

**PLATTE COUNTY, MISSOURI**

**SINGLE AUDIT REPORT  
(OMB Circular A-133)**

**FOR THE YEAR ENDED DECEMBER 31, 2010**

**Platte County, Missouri**  
**Single Audit Report**  
**(OMB Circular A-133)**  
**For the Year Ended December 31, 2010**

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**Independent Auditor's Report on Schedule  
of Expenditures of Federal Awards**

To the Board of County Commissioners  
Platte County, Missouri

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Platte County, Missouri (the County) as of and for the year ended December 31, 2010, and have issued our report thereon dated June 15, 2011. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the County's, basic financial statements. 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

June 15, 2011

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ADDITIONAL INFORMATION

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**Platte County, Missouri**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2010**

Grantor Agency	Federal CFDA Number	Grant Number	Current Year Expenditures
<b>U.S. Health and Human Services:</b>			
Passed Through the Missouri Department of Social Services			
2010 Child Support Enforcement (Title IV-D)	93.563	2010 IV-D	\$ 69,664
2011 Child Support Enforcement (Title IV-D)	93.563	2011 IV-D	46,443
2010 Drug Abuse Intervention	93.667	ER 0172-293	3,300
2011 Drug Abuse Intervention	93.667	ERS 172-371	2,050
2010 One Chance...Many Choices	93.667	ER 0172-292	10,281
2011 One Chance...Many Choices	93.667	ERS 172-371	2,327
2010 PACT-Conflict Resolution	93.667	ER 0172-294	6,700
2011 PACT-Conflict Resolution	93.667	ERS 172-371	3,528
<b>Total U.S. Health and Human Services</b>			<b>144,293</b>
<b>U.S. Department of Homeland Security:</b>			
Passed Through the Missouri Department of Public Safety			
2010 Emergency Management Performance Grant (EMPG)	97.042		101,495
<b>Total U.S. Department of Homeland Security</b>			<b>101,495</b>
<b>U.S. Department of Housing and Urban Development:</b>			
Passed Through the Missouri Department of Social Services			
2009 Emergency Shelter Grant	14.231	ERO 164102	7,010
2010 Emergency Shelter Grant	14.231	ERO 1642039	15,107
ARRA-Homelessness Prevention & Rapid Rehousing	14.257	ER16410063A	92,638
<b>Total U.S. Department of Housing and Urban Development</b>			<b>114,755</b>
<b>U.S. Department of Justice:</b>			
Project Safe Neighborhood Grant			
	16.609	2009-GP-BX-0028	35,004
Passed Through the Missouri Department of Public Safety			
2010 SSVF - Platte County Victim Services	16.575	2010-SSVF-0064	5,432
2011 SSVF - Platte County Victim Services	16.575	2011-SSVF-0060	5,432
2010 STOP - Domestic Violence Prosecution Unit	16.588	2009-VAWA-0031	22,984
2009-2010 Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	2008-JAG1-011	41,247
2010-2011 Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	2009-JAG-015	157,946
2010 Local Law Enforcement Block Grant (LLEBG/JAG)	16.738	2009-LBGJ-063	8,978
2009-2010 ARRA - Multi-Jurisdictional Cyber Crimes Grant	16.803	2009-MJCCG-008	127,593
2010-2011 ARRA - Multi-Jurisdictional Cyber Crimes Grant	16.803	2009-MJCCG-021	100,602
2009-2013 ARRA - Local Law Enforcement Block Grant (LLEBG)	16.803	2009-SB-B9-0357	15,865
2009-2010 ARRA Justice Assistance Grant (JAG)	16.804	2009-JAG-RA-028	152,487
2010-2011 ARRA Justice Assistance Grant (JAG)	16.804	200-JAG-RA-059	14,814
Passed Through the Missouri State Highway Patrol			
2009-2010 HIDTA Grant	16.728	G09MW0001A	181,534
2010-2011 HIDTA Grant	16.728	G10MW0001A-3	57,651
Equitable Sharing Agreement			
DEA Task Force Equitable Sharing Agreement	99.999	MO0830000	21,967
<b>Total U.S. Department of Justice</b>			<b>949,536</b>

**Platte County, Missouri**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2010**

Grantor Agency	Federal CFDA Number	Grant Number	Current Year Expenditures
<b>U.S. Department of Transportation:</b>			
Passed Through the Missouri Department of Transportation			
2009-2010 Traffic Safety Officer	20.600	10-PT-02-47	\$ 13,781
2010-2011 Traffic Safety Officer	20.600	11-PT-02-38	4,688
2009-2010 Hazardous Moving Violations	20.600	10-PT-02-46	11,589
2010-2011 Hazardous Moving Violations	20.600	11-PT-02-36	-
2010 Highway Safety Grant (Enforcement Overtime)	20.600	LKK073 NHTSA	541
2010 Highway Safety Grant (Click It or Ticket)	20.600	LKK075 NHTSA	3,848
2010 Highway Safety Grant (Aggressive Driving)	20.600	BPC0454Z	2,054
2009-2010 Wolfpack-DWI Checkpoint	20.601	10-K8-03-31	1,432
2010-2011 Wolfpack-DWI Checkpoint	20.601	11-K8-03-30	-
2009-2010 DWI Checkpoint	20.601	10-K8-03-100	3,893
2010-2011 DWI Checkpoint	20.601	11-K8-03-29	-
Passed Through the Missouri Department of Public Safety			
2009-2010 Local Emergency Planning Committee (LEPC)	20.703		291
2010-2011 Local Emergency Planning Committee (LEPC)	20.703		1,160
<b>Total U.S. Department of Transportation</b>			<u>43,277</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 1,353,356</u>

**Platte County, Missouri**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2010**

**Note 1. Organization**

Platte County, Missouri (the County) is the recipient of several federal grants. The accompanying schedule of expenditures of federal awards presents the activity of all federal awards programs of the County for the year ended December 31, 2010. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

**Note 2. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County and is presented on the modified accrual basis of accounting. The information presented in this schedule is 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.

**Note 3. Local Government Contributions**

Local cost sharing, as defined by the Office of Management and Budget Circular A-102, Attachment F, is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

**Note 4. Additional Audits**

Grantor agencies reserve the right to conduct additional audits of the County's grant programs for economy and efficiency and program results which may result in disallowed costs to the County. However, management does not believe such audits would result in any disallowed costs that would be material to the County's financial position at December 31, 2010.

**Platte County, Missouri**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2010**

**Section 1 - Summary of Auditor's Results**

**Financial Statements:**

Type Audit Report Issued on Financial Statements of Auditee  
Unqualified

Internal Control Over Financial Reporting

Significant deficiencies identified. Not considered to be material weaknesses.

See findings 10-01, 10-02 and 10-03

General Compliance

The audit did not disclose any instances of noncompliance which would be material to the basic financial statements.

**Federal Awards:**

Internal Control Over Major Programs

No material weaknesses identified. No significant deficiencies reported.

Type Audit Report Issued on Compliance for Major Programs

Unqualified

Audit Findings

The audit disclosed no audit findings that are required to be reported under OMB Circular A-133.

Major Programs

<u>CFDA Number</u>	<u>Name of Federal Program</u>
16.803	ARRA - Multi Jurisdictional Cyber Crimes Grant
16.804	ARRA - Narcotics Control Assistance Program

Dollar Threshold Used to Distinguish Between Type A and Type B Program

\$300,000

Auditee Qualified as a Low-risk Auditee

Yes

## Section 2 – Financial Statement Findings

### Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

#### 10-01 Financial Reporting

##### Condition

Management is responsible for establishing, maintaining and monitoring internal controls over financial reporting, and for the fair presentation of the financial statements and related notes in conformity with U.S. generally accepted accounting principles.

Generally accepted auditing standards indicate that we as external independent auditors cannot be considered a part of the County's internal controls over financial reporting and accordingly, require us to not only report on any material adjustments that were detected as a result of auditing procedures but to assess the County's controls over preparing the financial statements including assessing the complexity of the reporting environment. A system of internal control over financial reporting includes controls and procedures over financial statement preparation, including footnote disclosures as well as recording amounts in the general ledger. Deficiencies in internal control are often evidenced by misstatements being identified by the external auditor and exist when the County does not have controls and procedures over preparation of the financial statements that would prevent or detect a misstatement in the financial statements.

While performing our audit procedures, material adjustments were required to the year-end amounts recorded as held by the County Collector and Public Administrator in their fiduciary accounts, to record accrued payroll, to adjust accounts payable, and to properly reflect the bond activity arising from the issuance of refunding bonds. Accordingly, we consider this deficiency in financial reporting to be a significant deficiency.

There are various ways that financial reporting can be improved, the resources available and methods used vary from government to government, some of the most common are:

- Periodic inter-department meetings, communications and status updates
- Accounting checklists including year-end closing procedures
- Procedures manuals
- Membership in the Government Finance Officers Association (GFOA)
- Governmental accounting literature including GASB pronouncements and implementation guides and the GFOA Blue Book
- The GFOA CAFR disclosure checklist obtained free of charge from the GFOA website
- Attendance at various governmental seminars
- Obtaining information from the GFOA, GASB, FASB and AICPA websites
- Obtaining copies of similar governments CAFR's
- Attendance at Cochran Head Vick & Co's sponsored governmental accounting seminars

##### Management Response

The 2010 year end material adjustments to the bank reconciliation affirms the necessity of the review policy adopted by the newly elected Auditor and Collector, endorsed by the Public Administrator and respective staffs: to work together and review monthly bank statements and reports that enable balancing of the account and ensuring the accuracy of the information reported.

## Section 2 – Financial Statement Findings (continued)

To ensure; the following procedure has been adopted:

- Monthly bank statement reconciliation by the respective Office,
- Verification of the reconciliation by the Auditor's Office using specific checklist items for critical aspects of each statement, and
- Collaborative action to adjust discrepancies and accurately report all financial data to generally accepted principles and GASB pronouncements.

### 10-02 Payroll Processing – Segregation of Duties

#### Condition

As mentioned in the prior year the same person has the ability to enter new employees on the payroll software, make changes to employee information, enter employee time, process payroll, and prepare the funds transfer for payments. While we recognize that proper segregation of duties can be difficult with limited staff within the department, we believe that certain procedures could be developed to segregate incompatible functions or insert compensating controls where this is not practical. Implementing procedures for increased supervision and review of these functions can be one way to address segregation of duties concerns with compensating controls. The County also may be able to address some of these concerns by evaluating its current time-entry system and procedures. During our review of payroll processing procedures we noted that all time is entered manually by the Human Resources department. Improving this system may lead to more accurate and efficient time reporting, as well as improved segregation of duties. We believe that the lack of segregation of duties represents a significant deficiency in internal control over payroll processing. We recommend the County evaluate these suggestions to determine the cost-benefit of implementing such suggestions, as well as evaluating all of these functions to determine what other potential procedures could be implemented to improve segregation of duties.

In connection with this matter we understand the county has recently purchased new time keeping software and is in the process of implementing timekeeping procedures which allows the various county offices to enter the payroll time information for each of their respective offices.

#### Management Response

Per 2010 recommendations, we have purchased automated time keeping software. This will allow for employees to enter time into automated timesheets that are approved by their supervisors and automatically inserted into the payroll system ensuring accurate time tracking and segregation of payroll duties.

In addition, in 2011, we added controls over the procedures of adding new employees to the payroll system, making pay rate changes, and the preparation of funds for transfer

### 10-03 Cash Account Reconciliations

#### Condition

In previous years, we noted and reported on certain instances where bank reconciliations provided to us did not agree to amounts shown on the general ledger.

In the current year while performing audit procedures, we noted an instance where a year-end bank reconciliation prepared by the Collector's office was not properly reconciled. A deposit in-transit was recorded in an incorrect amount, which resulted in the ending cash balance, as it appeared on the bank reconciliation, being materially overstated. The County auditor's office posts journal entries to the general ledger accounts based on amounts appearing on the month-end bank reconciliations.

## Section 2 – Financial Statement Findings (continued)

As a result, the amount of cash recorded in the Collector's cash account and the related amount recorded as due to others was materially overstated. Based on the above audit finding, the amount originally recorded in the general ledger was corrected by the auditor's office to properly reflect the amount of cash at year end.

The fact that the bank reconciliation as prepared by the Collector's office and recorded by the Auditor's office was materially misstated is an indication that a proper review of the bank reconciliation received by the Auditor's office from the Collector's office was not made.

An audit adjustment was also required to properly report the amount of cash held by the County's Public Administrator's office in its fiduciary capacity. The original amount recorded was based on a year-end summary of account balances that was later determined to be incomplete.

We believe that the issues described above represents a significant deficiency in internal control over the County's cash reconciliation and year-end general ledger closing procedures in that a timely review of the bank reconciliations and underlying support for the reasonableness of general ledger entries is not always being made. We recommend that the County evaluate the cash reconciliation and review process to ensure that all accounts are properly reconciled to the general ledger.

### Management Response

Per the 2010 recommendations, the year end cash reconciliation affirms the necessity of the review policy adopted and noted above by the newly elected Auditor, Collector, and respective staffs. Working together to review monthly bank statements and reports enabling balancing of the account and ensuring the accuracy of the information reported and the Office's fiduciary capacity.

### Summary Schedule of Prior Audit Findings

#### 09-01 Payroll Processing – Segregation of Duties

##### Condition

Currently the same person has the ability to enter new employees on the payroll software, make changes to employee information, enter employee time, process payroll, and prepare the funds transfer for payments. While we recognize that proper segregation of duties can be difficult with limited staff within the department, we believe that certain procedures could be developed to segregate incompatible functions or insert compensating controls where this is not practical. Implementing procedures for increased supervision and review of these functions can be one way to address segregation of duties concerns with compensating controls. The County also may be able to address some of these concerns by evaluating its current time-entry system and procedures. Currently, all time is entered manually by the Human Resources department. Improving this system may lead to more accurate and efficient time reporting, as well as improved segregation of duties. We recommend the County evaluate these suggestions to determine the cost-benefit of implementing such suggestions, as well as evaluating all of these functions to determine what other potential procedures could be implemented to improve segregation of duties.

##### Current Status

The county is in the process of implementing this recommendation

Summary Schedule of Prior Audit Findings (continued)

09-02 Cash Account Reconciliations

Condition

During our audit in both the current year and prior year, we noted certain instances where bank reconciliations provided to us did not agree to amounts shown on the general ledger. County staff performs monthly reconciliations of all the County's various bank accounts and verify that all activity has been reconciled, however, the ending balance for the month was not equal to the adjusted balance on the County's financial records.

Additionally, we noted one instance where amounts held in a repurchase agreement by the County Collector were not accounted for on the related bank reconciliation, and as a result the amounts were not reflected on the County's financial records. A material adjustment was required to record these amounts.

We believe that the issues described above represent significant deficiencies in internal control over the County's cash management. We continue to recommend that the County evaluate the reconciliation process to ensure that reconciled balances agree with amounts shown on the general ledger. All reconciliations should be completed and any differences corrected prior to beginning the reconciliation for the next period. Reconciliations should also reflect any amounts held in repurchase agreements. Improving this process will substantially increase control over cash. We also recommend that the reconciliation process be reviewed to ensure that all repurchase agreements are properly reflected on the County's records.

Current Status

Prior year's comment modified for the current year noting that a reconciliation was not accurately prepared resulting in an incorrect material amount being recorded in the general ledger. See financial statement finding 10-03.

**Section 3 – Federal Award Findings and Questioned Costs**

Federal Award Findings Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

None

Summary Schedule of Prior Audit Findings

None

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COMPLIANCE REPORTS

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**Independent Auditor's 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**

To the Board of County Commissioners  
Platte County, Missouri

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 Platte County, Missouri (the County), as of and for the year ended December 31, 2010 which collectively comprise the County's basic financial statements and have issued our report thereon dated June 15, 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 the 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 the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 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 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.

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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. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting identified as findings 10-01, 10-02 and 10-03. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of the County in a separate letter dated June 15, 2011.

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

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

June 15, 2011

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**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**

To the Board of County Commissioners  
Platte County, Missouri

Compliance

We have audited the compliance of Platte County, Missouri (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 could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. The County's major federal programs are identified in the summary of auditor's results section of the 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 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, 2010.

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Internal Control Over Compliance

Management of the County 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 the County's internal control over compliance with the 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 the 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 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 the Board of 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.

June 15, 2011

Cochran Hand Nick Horne