

ARAPAHOE COUNTY, COLORADO  
FEDERAL AWARDS REPORT IN ACCORDANCE  
WITH THE  
SINGLE AUDIT ACT AND OMB CIRCULAR A-133  
December 31, 2014

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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, 2014, 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 17, 2015. 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*.

**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.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
June 17, 2015

**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, 2014. 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 \$5,622,758 in federal awards which is not included in Arapahoe County, Colorado's schedule of expenditures of federal awards during the year ended December 31, 2014. 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, 2014.

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, 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 items 2014-001 and 2014-002. Our opinion on each major federal program is not modified with respect to this matter.

Arapahoe County, Colorado's response to the noncompliance findings 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness and a deficiency in internal control that we consider to be a significant deficiency.

*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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2014-002 to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2014-001 to be a significant deficiency.

Arapahoe County, Colorado's response to the internal control over compliance findings 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, 2014, 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 17, 2015, 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.

*Clifton Larson Allen LLP*

Greenwood Village, Colorado  
June 17, 2015

**ARAPAHOE COUNTY, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For Year Ended December 31, 2014**

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 SNAP - Administrative (a)	10.561		\$ 3,480,913		\$ 3,480,913
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>					<b>\$ 3,480,913</b>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>					
Passed-Through Denver Regional Council of Governments: Title IIIB - Arapahoe/Douglas Contract 9804	93.044		\$ 351,221	\$ 351,221	
Arapahoe Senior Resources Chore Services	93.044		84,963	84,963	
	CFDA 93.044 Subtotal		436,184	436,184	\$ 436,184
Total Passed-Through CCDHS DRCOG			436,184		
Passed-Through Colorado Department of Local Affairs: Community Service Block Grant	93.569		366,368		366,368
Passed-Through Colorado Secretary of State Voting Access for Individuals with Disabilities	93.617		10,315		10,315
Passed-Through Colorado Department of Human Services to County Department of Social Services:					
Child Welfare Services (Title IV-B)	93.645		366,981		366,981
Social Services Block Grant (Title XX)	93.667		2,420,179		2,420,179
Child Support Enforcement (Title IV-D)	93.563		3,806,987		3,806,987
Child Support Enforcement Research (Title IV-D)	93.564		65,043		65,043
Medicaid Transportation (Title XIX)	93.778		3,360,885		3,360,885
IV-E Rel Guardianship Assistance	93.090		476		476
Independent Living (Title IV-E)	93.674		196,034		196,034
Foster Care (Title IV-E)	93.658		4,299,358		4,299,358
Child Care Development Funds	93.596		7,555,173		7,555,173
Adoption Assistance Grant - Title IVE	93.659		1,851,090		1,851,090
Temporary Assistance to Needy Families	93.558		12,272,782		12,272,782
LEAP Low Income Energy Assistance (b)	93.568		3,273,168		
Total Passed-Through Colorado Department of Human Services			39,468,156		
Passed-Through Colorado Office of Energy Management Low Income Home Energy Assistance - Weatherization (b)	93.568		453,272		
	CFDA 93.568 Subtotal			3,726,440	3,726,440
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					<b>\$ 40,734,295</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	\$ 765,792	765,792	
ARRA - Weatherization Assistance	81.042		100,000	100,000	
Total Passed-Through Colorado Office of Energy Conservation	CFDA 81.042 Subtotal		865,792	865,792	\$ 865,792
<b>TOTAL U.S. DEPARTMENT OF ENERGY</b>					<b>\$ 865,792</b>
<b><u>FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)</u></b>					
Passed-Through Colorado Office of Emergency Management: Colorado Statewide Emergency Management Program	97.042		\$ 131,400		\$ 131,400
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		16,482		16,482
Total Passed-Through Colorado Office of Emergency Management			147,882		
<b>TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)</b>					<b>\$ 147,882</b>

(Continued)



**ARAPAHOE COUNTY, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For Year Ended December 31, 2014**

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					
AEAP - Anti-terrorism& Emergency Assistance Program	16.321		\$ 24,195		\$ 24,195
JAG Grants	16.804		90,169		90,169
State Criminal Alien Assistance Program	16.606		86,940		86,940
Total Passed-Through Colorado Division of Criminal Justice			<u>201,304</u>		
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>					<b><u>\$ 201,304</u></b>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>					
Passed-Through Governor's Office of Homeland Security					
State Homeland Security Program 2011	97.067	11SHS12NCR	\$ 689,514		
State Homeland Security Program 2012	97.067	12SHS13NCR	866,081		
State Homeland Security Program 2013	97.067	13SHS14NCR	584,957		
State Homeland Security Program 2014	97.067	14SHS15NCR	53,586		
Citizen Corp Grant Program 2011	97.067	11CCP12NCR	16,316		
CFDA 97.067 Subtotal			<u>2,210,454</u>		\$ 2,210,454
Total Passed-Through Governor's Office of Homeland Security			<u>2,210,454</u>		
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>					<b><u>\$ 2,210,454</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 2012	14.218		\$ 71,046		
Centennial Community Development Block Grant 2013	14.218		256,185		
Centennial Community Development Block Grant 2014	14.218		32,055		
Community Development Block Grant 2011	14.218		29,753		
Community Development Block Grant 2012	14.218		29,324		
Community Development Block Grant 2013	14.218		754,391		
Community Development Block Grant 2014	14.218		81,653		
CFDA 14.218 Subtotal			<u>1,254,407</u>		\$ 1,254,407
HOME Program 2009	14.239		197,606		
HOME Program 2010	14.239		1,000		
HOME Program 2011	14.239		83,934		
HOME Program 2012	14.239		63,045		
HOME Program 2013	14.239		30,453		
HOME Program 2014	14.239		28,878		
CFDA 14.239 Subtotal			<u>404,916</u>		404,916
Total Direct Programs through Denver Regional Office			<u>1,659,323</u>		
Passed-Through Colorado Department of Local Affairs					
Section 8 Program - Vouchers/Certificates	14.871		16,409		16,409
<b>TOTAL U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</b>					<b><u>\$ 1,675,732</u></b>
<b><u>U.S. DEPARTMENT OF LABOR</u></b>					
Passed-Through Colorado Department of Labor & Employment:					
Wagner-Peyser	17.207	PY2012 WP 2180	\$ 227,060		
	17.207	PY2013 WP 2334	453,496		
	17.207	PY 2013 WP Supplemental	171,680		
	17.207	PY2014 WP	47,666		
	17.207	PY2013 WP 10% Summer Job	39,000		
CFDA 17.207 Subtotal			<u>938,902</u>		938,902
Disabled Veterans Outreach					
	17.801	DVOP 2402	17,818		
	17.801	DVOP 2451	6,000		
	17.801	DVOP 2288	2,647		
CFDA 17.801 Subtotal			<u>26,465</u>		26,465
Local Veterans Employment					
	17.804	LVER 2393	4,455		
	17.804	LVER 2450	2,000		
CFDA 17.804 Subtotal			<u>6,455</u>		6,455

(Continued)

**ARAPAHOE COUNTY, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For Year Ended December 31, 2014**

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 Adult 2177	8,611		
	17.258	WIA Adult 2331	1,247,628		
	17.258	WIA Adult 2444	14,038		
	<u>CFDA 17.258 Subtotal</u>		<u>1,270,277</u>		1,270,277
Workforce Investment Act Youth Worker & Statewide Activities	17.259	WIA Youth 2332	1,225,355		
	17.259	WIA Youth 2178	611,063		
	<u>CFDA 17.259 Subtotal</u>		<u>1,836,418</u>		1,836,418
Workforce Investment Act Dislocated Worker Worker & Statewide Activities	17.278	WIA DW 2179	6,913		
	17.278	WIA DW 2333	868,524		
	17.278	WIA 25% DW-UI 2297	15,858		
	17.278	WIA 25% Disc UI Pilot	30,664		
	17.278	25% Enhanced DW 2373	59,012		
	17.278	25% Enhanced DW 2423	55,846		
	<u>CFDA 17.278 Subtotal</u>		<u>1,036,817</u>		1,036,817
H-1B Job Training Grants	17.268	H-1B 2150	27,827		
	17.268	H-1B 2150	14,908		
	17.268	H-1B 2150	63,926		
	<u>CFDA 17.268 Subtotal</u>		<u>106,661</u>		106,661
Trade Adjustment Assistance	17.245	FS2012 TAA 2256	1,095		
	17.245	FS2013 TAA 2383	25,617		
	<u>CFDA # 17.245 Subtotal</u>		<u>26,712</u>		26,712
Homeless Veterans Registration Project	17.805	VWIP 2166	81,497		81,497
Total Passed-Through Colorado Department of Labor & Employment			<u>5,330,204</u>		
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>					<b><u>\$ 5,330,204</u></b>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>					
Passed-Through Colorado Department of Transportation: Occupant Protection - Click It or Ticket	20.600		\$ 16,477		16,477
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>					<b><u>\$ 16,477</u></b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>					<b><u>\$ 54,663,053</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 \$3,480,913.
- (b) LEAP passed through the Colorado Department of Human Services and the Colorado Office of Energy Management \$3,726,440.

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, 2014**

**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
Temporary Assistance for Needy Families	93.558
Child Support Enforcement	93.563
Child Support Enforcement Research – Title IV-D	93.564
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, 2014 as follows:

<u>Federal Program</u>	<u>CFDA#</u>	<u>Amount</u>
Community Development Block Grant	14.218	\$ 1,133,336
State Homeland Security	97.067	1,303,336
Citizens Corps Grant	97.067	1,059
HOME Program	14.239	345,584

**ARAPAHOE COUNTY, COLORADO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2014**

**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>
93.778	Medical Assistance Program (Medicaid, Title XIX)
93.558	Temporary Assistance for Needy Families (TANF)
93.563	Child Support Enforcement (Title IV-D)
93.659	Adoption Assistance (Title IV-E)
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between type A and type B programs \$1,639,892

Auditee qualified as low-risk auditee?  yes  no

**ARAPAHOE COUNTY, COLORADO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2014**

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

None.

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

**Finding 2014-001**

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Passed-Through Colorado Department of Human Services  
Medicaid, Title XIX – CFDA #93.778  
Award Year: 2014

**Eligibility**  
**Significant Deficiency, Noncompliance and Internal Control over Compliance**

Criteria: Agencies administering the program must ensure that individuals meet the financial and non-financial requirements for Medicaid by having an application on file which includes each applicant's case records facts to support the agency's decision on eligibility. The County must also verify the earned income through the state's Income and Eligibility Verification System (IEVS) within 30 days of the application.

Condition: We tested 40 Medicaid case files and noted one instance where the recipient of Medicaid benefits did not have an application or verification documentation on file.

Cause: Internal controls were not sufficient enough to ensure all benefit recipients have proper documentation on file.

Effect: The County is not in compliance with the Federal requirements of the Medicaid Program. 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.

Recommendation: We recommend the County review its procedures and implement any changes necessary to ensure all program benefit recipients have the proper documentation on file.

**Views of Responsible Officials and Planned Corrective Actions:**

Response: The County agrees with this finding and has implemented the following to correct the issue: The County has built a new electronic workflow system that will enable the storage of all applications, tracking of all applications and provide status of each application from the application date through closure date. This system will enable the County to ensure all applications are on file while services are being delivered.

**ARAPAHOE COUNTY, COLORADO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2014**

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

**Finding 2014-002**

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Passed-Through Colorado Department of Human Services  
Child Support Enforcement – CFDA #93.563  
Award Year: 2014

**Special Tests**

**Material Weakness, Compliance and Internal Control over Compliance**

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 12 out of 40 files tested was not entered into ACSES within the required 20 day time frame of receipt of the application.
2. In 2 of the 40 cases tested, the County did not initiate paternity procedures within 90 days of receiving the CSE application.

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. 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.

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

**ARAPAHOE COUNTY, COLORADO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2014**

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

Views of Responsible Officials and Planned Corrective Actions:

1. The information from applications for 12 out of 40 files tested was not entered into ACSES within the required 20 day time frame of receipt of the application.

Response: The County agrees with this finding and has implemented the following to correct the issue: The County's new electronic workflow management system will ensure that cases are worked in the order in which they are received. A dashboard system is included with the system to notify appropriate staff of individual case time-frames. The County is unable to meet time-frames in instances where a state help desk issue are related as the County does not have the ability to override State ID conflicts and must wait for the state help desk to perform their duties.

2. In 2 of the 40 cases tested, the County did not initiate paternity procedures within 90 days of receiving the CSE application.

Response: The County agrees with this finding and has implemented the following to correct the issue: The County's new electronic workflow management system will ensure that cases are worked in the order in which they are received. The dashboard component of this system will notify staff members of the time-frames on individual cases at or near required completions dates.

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, 2014**

**PART IV–PRIOR YEAR FINDINGS RELATED TO FINANCIAL STATEMENTS**

None.

**PART V–PRIOR YEAR 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**

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.

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

Implementation Status: Not fully implemented, see current year finding 2014-002.