

ARAPAHOE COUNTY, COLORADO  
FEDERAL AWARDS REPORT IN ACCORDANCE  
WITH THE  
SINGLE AUDIT ACT AND OMB CIRCULAR A-133  
December 31, 2013

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**Independent Auditors' 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  
Arapahoe County, Colorado

We have audited, in accordance with the 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, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Arapahoe County, Colorado as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise Arapahoe County, Colorado's basic financial statements, and have issued our report thereon dated June 25, 2014. Our report includes a reference to other auditors who audited the financial statements of Arapahoe County Public Airport Authority and Arapahoe County Water and Wastewater Authority, both of which are discretely presented component units, as described in our report on Arapahoe County, Colorado's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Arapahoe County Water and Wastewater Authority were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Arapahoe County, Colorado'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 Arapahoe County, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of Arapahoe County, Colorado'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 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. 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 was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Arapahoe County, Colorado's financial statements are free from 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*.

We noted certain other matters that we reported to management of Arapahoe County, Colorado in a separate letter dated June 25, 2014.

**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 result 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.



Greenwood Village, Colorado  
June 25, 2014



**Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program, on Internal Control Over Compliance, and on the Schedule of Expenditures of Federal Awards in Accordance with OMB Circular A-133**

Board of County Commissioners  
Arapahoe County, Colorado

**Report on Compliance for Each Major Federal Program**

We have audited Arapahoe 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 Arapahoe County, Colorado's major federal programs for the year ended December 31, 2013. Arapahoe County, Colorado's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Arapahoe County, Colorado's basic financial statements include the operations of the Arapahoe County Public Airport Authority (the Authority), a discretely presented component unit, which expended \$1,160,908 in federal awards which is not included in Arapahoe County, Colorado's schedule of expenditures of federal awards during the year ended December 31, 2013. Our audit, described below, did not include the operations of the Authority, because the Authority engaged other auditors to perform an audit in accordance with OMB Circular A-133.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Arapahoe County, Colorado'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 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 Arapahoe County, Colorado'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 Arapahoe County, Colorado's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Arapahoe County, Colorado complied, in all material respects, with the types of 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, 2013.

***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2013-001. Our opinion on each major federal program is not modified with respect to this matter.

Arapahoe County, Colorado's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Arapahoe County, Colorado's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

***Report on Internal Control Over Compliance***

Management of Arapahoe County, Colorado 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 Arapahoe County, Colorado's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 Arapahoe County, Colorado'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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2013-001 that we consider to be a significant deficiency.

Board of County Commissioners  
Arapahoe County, Colorado

Arapahoe County, Colorado's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Arapahoe County, Colorado's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Arapahoe County, Colorado as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise Arapahoe County, Colorado's basic financial statements. We issued our report thereon dated June 25, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
June 25, 2014

**ARAPAHOE COUNTY, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For Year Ended December 31, 2013**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Disbursements/ Expenditures	Cluster Total	Total By CFDA and Agency
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>					
Passed-Through Colorado Department of Human Services					
Temporary Emergency Food Assistance Program (TEFAP) - Commodities	10.569	9104Z2	\$ 510,486	\$ 510,486	
Temporary Emergency Food Assistance Program-Administration	10.568	9104Z2	5,185	5,185	
	<u>CFDA 10.568 Subtotal</u>		<u>5,185</u>		
				515,671	515,671
SNAP - Administrative (a)	10.561		3,878,608		3,878,608
	<u>CFDA 10.561 Subtotal</u>		<u>3,878,608</u>		
Total Passed-Through Colorado Department of Human Services			<u>4,394,279</u>		
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>					<b><u>\$ 4,394,279</u></b>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>					
Passed-Through Denver Regional Council of Governments:					
Title IIIB - Arapahoe County	93.044		\$ 4,401	\$ 4,401	
Title IIIB - Arapahoe/Douglas Contract 9804	93.044		321,128	321,128	
Arapahoe OAA Chore Services	93.044		68,719	68,719	
Total Passed-Through CCDHS DRCOG	<u>CFDA 93.044 Subtotal</u>		<u>394,248</u>		394,248
Passed-Through Colorado Department of Local Affairs:					
Community Service Block Grant	93.569		360,528	360,528	
Total Passed-Through Colorado Department of Local Affairs			<u>360,528</u>		360,528
Passed-Through Colorado Department of Human Services to County Department of Social Services:					
Child Welfare Services (Title IV-B)	93.645		460,164		460,164
Social Services Block Grant (Title XX)	93.667		2,439,659		2,439,659
Child Support Enforcement (Title IV-D)	93.563		3,861,458		3,861,458
Medicaid Transportation (Title XIX)	93.778		2,328,968		2,328,968
IV-E Rel Guardianship Assistance	93.090		509		509
Independent Living (Title IV-E)	93.674		182,684		182,684
Promoting Safe and Stable Families - PSSF	93.556		48		48
Foster Care (Title IV-E)	93.658		4,461,597		4,461,597
Child Care Development Block Grant	93.575		1,076,661	1,076,661	
Child Care Development Funds	93.596		5,262,954	5,262,954	
					6,339,615
Adoption Assistance Grant - Title IVE	93.659		1,936,807		1,936,807
Temporary Assistance to Needy Families (b)	93.558		13,007,317		13,007,317
LEAP Low Income Energy Assistance (c)	93.568		2,363,716		2,363,716
Passed-Through Colorado Office of Energy Management					
Low Income Home Energy Assistance - Weatherization (c)	93.568		565,437		565,437
Total Passed-Through CO Office of Energy Management			<u>565,437</u>		
	<u>CFDA 93.568 Subtotal</u>		<u>2,929,153</u>		
Total Passed-Through CO Department Human Services			38,702,246		
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					<b><u>\$ 38,702,755</u></b>
<b><u>U.S. DEPARTMENT OF ENERGY</u></b>					
Passed-Through Colorado Office of Energy Conservation:					
Weatherization Assistance for Low Income Persons - DOE	81.042	C900823	\$ 834,802		
ARRA - Weatherization Assistance	81.042		459,531		
	<u>CFDA 81.042 Subtotal</u>		<u>1,294,333</u>		
<b>TOTAL U.S. DEPARTMENT OF ENERGY</b>					<b><u>\$ 1,294,333</u></b>
<b><u>FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)</u></b>					
Passed-Through Colorado Office of Emergency Management:					
Colorado Statewide Emergency Management Program	97.042		\$ 71,946		
<b>TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)</b>					<b><u>\$ 71,946</u></b>

(Continued)

**ARAPAHOE COUNTY, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For Year Ended December 31, 2013**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Disbursements/ Expenditures	Cluster Total	Total By CFDA and Agency
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>					
Passed-Through Colorado Division of Criminal Justice					
ICAC - Internet Crimes Against Children	16.543		\$ 11,241		11,241
Paul Coverdell Forensics Science Grant	16.742		13,688		13,688
AEAP - Anti-terrorism& Emergency Assistance Program	16.321		34,105		34,105
ARRA JAG 2009	16.804		6,069		
JAG Grants	16.804		48,519		
	<u>CFDA 16.804 Subtotal</u>		<u>54,588</u>		54,588
State Criminal Alien Assistance Program	16.606		141,070		141,070
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>					<b><u>\$ 254,692</u></b>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>					
Passed-Through Governor's Office of Homeland Security					
State Homeland Security Program 2010	97.067	10SHS11NCR	\$ 1,019,216		
State Homeland Security Program 2011	97.067	11SHS12NCR	1,087,906		
State Homeland Security Program 2012	97.067	12SHS13NCR	133,805		
State Homeland Security Program 2013	97.067	13SHS14NCR	13,124		
Citizen Corp Grant Program 2010	97.067	10CCP11NCR	28,073		
Citizen Corp Grant Program 2011	97.067	11CCP12NCR	13,877		
	<u>CFDA 97.067 Subtotal</u>		<u>2,296,001</u>		
Interoperable Emergency Communication Grant Program 2010	97.055	10IEC11NCR	75,427		
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>					<b><u>\$ 2,371,428</u></b>
<b><u>U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</u></b>					
Direct Program through Denver Regional Office:					
Centennial Community Development Block Grant 2009	14.218		\$ 47,844		
Centennial Community Development Block Grant 2010	14.218		43,027		
Centennial Community Development Block Grant 2011	14.218		111,815		
Centennial Community Development Block Grant 2012	14.218		205,145		
Centennial Community Development Block Grant 2013	14.218		26,236		
Community Development Block Grant 2009	14.218		15,100		
Community Development Block Grant 2011	14.218		68,101		
Community Development Block Grant 2012	14.218		780,725		
Community Development Block Grant 2013	14.218		71,295		
	<u>CFDA 14.218 Subtotal</u>		<u>1,369,288</u>		1,369,288
HOME Program 2009	14.239		81,326		
HOME Program 2010	14.239		11,871		
HOME Program 2011	14.239		15,805		
HOME Program 2012	14.239		53,047		
HOME Program 2013	14.239		22,454		
	<u>CFDA 14.239 Subtotal</u>		<u>184,503</u>		184,503
Passed-Through Colorado Department of Local Affairs					
Section 8 Program - Vouchers/Certificates	14.871		21,223		
	<u>CFDA 14.871 Subtotal</u>		<u>21,223</u>		21,223
<b>TOTAL U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</b>					<b><u>\$ 1,575,014</u></b>
<b><u>U.S. DEPARTMENT OF LABOR</u></b>					
Passed-Through Colorado Department of Labor & Employment:					
Wagner-Peyser					
	17.207	PY2013 WP 2334	\$ 620,738		
	17.207	PY2012 WP 10% Sum Job	39,000		
	17.207	PY2012 WP 2180	568,545		
	<u>CFDA 17.207 Subtotal</u>		<u>1,228,283</u>	1,228,283	
Disabled Veterans Outreach	17.801	DVOP 2402	2,182		
	17.801	DVOP 2288	15,000		
	<u>CFDA 17.801 Subtotal</u>		<u>17,182</u>	17,182	
Local Veterans Employment	17.804	LVER 2993	545		
	17.804	LVER 2279	3,750		
	<u>CFDA 17.804 Subtotal</u>		<u>4,295</u>	4,295	1,249,760

(Continued)

**ARAPAHOE COUNTY, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For Year Ended December 31, 2013**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Disbursements/ Expenditures	Cluster Total	Total By CFDA and Agency
<b><u>U.S. DEPARTMENT OF LABOR</u></b> (Continued)					
Workforce Investment Act Adult Worker & Statewide Activities	17.258	WIA 10% SECTRS 1833	109,572		
	17.258	WIA Adult 2177	1,865,786		
	17.258	WIA Adult 2331	238,389		
	17.258	WIA Adult 1942	42,769		
	<u>CFDA 17.258 Subtotal</u>		<u>2,256,516</u>	2,256,516	
Workforce Investment Act Youth Worker & Statewide Activities	17.259	WIA Youth 1943	249,006		
	17.259	WIA Youth 2178	819,993		
	<u>CFDA 17.259 Subtotal</u>		<u>1,068,999</u>	1,068,999	
Workforce Investment Act Dislocated Worker Worker & Statewide Activities	17.278	WIA 10% DW 1833	75,212		
	17.278	WIA DW 1944	611,502		
	17.278	WIA DW 2179	786,201		
	17.278	WIA DW 2333	223,259		
	17.278	WIA 25% SW-UI 2297	84,142		
	17.278	WIA (25%) Disc UI Pilot	601		
	17.278	WIA 25% DW-UI2103	508,604		
	17.278	WIA 25% DW-UI 2103	48,739		
	17.278	25% Enhances DW 2373	2,893		
	17.278	WIA 10% SECTR 1833	47,360		
	17.278	WIA 25% DW-UI 1877	110,845		
	<u>CFDA 17.278 Subtotal</u>		<u>2,499,358</u>	2,499,358	5,824,873
H-1B Job Training Grants	17.268	H-1B 2150	2,510		
	17.268	H-1B 2150	111,848		
	17.268	H-1B 2150	276,391		
	<u>CFDA 17.268 Subtotal</u>		<u>390,749</u>		390,749
ARRA - Energy Partnership Grant	17.275	ARRA EPG 1802	41,561		41,561
Unemployment Insurance Programs	17.225	EUC 2234	19,442		
	17.225	EUC 2234	40,000		
	17.225	EUC 2232	35,199		
	17.225	EUC 2234	127,212		
	<u>CFDA # 17.225 Subtotal</u>		<u>221,853</u>		221,853
Trade Adjustment Assistance	17.245	FY2011 TAA 2007	3,471		
	17.245	FS2012 TAA 2256	13,710		
	<u>CFDA # 17.245 Subtotal</u>		<u>17,181</u>		17,181
Homeless Veterans Registration Project	17.805	VWIP 2166	105,185		105,185
<b><u>TOTAL U.S. DEPARTMENT OF LABOR</u></b>					<b><u>\$ 7,851,162</u></b>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>					
Passed-Through Colorado Department of Transportation: Highway Planning and Construction	20.205		\$ 108,411		
	<u>CFDA 20.205 Subtotal</u>		<u>108,411</u>		108,411
Occupant Protection - Click It or Ticket	20.600		14,497		14,497
<b><u>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</u></b>					<b><u>\$ 122,908</u></b>
<b><u>TOTAL EXPENDITURES OF FEDERAL AWARDS</u></b>					<b><u>\$ 56,638,517</u></b>

- (a) Allocation of financial assistance between federal monies passed through the state and state monies has been derived from and provided by the Colorado Department of Human Services and Colorado Department of Labor \$3,878,608.
- (b) TANF passed through the Colorado Department of Human Services \$13,007,317.
- (c) LEAP passed through the Colorado Department of Human Services and the Colorado Office of Energy Management \$2,929,153.

The accompanying notes to this schedule are an integral part of this schedule.

**ARAPAHOE COUNTY, COLORADO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended December 31, 2013**

**General**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Arapahoe County, Colorado primary government (the County). The County's reporting entity is defined in Note 1 to the County's basic financial statements. All federal financial assistance received by the primary government directly from federal agencies, as well as federal financial assistance passed through other government agencies, including the State of Colorado, is included on the schedule.

Governmental funds account for the County's federal grant activity. Amounts reported in the schedule of expenditures of federal awards are recognized on the modified accrual basis when they become a demand on current available federal resources and eligibility requirements are met, or on the accrual basis at the time liabilities are incurred and all eligibility requirements are met, except in the following programs, which are reported in the schedule of expenditures of federal awards on the cash basis:

<u>Program Title</u>	<u>CFDA</u>
SNAP Cluster	10.561
Promoting Safe and Stable Families	93.556
Temporary Assistance for Needy Families	93.558
Child Support Enforcement	93.563
Low-Income Home Energy Assistance	93.568
CCDF Cluster	93.575, 93.596
Child Welfare Services-State Grants	93.645
Foster Care-Title IV-E	93.658
Adoption Assistance	93.659
Social Services Block Grant	93.667
Chafee Foster Care Independence Program	93.674
Medicaid Cluster	93.778

**Grant Subrecipients**

Of the federal expenditures presented in the schedule of expenditures of federal awards, the County provided federal awards to subrecipients during the year ended December 31, 2013 as follows:

<u>Federal Program</u>	<u>CFDA#</u>	<u>Amount</u>
Community Development Block Grant	14.218	\$ 1,137,643
State Homeland Security	97.067	4,217
HOME Program	14.239	82,326

**ARAPAHOE COUNTY, COLORADO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended December 31, 2013**

**Noncash Programs**

Certain federal financial assistance programs do not involve cash awards to the County. These programs include the following:

Commodities Distribution CFDA #10.569:	
Value of commodities received during 2013	\$ 510,486

The program ended October 31, 2013. Accordingly, the value of commodities on hand as of December 31, 2013 is \$0.

**ARAPAHOE COUNTY, COLORADO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2013**

**SECTION I—SUMMARY OF AUDITORS’ RESULTS**

**Financial Statements**

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency (ies) identified that are not considered to be material weakness(es)?  yes  none reported

Type of auditors’ report issued on compliance for major program: Unmodified

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP- Admin)
17.258, 17.259, 17.278	Workforce Investment Act (WIA) Cluster
93.563	Child Support Enforcement (Title IV-D)
93.667	Social Services Block Grant

Dollar threshold used to distinguish between type A and type B programs \$1,699,156

Auditee qualified as low-risk auditee?  yes  no

**ARAPAHOE COUNTY, COLORADO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2013**

**PART II—FINDINGS RELATED TO FINANCIAL STATEMENTS**

None.

**PART III—FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**Finding 2013-001**

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Passed-Through Colorado Department of Human Services  
Child Support Enforcement – CFDA #93.563  
Award Year: 2013

**Special Tests**  
**Significant Deficiency, Noncompliance**

Criteria: 45 CFR Part 303 – Standards for Program Operations indicates specific requirements regarding Establishment of Paternity and Support Obligations, Enforcement of Support Obligations, Securing and Enforcing Medical Support Obligations and Provision of Child Support Services for Interstate Cases.

Condition: We tested 40 files for compliance with specific criteria within 45 CFR Part 303 and noted the following exceptions:

1. The information from applications for 9 out of 40 files was entered late into ACSES within the required 20 day time frame of receipt of the application. In 8 of the 9 cases, the application was received prior to 2013, and the information should have been entered into ACSES prior to 2013. However, for 1 of the 9 cases, the application was received during 2013 and the information should have been entered into ACSES during 2013.
2. The County did not verify paternity for 7 out of the 40 participants within 90 days of receiving the CSE application. For each of the 7 instances of noncompliance, the CSE application was received prior to 2013 and the County should have verified paternity prior to 2013.

Cause: Inadequate internal controls relating to specific time requirements for the applications outlined in the 45 CFR Part 303.

Effect: The County is not in compliance with the Federal requirements of the Child Support Program, this includes timeliness and accuracy of information entered into ACSES. The non-compliance issues may result in actions taken by the State or the Federal agency.

Questioned Costs: We noted no questioned costs relating to the above conditions.

**ARAPAHOE COUNTY, COLORADO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2013**

**PART III—FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**Finding 2013-001** (continued)

Recommendation: We recommend the County implements a more timely process upon the receipt of applications and verification of paternity.

Views of Responsible Officials and Planned Corrective Actions:

1. The information from applications for 9 out of 40 files was entered late into ACSES within the required 20 day time frame of receipt of the application.

Response: We agree with this finding and will implement the recommendation.

2. The County did not verify paternity for 7 out of the 40 participants within 90 days of receiving the CSE application

Response: We agree with this finding and will implement the recommendation.

Contact Information: Bob Prevost, Division Manager of Arapahoe County Child Support

**ARAPAHOE COUNTY, COLORADO**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**For the Year Ended December 31, 2013**

**PART II—FINDINGS RELATED TO FINANCIAL STATEMENTS**

**Finding 2012-001**

**Motor Vehicle Licensing Revenue, Significant Deficiency**

Condition: The County collects certain fees related to motor vehicle licensing. The majority of the collections are passed on to the State of Colorado (the State), and a portion is retained as revenue of the County. During 2011, the County remitted the correct amount of licensing fees to the State. However, the County understated its portion of the licensing fee revenue, and overstated its liability to the State as of December 31, 2011 by approximately \$425,000, which caused a prior period adjustment during 2012 to restate beginning balance in the same amount.

Recommendation: We recommend management review existing procedures to ensure liabilities at the end of each reporting period represent valid claims against County resources. Management should consider investigating any unusual liabilities or those that represent significant variances from the prior year. Further, we recommend the County review and amend its procedures for recognizing motor vehicle licensing revenues each month, including the use of its existing journal entry template.

Implementation Status: Implemented.

**PART III—FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**Finding 2012-002**

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Passed-Through Colorado Department of Human Services  
Child Support Enforcement – CFDA #93.563  
Award Year: 2012

**Special Tests**  
**Significant Deficiency, Noncompliance**

Condition: We tested 40 files for compliance with specific criteria within 45 CFR Part 303 and noted the following exceptions:

- The information from applications for 12 out of 40 files was entered late into ACSES within the required 20 day time frame of receipt of the application.
- One of the 40 files was missing documentation that procedures were applied to contact delinquent obligors and enforce obligations were in compliance with Title IV-D staff manual volume 6.700.31. Specifically, the file lacked support that the “Notice to Withhold Income” was sent.

**ARAPAHOE COUNTY, COLORADO**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**For the Year Ended December 31, 2013**

**PART III—FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)**

Recommendation: We recommend the County include verification of the above noncompliance items in its internal review process and provide additional training to staff as soon as possible.

Implementation

Status: Partially implemented. See current year finding 2013-001.

**Finding 2012-003**

DEPARTMENT OF ENERGY

Passed-Through Colorado Office of Energy Conservation

ARRA - Weatherization Assistance – CFDA #81.042

Contract Number: C900628

Award Year: 2012

**Eligibility**

**Significant Deficiency, Noncompliance**

Condition: The Colorado Energy Office Policy number CEO-WX-301.2 defines the Low Income Home Energy Assistance client eligibility approval process. According to section 4.3.1 of this policy, total income for the most recent three months immediately preceding eligibility determination, annualized, must be documented in the file. This type of documentation must be included in the file, or a printed tape of the calculation. Either method requires two signatures of approval. During our testing, we noted that 3 out of 40 cases selected did not contain a second approval signature on the calculation of total income.

Recommendation: We recommend management review existing procedures regarding eligibility, and amend procedures as necessary to ensure that all income calculations include the required approvals.

Implementation

Status: Implemented.