

Larimer County, Colorado

Single Audit



Year Ended December 31,
2012



A Professional Corporation of
Certified Public Accountants

Independent Auditors' Report on Additional Information

Board of County Commissioners
Larimer County, 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 Larimer County, Colorado, as of and for the year ended December 31, 2012, and have issued our report thereon dated June 19, 2013. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Larimer County, Colorado'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 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 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. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Anderson & Whitney, P.C.

June 19, 2013

LARIMER COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2012

Federal or Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Grant Period	2012 Expenditures
<u>DEPARTMENT OF AGRICULTURE</u>				
PEST CONTROL:				
* Canyon Lakes Ranger District Noxious Weed State Department of Agriculture	10.000	07-PA-11021005-028	04/11-09/12	\$ 48,902
PEST CONTROL:				
Early Detection and Rapid Respond	10.000	12BAA000000035	07/11-06/12	20,000
				68,902
State Department of Natural Resources				
OPEN LANDS:				
Devil's Backbone/Indian Creek Front Range Fuels Treatment Partnership	10.664	530854-004	07/09-09/12	6,084
Ramsey-Shockey Front Range Fuels Treatment Partnership	10.664	5308420-04	05/10-03/12	4,200
Chimney Hollow Front Range Fuels Treatment Partnership	10.664	5367710-1	06/11-09/12	25,000
Chimney Hollow Front Range Fuels Treatment Partnership	10.664	1929100-2FC-3	06/11-10/12	20,000
Hermit Park Front Range Fuels Treatment Partnership	10.664	1929100-2FC-2	11/11-06/13	20,000
				75,284
PARKS:				
Carter Lake Phase IV Front Range Fuels Treatment Partnership	10.664	530851-002	07/09-09/12	12,259
State Department of Human Services				
HUMAN SERVICES:				
** Food Distribution Program	10.569	-	07/12-06/13	289,732
** Food Stamp Administration	10.561	-	07/12-06/13	2,239,822
** Commodity Administration	10.568	-	07/12-06/13	32,805
				2,562,359
State Department of Public Health and Environment				
HEALTH AND ENVIRONMENT:				
Special Supplemental Food Program for Women, Infants and Children (WIC)	10.557	WIC0800453	10/11-09/12	682,439
Special Supplemental Food Program for Women, Infants and Children (WIC)	10.557	WIC1347939	10/12-09/13	193,405
Women, Infants and Children (WIC) Breastfeeding	10.557	WIC1011833	10/11-09/12	36,466
Women, Infants and Children (WIC) Breastfeeding	10.557	WIC1348433	10/12-09/13	11,132
WIC Food Vouchers	10.557	-	01/12-12/12	2,613,598
				3,537,040
Total Department of Agriculture				6,255,844
<u>DEPARTMENT OF ENERGY</u>				
CAPITAL EXPENDITURES:				
* ARRA - Energy Efficiency and Conservation Block Grant	81.128	DE-SC0002446	09/09-09/12	58,984
State Department of Labor and Employment				
WORKFORCE CENTER:				
ARRA - Green Jobs Energy Efficiency Grant	81.041	DE-EE0000082	04/11-02/12	33,727
Green Jobs Administration	81.041	DE-EE0000082	04/11-02/12	3,961
				37,688
Total Department of Energy				96,672

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LARIMER COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2012

	Federal or Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Grant Period	2012 Expenditures
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>					
HUMAN SERVICES:					
*	No Place Like Home	93.605	90CF0051	07/12-06/13	\$ 2,207
Department of State					
GENERAL:					
	Election Assistance for Individuals with Disabilities	93.617	-	2012	6,050
HUMAN SERVICES:					
State Department of Human Services					
**	Special Programs for the Aging - Title III:				
	Area Plan Administration	93.044	02A-89	07/12-06/13	71,956
	Part B	93.044	02A-89	07/12-06/13	248,804
	Part C-1	93.045	02A-89	07/12-06/13	220,017
	Part C-2	93.045	02A-89	07/12-06/13	164,675
	Part D	93.043	02A-89	07/12-06/13	11,113
	Part E	93.052	02A-89	07/12-06/13	71,214
	Ombudsman	93.042	02A-89	07/12-06/13	15,064
	Nutrition Services Incentive Program	93.053	02A-89	07/12-06/13	67,456
**	Aging and Disability Resource Centers	93.048	-	01/12-09/12	13,487
**	Aging and Disability Resource Centers	93.779	-	01/12-09/12	9,588
**	Medicare Enrollment Assistance Program	93.071	-	01/12-09/12	7,147
**	Title IV-E FC	93.658	-	07/12-06/13	2,692,841
**	Child Support Enforcement:				
	Federal Income to Counties	93.563	-	01/12-12/12	1,952,437
**	Child Abuse and Neglect Discretionary Activities	93.670	CWSX1012474	10/11-09/12	31,361
**	Child Care	93.596	-	07/12-06/13	2,312,458
**	Family Preservation	93.556	-	07/12-06/13	200,513
**	Colorado Works	93.558	-	07/12-06/13	7,795,046
**	ARRA - Colorado Works	93.714	-	07/12-06/13	91,943
**	Title IV-E Independent Living	93.674	-	10/12-09/13	132,162
**	Community Services Block Grant (Title XX)	93.667	-	07/12-06/13	1,917,058
**	Child Welfare Services-Maintenance Assistance:				
	Title IV-B	93.645	-	07/12-06/13	112,775
**	Medicaid Title XIX: Child Services	93.778	-	07/12-06/13	1,318,969
**	Low-Income Energy Assistance Program (LEAP)	93.568	-	10/12-09/13	2,073,126
**	Adoption	93.659	-	07/12-06/13	561,598
**	Child Care and Development Block Grant	93.575	-	07/12-06/13	1,522,074
**	IV-E Lump Sum	93.658	-	07/12-06/13	12,085
**	Public Assistance Reporting Information System	93.647	-	04/12-06/12	5,299
State Department of Local Affairs					
HUMAN SERVICES:					
	Community Services Block Grants:				
	CSBG-HHS	93.569	L12CSBG27	03/12-02/13	361,941
					23,994,207
State Department of Health Care Policy & Financing					
HEALTH AND ENVIRONMENT:					
Healthy Communities Outreach and Case Management:					
	Children's Health Insurance Program - CHIP	93.767	CMS24571	07/11-06/12	10,260
	Children's Health Insurance Program - CHIP	93.767	CMS24571	07/12-06/13	8,712
	Medical Assistance Program - EPSDT	93.778	CMS24571	07/11-06/12	39,050
	Medical Assistance Program - EPSDT	93.778	CMS24571	07/12-06/13	33,158
					91,180
HUMAN SERVICES:					
**	Money Follows the Person (CCT)	93.791	-	12/12-11/13	3,636
**	Single Entry Point	93.778	-	07/12-06/13	611,785
					615,421

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LARIMER COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2012

Federal or Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Grant Period	2012 Expenditures
State Department of Public Health and Environment				
HEALTH AND ENVIRONMENT:				
Bioterrorism Public Health Preparedness	93.069	EPR1231132	08/11-08/12	\$ 121,606
Bioterrorism Public Health Preparedness	93.069	EPR1341903	08/12-06/13	98,037
High Park Fire	93.069	EPR1246000	07/12-08/12	50,000
Infertility Prevention Project	93.977	EPI12000086	01/12-12/12	24,003
Family Planning	93.217	PPG1016399	07/11-06/12	169,397
Family Planning	93.217	PPG1243687	07/12-06/13	87,573
Immunization Pertussis Response	93.268	IMM13000101	11/12-12/12	18,971
Immunization Action Plan (CDC)	93.268	IMM08000225	01/12-12/12	63,130
ARRA - Chronic Disease Self Management Project	93.725	PPG1123745	11/10-03/12	11,764
Reimbursement Immunization Opportunity -RIZO	93.539	IMM12000148	02/12-08/12	25,931
Maternal and Child Health Services Block Grant:	93.994			
Children with Special Health Care Needs		MCH1121554	10/11-09/12	51,300
Children and Adolescents		MCH1121554	10/11-09/12	28,296
Children and Adolescents		MCH1348080	10/12-09/13	8,797
Prenatal		MCH1121554	10/11-09/12	71,034
Prenatal		MCH1348080	10/12-09/13	13,442
West Nile Virus Prevention	93.283	EPI12000107	06/12-09/12	6,500
Tuberculosis Control Program	93.116	EPI1344714	07/12-06/13	3,650
Public Health Improvement Program	93.991	ADM12000008	08/11-09/12	23,750
				877,181
Total Department of Health and Human Services				25,586,246
DEPARTMENT OF HOMELAND SECURITY				
Colorado Governor's Office of Homeland Security				
REPLACEMENT AND TECHNOLOGY PROJECTS:				
Buffer Zone Protection Program	97.078	98HS78436	08/09-06/12	44,305
GENERAL:				
Buffer Zone Protection Program	97.078	98HS78436	08/09-06/12	348,561
State Department of Public Safety				
GENERAL:				
Emergency Management Performance Grant	97.042	12EM-13-36	10/11-06/13	55,000
High Park Fire	97.036	13-D4067-36	06/12-12/12	212,539
				616,100
BUILDING INSPECTION				
High Park Fire	97.036	13-D4067-36	06/12-12/12	2,513
PARKS				
High Park Fire	97.036	13-D4067-36	06/12-12/12	11,985
ROAD AND BRIDGE				
High Park Fire	97.036	13-D4067-36	06/12-12/12	23,909
THE RANCH				
High Park Fire	97.036	13-D4067-36	06/12-12/12	19,639
FACILITIES AND INFORMATION TECHNOLOGY DIVISION				
High Park Fire	97.036	13-D4067-36	06/12-12/12	5,890
Total Department of Homeland Security				724,341
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
State Department of Local Affairs				
HUMAN SERVICES:				
Community Development Block Grants:				
Home Improvement	14.239	H9CDB08066G	01/12-12/12	35,013
Home Investment	14.239	H2CDB12041	01/12-12/12	22,857
Total Department of Housing and Urban Development				57,870
DEPARTMENT OF INTERIOR				
PARKS:				
* Implementation of Water Management & Conservation	15.524	R11AC60131	10/11-09/13	181,646

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LARIMER COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2012

	Federal or Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Grant Period	2012 Expenditures
*	Integrated Pest Management Plan for Noxious Weeds	15.524	R05AP60022	04/05-02/12	\$ 4,080
*	Integrated Pest Management Plan for Noxious Weeds	15.524	R12AC60021	02/12-09/16	22,360
State Department of Natural Resources					
PARKS:					
	Fishing is Fun	15.605	FIF-1757-12	01/12-12/13	17,720
Total Department of Interior					225,806

DEPARTMENT OF JUSTICE

State Department of Human Services

HUMAN SERVICES:

Justice Assistance Grant	16.803	29-JR-04-37-1	10/10-06/12	14,265
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State Department of Public Safety:

GENERAL:

Victim of Crime Act	16.575	11-VA-8-40	01/11-12/11	24,082
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Victim of Crime Act	16.575	11-VA-8-39	1/12-12/12	81,031
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105,113

CRIMINAL JUSTICE SERVICES:

Edward Byrne Memorial Justice Assistance:

Employment Success	16.738	11-DJ-04-46-1	10/11-09/12	55,639
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Employment Success	16.738	12-DJ-04-46-1	10/12-09/13	21,940
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Dream Builders	16.738	10-DJ-04-15-2	08/12-09/13	42,300
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Residential Substance Abuse Treatment	16.593	2011-RS-01	01/12-12/12	38,362
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158,241

HUMAN SERVICES:

Juvenile Accountability Block Grant	16.523	11-JB-L-08-19	10/12-09/13	30,575
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CRIME VICTIM COMPENSATION:

Federal Crime Victim Compensation	16.576	10-VC-8	05/11-12/12	50,000
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Total Department of Justice					358,194
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DEPARTMENT OF LABOR

State Department of Labor and Employment

WORKFORCE CENTER:

Workforce Investment Act:

Wagner-Peyser Base	17.207	PY10	08/11-06/12	297,305
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Wagner-Peyser Employment Support Fund	17.207	PY2010/2012	07/10-06/12	399,518
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Wagner-Peyser Governor's Summer Job Hunt	17.207	PY2010/2012	12/11-08/12	41,000
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Performance Incentive	17.207	-	2012	35,000
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Unemployment Insurance	17.225	PY2010/2012	07/10-06/12	28,396
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Federal Emergency Unemployment Compensation	17.225	FY12	04/12-06/13	87,210
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Trade Adjustment Act - Case Management	17.245	FY10	11/10-09/12	69,065
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Adult	17.258	PY2010/2012	07/10-06/12	414,871
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Adult 10% SECTORS - Get Into Water Project	17.258	FY11	07/12-06/13	33,961
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Youth In School	17.259	PY2010/2012	07/10-06/12	152,393
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Youth Out of School	17.259	PY2010/2012	07/10-06/12	425,044
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ARRA - National Emergency Grant - On the Job Training	17.260	FY09	09/10-06/12	117,676
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H-1B Technical Skills Training	17.268	PY11	02/12-06/13	27,987
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National Emergency Grant On-the-Job Training	17.277	FY12	07/12-06/14	419
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25% Dislocated Worker - UI Claimant Discretionary	17.278	PY11/FY12	12/11-06/13	86,635
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Dislocated Worker	17.278	FY12	10/11-06/13	480,528
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UI Initiative Claimant Discretionary	17.278	-	2012	98,496
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Rapid Dislocated Worker	17.278	PY2010/2012	07/10-06/12	28,523
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Trade Adjustment Act - Colorado Online				
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Energy Training Consortium	17.282	PY12	07/12-06/14	2,000
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Disabled Veterans Outreach Program	17.801	FY13	10/12-09/13	17,000
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Veterans Workforce Investment Program	17.802	PY12	09/12-06/13	32,455
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LARIMER COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2012

Federal or Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Grant Period	2012 Expenditures
Local Veterans Employment Representative	17.804	FY13	10/12-09/13	\$ 8,500
Total Department of Labor				2,883,982
<u>DEPARTMENT OF TRANSPORTATION</u>				
State Department of Natural Resources				
OPEN LANDS:				
Horsetooth Shore to Shore Trails	20.219	C170823	12/11-12/13	18,581
State Department of Transportation				
ROAD AND BRIDGE:				
Bridge Replacement on LCR11C	20.205	10-HA419371	09/10-09/15	57,129
Realign switchback on LCR27	20.205	10-HA411711	04/10-08/12	218,140
Bridge Replacement on Shields Street	20.205	12-HA436014	11/11-11/16	244,997
				520,266
Total Department of Transportation				538,847
<u>ENVIRONMENTAL PROTECTION AGENCY</u>				
State Department of Public Health and Environment				
HEALTH AND ENVIRONMENT:				
Air Pollution PM2.5	66.034	AIR0800134	07/11-06/12	460
Air Pollution PM2.5	66.034	AIR1343794	07/12-06/13	235
Total Environmental Protection Agency				695
Total Expenditures of Federal Awards				\$ 36,728,497

Explanatory Notes:

* Direct Federal Assistance Programs.

** Federal Share Computed Using Percentages Provided by the State Department of Human Services.

ARRA identifies American Recovery and Reinvestment Act funding.

The County has no significant subrecipients.

The accompanying schedule of expenditures of federal awards is a summary of the activity of the County's federal award programs presented on the accrual basis of accounting in accordance with generally accepted accounting principles.



A Professional Corporation of
Certified Public Accountants

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 County Commissioners
Larimer County, Colorado

We have audited in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Larimer County and the related notes to the financial statements as of and for the year ended December 31, 2012, and have issued our report thereon dated June 19, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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 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 County's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

Our consideration of internal control 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Larimer 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Anderson & Whitney, P.C.

June 19, 2013



A Professional Corporation of
Certified Public Accountants

Report on Compliance for Major Federal Programs and
Report on Internal Control Over Compliance Required by OMB Circular A-133

Board of County Commissioners
Larimer County, Colorado

Report on Compliance for Major Federal Programs

We have audited the compliance of Larimer County, Colorado 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, 2012. Larimer County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Larimer County's compliance.

Opinion on Major Federal Programs

In our opinion, Larimer 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, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2012-1.

Internal Control Over Compliance

The management of Larimer County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Larimer County's internal control over compliance with the types of 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 for each major federal program, 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. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as item 2012-2.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Anderson & Whitney, P.C.

July 19, 2013

LARIMER COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2012

SUMMARY OF AUDITORS' RESULTS

- Type of report issued on financial statements Unqualified
- Internal control over financial reporting:
 - Material weaknesses identified No
 - Significant deficiencies identified None reported
- Noncompliance material to the financial statements noted No
- Internal control over federal awards:
 - Material weaknesses identified No
 - Significant deficiencies identified Yes
- Type of report issued on major programs Unqualified
- Audit findings disclosed None under .510(a). See others below.
- Major programs
 - 93.558 Colorado Works
 - 93.563 Child Support Enforcement
 - 17.258 WIA Cluster
 - 17.259
 - 17.260
 - 17.278
 - 17.207 Employment Services Cluster
 - 17.801
 - 17.804
- Dollar threshold between Type A and Type B programs \$1,101,724
- Low-risk auditee Yes

FINDINGS RELATED TO FINANCIAL STATEMENTS

- None Reported

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

➤ **FINDING 2012-1:**

CFDA 17.258, 17.259, 17.260 and 17.278 WIA Cluster

Pass-Through Agency: Colorado Department of Labor and Employment

Criteria: *Eligibility* – Before receiving training services, an adult or dislocated worker must be unable to obtain grant assistance from other sources.

Condition: Out of 25 files tested, one client may have been eligible for grant assistance through a PELL grant. The client file does not include documentation to support this was checked.

Questioned Costs: None. The client may not be eligible for PELL grant assistance.

Context: Review of the client file indicates the client had a GED credential and was earning \$12.95 per hour. This fits the profile of a person that may be eligible for PELL grant assistance.

Effect: A client may have received training services prior to meeting all of the eligibility requirements.

Cause: There is not a specific form that documents the client is unable to obtain grant assistance.

Recommendation: We recommend a specific form be included in client files to document this eligibility component.

Management's Response: *Agree*

Corrective Action:

Contact Person: Mark Johnson, WIA Center Manager

Corrective Action Planned: *A modification to the adult and dislocated worker scholarship application, which is the precursor to awarding WIA training services, will adopt a more specific question to improve the documentation that alternative funding sources were explored, when applicable.*

➤ **Finding 2012-2:**

CFDA 17.258, 17.259, 17.260 and 17.278 WIA Cluster

Pass-Through Agency: Colorado Department of Labor and Employment

Criteria: The county is required to have appropriate internal controls in place to detect and prevent non-compliance with federal requirements.

Condition: Inspection of the WIA Center File Audits for 2012 indicates multiple instances in which a file review was completed that required follow up. There is not an indication that the follow up was completed.

Questioned Costs: None

Context: Quarterly internal reviews of files are used to identify deficiencies in client files that need to be corrected to ensure compliance with federal requirements. The WIA Center file audits report documents the file reviewed, date reviewed, program and counselor. In addition, there are columns that specifically address if follow up on the file is required and another for the completion of the follow up.

Effect: Client files may not contain the appropriate documentation required.

Cause: There is not a process in place to ensure deficiencies identified during quarterly reviews have been corrected.

Recommendation: We recommend developing a process for timely follow up of deficiencies noted during quarterly internal reviews.

Management's Response: *Agree*

Corrective Action:

Contact Person: Mark Johnson, WIA Center Manager

Corrective Action Planned: *The WIA Center will move to adopt an improved documentation process that delineates the differences between compliance and quality of service follow up expectations. Through this process, we will also adopt an improved documentation process to demonstrate the timely resolution of compliance related follow-up.*

LARIMER COUNTY, COLORADO

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended December 31, 2012

➤ **FINDING 2011-1:**

CFDA 93.568 Low-Income Home Energy Assistance

Pass-Through Agency: Colorado Department of Human Services

Criteria: *Eligibility* – In determining the eligibility of households for energy assistance, income must be accurately entered into the LEAP system.

Condition: Out of 25 files tested, one did not have correct income information input into the LEAP system

Questioned Costs: \$38

Context: At the time this household applied for assistance, support for four weeks' pay was submitted with the application, amounting to \$870.99. LEAP technicians must manually enter the amounts from supporting documentation into the LEAP system, and was entered as \$1,191.65. During this LEAP year, a portion of household income contribution was assessed, decreasing the amount of benefits that households are eligible for. This error in data input resulted in an underpayment of benefits by \$38.48.

Effect: If the household income is not properly calculated, energy assistance benefits may not be appropriately paid to clients.

Cause: Manual data entry in the state LEAP system allows for potential entry errors. This appeared to be an oversight in entry.

Recommendation: We recommend controls be better designed to ensure income data is more accurately calculated and entered into the LEAP system.

Management's Response: *It appears the income data entry error occurred when the technician typed over one of the income fields to correct the dollar amount without first clearing the data in the field. This resulted in the system reading and using an incorrect weekly income amount during the benefit calculation process. The LEAP recipient was underpaid \$38.48 due to this error.*

The error has been corrected. A payment of \$38.48 has been processed for the LEAP recipient.

Corrective Action:

Contact Person: Peggy Koskie, LEAP Manager

Corrective Action Planned: *The LEAP computer system has been enhanced and the income data entry screen has been modified to reduce potential key punch errors. The likelihood of this type of error happening in the future has been greatly reduced.*

Accuracy in eligibility determination and data entry is stressed during LEAP training at the beginning of each new program year. This will continue to be addressed and reiterated throughout the entire LEAP season. In addition, we have a case review process in place to check for accuracy in legibility determination and data entry.

Status: Implemented

➤ **FINDING 2011-2:**

CFDA 97.017 Pre-Disaster Mitigation Program

Pass-Through Agency: Colorado Department of Local Affairs

Criteria: *Suspension and Debarment* – Nonfederal entities are prohibited from contracting with parties who are suspended or debarred from federal awards. For certain covered transactions over \$25,000, the program must verify that an entity is not suspended or debarred through the Excluded Parties List System (EPLS), alternative certification, or contract language.

Condition: Two contractors were not checked against the EPLS.

Questioned Costs: None.

Context: Exhibit B, Statement of Project, of the grant document, section 5.3.3 Debarment specifically states that the "Grantee shall verify that the Contractor is not debarred from participation in state and federal programs. Sub-grantees should review contractor debarment information on <http://www.epls.gov>".

Effect: Amounts may be paid to parties not eligible to receive federal funding.

Cause: County personnel weren't aware they needed to check the EPLS for contractors.

Recommendation: We recommend controls be better designed to ensure all contractors are checked against the EPLS database.

Management's Response: *Agree*

Corrective Action:

Contact Person: Michelle Jenkins

Corrective Action Planned:

We will research this further and find out if it makes more sense to check the EPLS or include language in our contracts to make sure federal funds are not paid to suspended or debarred parties. We will get a procedure in place for upcoming projects with federal funding attached.

Status: Implemented

➤ **Finding 2011-3:**

CFDA 20.205 Highway Planning and Construction

Pass-Through Agency: Colorado Department of Transportation (CDOT)

Criteria: *Suspension and Debarment* – Nonfederal entities are prohibited from contracting with parties who are suspended or debarred from federal awards. For certain covered transactions over \$25,000, the program must verify that an entity is not suspended or debarred through the Excluded Parties List System (EPLS), alternative certification, or contract language.

Condition: None of the 5 vendors were verified using EPLS or including alternative certification or contract language.

Questioned Costs: There are no questioned costs as there may be no debarred vendors.

Context: Vendors on these projects are paid enough federal funds to require the program to verify that the provider is not suspended or debarred.

Effect: Amounts may be paid to parties not eligible to receive federal funding.

Cause: They were not aware of this requirement.

Recommendation: We recommend the program check the EPLS or include contract language to ensure federal funds are not paid to suspended or debarred parties.

Management's Response: *Agree*

Corrective Action:

Contact Person: Rusty McDaniel, Assistant County Engineer

Corrective Action Planned:

We will research this further and find out if it makes more sense to check the EPLS or include language in our contracts to make sure federal funds are not paid to suspended or debarred parties. We will get a procedure in place for upcoming projects with federal funding attached.

Status: Implemented

➤ **Finding 2011-4:**

CFDA 20.205 Highway Planning and Construction

Pass-Through Agency: Colorado Department of Transportation (CDOT)

Criteria: *Activities Allowed or Unallowable* – Contracts with CDOT include Exhibit C for Funding Provisions to identify budgeted funds. There are separate line items to include Federal Funds of 82.79% of Participating Costs and Local Agency Match of 17.21% of Participating Costs.

Condition: The CDOT contract Exhibit C included Local Agency Match for a project of \$59,660 and the total estimated cost of work was recorded as federal expenditures of \$346,660.

Questioned Costs: There are no questioned costs as CDOT will pay the amount as indicated in Exhibit C.

Context: The County's matching portion of the cost of work is an unallowable expenditure.

Effect: Federal expenditures are recorded \$59,660 higher than appropriate for this program.

Cause: The Local Agency Billing for this project was completed over two months after this project's final expenditure. The incorrect amount was taken from the Local Agency Billing, when the year-end accrual was made to record the receivable and related expenditures.

Recommendation: We recommend additional supervisory review of year-end accruals related to federal funds.

Management's Response:

The Larimer County Road and Bridge Department accepts this recommendation.

Corrective Action:

Contact Person: Lisa Bangs, Road and Bridge Accountant

Corrective Action Planned:

Beginning August 1, 2012, the Road and Bridge Accountant will perform a review of the monthly reconciliation of receivables against CDOT billings to ensure that only the federal portion of the billing is recorded as a receivable. As a second review, the Road and Bridge Accountant will review the CDOT contracts and compare against federal revenue recorded for each project at the end of the fiscal year.

Status: Implemented