Immunization Grants - Early Childhood Connections	93.268	*		55,167 (1)
Passed through Colorado Dept. of Local Affairs				
Community Services Block Grant	93.569	*		<u>33,105</u>
Total U.S. Department of Health and Human Services				<u><u>1,807,452</u></u>
U.S. Department of Homeland Security				
Passed through Colorado Dept. of Local Affairs				
Emergency Management Performance Grants	97.042	*		<u>58,305</u>
Total U.S. Department of Homeland Security				<u><u>58,305</u></u>
Total Federal Grants/Programs				<u><u>\$ 3,157,742</u></u>

(1) Immunization grant cluster passed through the Colorado Dept. of Education and the Colorado of Dept. of Public Health and Environment total \$99,745

* Pass-through ID Number not available

The accompanying notes are an integral part of this statement.

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Summit County, Colorado, and is presented on the modified 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 basic financial statements. Summit County, Colorado, received federal awards both directly from federal agencies and indirectly through pass-through entities. Federal financial assistance provided to a sub-recipient is treated as an expenditure when it is paid to the sub-recipient.

Governmental fund types account for the County’s federal grant activity. Therefore, expenditures in the schedule of expenditures of federal awards are recognized on the modified accrual basis – when they become a demand on current available financial resources. The County’s summary of significant accounting policies is presented in Note 1 in the County’s basic financial statements.

Note B – Sub-recipients of Grant Awards

Of the federal expenditures presented in the accompanying schedule of expenditures of federal awards, the County provided federal awards to sub-recipients under the Head Start Cluster as follows:

<u>CFDA #</u>	<u>Amount</u>
93.600 – Head Start	\$ 319,722
93.600 – Early Head Start	58,548
93.709 – Early Head Start - ARRA	194,665
Total	\$ 572,935

<u>Sub-Recipient</u>	<u>Amount</u>
Early Childhood Options	\$ 416,845
Summit School District RE-1	106,537
Family & Intercultural Resource Center	49,553
Total	\$ 572,935

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133	No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557
FTA - Section 5311 Formula Grants for Other Than Urbanized Areas (Operating & Capital)	20.509
Head Start Cluster (ARRA)	93.600 & 93.709

Dollar threshold used to distinguish between type A and type B programs	\$300,000
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Auditee qualified as low-risk auditee	No
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Section II – Financial Statement Findings

No current year findings.

Section III – Federal Award Findings and Questioned Costs

No current year findings.

Summit County, Colorado
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2011

No prior year findings.