



Federal Awards Reports In Accordance With the
Single Audit Act and Uniform Guidance
December 31, 2017

Jefferson County, Colorado



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Independent Auditor’s 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 Commissioners and
Members of the Audit Committee
Jefferson County, Colorado

We have audited, in accordance with 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jefferson County, Colorado (“Jefferson County”) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Jefferson County’s basic financial statements, and have issued our report thereon dated May 31, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jefferson County'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 Jefferson County’s internal control. Accordingly, we do not express an opinion on the effectiveness of Jefferson County’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 over financial reporting 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 financial reporting 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2017-A, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jefferson County'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*.

Response to Findings

Jefferson County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's corrective action plan is also included in a separately issued letter. Jefferson County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Jefferson County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jefferson County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Ede Sully LLP".

Denver, Colorado
May 31, 2018



**Independent Auditor’s Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of
Federal Awards Required by the Uniform Guidance**

Board of Commissioners and
Members of the Audit Committee
Jefferson County, Colorado

Report on Compliance for Each Major Federal Program

We have audited Jefferson County, Colorado’s (“Jefferson County”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Jefferson County’s major federal programs for the year ended December 31, 2017. Jefferson County’s major federal programs are identified in the summary of auditor’s 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 conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on the compliance for each of Jefferson County’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, Cost Principles, and Audit Requirements for Federal Awards* (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 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 Jefferson 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 qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of Jefferson County’s compliance.

Basis for Qualified Opinion on #93.778, Medical Assistance Program (Medicaid)

As described in the accompanying schedule of findings and questioned costs, Jefferson County did not comply with requirements regarding CFDA #93.778, Medical Assistance Program (Medicaid), as described in finding number 2017-001 for Eligibility. Compliance with such requirements is necessary, in our opinion, for Jefferson County to comply with the requirements applicable to that program.

Qualified Opinion on #93.778, Medical Assistance Program (Medicaid)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Jefferson County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Medical Assistance Program (Medicaid) for the year ended December 31, 2017.

Opinion on Each of the Other Major Federal Programs

In our opinion, Jefferson County 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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2017.

Other Matters

Jefferson County's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's corrective action plan is also included in a separately issued letter. Jefferson County'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 Jefferson County is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered Jefferson County'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 Jefferson 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 compliance requirement 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 that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that have not been identified. We identified a deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2017-001 that we consider to be a material weakness.

Jefferson County's response to the internal control over compliance finding is identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's corrective action plan is also included in a separately issued letter. Jefferson County'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 Jefferson County as of and for the year ended December 31, 2017, and have issued our report thereon dated May 31, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion 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 a whole.

Eide Bailly LLP

Denver, Colorado
May 31, 2018

Jefferson County, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2017

Program Description	CFDA #	Pass-through Entity Identifying Number	Sub-totals by Pass- through Entity Identifying Number	2017 Federal Expenditures	Clusters	Totals by Agency	Amounts Passed- Through to Subrecipients
DEPARTMENT OF AGRICULTURE							
Passed through Colorado Department of Human Services:							
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	*		\$ 2,787,656		\$ 2,787,656	
Passed through Colorado State Department of Health and Environment:							
Farmers' Market Supplemental Nutrition Assistance Program (SNAP)	10.545	*	11,000	11,000			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557						
	10.557	Non-Cash Value	3,253,372				
	10.557	WIC-AB17L-DOA	1,115,987				
	10.557	WIC-AB18L-DOA	384,294				
	10.557	WIC-AL17L-DOA	33,018				
	10.557	WIC-AL18L-DOA	14,763				
			CFDA 10.557 Subtotal:	4,801,434		4,812,434	
Child and Adult Care Food Program	10.558	*		242,040		242,040	
Passed Through Colorado State Forest Service							
Cooperative Forestry Assistance	10.664	*		3,143		3,143	
Passed through CO Dept of Local Affairs:							
Schools and Roads - Grants to States							
National Forest Payments	10.665	*		22,662		22,662	
TOTAL: DEPARTMENT OF AGRICULTURE						\$ 7,867,935	
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
Direct Funding:							
Community Dev. Block Grants/Entitlement Grants	14.218	*		439,947		439,947	439,947
HOME Investment Partnerships Program	14.239	*		1,064,191		1,064,191	1,064,191
TOTAL: DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						\$ 1,504,138	

Jefferson County, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2017

Program Description	CFDA #	Pass-through Entity Identifying Number	Sub-totals by Pass- through Entity Identifying Number	2017 Federal Expenditures	Clusters	Totals by Agency	Amounts Passed- Through to Subrecipients
DEPARTMENT OF JUSTICE							
Direct Funding:							
DNA Backing Reduction Program	16.741	*	22,351				
DNA Capacity Enhancement/Backlog	16.741	*	12,541	\$ 34,892		\$ 34,892	
			CFDA 16.741 Subtotal:				
Passed through Colorado Dept. of Public Safety/Division of Criminal Justice:							
Crime Victim Assistance	16.575						
Sheriff Crime Victim Assistance (VOCA) - One Time	16.575	*	23,000				
Sheriff Crime Victim Assistance (VOCA)	16.575	*	71,722				
Elder Abuse Victim's Specialist	16.575	*	44,276				
			CFDA 16.575 Subtotal:	138,998		138,998	
Crime Victim Compensation Grant	16.576	*		2,265,000		2,265,000	
Violence Against Women Formula Grants	16.588						
District Attorney-VAWA	16.588	*	68,435				
District Attorney-Sexual Assault Repid Response	16.588	*	194,737				
			CFDA 16.588 Subtotal	263,172		263,172	
Edward Byrne Memorial Justice Assistance Grant	16.738						
Criminal Investigator - CHEEZO	16.738	2014-DJ-14-003173	9,599				
Criminal Investigator - CHEEZO	16.738	2016-VW-16-013782-01	70,961				
JCSO Automated License Plate Readers	16.738	2016-DJ-16-013886	26,486				
JCSO Detentions Biometric Scan System	16.738	2016-DJ-16-013649	8,507	115,553	<i>115,553</i>		
Passed through City of Lakewood							
Edward Byrne Memorial Justice Assistance Grant	16.738						
Edward Byrne Justice Grant Formula 5	16.738	*	9,413	9,413	<i>9,413</i>	<i>124,966</i>	
			CFDA 16.738 Subtotal:			124,966	
Passed through Colorado Springs Police Department							
Internet Crimes Against Children (ICAC) Subgrant	16.543	2015-MC-FX-K030	3,508	3,508		3,508	
Passed through West Metro Drug Task Force							
Equitable Sharing Program	16.922						
Equitable Sharing Program-District Attorney	16.922	*	20,710				
Equitable Sharing Program-Sheriff	16.922	*	19,735				
			CFDA 16.922 Subtotal:	40,445		40,445	
TOTAL: DEPARTMENT OF JUSTICE						\$ 2,870,981	

Jefferson County, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2017

Program Description	CFDA #	Pass-through Entity Identifying Number	Sub-totals by Pass- through Entity Identifying Number	2017 Federal Expenditures	Clusters	Totals by Agency	Amounts Passed- Through to Subrecipients
DEPARTMENT OF LABOR							
Passed through Colorado Department of Labor and Employment:							
Employment Service/Wagner-Peyser Funded Activities	17.207						
Wagner-Peyser Plan Year 2015	17.207	*	150				
Wagner-Peyser Plan Year 2016	17.207	*	348,450				
Wagner-Peyser Plan Year 2017	17.207	*	276,946				
Governor's Summer Job Hunt 16	17.207	*	40,000				
			CFDA 17.207 Subtotal:	\$ 665,546	2	\$ 665,546	
Disabled Veterans' Outreach Program (DVOP)	17.801	*					
FY17 DVOP	17.801	*	14,000				
			CFDA 17.801 Subtotal:	14,000	2	14,000	
WIA/WIOA Adult Program	17.258						
WIA/WIOA Adult Program-Plan Year 2016	17.258	*	525,056				
WIA/WIOA Adult Program-Plan Year 2017	17.258	*	300,119				
DW Council Initiatives Performance Incentive	17.258	*	20,490				
FY16 WIOA 5% Evaluation	17.258	*	5,555				
			CFDA 17.258 Subtotal:	851,220	3	851,220	
WIA/WIOA Youth Activities	17.259	*					
WIA/WIOA Youth-Plan Year 2016	17.259	*	227,981				
WIA/WIOA Youth-Plan Year 2016	17.259	*	242,494				
Youth Work Experience-Plan Year 2016	17.259	*	121,761				
Youth Work Experience-Plan Year 2017	17.259	*	31,671				
			CFDA 17.259 Subtotal:	623,907	3	623,907	
Local Veterans' Employment Representative Program	17.804						
Workforce Development LVER-Plan Year 2017	17.804	*	7,000				
			CFDA 17.804 Subtotal:	7,000	2	686,546	2
Reemployment Services and Eligibility Assessment							
Workforce Development FY 2017	17.225	*	2,956				
			CFDA 17.225 Subtotal:	2,956		2,956	
Trade Adjustment Assistance	17.245						
Workforce Development TAA-Plan Year 2016	17.245	*	11,113				
			CFDA 17.245 Subtotal:	11,113		11,113	

Jefferson County, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2017

Program Description	CFDA #	Pass-through Entity Identifying Number	Sub-totals by Pass- through Entity Identifying Number	2017 Federal Expenditures	Clusters	Totals by Agency	Amounts Passed- Through to Subrecipients
WIA/WIOA Dislocated Workers Formula Grants	17.278						
WIA/WIOA Dislocated Workers-Plan Year 2016	17.278	*	482,283				
WIA/WIOA Dislocated Workers-Plan Year 2017	17.278	*	230,795				
FY15 AD Enhanced Dislocated Worker	17.278	*	85,018				
FY16 AD Enhanced Dislocated Worker	17.278	*	63,363				
FY17 AD Enhanced Dislocated Worker	17.278	*	118,373				
FY16 25% Sislocated Worker Business Services	17.278	*	3,400				
FY16 WIOA 10% Planning	17.278	*	15,717				
FY17 AD Transfer Enhanced Dislocated Worker	17.278	*	22,491				
FY17 Enhanced Dislocated -Work Based Learning	17.278	*	7,410				
FY16 AD Transfer Enhanced Work Based Learning	17.278	*	26,631				
FY16 AD 25% Enhanced Work Based Learning	17.278	*	11,142				
			CFDA 17.278 Subtotal:	\$ 1,066,623	\$ 1,066,623	\$ 2,541,750	\$ 1,066,623
H-1B Job Training Grants	17.268	*		318,738		318,738	
WIA Technical Assistance and Training	17.281	*		12,169		12,169	
FY16 Apprenticeship USA	17.285	*		8,740		8,740	
TOTAL: DEPARTMENT OF LABOR						\$ 3,582,012	

Jefferson County, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2017

Program Description	CFDA #	Pass-through Entity Identifying Number	Sub-totals by Pass- through Entity Identifying Number	2017 Federal Expenditures	Clusters	Totals by Agency	Amounts Passed- Through to Subrecipients
DEPARTMENT OF TRANSPORTATION							
Direct Funding:							
Airport Improvement Program	20.106	*		\$ 552,414		\$ 552,414	
Geocoding of Crashes and LRS	20.616	OUJ		47,106	\$ 47,106 *	47,106	
Passed through Colorado Department of Transportation							
Highway Planning and Construction	20.205	*	202,727				
Safe Routes to School	20.205		9,347				
			CFDA 20.205 Subtotal:	212,074		212,074	
Passed through Regional Air Quality Control							
State and Community Highway Safety	20.600						
Click It or Ticket	20.600	*	6,224				
CDOT Speed Mitigation-Fiscal Year 2015	20.600	*	90,302				
			CFDA 20.600 Subtotal:	96,526	96,526 *	96,526	
National Priority Safety Programs	20.616	*		25,331	25,331 *	25,331	168,963 *
TOTAL: DEPARTMENT OF TRANSPORTATION						\$ 933,451	
Passed through Colorado Department of Health & Environment:							
Capitalization Grants for Clean Water State Revolving Funds	66.468						
	66.468	WQC	5,200	5,200		\$ 5,200	
			CFDA 66.468 Subtotal:				
Indoor Radon Outreach	66.605	HAZ-AS1-EPA		2,336		2,336	
TOTAL: ENVIRONMENTAL PROTECTION AGENCY						\$ 7,536	

Jefferson County, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2017

Program Description	CFDA #	Pass-through Entity Identifying Number	Sub-totals by Pass- through Entity Identifying Number	2017 Federal Expenditures	Clusters	Totals by Agency	Amounts Passed- Through to Subrecipients
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Direct Funding:							
Head Start	93.600	*	3,058,209				
Head Start Duration Grant	93.600	*	193,587				
Head Start Duration Grant - One Time	93.600	*	341,630	\$ 3,593,426		\$ 3,593,426	
			CFDA 93.600 Subtotal:				
Lead Surveillance	93.753	Lead CCLPP-NJ17CH	10,851				
			CFDA 93.753 Subtotal:	10,851		10,851	
Passed through Colorado Department of Health & Environment:							
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness	93.069		322,115				
	93.069		CFDA 93.069 Subtotal:	322,115		322,115	
Ebola Phase II	93.074	EPR-HW18J-HHS	14,615				
Emergency Planning Funds	93.074	FLWT-HW18CJ-HHS	257,041				
Emergency Planning Funds	93.074	FLWT-HX18CJ-HHS	46,319				
Zika Awareness	93.074	EPR-HW17J-HHS	3,000				
			CFDA 93.074 Subtotal:	320,975		320,975	
Guardianship Assistance	93.090	*	34,542	34,542		34,542	
			CFDA 93.136 Subtotal:				
Violence and Injury Prevention	93.136		1,687				
			CFDA 93.136 Subtotal:	1,687		1,687	
Family Planning-Services	93.217						
	93.217	LARC	49,418				
	93.217	FPP-JA18CL-HHS	98,569				
			CFDA 93.217 Subtotal:	147,987		147,987	

Jefferson County, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2017

Program Description	CFDA #	Pass-through Entity Identifying Number	Sub-totals by Pass- through Entity Identifying Number	2017 Federal Expenditures	Clusters	Totals by Agency	Amounts Passed- Through to Subrecipients
Immunization Cooperative Agreements	93.268						
	93.268	IMM-VFC-KT16CH	100				
	93.268	IMM-Core-KA161H	29,246				
	93.268	IMM-Core-KA171H	65,644				
			CFDA 93.268 Subtotal:	\$ 94,990		\$ 94,990	
Emerging Infections	93.317						
	93.317	NQ17CH	32,831				
	93.317	QH17ZH	25,000				
			CFDA 93.317 Subtotal:	57,831		57,831	
Emerging Infections Cooperative	93.521						
	93.521	NQ16CH	56,946				
			CFDA 93.521 Subtotal:	56,946		56,946	
Women's Wellness Connection	93.752						
		FPP-HM17CL-HHS	2,802				
		FPP-HM18CL-HHS	3,226				
			CFDA 93.752 Subtotal:	6,028		6,028	
HIV Care Activities-Health Department Based	93.917						
	93.917	EPI-YT16CH-HHS	23,549				
	93.917	EPI-YT17CH-HHS	43,073				
			CFDA 93.917 Subtotal:	66,622		66,622	
HIV Prevention Activities-Health Department Based	93.940						
	93.940	EPI-KG16CH-HHS	62,036				
	93.940	EPI-GK17CH-HHS	6,852				
	93.940	EPI-GK17XH-HHS	9,035				
			CFDA 93.940 Subtotal:	77,923		77,923	

Jefferson County, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2017

Program Description	CFDA #	Pass-through Entity Identifying Number	Sub-totals by Pass- through Entity Identifying Number	2017 Federal Expenditures	Clusters	Totals by Agency	Amounts Passed- Through to Subrecipients
Sudden Unexpected Infant Death (SUID) Case Registry	93.946		3,500				
	93.946		<u>CFDA 93.946 Subtotal:</u>	\$ 3,500		\$ 3,500	
Control Grants	93.977						
Preventive Health Services-Sexually Transmitted Diseases Control Grants	93.977	Non-Cash Value	29,600	29,600		29,600	
			<u>CFDA 93.977 Subtotal:</u>				
Maternal and Child Health Services Block Grant to the States	93.994						
	93.994	MCH-NC17CL-HHS	7,444				
	93.994	MCH-ND17CL-HHS	122,447				
	93.994	MCH-NB17BL-HHS	146,634				
			<u>CFDA 93.994 Subtotal:</u>	276,525		276,525	
Passed Through National Institutes of Health (NIH)							
Passed through CO Dept of Human Services:							
Promoting Safe and Stable Families	93.556	*		141,168		141,168	
Temporary Assistance for Needy Families (TANF)	93.558	*		7,323,344		7,323,344	
Child Support Enforcement	93.563	*		3,534,083		3,534,083	
Child Support Enforce Research Section 1115	93.564	*		14,980		14,980	
Low-Income Home Energy Assistance	93.568	*		16,025		16,025	
Child Care and Development Fund: Discretionary	93.575	*		2,355,861	2,355,861 5	2,355,861	
Child Care and Development Fund	93.596	*		2,979,445	2,979,445 5 5,335,306 5	2,979,445 4	
Child Welfare Services: Title IV-B - Child Care	93.645	*		396,099		396,099	
Foster Care-Title IV-E	93.658	*		5,782,837		5,782,837	
Adoption Opportunity Grant	93.659	*		1,159,425		1,159,425	
Title XX	93.667	*		2,296,894		2,296,894	
Independent Living IV-E	93.674	*		146,890		146,890	
Medicaid: Title XIX	93.778	*	3,097,503	3,097,503	3,097,503 6		

Jefferson County, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2017

Program Description	CFDA #	Pass-through Entity Identifying Number	Sub-totals by Pass- through Entity Identifying Number	2017 Federal Expenditures	Clusters	Totals by Agency	Amounts Passed- Through to Subrecipients
Passed through Health Care Policy and Finance:							
Children's Health Insurance Program	93.767	*	17,261	\$ 17,261			
Early, Periodic Screen, Diagnose, Treat (ESPD/T)	93.778	*	72,498	72,498	\$ 72,498 ⁶		
SEP - Options for Long Term Care	93.778	14-55362	1,278,445	1,278,445	1,278,445 ⁶	\$ 4,448,446 ⁶	
			<u>CFDA 93.778 Subtotal:</u>			\$ 4,465,707 ⁵	
Passed through Colorado Department of Local Affairs:							
Community Services Block Grant	93.569	*		522,995		522,995	\$ 522,995
Passed Through Colorado Health Institute							
Regional Health Connector	93.624		61,925	61,925		61,925	
			<u>CFDA 93.624 Subtotal:</u>				
Passed Through Colorado Foundation of Public Health & Environment							
Southwest Health Extension Partnership	93.226		32,351	32,351		32,351	
			<u>CFDA 93.226 Subtotal:</u>				
TOTAL: DEPARTMENT OF HEALTH AND HUMAN SERVICES						<u>\$ 36,331,577</u>	
DEPT OF HOMELAND SECURITY							
Passed through Colorado Department of Public Safety:							
Disaster Grant-Public Assistance Presidentially Declared Disaster	97.036	FEMA-DR-4145-CO		30,441		30,441	
Hazardous Mitigation Program	97.039	FEMA-DR-4145-CO		112,996		112,996	
Emergency Management Performance Grants	97.042	*		105,000		105,000	
Homeland Security Grant Program	97.067						
Passed through City and County of Denver:							
Urban Areas Security Initiative Grant	97.067	15UAS16DEN	162,574				
Passed through Arapahoe County:							
State Homeland Security Program	97.067	14SHS17NCR	69,000				
			<u>CFDA 97.067 Subtotal:</u>	231,574		231,574	
TOTAL: DEPARTMENT OF HOMELAND SECURITY						<u>\$ 480,011</u>	

Jefferson County, Colorado
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2017

<u>Program Description</u>	<u>CFDA #</u>	<u>Pass-through Entity Identifying Number</u>	<u>Sub-totals by Pass- through Entity Identifying Number</u>	<u>2017 Federal Expenditures</u>	<u>Clusters</u>	<u>Totals by Agency</u>	<u>Amounts Passed- Through to Subrecipients</u>
EXECUTIVE OFFICE OF THE PRESIDENT							
Passed through the Rocky Mountain HIDTA:							
Office of National Drug Control Policy-West Metro Drug Task Force	95.001	*		\$ 51,439		\$ 51,439	
TOTAL: EXECUTIVE OFFICE OF THE PRESIDENT						<u>\$ 51,439</u>	
TOTAL: JEFFERSON COUNTY FEDERAL EXPENDITURES				<u>\$ 53,629,080</u>	<u>\$ 13,305,977</u>	<u>\$ 13,305,977</u>	<u>\$ 53,629,080</u> <u>\$ 2,027,133</u>

* Pass-through Entity Identifying Number NOT AVAILABLE

General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Jefferson County, Colorado primary government (the County). The County's reporting entity is defined in Note 1 to the County's general-purpose financial statements. All federal financial assistance received by the primary government directly from federal agencies, as well as federal financial assistance passed through other government agencies, including the State of Colorado, is included on the schedule. In addition, federal financial assistance awarded directly to eligible County Social Services recipients via Electronic Benefits Transfer (EBT) is also included in the schedule. The State of Colorado issues EBT to the eligible County recipients. Only the federal amount of such pass-through awards and EBT is included on the schedule.

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Jefferson County, Colorado, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulation* (CFR) Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. Jefferson County, Colorado, received federal awards both directly from federal agencies and indirectly through pass-through entities. Federal financial assistance provided to a sub-recipient is treated as an expenditure when it is paid to the sub-recipient.

Governmental fund types account for the County's federal grant activity. Therefore, expenditures in the schedule of expenditures of federal awards are recognized on the modified accrual basis – when they become a demand on current available financial resources. The County's summary of significant accounting policies is presented in Note 1 in the County's basic financial statements.

Jefferson County did not elect to use the 10% de minimus indirect cost rate.

Note B – CFDA Numbers

Federal CFDA numbers are from the Catalog of Federal Domestic Assistance published by the Office of Management and Budget and the General Services Administration.

Note C – Noncash Programs

Certain federal financial assistance programs do not involve cash awards to the County. Of the federal expenditures presented in the accompanying schedule of federal awards, noncash award programs include the following:

WIC Food Vouchers (CFDA #10.557)	\$ 3,253,372
Chlamydia Tests (CFDA #93.977)	\$ 29,600

Section I – Summary of Audit Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	None Reported
Significant deficiencies identified not considered to be material weaknesses	Yes
Noncompliance material to financial statements noted	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs	Unmodified for all major federal programs except for the Medical Assistance Program (Medicaid), which was qualified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516	Yes
Identification of major programs:	
<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557
Crime Victim Compensation	16.576
Airport Improvement Program (AIP)	20.106
Temporary Assistance for Needy Families (TANF)	93.558
Social Service Block Grant (SSBG)	93.667
Medical Assistance Program (Medicaid)	93.778
Dollar threshold used to distinguish between Type A and Type B programs	\$1,608,872
Auditee qualified as low-risk auditee	No

Section II – Financial Statement Findings

**2017-A Reconciliation Controls
Significant Deficiency**

Criteria: In order to insure the financial reports generated by the accounting system are accurate and meaningful, the County should have a system of internal controls in place that includes year-end reconciliations of account balances by all departments with corresponding supervisor reviews and documentation thereof to foster recording and processing of financial data accurately and in a timely manner.

Condition: Through audit procedures performed, we noted the following instances in which improvements to the design and implementation of controls surrounding year-end reconciliations of account balances should be made at the decentralized, department level as well as at the financial statement close level. Although these items did not result in material audit adjustments, they indicate a design flaw in the controls within the reconciliations of account balances that could potentially hinder the financial close and reporting process. The following was noted during the audit:

- During review of the Schedule of Expenditures of Federal Awards (SEFA), we noted that Federal Financial Assistance (FFA) reports were not properly reconciled to the SEFA at the department level and in turn were not determined to be in error during the preparation of the final SEFA. This led to a new SEFA being provided at the end of audit fieldwork which subsequently led to re-performing the major program determination to ensure appropriate testing coverage was obtained and no modifications needed to be made to initial risk assessments.
- During testing of cash balances, we noted multiple bank reconciliations across different departments that were not properly reconciled.

Cause: Regarding the SEFA reconciliation, management of human services sign an acknowledgement letter which states that its departments' expenditures reported are correct. The appropriate reviews, at the department level, which are to occur prior to signing this letter failed in this instance. The grant accountant review, at the accounting department level, also failed to find the reconciliation errors.

Regarding the bank reconciliations, there are several departments including social services, clerk & recorder, and Library which prepare their own year-end reconciliations. Department heads and/or accounting staff did not perform the proper reviews to ensure reconciliations were complete and accurate.

Effect: When reconciliations are inaccurate or not properly completed, this could potentially lead to misstated balances which includes federal expenditures and cash balances. While no material differences were noted in the above instances, there is the risk that these discrepancies could be material in the future if controls are not operating effectively.

Recommendation: We recommend the County improve controls surrounding the performance and approvals of reconciliations of account balances for departmental cash and preparation of the SEFA. Design of the controls in place needs to be improved to allow for reconciliations at the department level to be successful, including utilizing properly dated information and understanding the cash reconciliation process. Development of a cash reconciliation 'form' for use at the department level may help in facilitating proper cash reconciliations, with a further review by the accounting department to insure accurate recording in the financial information. A checklist on departmental reconciliations to the SEFA could be developed and utilized by the accounting department in insuring departmental SEFA reconciliations are accurate and reported properly in the SEFA. Department heads and/or key personnel of the accounting department may also consider performing secondary reviews to ensure accuracy of schedules and reconciliations.

Report Finding from Prior Year(s): No

Views of Responsible Officials: Agree

Section III – Federal Award Findings and Questioned Costs

**2017-001 Passed-through the Colorado Department of Human Services
CFDA # 93.778
Medical Assistance Program**

Eligibility

Material Noncompliance

Material Weakness in Internal Control over Compliance

Criteria: According to the Colorado Department of Health Care Policy and Financing (HCPF), processing standards 8.100, the County is required to process cases no later than 45 days following receipt of application. Depending upon which program a client is applying for, the County is responsible for obtaining relevant documentation including, but not limited to: completed and signed application, proof of U.S citizenship, income verification, and resource documentation. Specific requirements for each Non-MAGI program are explained in the Colorado Department of Health Care Policy and Financing (HCPF), processing standards 8.100, 8.400, and 8.500.

Condition: We tested eligibility determination and controls over this process for sixty case files. We noted the following in our testing:

- Ten instances of non-compliance in which the County did not complete the eligibility determination and approve/deny the case within 45 days. The case was not authorized by the caseworker and no notice of action was sent to the client within the required timeframe.
- Three instances in which the County failed to provide proof of the client's resource documentation and/or properly document this in the Colorado Benefits Management System (CBMS).
- Three instances in which the County improperly closed a case for various reasons, including:
 - County denied a client for not returning the redetermination packet with the necessary information because the County stated the items were not returned timely. However, the date stamps prove the client provided the information timely and as such, the County was at fault.
 - County stated they had not received proof of income in a timely manner, while the date stamp of the documentation proved it was provided within the time frame set forth.
 - Citizenship documentation was provided by a client but the caseworker failed to enter this information into the State system, resulting in the case being improperly closed.
- One instance in which the County failed to locate proof of a full, completed, and signed medical assistance application.
- One instance in which the County failed to provide a notice of approval to a client that was recertified.

Cause: Due to caseworker negligence to follow established procedures as well as ineffective monitoring by management, some case files did not include required documentation to support eligibility determinations and/or determinations were not completed in a timely manner. In 2017, the County also experienced turnover in top management overseeing the long term care programs.

Section III – Federal Award Findings and Questioned Costs

Effect: Failure to process applications timely could result in participants that are delayed approval of Medicaid services. Additionally, improperly denying a client of medical assistance could result in delayed or no benefits to a client that otherwise should have received them. Conversely, the County could be improperly approving applicants without obtaining the required documentation to ensure clients are indeed eligible to receive benefits.

Questioned Costs: None reported

Context/Sampling: A nonstatistical sample of 60 participants, specifically relating to non-MAGI cases, was selected for eligibility testing.

Report Finding from Prior Year(s): No

Recommendation: We recommend the County utilize available COGNOS reports to determine which cases are nearing the exceeding processing guidelines. We also recommend the County verify that CBMS automatically generated and sent the notice of action to the client for all cases in which they granted authorization. Additionally, the County should scan documents into Live Link or Gen App immediately after the client provides the County with documentation to ensure all required documentation is obtained in a timely manner to support eligibility determinations.

Views of Responsible Officials: Agree