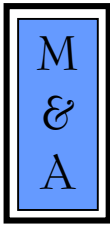




SINGLE AUDIT REPORTS & SCHEDULES



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS

Board of County Commissioners Garfield County, Colorado Glenwood Springs, Colorado

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Garfield County, Colorado (the "County") as of and for the year ended December 31, 2009, which collectively comprise Garfield County, Colorado's basic financial statements and have issued our report thereon dated May 14, 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.

Compliance and Other Matters

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in 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 the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Entity'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 a combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with general accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County'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 the County's internal control.

Member: American Institute of Certified Public Accountants

D. JERRY MCMAHAN, C.P.A.
PAUL J. BACKES, C.P.A.

DANIEL R. CUDAHY, C.P.A.
MICHAEL N. JENKINS, C.A., C.P.A.

AVON
(970) 845-8800

ASPEN
(970) 544-3996

FRISCO
(970) 668-3481

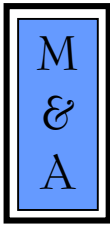
Board of County Commissioners
Garfield County, Colorado

Our consideration of 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 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.

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

McMahan and Associates, LLC.

McMahan and Associates, L.L.C.
May 14, 2010



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

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

**Board of County Commissioners
Garfield County, Colorado
Glenwood Springs, Colorado**

Compliance

We have audited the compliance of the Garfield County, Colorado (the "County") 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 December 31, 2009. The County'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 the County's management. Our responsibility is to express an opinion on the County'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 the County'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 County's compliance with those requirements.

In our opinion, the County 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 December 31, 2009.

Internal Control Over Compliance

The management of the County 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 County'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 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 Example Entity's internal control over compliance.

Member: American Institute of Certified Public Accountants

D. JERRY MCMAHAN, C.P.A.
PAUL J. BACKES, C.P.A.

DANIEL R. CUDAHY, C.P.A.
MICHAEL N. JENKINS, C.A., C.P.A.

AVON
(970) 845-8800

ASPEN
(970) 544-3996

FRISCO
(970) 668-3481

**Board of County Commissioners
Garfield County, Colorado**

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 by 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.

McMahan and Associates, LLC.

**McMahan and Associates, L.L.C.
May 14, 2010**

Garfield County, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2009

Part I: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weakness identified	None noted
Reportable condition identified that is not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted	None noted

Federal Awards

Internal control over major programs:	
Material weakness identified	None noted
Material weaknesses that are not considered to be significant deficiencies	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	None noted
Major programs:	
Food Assistance	CFDA #10.551
Food Assistance administration	CFDA #10.561
Temporary Assistance for Needy Families	CFDA #93.558
Child Support Enforcement (Title IV-D Admin)	CFDA #93.563
Low Income Energy Assistance	CFDA #93.568
Dollar threshold used to identify Type A from Type B programs	\$300,000
Identified as low-risk auditee	Yes

Part II: Findings Related to Financial Statements

Findings related to financial statements as required by Government Auditing Standards	None noted
Auditor-assigned reference number	Not applicable

Part III: Findings Related to Federal Awards

Internal control findings	None noted
Compliance findings	None noted
Questioned costs	None noted
Auditor-assigned reference number	Not applicable

Garfield County, Colorado
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2009

Note: There were no findings for the fiscal year ended December 31, 2008.

Garfield County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2009

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Major Program</u>	<u>Expenditures</u>
Department of Agriculture:			
Passed through Colorado Department of Human Services:			
Temporary Emergency Food Assistance Program (TEFAP) Administration	10.568	No	7,387
Food Donation	10.569	No	59,355
Food Assistance	10.551	Yes	4,420,988
Food Assistance administration	10.561	Yes	346,769
Passed through Colorado Department of Public Health and Environment:			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	No	1,068,191
Total Department of Agriculture			<u>5,902,690</u>
Department of Health and Human Services:			
Passed through Colorado Department of Health Care Policy and Financing:			
Medical Assistance Program	93.778	No	256,104
Passed through Colorado Department of Human Services:			
Scientific communications - partners for sustainable change	93.243	No	120,007
Temporary Assistance for Needy Families	93.558	Yes	1,559,320
Child Support Enforcement (Title IV-D - Administration)	93.563	Yes	664,976
Low-Income Home Energy Assistance	93.568	Yes	336,615
Child Care and Development Block Grant	93.575	No	214,850
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	No	835,668
Child Welfare Services - State Grants	93.645	No	314,440
Foster Care - Title IV-E	93.658	No	600,015
Adoption Assistance	93.659	No	137,811
Social Services Block Grant	93.667	No	380,773
Independent Living	93.674	No	13,833
Medicaid Assistance Program	93.778	No	335,964
Adjustment to Federal Assistance	93.XXX	No	(3,185)
American recovery and reinvestment act	93.713	No	20,243
Family preservation and support	93.556	No	74,028
Passed through Colorado Department of Public Health and Environment:			
Public Health Emergency Preparedness	93.069	No	22,834
Immunization Grants	93.268	No	293,255
Center for Disease Control and Prevention - Investigations and Technical Assistance	93.283	No	4,000
Maternal and Child Health Block Grant	93.994	No	10,976
Passed through Colorado Department of Local Affairs:			
American recovery and reinvestment act	93.713	No	27,653
Total Department of Health and Human Services			<u>6,220,180</u>
Department of Transportation:			
Airport Improvement Program	20.106	No	6,842,714
Total Department of Transportation			<u>6,842,714</u>

Garfield County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2009
(Continued)

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Major Program</u>	<u>Expenditures</u>
Department of Justice:			
Passed through Colorado Department of Public Safety:			
State Criminal Alien Assistance Program	16.606	No	281,989
TRIDENT Grant	16.579	No	7,032
Passed through City of Glenwood Springs, Colorado:			
High Intensity Drug Trafficking Assistance (HIDTA)	16.729	No	13,552
Victims of Crime Act (VOCA)	16.575	No	42,328
Total Department of Justice			<u>344,901</u>
Department of Veterans Affairs:			
Veterans Information and Assistance	64.115	No	1,000
Total Department of Veterans Affairs			<u>1,000</u>
Total Federal Financial Assistance			<u>19,311,485</u>

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2009

Note 1. Basis of Presentation:

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Garfield County 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 general purpose financial statements.

Note 2. Determining the Name of Non-cash Awards Expended:

Fair market value of assistance at the time of disbursement to the recipient, or the assessed value provided by the state or federal agency.

Note 3. Pass Through Sub recipients:

The County had no sub recipients as of December 31, 2009