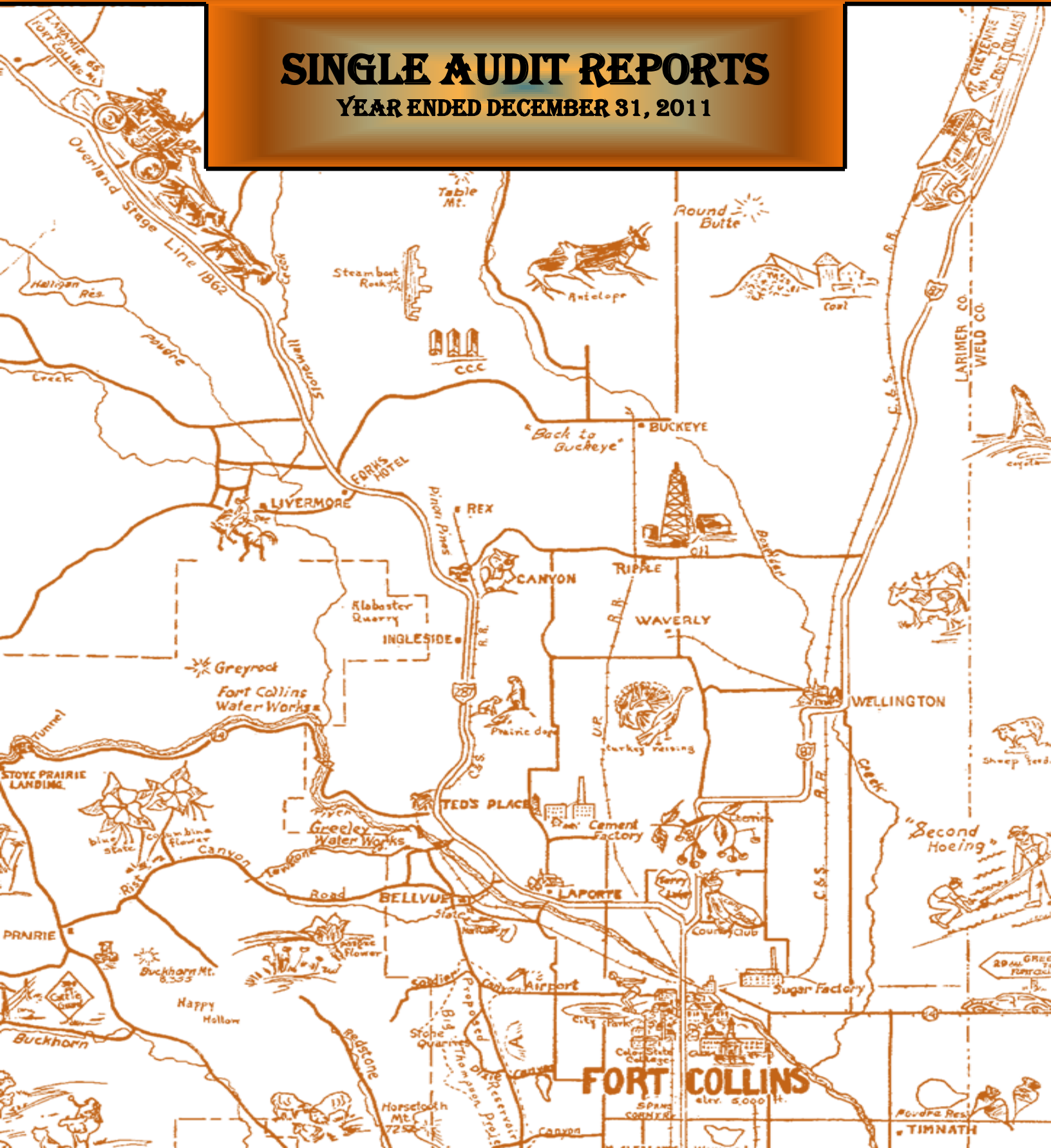


LARIMER COUNTY COLORADO

SINGLE AUDIT REPORTS YEAR ENDED DECEMBER 31, 2011





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, 2011, and have issued our report thereon dated June 25, 2012. 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 25, 2012

LARIMER COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2011

Federal or Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Grant Period	2011 Expenditures
<u>DEPARTMENT OF AGRICULTURE</u>				
PEST CONTROL:				
* Canyon Lakes Ranger District Noxious Weed	10.000	07-PA-11021005-028	04/11-09/12	\$ 41,658
State Department of Agriculture				
PEST CONTROL:				
Early Detection and Rapid Respond	10.000	09BAA00174	05/09-03/12	14,300
Noxious Weed Control/Eradication	10.000	BAA10000000118	2011	11,000
				66,958
State Department of Natural Resources				
OPEN LANDS:				
Horsetooth Mountain Fuels Treatment & Forest Stewardship	10.664	530854-003	07/09-09/11	47,236
Devil's Backbone/Indian Creek Fuels Treatment & Forest Stewardship	10.664	530854-004	07/09-09/12	3,516
Ramsey-Shockey Fuels Treatment & Forest Stewardship	10.664	5308420-04	05/10-03/12	14,600
Red Mountain Fuels Treatment & Forest Stewardship	10.664	5308420-05	05/10-03/12	11,618
				76,970
PARKS:				
Horsetooth Mountain Hogbacks Front Range Fuels Treatment Partnership	10.664	5308420-15	10/10-09/11	9,400
Carter Lake Phase IV Front Range Fuels Treatment Partnership	10.664	530851-002	07/09-09/12	6,700
				16,100
State Department of Human Services				
HUMAN SERVICES:				
** Food Distribution Program	10.569	-	07/10-06/12	303,478
** Food Stamp Administration	10.561	-	07/10-06/12	2,036,412
** Commodity Administration	10.568	-	07/10-06/12	3,597
				2,343,487
State Department of Public Health and Environment				
HEALTH AND ENVIRONMENT:				
Special Supplemental Food Program for Women, Infants and Children (WIC)	10.557	WIC0800453	10/10-09/11	734,406
Special Supplemental Food Program for Women, Infants and Children (WIC)	10.557	WIC0800453	10/11-09/12	211,791
Women, Infants and Children (WIC) Breastfeeding	10.557	WIC1011833	10/10-09/11	41,152
Women, Infants and Children (WIC) Breastfeeding	10.557	WIC1011833	10/11-09/12	11,657
WIC Food Vouchers	10.557	-	01/11-12/11	2,520,764
				3,519,770
Total Department of Agriculture				6,023,285
<u>DEPARTMENT OF ENERGY</u>				
WORKFORCE CENTER:				
ARRA - Green Jobs Energy Efficiency Grant	81.041	DE-EE0000082	04/11-02/12	32,461
Green Jobs Administration	81.041	PY2010/2012	07/10-06/12	3,039
CAPITAL EXPENDITURES:				
* ARRA - Energy Efficiency and Conservation Block Grant	81.128	DE-SC0002446	09/09-09/12	85,389
Total Department of Energy				120,889

Continued on next page

LARIMER COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2011

Federal or Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Grant Period	2011 Expenditures
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
State Department of Human Services				
HUMAN SERVICES:				
Special Programs for the Aging - Title III:				
Area Plan Administration	93.044	02A-89	07/10-06/12	\$ 74,926
Part B	93.044	02A-89	07/10-06/12	185,003
Part C-1	93.045	02A-89	07/10-06/12	209,653
Part C-2	93.045	02A-89	07/10-06/12	158,147
Part D	93.043	02A-89	07/10-06/12	15,951
Part E	93.052	02A-89	07/10-06/12	90,933
Ombudsman	93.042	02A-89	07/10-06/12	15,062
Nutrition Services Incentive Program	93.053	02A-89	07/10-06/12	62,762
Aging and Disability Resource Centers	93.048	-	02/11-09/12	15,738
Aging and Disability Resource Centers	93.779	-	10/11-09/12	11,187
** Medicare Enrollment Assistance Program	93.071	-	01/11-12/11	32,900
** Title IV-E FC	93.658	-	07/10-06/12	2,609,589
** Child Support Enforcement:				
Federal Income to Counties	93.563	-	01/11-12/11	2,058,948
** Child Abuse and Neglect Discretionary Activities	93.670	CWSX1012474	10/11-09/12	119,102
** Child Care	93.596	-	07/10-06/12	1,946,640
** Family Preservation	93.556	-	07/10-06/12	252,392
** Colorado Works	93.558	-	07/10-06/12	7,447,983
** Title IV-E Independent Living	93.674	-	10/10-09/12	115,645
** Community Services Block Grant (Title XX)	93.667	-	07/10-06/12	1,402,558
** Child Welfare Services-Maintenance Assistance:				
Title IV-B	93.645	-	07/10-06/12	134,792
** Medicaid Title XIX: Child Services	93.778	-	07/10-06/12	1,283,189
** Low-Income Energy Assistance Program (LEAP)	93.568	-	10/10-09/12	2,446,274
** Adoption	93.659	-	07/10-06/12	584,316
** Child Care and Development Block Grant	93.575	-	07/10-06/12	50,380
IV-E Lump Sum	93.658	-	07/10-06/12	51,264
State Department of Local Affairs				
HUMAN SERVICES:				
Community Services Block Grants:				
CSBG-HHS	93.569	L10CSBG27	03/11-02/12	294,695
				21,670,029
State Department of Health Care Policy & Financing				
HEALTH AND ENVIRONMENT:				
Healthy Communities Outreach and Case Management:				
Medical Assistance Program - EPSDT	93.778	CMS24571	01/11-06/11	33,829
Medical Assistance Program - EPSDT	93.778	CMS33382	07/11-06/12	32,016
Children's Health Insurance Program - CHIP	93.767	CMS24571	01/11-06/11	10,085
Children's Health Insurance Program - CHIP	93.767	CMS33382	07/11-06/12	8,281
				84,211
HUMAN SERVICES:				
Single Entry Point	93.778	-	07/10-06/12	583,280
State Department of Public Health and Environment				
HEALTH AND ENVIRONMENT:				
Bioterrorism Public Health Preparedness	93.069	EPI0900043	08/10-08/11	156,855
Bioterrorism Public Health Preparedness	93.069	EPI0900043	08/11-08/12	94,942

Continued on next page

LARIMER COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2011

Federal or Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Grant Period	2011 Expenditures
Public Health Improvement Program	93.991	ADM12000008	08/11-09/12	\$ 1,250
Infertility Prevention Project	93.977	EPI10000086	01/11-12/11	19,987
Family Planning	93.217	FPP1016399	07/10-06/11	156,499
Family Planning	93.217	FPP1016399	07/11-06/12	81,271
Immunization Coalition	93.268	FHA120000065	10/11-12/11	5,000
Immunization Action Plan (CDC)	93.268	IMM0800225	01/11-12/11	96,204
ARRA - Tdap Cocooning Project	93.712	IMM11000073	11/10-09/11	11,761
ARRA - Reimbursement Immunization Opportunity -RIZO	93.712	IMM11000106	12/10-12/11	46,270
ARRA - Chronic Disease Self Management Project	93.725	PPG1123745	11/10-03/12	34,751
Maternal and Child Health Services Block Grant:	93.994			
Children with Special Health Care Needs		FLA1121554	10/10-09/11	74,661
Children and Adolescents		FLA1121554	10/10-09/11	28,304
Children and Adolescents		FLA1121554	10/11-09/12	8,295
Prenatal		FLA1121554	10/10-09/11	68,860
Prenatal		FLA1121554	10/11-09/12	22,557
West Nile Virus Prevention	93.283	EPI11014078	03/11-12/11	14,634
Tuberculosis Control Program	93.116	EPI1100014	07/10-06/11	3,750
Tuberculosis Control Program	93.116	EPI1100014	07/11-06/12	9,968
				935,819
Total Department of Health and Human Services				23,273,339

DEPARTMENT OF HOMELAND SECURITY

Colorado Governor's Office of Homeland Security

REPLACEMENT AND TECHNOLOGY PROJECTS:

Buffer Zone Protection Program	97.078	9BZPP11NER	10/10-12/11	187,131
GENERAL:				
(1) Buffer Zone Protection Program	97.078	98HS78436	08/09-06/11	33,384
Buffer Zone Protection Program	97.078	9BZPP11NER	10/10-12/11	6,083
State Department of Local Affairs				
GENERAL:				
Emergency Management Performance Grant	97.042	10EM0L36	10/09-06/11	37,500
Emergency Management Performance Grant	97.042	12EM1L36	10/10-06/12	12,500
Emergency Management Performance Grant	97.042	11EM710H36	01/11-08/11	1,000
Pre-disaster Mitigation (PDM)	97.017	10EM78C36	11/09-09/12	2,457,376
DR-1762 Hazard Mitigation Grant Program	97.039	11EM79D36	02/11-12/12	43,873
				2,591,716
Total Department of Homeland Security				2,778,847

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

State Department of Local Affairs

HUMAN SERVICES:

Community Development Block Grants:

Home Improvement	14.239	H9CDB08066G	01/11-12/11	110,175
Home Investment	14.239	H9CDB08053G	01/11-12/11	89,297
Total Department of Housing and Urban Development				199,472

DEPARTMENT OF INTERIOR

PARKS:

* Resource Management Plan	15.524	R05AC60011	04/05-09/11	66,105
* Implementation of Water Management & Conservation	15.524	R11AC60131	10/11-09/12	81,329
* Integrated Pest Management Plan for Noxious Weeds	15.BBX	05FG601992	04/05-09/11	24,661

Continued on next page

LARIMER COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2011

	Federal or Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Grant Period	2011 Expenditures
State Department of Natural Resources					
PARKS:					
	Fishing is Fun	15.605	F-537-D	12/08-12/11	\$ 4,567
Total Department of Interior					176,662
DEPARTMENT OF JUSTICE					
State Department of Human Services					
HUMAN SERVICES:					
	Justice Assistance Grant	16.803	10-JB-L-08-19	10/10-09/12	62,587
State Department of Public Safety:					
GENERAL:					
	Victim of Crime Act	16.575	10-VA-8-37	01/11-12/11	81,031
	Victim of Crime Act	16.575	10-VA-8-38	01/11-12/11	24,074
	ARRA - Violence Against Women Act	16.588	29-RW-8-20	09/09-02/11	13,817
					118,922
CRIMINAL JUSTICE SERVICES:					
Edward Byrne Memorial Justice Assistance:					
(1)	Dream Builders	16.738	29-DJ-04-15-1	10/09-09/12	53,008
	Employment Success	16.738	11-DJ-04-46-1	10/11-09/12	11,325
	Residential Substance Abuse Treatment	16.593	2010-RS-01	01/11-12/11	47,931
					112,264
HUMAN SERVICES:					
	Juvenile Accountability Block Grant	16.523	2009-JB-FX-0040	10/10-09/12	27,596
CRIME VICTIM COMPENSATION:					
	Federal Crime Victim Compensation	16.576	29-VC-8	12/10-09/11	145,994
	Federal Crime Victim Compensation	16.576	10-VC-8	05/11-06/12	25,000
					170,994
Total Department of Justice					492,363
DEPARTMENT OF LABOR					
GENERAL:					
*	ARRA - Employee Benefits Security Administration	17.151	-	03/09-02/10	132
DENTAL:					
*	ARRA - Employee Benefits Security Administration	17.151	-	03/09-02/10	1,410
MEDICAL:					
*	ARRA - Employee Benefits Security Administration	17.151	-	03/09-02/10	31,176
State Department of Labor and Employment					
WORKFORCE CENTER:					
Workforce Investment Act:					
	Wagner-Peyser Base	17.207	PY2010/2012	07/10-06/12	886,655
	Wagner-Peyser Employment Support Fund	17.207	PY2010/2012	07/10-06/12	87,473
	Wagner-Peyser Governor's Summer Job Hunt	17.207	PY2010/2012	07/10-06/12	38,000
	Unemployment Insurance	17.225	PY2010/2012	07/10-06/12	28,396
	Trade Adjustment Act (TAA)	17.245	PY2010/2012	07/10-06/12	69,828
	ARRA - Adult	17.258	PY10	03/09-09/10	5,423
	Adult	17.258	PY2010/2012	07/10-06/12	367,585
	CRC Softskills 10%	17.258	PY2010/2012	07/10-06/12	114
	Marketing	17.258	PY2010/2012	07/10-06/12	25,000
	Youth 10%	17.259	PY2010/2012	07/10-06/12	20,000
	Youth In School	17.259	PY2010/2012	07/10-06/12	69,512
	Youth Out of School	17.259	PY2010/2012	07/10-06/12	407,231
	ARRA - Business Ed Talent Readiness	17.259	PY10	03/09-09/10	10,000
	Continuing Improvements Management	17.259	PY2010/2012	07/10-06/12	40,972
	ARRA - Lay-off Reserve	17.260	PY10	03/09-09/10	100,000
	Lay-off Reserve	17.278	PY2010/2012	07/10-06/12	100,000
	ARRA - National Emergency Grant/OJT	17.260	PY10	03/09-09/10	113,261
	UI D.W. - WIA 25% Enhanced	17.260	2011/2012	12/11-06/12	2,139
	Online Education Training	17.261	PY2010/2012	07/10-06/12	20,000

Continued on next page

LARIMER COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2011

Federal or Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Grant Period	2011 Expenditures
ARRA - Dislocated Worker	17.278	PY10	03/09-09/10	\$ 21,688
Rapid Dislocated Worker	17.278	PY2010/2012	07/10-06/12	143,256
Dislocated Worker	17.278	PY2010/2012	07/10-06/12	370,982
Vets DVOP	17.801	PY2010/2012	07/10-06/12	21,256
Vets Workforce Investment Program	17.802	PY2010/2012	07/10-06/12	27,083
Vets LVER	17.804	PY2010/2012	07/10-06/12	10,628
				2,986,482
Total Department of Labor				3,019,200

DEPARTMENT OF TRANSPORTATION

State Department of Natural Resources

OPEN LANDS:

Horsetooth Shore to Shore Trails	20.219	C170823	12/11-12/13	1,000
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State Department of Transportation

GENERAL:

State and Community Highway Safety	20.600	-	2011	5,498
Alcohol Impaired Driving Countermeasures Incentive	20.601	-	2011	15,000
				20,498

HEALTH AND HUMAN SERVICES:

Public Transportation	20.509	11-HTD-27077	01/11-12/11	161,796
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OPENS LANDS:

ARRA - Poudre Trail Underpass	20.205	ES4-CO60-049	03/09-03/12	6
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ROAD AND BRIDGE:

(1) ARRA - Overlay on LCR17	20.205	09-HA400115	05/09-06/11	211,655
(1) ARRA - Bridge Replacement on LCR38E	20.205	10-HA411687	04/10-02/11	110,000
(1) ARRA - Bridge Replacement on LCR54G	20.205	10-HA411690	04/10-06/11	280,000
(1) ARRA - Guardrail Replacement on LCR27 and 74E	20.205	10-HA411710	04/10-06/11	111,957
(1) ARRA - Bridge Replacement on LCR11C	20.205	10-HA419371	09/10-09/15	52,373
ARRA - Intersection Improvements on LCR19 and 28	20.205	11-HA423965	05/11-12/11	346,660
				1,112,645

Total Department of Transportation				1,295,945
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ENVIRONMENTAL PROTECTION AGENCY

State Department of Public Health and Environment

HEALTH AND ENVIRONMENT:

Air Pollution PM2.5	66.034	AIR0800134	07/10-06/11	231
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Total Expenditures of Federal Awards				\$ 37,380,233
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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.

(1) The expenditures for these grants include expenditures from prior years.

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.



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
Larimer County, Colorado

We have audited the financial statements of Larimer County as of and for the year ended December 31, 2011, and have issued our report thereon dated June 25, 2012. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control, that results in 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 grants, 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 other matters involving internal control over financial reporting that we have reported to the County in a separate letter dated June 25, 2012.

This report is intended solely for the information and use of the Commissioners, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Anderson + Whitney P.C.

June 25, 2012



Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133

Board of County Commissioners
Larimer County, Colorado

Compliance

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 are applicable to each of its major federal programs for the year ended December 31, 2011. Larimer County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Larimer County's management. Our responsibility is to express an opinion on Larimer County's compliance based on our audit.

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*. These 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 the major federal program occurred. An audit includes examining, on a test basis, evidence about Larimer County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Larimer County's compliance with those requirements.

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, 2011. 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 items 2011-1 through 2011-4.

Internal Control Over Compliance

The management of Larimer County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Larimer County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. 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 items 2011-2 and 2011-03. *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.

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.

This report is intended solely for the information and use of management, the Commissioners, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Anderson + Whitney P.C.

June 25, 2012

LARIMER COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2011

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
 - 10.561 Food Stamp Administration
 - 20.205 Highway Construction
 - 93.568 LEAP
 - 93.596 Child Care Cluster
 - 93.575
 - 97.017 Pre-disaster Mitigation
- Dollar threshold between Type A and Type B programs \$1,121,407
- Low-risk auditee Yes

FINDINGS RELATED TO FINANCIAL STATEMENTS

- None Reported

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

➤ 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.

➤ **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.

➤ **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.

➤ **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.

LARIMER COUNTY, COLORADO

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended December 31, 2010

➤ **FINDING 2010-1:**

CFDA 93.658 Title IV-E (Foster Care)

Pass-Through Agency: Colorado Department of Human Services

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 Foster Care program must verify that an entity is not suspended or debarred through the Excluded Parties List System (EPLS), alternative certification, or contract language.

Condition: Out of 25 files tested, one instance was noted in which verification was not performed.

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

Context: A Therapeutic Residential Child Care Facility (TRCCF) that receives payments for the substitute care for children who are under the jurisdiction of the administering IV-E agency is 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: This appears to have been an oversight.

Recommendation: We recommend the Foster Care program check the EPLS for Therapeutic Residential Child Care Facilities.

Management's Response: Larimer County checks the EPLS system annually for all TRCCF and CPA agencies utilized during the fiscal year. The Department Specialist that completes the SS23A is assigned to also complete the EPLS system.

Corrective Action:

Contact Person: Catherine Weaver, Social Casework Manager

Corrective Action Planned: In response to the audit, Larimer County has revised our process for EPLS check; more specifically revised our documentation process for the EPLS check. After each TRCCF and CPA agency is checked through the EPLS system the confirmation regarding the results will be printed out and scanned into the County's paperless filing system, FileNet. The EPLS document will be scanned in with the SS23A and stored under the Trails provider number within FileNet.

Status: Implemented

➤ **Finding 2010-2:**

CFDA 93.778 Medicaid Title XIX: Child Services

Pass-Through Agency: Colorado Department of Human Services

Criteria: *Eligibility* – The Code of Colorado Regulations specific to the Department of Health Care Policy and Financing indicates the County is required to secure information concerning health insurance or other medical coverage of an individual at the time that individual applies or is predetermined eligible for public assistance. This information should be entered into the Client Health Resource Information Form (MS-10.)

Condition: Out of 25 files tests, three instances of missing client health insurance forms (MS-10) were noted.

Questioned Costs: None, as the individuals in the cases noted may be eligible for the program.

Context: Information on the MS-10 is entered into a computerized file and serves as the basis for claimants payment or denial. File documentation at the County does not support the eligibility determination in three instances.

Effect: Claims could be improperly paid or denied.

Cause: This appears to have been an oversight.

Recommendation: We recommend including a client health insurance form (MS-10) for every client.

Management's Response: The three cases that were missing an MS-10 form have now been completed.

Corrective Action:

Contact Person: Catherine Weaver, Social Casework Manager

Corrective Action Planned: In the future, Larimer County will be more diligent in making sure we obtain a MS-10 form for every client that is the legal custody of the Department.

Status: Implemented

➤ **Finding 2010-3:**

CFDA 10.557 Special Supplement Food Programs and Food Vouchers for Women, Infants & Children.

Pass-Through Agency: Colorado Department of Public Health and Environment

Criteria: *Eligibility* – The Colorado Department of Public Health and Environment procedure manual for the program indicates acceptable income documentation required for participants. In the event documentation cannot be provided, a *No Proof Form* is required to be completed.

Condition: Out of 25 files tested, six participant files did not contain acceptable income documentation. In these instances, the Special Supplemental Nutrition Program for Women, Infants and Children Procedure Manual of the Colorado Department of Public Health and Environment requires the completion of a *No Proof Form*.

Questioned Costs: None, as the individuals in the cases noted are eligible for the program.

Context: Participants that are receiving Medicaid are automatically eligible for this program. Proof of income is still required to be documented in the participant file. When there is no income, a *No Proof Form* is required to be completed.

Effect: WIC funds may be being utilized when the applicant isn't eligible.

Cause: This appears to have been an oversight.

Recommendation: We recommend ensuring the appropriate documentation for proof of income is included in every client file.

Management's Response: Please note that all six participants cited in the findings were all WIC-eligible, as they were on Medicaid. Medicaid participation confers adjunctive eligibility. It is possible that some of the newer WIC Educators were not consistently applying for policy to obtain the "No Proof" form for the clients that were on Medicaid but didn't report an income. This was an oversight of the program supervisors.

Corrective Action:

Contact Person: Ingrid Rosoff, Nutrition Supervisor

Corrective Action Planned: The "No Proof" policy has already been received at the weekly clinic meetings and monthly staff meetings. The new computer system "Compass" has a field that can be checked for no income documentation. The WIC staff then print out the "Colo. WIC Program – Signed Statement" for the client to complete and sign. This form then gets scanned into the family's record. Staff need to also add an "alert" notice so that staff will know that this family needs to show their income at their next appointment in one month.

WIC supervisors will perform spot checks for compliance with this policy and provide follow up training as needed.

Status: Implemented