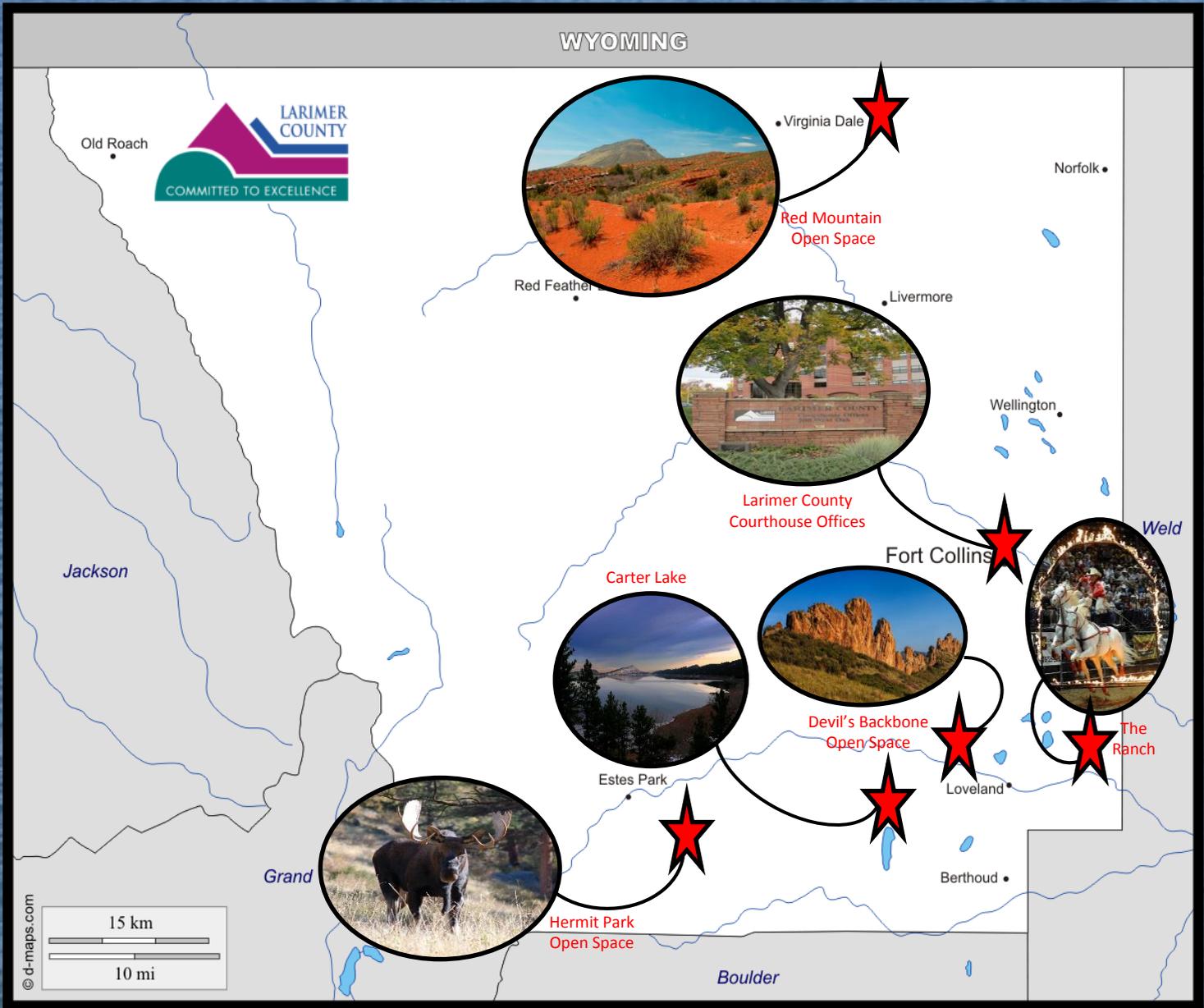


# Single Audit Larimer County Colorado



Year Ended  
December 31, 2015

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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  
Larimer 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 business-type activities, each major fund and the aggregate remaining fund information of Larimer County, Colorado (Larimer), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Larimer's basic financial statements, and have issued our report thereon dated June 16, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Larimer'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 Larimer's internal control. Accordingly, we do not express an opinion on the effectiveness of Larimer'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 Larimer'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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RubinBrown LLP*

June 16, 2016

**Independent Auditors' Report On Compliance  
For Each Major Federal Program; Report  
On Internal Control Over Compliance And Report  
On Schedule Of Expenditures Of Federal Awards  
Required By The Uniform Guidance**

Board of County Commissioners  
Larimer County, Colorado

**Report On Compliance For Each Major Federal Program**

We have audited the Larimer County, Colorado's (Larimer) compliance with the types of compliance requirements described in the Office of Management and Budget's (OMB) *OMB Compliance Supplement* that could have a direct and material effect on each of Larimer's major federal programs for the year ended December 31, 2015. Larimer's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations and the terms and condition of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Larimer'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 the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles and Audit Requirements for Federal Awards* (the Uniform Guidance). Those standards and the Uniform Guidance 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 Larimer's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Larimer's compliance.

### ***Opinion On Each Major Federal Program***

In our opinion, Larimer 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, 2015.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2015-001. Our opinion on each major federal program is not modified with respect to this matter.

Larimer's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Larimer'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 Larimer is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Larimer'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 the Uniform Guidance, 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 Larimer'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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2015-001, that we consider to be a significant deficiency.

Larimer's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Larimer'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 results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report On Schedule Of Expenditures Of Federal Awards Required By The Uniform Guidance**

We have audited the financial statements of Larimer as of and for the year ended December 31, 2015, and have issued our report thereon dated June 16, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as whole.

*RubinBrown LLP*

June 16, 2016

**LARIMER COUNTY, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended December 31, 2015**

Federal or Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Grant Period	2015 Expenditures
<b><u>DEPARTMENT OF AGRICULTURE</u></b>				
PEST CONTROL:				
* Canyon Lakes Ranger District Noxious Weed	10.000	12-PA-11021005-043	10/12-12/17	\$ 92,783
<b>State Department of Agriculture</b>				
Early Detection and Rapid Respond:				
Assault on the List A weeds	10.000	2015000776	04/15-10/15	14,000
Assault on the List B weeds	10.000	2015003160	04/15-10/15	10,008
Poudre Invasive Species Partnership	10.000	2015000718	02/15-06/15	35,000
				151,791
<b>State Department of Natural Resources</b>				
OPEN LANDS:				
Horsetooth Mountain Open Space Front Range Fuels Treatment Partnership	10.664	1929500-FC-07	06/13-04/15	27,000
<b>State Department of Human Services</b>				
HUMAN SERVICES:				
** Food Assistance Administration	10.561	OM-OPSO-2015-0001	07/15-06/16	1,973,445
<b>State Department of Public Health and Environment</b>				
HEALTH AND ENVIRONMENT:				
Special Supplemental Food Program for Women, Infants and Children (WIC)	10.557	WIC1571886	10/14-09/15	631,937
Special Supplemental Food Program for Women, Infants and Children (WIC)	10.557	WIC1682511	10/15-09/16	213,527
Women, Infants and Children (WIC) Breastfeeding	10.557	WIC1571846	10/14-09/15	23,026
Women, Infants and Children (WIC) Breastfeeding	10.557	WIC1682272	10/15-09/16	8,195
WIC Food Vouchers	10.557	-	01/15-12/15	2,221,122
				3,097,807
Total Department of Agriculture				5,250,043
<b><u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
HUMAN SERVICES:				
* No Place Like Home	93.605	90CF0051-02-02	09/13-09/15	238,909
<b>State Department of Human Services</b>				
** Special Programs for the Aging - Title III:				
Area Plan Administration	93.044	16 IHEA AASC 77141	07/15-06/16	49,316
Part B	93.044	16 IHEA AASC 77141	07/15-06/16	210,709
Part C-1	93.045	16 IHEA AASC 77141	07/15-06/16	208,121
Part C-2	93.045	16 IHEA AASC 77141	07/15-06/16	217,593
Part D	93.043	16 IHEA AASC 77141	07/15-06/16	17,137
Part E	93.052	16 IHEA AASC 77141	07/15-06/16	75,619
Ombudsman	93.042	16 IHEA AASC 77141	07/15-06/16	6,039
Nutrition Services Incentive Program	93.053	16 IHEA AASC 77141	07/15-06/16	85,729
** Aging and Disability Resource Center	93.779	OE IHA AGAD1200012	10/15-09/16	38,085
** Title IV-E FC	93.658	OM-OPSO-2015-0001	07/15-06/15	3,948,257
** Child Support Enforcement:				
Federal Income to Counties	93.563	OM-OPSO-2015-0001	01/15-12/15	1,950,243
** IV-E Guardianship Assistance	93.090	OM-OPSO-2015-0001	01/15-12/15	27,655
** Medicare Enrollment Assistance Program	93.071	IHA ASUA 1400017	10/15-09/16	39,504
** Child Care	93.596	OM-OPSO-2015-0001	07/15-06/16	2,093,140
** Family Preservation	93.556	-	07/15-06/16	74,722
** Colorado Works	93.558	OM-OPSO-2015-0001	07/15-06/16	6,212,969
** Title IV-E Independent Living	93.674	CAN-2015G994415	07/15-06/16	108,421
** Community Services Block Grant (Title XX)	93.667	OM-OPSO-2015-0001	07/15-06/16	298,180
** Child Welfare Services-Maintenance Assistance:				
Title IV-B	93.645	OM-OPSO-2015-0001	07/15-06/16	89,927
** Medicaid Title XIX	93.778	OM-OPSO-2015-0001	07/15-06/16	1,994,574
** Low-Income Energy Assistance Program (LEAP)	93.568	OM-OPSO-2015-0001	07/15-06/16	2,370,506
** IV-E Adoption	93.659	OM-OPSO-2015-0001	07/15-06/16	384,286
** Child Care and Development Block Grant	93.575	OM-OPSO-2015-0001	07/15-06/16	403,302
				21,142,943

Continued on next page

**LARIMER COUNTY, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended December 31, 2015**

	Federal or Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Grant Period	2015 Expenditures
<b>State Department of Local Affairs</b>					
HUMAN SERVICES:					
**	Community Services Block Grant: Health and Human Services	93.569	L12CSBG27	03/12-02/15	\$ 295,703
<b>State Department of Health Care Policy &amp; Financing</b>					
HEALTH AND ENVIRONMENT:					
Healthy Communities Outreach and Case Management:					
	Medical Assistance Program - EPSDT	93.778	CMS24571	07/14-06/15	40,557
	Medical Assistance Program - EPSDT	93.778	2016000000000000005	07/15-06/16	41,188
					81,745
HUMAN SERVICES:					
**	Money Follows the Person (CCT)	93.791	2015001864	12/12-11/15	57,261
**	Single Entry Point	93.778	14-55365OL3	07/15-06/16	819,075
					876,336
<b>State Department of Public Health and Environment</b>					
HEALTH AND ENVIRONMENT:					
	Ebola Phase I - Infectious Disease Planning	93.069	FHJA201000000000053	04/15-06/15	5,000
	Ebola Phase I - Infectious Disease Planning	93.069	FHJA201600000000977	07/15-09/16	7,550
	Bioterrorism Public Health Preparedness	93.074	EPR1568453	07/14-06/15	123,240
	Bioterrorism Public Health Preparedness	93.074	EPR1681995	07/15-06/16	128,488
	Tuberculosis Control Program	93.116	EPI1567221	07/14-06/15	3,750
	Tuberculosis Control Program	93.116	EPI1678833	07/15-06/16	3,750
	Family Planning	93.217	PSD1567006	07/14-06/15	84,973
	Family Planning	93.217	PSD1681521	07/15-06/16	68,331
	Immunization Action Plan (CDC)	93.268	EPI1574633	01/15-12/15	71,099
	VFC Compliance and AFIX Site Visits	93.268	15FHHA76737	03/15-12/15	7,212
	Public Health Improvement Process	93.758	2BOT2010090007	10/15-09/16	10,000
	Infertility Prevention Project	93.977	EPI1573957	01/15-12/15	19,446
	Maternal and Child Health Services Block Grant:	93.994			
	Care Coordination		MCH1571945	10/14-09/15	22,920
	Care Coordination		MCH1682151	10/15-09/16	8,221
	Children and Adolescents		MCH1571945	10/14-09/15	60,032
	Children and Adolescents		MCH1682151	10/15-09/16	17,120
	Prenatal		MCH1571945	10/14-09/15	91,980
	Prenatal		MCH1682151	10/15-09/16	31,197
					764,309
Total Department of Health and Human Services					23,161,036
<b>DEPARTMENT OF HOMELAND SECURITY</b>					
<b>State Department of Public Safety</b>					
GENERAL:					
	Hazard Mitigation Grant	97.039	DR-4145-CO	01/15-03/17	34,515
	Homeland Security Grant	97.067	14SHS16NER	09/15-08/16	22,928
	Homeland Security Grant	97.067	15SHS16NER	09/15-08/18	73,983
					131,426
VARIOUS FUNDS:					
Disaster Grants - Public Assistance (Presidentially Declared Disasters):					
(1)	2013 Flood Disaster	97.036	14-D4145-014	09/13-09/18	9,803,178
Total Department of Homeland Security					9,934,604
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>					
<b>State Department of Local Affairs</b>					
HUMAN SERVICES:					
**	Community Development Block Grant: Home Investment	14.239	H2CDB12041	01/12-06/15	8,000
GENERAL/NATURAL DISASTER:					
	Community Development Block Grants Disaster Recovery:	14.269			

Continued on next page

**LARIMER COUNTY, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended December 31, 2015**

Federal or Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Grant Period	2015 Expenditures
Infrastructure Local Share PW#330		D5DR1-10-12	10/13-12/15	80,077
Infrastructure Local Share PW#425		D5DR1-60-23	09/13-03/16	756,371
Watershed Resilience Pilot Program-Big Thompson River		F5DR2WC15001	2015	15,496
Watershed Resilience Pilot Program-Little Thompson River		F5DR2WC15008	2015	6,263
				858,207
Total Department of Housing and Urban Development				866,207
<b><u>DEPARTMENT OF INTERIOR</u></b>				
PARKS:				
* Pinewood Reservoir Recreation Facilities	15.524	R13AC60028	09/13-06/15	\$ 74,339
* Integrated Pest Management Plan for Noxious Weeds	15.524	R15AC00034	01/15-09/19	25,040
Total Department of Interior				99,379
<b><u>DEPARTMENT OF JUSTICE</u></b>				
State Department of Public Safety:				
GENERAL:				
Victim of Crime Act	16.575	2014-VA-14-003117-08	01/15-12/15	81,031
Victim of Crime Act	16.575	2015-VA-14-009029-08	01/15-12/15	29,600
Diversion for Juveniles who sexually offend	16.738	2013-DJ-15-006893-02-1	10/15-09/16	10,321
				120,952
CRIMINAL JUSTICE SERVICES:				
Edward Byrne Memorial Justice Assistance:				
Employment Success	16.738	2014-DJ-14-003177-04-4	10/14-09/15	31,465
Total Department of Justice				152,417
<b><u>DEPARTMENT OF LABOR</u></b>				
State Department of Labor and Employment				
WORKFORCE CENTER:				
Workforce Investment Act (WIA) and Workforce Innovation & Opportunity Act (WIOA):				
Wagner-Peyser Base/Business Events	17.207	-	2015	606,046
Wagner-Peyser Employment Support Fund	17.207	-	2015	427,790
Wagner-Peyser Governor's Summer Job Hunt	17.207	-	2015	41,000
Unemployment Insurance	17.225	-	2015	16,564
Trade Adjustment Act - Case Management	17.245	-	2015	50,430
Champ Initiative	17.245	-	2015	9,356
WIA Adult	17.258	-	2015	820,691
Youth Initiative	17.259	-	2015	1,000
WIA Youth Out of School	17.259	-	2015	580,952
WIOA Youth Out of School	17.259	-	2015	12,341
WIA Youth Ecorps Out of School	17.259	-	2015	4,127
WIA Youth Corps Out of School	17.259	-	2015	(2)
WIA Youth In School	17.259	-	2015	184,664
WIOA Youth In School	17.259	-	2015	13,997
WIA Youth Corps In School	17.259	-	2015	17,010
H-1B Technical Skills Training	17.268	-	2015	8,115
Disaster Emergency Grant NEG-Flood	17.277	-	2015	60,448
Disaster Emergency Grant CORPS	17.277	-	2015	143,980
WIA Sector	17.277	-	2015	6,288
25% Discretionary Dislocated Worker	17.278	-	2015	3,678
WIA Dislocated Worker	17.278	-	2015	521,125
UI Pilot	17.278	-	2015	71,597
HIRE for Colorado	17.278	-	2015	35,093
Disabled Veterans Outreach Program	17.801	-	2015	9,050
Veterans Workforce Investment Program	17.802	-	2015	16,723
Local Veterans Employment Representative	17.804	-	2015	9,750
Total Department of Labor				3,671,813

Continued on next page

**LARIMER COUNTY, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended December 31, 2015**

Federal or Pass-Through Grantor Program Title	Federal CFDA Number	Grant Number	Grant Period	2015 Expenditures
<b><u>DEPARTMENT OF TRANSPORTATION</u></b>				
<b>State Department of Transportation</b>				
<b>ROAD AND BRIDGE:</b>				
Bridge Replacement No 17-0.5-48	20.205	12-HA436014	11/11-11/16	3,116,218
Bridge Replacement No 50-0.2-17	20.205	13-HA446009	07/12-07/17	177,564
Emergency Flood Repairs	20.205	14HA464552	04/14-04/19	1,306,940
Bridge Replacement No 3-0.2-50	20.205	15HA474406	12/14-12/19	70,737
SH 14 at Greensfield Ct. Intersection	20.205	15HA471425	10/14-10/19	13,309
<b>Total Department of Transportation</b>				<b>4,684,768</b>
<b><u>ENVIRONMENTAL PROTECTION AGENCY</u></b>				
<b>State Department of Public Health and Environment</b>				
<b>HEALTH AND ENVIRONMENT:</b>				
Air Pollution PM2.5	66.034	AIR1568606	07/14-06/15	\$ 228
Air Pollution PM2.5	66.034	AIR1680451	07/15-06/16	229
				<b>457</b>
<b>Colorado Water Resources &amp; Power Development Authority</b>				
<b>*** IMPROVEMENT DISTRICT CONSTRUCTION:</b>				
River Glen Estates	66.458	W13F313	01/15-12/15	435,237
Berthoud Estates	66.458	W14F332	01/15-12/15	93,969
Fish Creek	66.468	D14F331	01/15-12/15	52,662
				<b>581,868</b>
<b>Total Environmental Protection Agency</b>				<b>582,325</b>
<b>Total Expenditures of Federal Awards</b>				<b>\$ 48,402,592</b>

Explanatory Notes:

- \* Direct Federal Assistance Programs.
- \*\* Federal Share Computed Using Percentages Provided by the State Department of Human Services.

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

\*\*\* Loan Balances as of 12/31/15:

River Glen	1,125,666
Berthoud Estates	951,638
Fish Creek	312,348

Loan balances consist of Federal and State monies; however, expenditure amounts reported above include only the Federal portion.

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Larimer County, Colorado, for the year ended December 31, 2015 and is presented on the accrual basis of accounting. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the schedule. The information in this schedule is presented in accordance with requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

Larimer County has not elected to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance, section 414.

LARIMER COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2015

Section I - Summary Of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_ yes \_\_\_ checked no
Significant deficiency(ies) identified? \_\_\_ yes \_\_\_ checked none reported
Noncompliance material to financial statements noted? \_\_\_ yes \_\_\_ checked no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? \_\_\_ yes \_\_\_ checked no
Significant deficiency(ies) identified? \_\_\_ checked yes \_\_\_ none reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_ checked yes \_\_\_ no

Identification of major federal programs:

Table with 2 columns: CFDA No. and Name Of Federal Program Or Cluster. Rows include 93.558 (Temporary Assistance for Needy Families), 93.563 (Child Support Enforcement), 97.036 (Disaster Grants - Public Assistance), 17.258 (Workforce Investment Act/WIOA Adult Program), 17.259 (Workforce Investment Act/WIOA Youth Activities), and 17.278 (Workforce Investment Act/WIOA Dislocated Workers).

Dollar threshold used to distinguish between Type A and Type B programs: \$1,452,078

Auditee qualified as low-risk auditee? \_\_\_ checked yes \_\_\_ no

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## LARIMER COUNTY, COLORADO

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### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*CONTINUED*) For The Year Ended December 31, 2015

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#### Section II - Financial Statement Findings

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There were no findings related to the audit of the Larimer County financial statements that are required to be reported under *Government Auditing Standards*.

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#### Section III - Federal Award Findings And Questioned Costs

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##### Finding 2015-001

##### Significant Deficiency, Internal Control Over Compliance

CFDA 17.258, 17.259, 17.278 - WIA Cluster

Federal Agency: U.S. Department of Labor

Pass-Through Entity: Colorado Department of Labor and Employment

**Criteria Or Specific Requirement:** Per the Procurement, Suspension, and Debarment compliance requirement, nonfederal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. When a nonfederal entity enters into a covered transaction with an entity at a lower tier, the nonfederal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the Excluded Parties List System maintained by the General Services Administration, collecting a certification from the entity or adding a clause or condition to the covered transaction with that entity (2 CFR Section 180.300).

**Condition:** The County does not have a control in place to verify purchases with vendors in excess of \$25,000 are not suspended or debarred.

**Questioned Costs:** Not applicable.

**Context:** No payments were made to debarred vendors; however, some program personnel were unaware of the requirement to perform debarment searches. The County Purchasing Department performed verification on some vendors, but the procedures were not consistently applied with respect to debarment searches.

## LARIMER COUNTY, COLORADO

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### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*CONTINUED*) For The Year Ended December 31, 2015

**Effect:** The County could be out of compliance with Procurement, Suspension, and Debarment compliance requirements.

**Cause:** There is not a control in place at the program level to identify vendors with program transactions in excess of \$25,000 and to verify potential vendors are not debarred.

**Recommendation:** We recommend program management implement internal policies to identify vendors where transactions will likely exceed \$25,000 and route through the Purchasing Department to ensure appropriate contracts and contract file documentation is in place.

**Contact Person:** Mary Betters

**Views Of Responsible Officials And Planned Corrective Action:** The Larimer County Workforce Center will establish an internal review periodically to determine the cumulative expenditure threshold of our vendors for the calendar year. At this time, we will review expenditures quarterly. Should an entity near the \$25,000 threshold, we will perform a review in the System for Award Management (SAM) database to ensure that the party is not on the Excluded Parties List System and thus debarred for federal.

We will also research the potential for adding language to our vendor authorizations regarding the disbarment prohibition.

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**LARIMER COUNTY, COLORADO**

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
For The Year Ended December 31, 2015**

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**Section IV – Prior-Year Findings**

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**Finding 2014-1**

**CFDA 93.568 Low-Income Housing Energy Assistance (LEAP)**

**Pass-Through Agency:** Colorado Department of Human Services

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

**Views Of Responsible Officials And Planned Corrective Action:**

Management agrees - An employer letter may be used for verification of income (ongoing, terminated, or new) when the applicant is unable to provide the verification. In this specific case, the final pay check showing gross pay of \$558.62 was contained in the file and should have been used. The purpose of the employer letter was to verify the last day of employment. Additional training on how to treat terminated income will be provided to all LEAP technicians.

**Auditor Response:** Resolved.

**Finding 2014-2**

**CFDA 97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)**

**Pass-Through Agency:** Colorado Department of Public Safety

**Criteria: Procurement** - Federal standards at 44 CFR 13.36 require the County to perform procurement transactions in a manner providing full and open competition, including affirmative steps to assure the use of minority firms and women's business enterprises when possible, except under certain circumstances. One allowable circumstance is when a public exigency or emergency exists that will not permit a delay for competitive solicitation.

**Views Of Responsible Officials And Planned Corrective Action:**

Management agrees - While the contract in question was bid out using full and open competition, the County did not incorporate affirmative steps to ensure the use of minority business and women's business enterprises. The County is now taking affirmative steps to ensure minority businesses and women's business enterprises have an opportunity to bid on FEMA projects.

**Auditor Response:** Resolved.