SINGLE AUDIT REPORTS

LARIMER COUNTY, COLORADO

Year Ended December 31, 2009

ANDERSON & WHITNEY

A Professional Corporation of
Certified Public Accountants

Independent Auditors' Report on Additional Information

Board of County Commissioners
Larimer County, Colorado

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Larimer County, Colorado, as of and for the year ended December 31, 2009, and have issued our report thereon dated June 15, 2010. 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Anderson + Whitney P.C.

June 15, 2010

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LARIMER COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2009

	Federal or Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Grant Period	2009 Expenditures
	DEPARTMENT OF AGRICULTURE				
	State Department of Agriculture				
	PEST CONTROL:				
	Early Detection and Rapid Respond	10.000	09BAA00174	05/09-03/12	$ 25,300
	State Department of Natural Resources				
	OPEN LANDS:				
	Hermit Park Fuels Treatment & Forest Stewardship	10.664	530952	06/08-09/10	24,334
	Chimney Hollow Fuels Treatment & Forest Stewardship	10.664	530926	06/08-06/09	7,000
	Horsetooth Mountain Fuels Treatment & Forest Stewardship	10.664	530854	07/09-09/10	60,000
					91,334
	PARKS:				
	Carter Lake Front Range Fuels Treatment Partnership I and II	10.664	530908	04/07-09/09	33,000
	State Department of Human Services				
	HUMAN SERVICES:				
**	Food Distribution Program	10.569	-	01/09-12/09	416,735
**	Food Stamp Program	10.551	-	01/09-12/09	28,133,251
**	ARRA - Food Stamp Administration	10.561	-	01/09-12/09	90,399
**	Food Stamp Administration	10.561	-	01/09-12/09	1,579,477
**	Commodity Administration	10.568	-	01/09-12/09	25,150
					30,245,012
	State Department of Public Health and Environment				
	HEALTH AND ENVIRONMENT:				
	Special Supplemental Food Program for Women, Infants and Children (WIC)	10.557	WIC0800453	10/08-09/09	742,979
	Special Supplemental Food Program for Women, Infants and Children (WIC)	10.557	WIC0800453	10/09-09/10	274,387
	WIC Food Vouchers	10.557	-	01/09-12/09	2,408,345
					3,425,711
	Total Department of Agriculture				33,820,357
	DEPARTMENT OF HEALTH AND HUMAN SERVICES				
	State Department of Human Services				
	HUMAN SERVICES:				
	Special Programs for the Aging - Title III:				
	Area Plan Administration	93.044	02A-89	07/09-06/10	58,104
	Part B	93.044	02A-89	07/09-06/10	249,191
	ARRA - Part C-1	93.707	07IHA00063	07/09-06/10	42,686
	Part C-1	93.045	02A-89	07/09-06/10	172,646
	ARRA - Part C-2	93.705	07IHA00063	07/09-06/10	21,014
	Part C-2	93.045	02A-89	07/09-06/10	71,817
	Part D	93.043	02A-89	07/09-06/10	27,338
	Part E	93.052	02A-89	07/09-06/10	55,961
	Ombudsman	93.042	02A-89	07/09-06/10	13,626
	Aging and Disability Resource Centers	93.048	07IHA000249	10/08-09/09	36,284

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LARIMER COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2009

	Federal or Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Grant Period	2009 Expenditures
	Aging and Disability Resource Centers	93.779	07IHA000249	10/08-09/09	$ 25,793
	Cash in lieu of commodities	93.053	02A-89	07/09-06/10	67,781
**	Title IV-E FC	93.658	-	01/09-12/09	2,670,476
**	ARRA - Child Support Enforcement:				
	Federal Income to Counties	93.563	-	01/09-12/09	274,916
**	Child Support Enforcement:				
	Federal Income to Counties	93.563	-	01/09-12/09	2,047,996
**	ARRA - Child Care	93.713	-	01/09-12/09	400,679
**	Child Care	93.596	-	01/09-12/09	3,651,002
**	Family Preservation	93.556	-	01/09-12/09	126,605
**	Colorado Works	93.558	-	01/09-12/09	9,678,419
**	Title IV-E Independent Living	93.674	-	01/09-12/09	98,516
**	Community Services Block Grant (Title XX)	93.667	-	01/09-12/09	2,413,449
**	Child Welfare Services-Maintenance Assistance:				
	Title IV-B	93.645	-	01/09-12/09	111,105
**	Medicaid Title XIX: Child Services	93.778	-	01/09-12/09	1,339,060
**	Low-Income Energy Assistance Program (LEAP)	93.568	-	01/09-12/09	3,553,539
**	Adoption	93.659	-	01/09-12/09	661,139
**	Child Care and Development Block Grant	93.575	-	01/09-12/09	1,759,308
	IV-E Lump Sum	93.658	-	01/09-12/09	173,858
					29,802,308
	State Department of Local Affairs				
	HEALTH AND HUMAN SERVICES:				
	Community Services Block Grants:				
	ARRA - CSBG-HHS	93.710	L10CSBG27R	07/09-09/10	213,245
	CSBG-HHS	93.569	L8CSBG27	03/08-02/09	91,349
	CSBG-HHS	93.569	L9CSBG27	03/09-02/10	224,196
					528,790
	State Department of Health Care Policy & Financing				
	HEALTH AND ENVIRONMENT:				
	Medicaid Title XIX - EPSDT	93.778	UHA2209-9004	07/08-06/09	36,562
	Medicaid Title XIX - EPSDT	93.778	UHA2210-9026/9198	07/09-06/10	35,308
					71,870
	HUMAN SERVICES:				
	Single Entry Point	93.778	-	01/09-12/09	526,358
	State Department of Public Health and Environment				
	HEALTH AND ENVIRONMENT:				
	Bioterrorism Public Health Preparedness	93.069	EPI0900043	08/08-08/09	111,336
	Bioterrorism Public Health Preparedness	93.069	EPI0900043	08/09-08/10	90,568
	H1N1 - Phase I	93.069	EPR102732	08/09-08/10	110,084
	H1N1 - Phase II and III	93.069	EPR10000056	10/09-07/10	352,653
	Infertility Prevention Project	93.977	EPI09000114	01/09-12/09	4,076
	Family Planning and Expansion Services	93.217	FHS0800067	07/09-06/10	275,141
	Handicapped Children's Program	93.994	HCP0900535	10/08-09/09	54,538
	Handicapped Children's Program	93.994	HCP102924	10/09-09/10	11,648
	Immunization Action (CDC)	93.268	IMM0800225	02/09-12/09	90,118

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LARIMER COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2009

Federal or Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Grant Period	2009 Expenditures
Immunization Outreach	93.268	IMM1000001	07/09-06/10	$ 2,136
Immunization Coalition	93.268	IMM1000052	2009-2010	10,000
ARRA - Tdap Cocooning Project	93.712	IMM1000070	10/09-09/10	3,640
Medical Reserve Corps - Hospital Preparedness	93.889	EPI09000046	07/08-08/09	3,882
Maternal and Child Health Services Block Grant:	93.994			
Child Health		PSD0800480	10/08-09/09	27,725
Child Health		PSD0800480	10/09-09/10	10,152
Maternity Assistance Program		PSD0800480	10/08-09/09	71,701
Maternity Assistance Program		PSD0800480	10/09-09/10	25,259
Preventive Health Block	93.991	ADM0800021	05/08-04/09	9,979
West Nile Virus Prevention	93.283	EPI09000180	06/09-12/09	17,000
Family Planning Services	93.217	-	01/09-12/09	746
VFC value of vaccines	93.268	-	01/09-12/09	257,751
				1,540,133
Total Department of Health and Human Services				32,469,459
DEPARTMENT OF HOMELAND SECURITY				
State Department of Local Affairs				
GENERAL:				
Emergency Management Performance Grant	97.042	9EM09L36	07/08-06/10	45,250
Hazard Mitigation Plan	97.042	8EMHO736A	03/08-03/09	4,808
Buffer Zone Protection Program	97.078	98HS78436	08/09-06/11	59,018
				109,076
REPLACEMENT AND TECHNOLOGY PROJECTS:				
Buffer Zone Protection Program	97.078	98HS78436	08/09-06/11	265,705
Total Department of Homeland Security				374,781
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
State Department of Local Affairs				
HEALTH AND HUMAN SERVICES:				
Community Development Block Grants:				
Emergency Shelter Grant	14.228	H8CDBG07044G	07/07-12/10	47,087
Emergency Shelter Grant	14.228	H9CDBG08044G	07/08-06/09	27,539
Emergency Shelter Grant	14.231	H0CDBG09929	07/09-06/10	59,281
Home Improvement	14.239	H9CDB08066G	03/09-12/10	23,940
Home Investment	14.239	H9CDB08053G	01/09-12/10	224,006
Total Department of Housing and Urban Development				381,853
DEPARTMENT OF INTERIOR				
GENERAL:				
* Law Enforcement	15.000	02FC601667	09/01-09/09	397,287
PARKS:				
* Resource Management Plan	15.916	05FC601972	04/05-09/10	437,634
* Homeland Security	15.BBC	02FC601621	10/01-09/09	12,104
* Integrated Pest Management Plan for Noxious Weeds	15.BBX	05FG601992	04/05-06/10	24,000
State Department of Natural Resources				
PARKS:				
Fishing is Fun	15.605	F-537-D	12/08-12/11	20,416

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LARIMER COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2009

	Federal or Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Grant Period	2009 Expenditures
					$ 494,154
	Total Department of Interior				891,441
	DEPARTMENT OF JUSTICE				
	GENERAL:				
*	Edward Byrne Memorial Justice Assistance Grant	16.580	2008-DD-BX-0599	10/08-09/09	137,273
	HEALTH AND HUMAN SERVICES:				
*	Edward Byrne Memorial Justice Assistance Grant	16.580	2007-DD-BX-0712	10/07-12/09	81,185
	State Department of Public Safety:				
	GENERAL:				
	Victim of Crime Act	16.575	28-VA-8-39	01/09-12/09	53,492
	Victim of Crime Act	16.575	24-VA-8-40	01/08-12/08	6,359
	Victim of Crime Act	16.575	28-VA-8-41	01/09-12/09	23,825
	Violence Against Women Act	16.588	28-VW-8-50	04/09-03/10	20,652
	ARRA - Violence Against Women Act	16.588	29-RW-8-20	09/09-02/11	9,803
					114,131
	COMMUNITY CORRECTIONS:				
	Residential Substance Abuse Treatment	16.593	2008-RT-BX-0033	01/09-12/09	15,500
	HEALTH AND HUMAN SERVICES:				
	Juvenile Accountability Block Grant	16.523	27-JB-L-8-19	10/08-09/09	14,988
	Juvenile Accountability Block Grant	16.523	28-JB-L-8-19	10/09-09/10	8,248
					23,236
	Total Department of Justice				371,325
	DEPARTMENT OF LABOR				
	SELF-INSURED DENTAL:				
*	ARRA - Employee Benefits Security Administration	17.151	-	03/09-02/10	2,078
	SELF-INSURED MEDICAL:				
*	ARRA - Employee Benefits Security Administration	17.151	-	03/09-02/10	41,066
	State Department of Labor and Employment				
	WORKFORCE CENTER:				
	Workforce Investment Act:				
	ARRA - Wagner-Peyser	17.207	PY08	03/09-06/10	124,010
	Wagner-Peyser Base	17.207	PY2008/2011	07/08-06/11	1,049,701
	Wagner-Peyser Employment Support Fund	17.207	PY2008/2011	07/08-06/11	73,707
	Wagner-Peyser Governor's Summer Job Hunt	17.207	PY2008/2011	07/08-06/11	32,500
	Unemployment Insurance	17.225	PY2008/2011	07/08-06/11	27,244
	ARRA - Adult	17.258	PY08	03/09-06/10	97,040
	Adult	17.258	PY2008/2011	07/08-06/11	363,766
	ARRA - Youth	17.259	PY08	03/09-06/10	313,751
	Youth	17.259	PY2008/2011	07/08-06/11	448,164
	Sector Academy	17.259	PY2008/2011	07/08-06/11	31,793
	Continuing Improvements Management	17.260	PY2008/2011	07/08-06/11	45,043
	Credent	17.260	PY2008/2011	07/08-06/11	6,287
	ARRA - Dislocated Worker	17.260	PY08	03/09-06/10	172,561
	Dislocated Worker	17.260	PY2008/2011	07/08-06/11	603,361
	Marketing	17.260	PY2008/2011	07/08-06/11	24,750
	Rapid Response	17.260	PY2008/2011	07/08-06/11	6,738

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LARIMER COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2009

Federal or Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Grant Period	2009 Expenditures
Online Education Training	17.261	PY2008/2011	07/08-06/11	$ 1,988
Disability Program Navigators	17.266	PY2008/2011	07/08-06/11	19,720
Research Animal Technology Wired Incentive	17.268	PY2008/2011	07/08-06/11	266,172
Vets DVOP	17.801	PY2008/2011	07/08-06/11	15,733
Vets Workforce Investment Program	17.802	PY2008/2011	07/08-06/11	2,918
Vets LVER	17.804	PY2008/2011	07/08-06/11	11,898
State Department of Local Affairs				
Training Resources and Incentive Networks (TRAIN)	17.260	09KAA00054	08/08-06/09	25,334
				3,764,179
Total Department of Labor				3,807,323
DEPARTMENT OF TRANSPORTATION				
State Department of Transportation				
HEALTH AND HUMAN SERVICES:				
Rural Transit Coordinating	20.509	08-HTD-00071	01/08-12/09	168,498
OPENS LANDS:				
ARRA - Poudre Trail Underpass	20.205	ES4-CO60-049	03/09-03/12	482,081
ROAD AND BRIDGE:				
ARRA - Federal Aid Highways Program	20.205	09-HA400115	05/09-05/12	3,370,769
Total Department of Transportation				4,021,348
ENERGY				
CAPITAL EXPENDITURES:				
ARRA - Energy Efficiency and Conservation				
* Block Grants	81.128	DE-SC0002446	09/09-09/12	25,977
ENVIRONMENTAL PROTECTION AGENCY				
State Department of Public Health and Environment				
HEALTH AND ENVIRONMENT:				
Air Pollution PM2.5	66.034	AIR0800134	07/08-06/09	1,697
Air Pollution PM2.5	66.034	AIR0800134	07/09-06/10	114
Total Environmental Protection Agency				1,811
Total Expenditures of Federal Awards				$ 76,165,675

Explanatory Notes:
* Direct Federal Assistance Programs
** Federal Share Computed Using Percentages Provided by the State Department of Human Services
ARRA identifies American Recovery and Reinvestment Act funding

The County has no significant subrecipients.

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

ANDERSON & WHITNEY

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Certified Public Accountants

Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters, Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Board of County Commissioners
Larimer County, Colorado

We have audited the financial statements of Larimer County as of and for the year ended December 31, 2009, and have issued our report thereon dated June 15, 2010. 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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Larimer County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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 15, 2010.

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 15, 2010

ANDERSON & WHITNEY

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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, 2009. 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, 2009. 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 2009-1 and 2009-2.

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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 questions costs as items 2009-1 and 2009-2. 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 15, 2010

LARIMER COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2009

SUMMARY OF AUDITORS' RESULTS

➢ Type of report issued on financial statements	Unqualified
➢ Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified	None reported
➢ Noncompliance material to the financial statements noted	No
➢ Internal control over federal awards:	
Material weaknesses identified	No
Significant deficiencies identified	Yes
➢ Type of report issued on major programs	Unqualified
➢ Audit findings disclosed	None under .510(a). See others below.
➢ Major programs	93.563 Child Support Enforcement 93.568 LEAP 17.207 Employment Services Cluster 17.801 17.804 17.258 WIA Cluster 17.259 17.260 93.596 Child Care Cluster 93.713 93.575 20.205 Highway Construction 93.044 Aging Cluster 93.045 93.705 93.707 93.569 CSBG Cluster 93.710
➢ Dollar threshold between Type A and Type B programs	$2,284,970
➢ Low-risk auditee	Yes

FINDINGS RELATED TO FINANCIAL STATEMENTS

- None Reported

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

- **FINDING 2009-1:**

CFDA 93.596 Child Care Cluster
CFDA 93.575
CFDA 93.713

Pass-Through Agency: Colorado Department of Human Services

Criteria: *Eligibility* – In determining the eligibility of families for child care benefits, family income and other factors must be properly considered to calculate the appropriate parental fee. After the parental fee is paid, the grant pays the child care provider the remaining cost.

Condition: Out of 38 files tested, five did not demonstrate adequate procedures to properly calculate or apply the parental fee.

Questioned Costs: $482

Context: One monthly parental fee was properly calculated as $210 but was entered in the Child Care Automated Tracking System (CHATS) as $245, which led to the parent being over-charged. Another parental fee was improperly entered as a one-month adjustment instead of an ongoing adjustment. Thus, no parental fee was paid after the first month. One parent's wages were inadvertently entered as $50 more than the pay stub indicated. In another case, an amount on the calculation worksheet was inaccurately transferred to a subsequent page, leading to a parental fee which was $59 too high. We also noted an instance where SSI benefits were inappropriately considered as income and were not verified, leading to the parental fee being too high.

Effect: If the parental fee is not properly calculated, the grant funds may pay too much of the total child care cost.

Cause: Caseloads are heavy presently and only a few cases per worker are reviewed for accuracy.

Recommendation: We recommend controls be better designed to ensure parental fees and income data are more accurately calculated and applied.

Management's Response: In response to the audit findings, five cases per technician per month are conducted. This is more than the 1% of our total caseload that the state verbally recommended be checked. Since the audit at the end of 2009, we have developed a new case checking database that allows us to track case errors in a more detailed fashion. It breaks down the scoring and helps us to be more detailed in examining cases.

Corrective Action:

Contact Person: Tamara Schmidt, CCAP Manager

Corrective Action Planned: Another major change that is coming to Larimer County is the new Child Care Automated Tracking System (CHATS). Larimer County is a pilot county for the new computer system which will roll out on June 14, 2010. CCAP providers will now have point of service machines and CCAP families will now have CAP cares that will be swiped when the check their children in and out for the day.

The new system can calculate income and parent fees. Manual billing will virtually be eliminated and it will be done through the computer system. We predict that the new system will help to eliminate many of the manual errors that happen today, but not all.

- **FINDING 2009-2:**

CFDA 93.568 Low-Income Home Energy Assistance (LEAP)

Pass-Through Agency: Colorado Department of Human Services

Criteria: *Eligibility* – State regulations (Volume III, 3.755.13) require each case file to include Form IML-3T ("turnaround form") in order to document case approvals, denials, and changes. A key County control is a technician's signature on each turnaround form.

Condition: Out of 25 files tested, two did not have technician signatures on Form IML-3T.

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

Context: Although the individual may be eligible, the County's internal control to document approval has not been followed.

Effect: The County does not have evidence that the applicant's eligibility determination has been reviewed and approved.

Cause: This appears to have been an oversight.

Recommendation: We recommend the State policy and County internal control be followed and that signed turnaround forms be included in each case file.

Management's Response: The two cases which were missing the technician's signature on the IML-3T are now signed appropriately and contained in the case files.

Corrective Action:

Contact Person: Peggy Koskie, LEAP Manager

Corrective Action Planned: In the future, LEAP staff will be more diligent in making sure all IML-3T worksheets are signed when the case is completed.

LARIMER COUNTY, COLORADO

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended December 31, 2008

- **FINDING 2008-1:**

  CFDA 17.258 WIA Adult Program
  CFDA 17.259 WIA Youth Activities
  CFDA 17.260 WIA Dislocated Workers

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

  Condition: The WIA program is not checking the ELPS or requiring other verifications.

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

  Context: A third party payroll agency is used for client work experience and 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: The WIA program was not aware that a contract with the third party had not been maintained including a clause regarding suspension and debarment.

  Recommendation: We recommend the WIA program check the ELPS for service providers, obtain alternative certifications, or consider additional contract language.

  Management's Response: The Larimer County Workforce Center accepts this recommendation.

  Corrective Action:

  Contact Person: Mary Betters

  Corrective Action Planned: The Larimer County Workforce Center will develop a contract with our payroll vendor and include the language regarding suspension and debarment as developed and included in other Workforce Center contracts. We will ensure that this practice becomes standard operating procedures for future contracts that meet this criteria and funding threshold.

  Status: Implemented.

- **Finding 2008-2:**

  CFDA 17.258 WIA Adult Program
  CFDA 17.259 WIA Youth Activities
  CFDA 17.260 WIA Dislocated Workers

Criteria: *Allowable Costs – Direct Costs* – The payroll cost distribution should be based on an after-the-fact confirmation or determination that costs allocated represent actual costs.

Condition: The WIA program is not maintaining payroll split documentation for employees that work on multiple federal programs.

Questioned Costs: There are no questioned costs as this is related to documentation retention.

Context: To allocate expenses between programs for employees the WIA program uses a report called *Payroll Splits*. It is updated as necessary multiple times during the year. When the schedule is updated, a copy of the prior schedule is not maintained to support previous expense allocations.

Effect: There isn't support for allocation of expenses prior to the most current Payroll Split schedule.

Cause: The County maintains the invoices and other supporting documentation and was not aware of the need to support the allocation percentages documented.

Recommendation: We recommend maintaining soft copies of previous Payroll Splits reports to support expense allocations.

Management's Response: We accept the recommendation of maintaining supporting documentation for allocated expenses.

Corrective Action:

Contact Person: Mary Betters

Corrective Action Planned: In order to allocate expenditures associated with individual staff, the Larimer County Workforce Center was using budgeted staff allocations. As budgets were updated and allocations adjusted, the historical documentation was not maintained. However, after discussion with the Colorado Department of Labor and Employment, we transitioned to using actual time allocations for these expenditures as documented by the Payroll Split report and/or classification as a cost pool expenditure dependent upon item classification. The Payroll Split report is maintained in hard copy and on the computer.

Status: Implemented.

- **Finding 2008-3:**

CFDA 93.563 Child Support Enforcement

Criteria: *Special tests and provisions* – Securing and enforcing medical support obligations – In cases where medical support is ordered, the County is required to verify that it was obtained.

Condition: FileNet does not include proof of insurance.

Questioned Costs: There are no questioned costs as this is related to documentation maintenance.

Context: A report for proof of insurance is provided, usually directly from the Non-custodial parent's employer that is providing the insurance coverage. Once this page is received, this information is entered in the Medical Insurance screen in the Automated Child Support Enforcement System, however the page is not sent to FileNet.

Effect: Documentation included in FileNet is not complete.

Cause: The County was not aware the documentation should be included in FileNet.

Recommendation: We recommend including proof of insurance support in FileNet.

Management's Response: Yes, the managers and the IV-D attorney discussed this issue and this is required of technicians to submit the page received from the employer to FileNet.

Corrective Action:

Contact Person: Nancy Salazar

Corrective Action Planned: The supervisor of the enforcement technicians will remind them that this is expected and is a standard on all cases that apply.

Status: Implemented.