



Douglas County, Colorado

Single Audit Reports

December 31, 2024



Douglas County, Colorado
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**Douglas County, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024**

Federal Grantor/Program or Cluster Title	Pass-Through Grantor	Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Total Federal Expenditures	Passed-Through to Subrecipients
U.S. Department of Agriculture					
SNAP Cluster					
Supplemental Nutrition Assistance Program (SNAP)	Colorado Department of Human Services	*	10.551	\$ 32,836	\$ -
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Colorado Department of Human Services	*	10.561	1,142,312	-
<i>SNAP Cluster Subtotal</i>				<u>1,175,148</u>	<u>-</u>
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	Colorado Department of Public Health and Environment	*	10.557	442,844	-
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	Colorado Department of Public Health and Environment	Non-Cash Value	10.557	1,440,269	-
				<u>1,883,113</u>	<u>-</u>
Schools & Roads - Grants to Schools - National Forest Reserve Partnership Agreements			10.665	7,500	-
			10.699	15,000	-
				<u>22,500</u>	<u>-</u>
Total U.S. Department of Agriculture				<u>3,080,761</u>	<u>-</u>
U.S. Department of Justice					
Equitable Sharing Program	Colorado Department of Public Safety, Division of Criminal Justice	*	16.922	433,970	-
DNA Backlog Reduction Program	City of Aurora	*	16.741	5,560	-
Paul Coverdell Forensic Sciences Improvement Grant Program	City of Aurora	*	16.742	3,657	-
Byrne Discretionary Community Project			16.763	102,571	-
State Criminal Alien Assistance Program			16.606	305,442	-
Total U.S. Department of Justice				<u>851,200</u>	<u>-</u>
U.S. Department of Transportation					
Highway Safety Cluster					
National Priority Safety Programs	Colorado Department of Transportation	*	20.616	20,000	-
Highway Safety Cluster Subtotal				<u>20,000</u>	<u>-</u>
Transit Services Programs Cluster					
Enhanced Mobility of Seniors and Individuals with Disabilities					
Transit Services Programs Cluster Subtotal					
Total U.S. Department of Transportation				<u>195,062</u>	<u>183,903</u>
				<u>195,062</u>	<u>183,903</u>
				<u>215,062</u>	<u>183,903</u>
U.S. Department of the Treasury					
COVID-19 Coronavirus State and Local Recovery Funds					
COVID-19 Support Core Public Health Services - Revenue Replacement Expenditure Category 6.1 Provision of Govt Services	Denver Regional Council of Governments	EX21036	20.513	195,062	183,903
COVID-19 American Rescue Plan Act-County Behavioral Health					
COVID-19 County Behavioral Health					
COVID-19 HB 22-1281 Children, Youth and Family Services	Colorado Department of Public Health and Environment	SLFRP0126	21.027	8,049,420	1,125,000
COVID-19 HB 22-1281 Community Investment Grant	Colorado Department of Human Services	*	21.027	450,425	-
COVID-19 Emerging and Expanding Child Care	Colorado Department of Human Services	*	21.027	94,328	-
COVID-19 Emergency Relief Grant Programs Emerging and Expanding Child Care Grant Program	Colorado Department of Human Services	*	21.027	101,124	-
COVID-19 Transnational Homelessness Response (THR) Street Outreach, Emergency Shelter	Colorado Department of Human Services	*	21.027	48,349	-
COVID-19 Coronavirus State and Local Recovery Funds subtotal				<u>35,682</u>	<u>-</u>
				<u>8,117</u>	<u>-</u>
				<u>126,406</u>	<u>-</u>
				<u>229,774</u>	<u>-</u>
				<u>9,143,625</u>	<u>1,125,000</u>
COVID-19 Coronavirus Relief Fund					
Total U.S. Department of the Treasury				<u>(79)</u>	<u>-</u>
				<u>9,143,546</u>	<u>1,125,000</u>

See accompanying notes to Schedule of Expenditures of Federal Awards

**Douglas County, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024**

(Continued)

Federal Grantor/Program or Cluster Title	Pass-Through Grantor	Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Total Federal Expenditures	Passed-Through to Subrecipients
U.S. Department of Health and Human Services					
Temporary Assistance for Needy Families	Colorado Department of Human Services	*	93.568	2,067,623	-
Child Support Services	Colorado Department of Human Services	*	93.563	1,426,095	-
Low-Income Home Energy Assistance	Colorado Department of Human Services	*	93.568	81,789	-
Child Care and Development Block Grant Cluster					
Child Care and Development Block Grant	Colorado Department of Human Services	*	93.575	2,576,086	-
Child Care and Development Block Grant - Early Childhood Development - Health Dept	Colorado Department of Early Childhood	2101COCD06	93.575	103,907	-
Child Care and Development Block Grant - Early Childhood Development - TSQI Discretionally - Health Dept	Colorado Department of Early Childhood	2402COCCDD	93.575	226,402	-
Early Childhood Development Grant	Colorado Department of Early Childhood	2402COCCDD	93.575	175,373	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Colorado Department of Human Services	*	93.596	1,301,795	-
<i>Child Care and Development Block Grant Cluster Subtotal</i>				<u>4,383,563</u>	<u>-</u>
Title IV-E Prevention Program	Colorado Department of Human Services	*	93.472	69,876	-
Title IV-E Kinship Program	Colorado Department of Human Services	*	93.471	139,949	-
Foster Care Title IV-E	Colorado Department of Human Services	*	93.668	2,329,696	-
Stephanie Tubbs Jones Child Welfare Services Program	Colorado Department of Human Services	*	93.645	126,441	-
Adoption Assistance	Colorado Department of Human Services	*	93.659	648,550	-
Social Services Block Grant	Colorado Department of Human Services	*	93.667	763,046	-
COVID 19-Elder Abuse Prevention Intervention Program (CRF)	Colorado Department of Human Services	*	93.747	30,200	-
Guardianship Assistance	Colorado Department of Human Services	*	93.090	47,575	-
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases	Colorado Department of Public Health and Environment	202200006612	93.323	361,955	-
Preventive Health and Health Services Block Grant	Colorado Department of Public Health and Environment	*	93.991	9,923	-
CDC Crisis Response Cooperative Agreement	Colorado Department of Public Health and Environment	*	93.967	92,267	-
Public Health Emergency Preparedness	Colorado Department of Public Health and Environment	*	93.069	203,373	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	Colorado Department of Public Health and Environment	*	93.069	57,464	-
Public Health Emergency Preparedness	Colorado Department of Public Health and Environment	NU90TP922028-04	93.069	5,178	-
				<u>266,015</u>	<u>-</u>
Immunization and Vaccines for Children	Colorado Department of Public Health and Environment	*	93.268	88,027	-
Emerging Infections Programs	Colorado Department of Public Health and Environment	*	93.317	6,479	-
Community Services Block Grant	Colorado Department of Local Affairs	NU50CK000483	93.569	117,462	-
Every Student Succeeds Act/Preschool Development Grants	Colorado Department of Early Childhood	*	93.434	6,446	-
Enhanced Model of Mental/Behavioral Health Service Delivery	Colorado Department of Health and Human Services	1H79FG001006-01	93.493	5,590	-
Block Grants for Community Mental Health Services	Colorado Office of Behavioral Health	*	93.958	47,500	-

**Douglas County, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024**

(Continued)

Federal Grantor/Program or Cluster Title	Pass-Through Grantor	Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Total Federal Expenditures	Passed-Through to Subrecipients
U.S. Department of Health and Human Services (Continued)					
<i>Medicaid Cluster</i>					
Medical Assistance Program	Colorado Department of Health Care Policy and Financing	*	93,778	2,303,129	-
<i>Medicaid Cluster Subtotal</i>				2,303,129	-
Maternal and Child Health Services Block Grant to the States					
Total U.S. Department of Health and Human Services	Colorado Department of Public Health and Environment	*	93,994	113,734	-
				15,532,930	-
Executive Office of the President					
High Intensity Drug Trafficking Areas Program			95,001	2,361,444	-
Total Executive Office of the President				2,361,444	-
U.S. Department of Energy					
Energy Efficiency and Conservation Block Grant Program (EECBG)			81,128	1,008	-
Total U.S. Department of Energy				1,008	-
U.S. Department of Housing and Urban Development (HUD)					
Emergency Solutions Grant Program			14,231	31,313	-
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants			14,251	953,822	-
Total U.S. Department of Housing and Urban Development (HUD)				985,135	-
U.S. Department of Homeland Security					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Colorado Department of Public Safety	*	97,036	755,871	-
Total U.S. Department of Homeland Security				755,871	-
U.S. Election Assistance Commission					
2024 Elections Improvement Grant			90,404	50,572	-
2024 November Election Judge Pay Grant			90,404	33,542	-
Total U.S. Department of Homeland Security				84,114	-
U.S. Department of the Interior					
<i>Fish and Wildlife Cluster</i>					
Wildlife Restoration and Basic Hunter Education and Safety	Colorado Parks and Wildlife	*	15,611	300,000	-
Fish and Wildlife Cluster Subtotal				300,000	-
Total U.S. Department of the Interior				300,000	-
Total Expenditures of Federal Awards				\$ 33,311,071	\$ 1,308,903

* - Number not readily available

Douglas County, Colorado
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Douglas County, Colorado (the County) under programs of the federal government for the year ended December 31, 2024. The information is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or changes in net position or fund balance of the County.

Note B – Summary of Significant Accounting Policies

The County’s summary of significant accounting policies is presented in Note 2 in the County’s basic financial statements. Governmental fund types account for the County’s federal grant activity. Expenditures reported on the Schedule are reported on the accrual basis of accounting, except for the following programs which are reported in the schedule of expenditures of federal awards in a manner prescribed by the State of Colorado:

Cluster/Program	Federal Assistance Listing Number
SNAP Cluster	10.551 & 10.561
Temporary Assistance for Needy Families (TANF)	93.558
Child Support Enforcement	93.563
Child Care and Development Block Grant Cluster	93.575 & 93.596
Title IV-E Kinship Program	93.471
Title IV-E Prevention Program	93.472
Foster Care Title IV-E	93.658
Stephanie Tubbs Jones Child Welfare Services Program	93.645
Adoption Assistance	93.659
Social Services Block Grant	93.667
COVID-19 Elder Abuse Prevention Intervention Program (CRF)	93.747
Guardianship Assistance	93.090
Medicaid Cluster	93.778

When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Douglas County, Colorado
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

Note C – Indirect Costs Rate

The County has not elected to use the 10% de minimis cost rate.

Note D – Human Service Programs

The County's Department of Human Services operates several federally funded human services programs where benefits are provided to qualified citizens. The benefit distribution method consists of participants receiving benefits using a state-maintained electronic banking card (EBT) instead of the County's cash disbursements. The Colorado Department of Human Services provided total EBT authorizations to qualified citizens in the County, in the amount of \$38,159,148 of which \$30,051,810 is the federal share. These are not reflected on the Schedule of the County, as the program's compliance requirements are the responsibility of the State.

**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***

Independent Auditor's Report

Board of County Commissioners
Douglas County, Colorado
Castle Rock, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Douglas County, Colorado (the County), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 22, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the 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 County'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. 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 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 the County’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

**Denver, Colorado
April 22, 2025**

**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**

Independent Auditor's Report

Board of County Commissioners
Douglas County, Colorado
Castle Rock, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Douglas County's (the County) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2024. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 “Auditor’s Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements. We have issued our report thereon dated April 22, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Forvis Mazars, LLP

**Denver, Colorado
April 22, 2025**

Douglas County, Colorado
Schedule of Findings and Questioned Costs
Year Ended December 31, 2024

Section I – Summary of Auditor’s Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:
 Unmodified Qualified Adverse Disclaimer

2. Internal control over financial reporting:
 Significant deficiency(ies) identified? Yes None reported
 Material weakness(es) identified? Yes No

3. Noncompliance material to the financial statements noted? Yes No

Federal Awards

4. Internal control over major federal awards programs:
 Significant deficiency(ies) identified? Yes None reported
 Material weakness(es) identified? Yes No

5. Type of auditor’s report issued on compliance for major federal program(s):
 Unmodified Qualified Adverse Disclaimer

6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)? Yes No

7. Identification of major federal programs:

<u>Cluster/Program</u>	<u>Federal Assistance Listing Number</u>
COVID-19 - Coronavirus State and Local Recovery Funds	21.027
Temporary Assistance for Needy Families (TANF)	93.558
Medicaid Cluster	93.778
SNAP Cluster	10.551 & 10.561
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants	14.251

8. Dollar threshold used to distinguish between Type A and Type B programs: \$999,332.

9. Auditee qualified as a low-risk auditee? Yes No

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable

Douglas County, Colorado
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2024

Reference Number	Summary of Finding	Status
2023-001	<p>Finding: Revenue Recognition and Schedule of Expenditures of Federal Awards Preparation</p> <p>a. We recommend that the County implement a process to review the reasonableness of revenue and expenditures compared to the amount recorded against subsequent receipts and unearned revenue to help ensure the accuracy of the ending balance. In addition, we recommend the County implement a process to obtain and review all new grant agreements to determine the funding type (federal, state, advanced or reimbursement).</p> <p>b. We recommend that the Department of Public Health and Department of Public Works complete monthly reconciliations for all grants and provide all grant and funding agreements to the Department of Finance to help ensure that revenue recognition and SEFA reporting is accurate.</p>	Implemented.
2023-002	<p>Finding: Allowable Costs and Allowable Activities Federal Assistance Listing Number 20.205 – Highway Planning and Construction</p> <p>We recommend the County revise their internal process to require all grant agreements be provided to the Department of Finance at the time the agreement is signed. In addition, we recommend the Engineering Department complete monthly reconciliations over all grants which should then be subsequently provided to the Department of Finance for final review.</p>	Implemented.

2023-001 Finding: Revenue Recognition and Schedule of Expenditures of Federal Awards

Status: Implemented

Criteria: Governmental Accounting Standards Board (GASB) Statement No. 33 (GASB 33), Accounting and Financial Reporting for Nonexchange Transactions, required that on the modified accrual basis, revenues should be recognized when all applicable eligibility requirements are met and the resources are available. Eligibility requirements are conditions established by enabling legislation or the provider that are required to be met before a transaction (other than the provision of cash or other assets in advance) can occur. That is, until those requirements are met, the provider does not have a liability, the recipient does not have a receivable, and the recognition of expenses or revenues for resources transmitted in advance should be deferred. Eligibility requirements for government-mandated and voluntary nonexchange transactions comprise one or more of the following:

- a. The recipient (and secondary recipients, if applicable) has the characteristics specified by the provider.
- b. Time requirements specified by enabling legislation or the provider have been met.
- c. The provider offers resources on a reimbursement basis and the recipient has incurred allowable costs under the applicable program.
- d. The provider's offer of resources is contingent upon a specified action of the recipient and that action has occurred.

Additionally, in accordance with 2 Part 200.510, auditees receiving federal funds must prepare an annual Schedule of Expenditure of Federal Awards (SEFA) detailing the value and type of federal assistance received each year. The federal Office of Management and Budget issues instructions on how to prepare this schedule. Key information to be reported includes the federal assistance listing number provided in the federal awards/subaward agreements and associated expenditures incurred in the fiscal year. At the County, the SEFA is prepared by the Department of Finance based on information from the accounting system and additional information provided by the various departments receiving federal funds.

Condition: During the testing of revenues and related unearned revenue, the following was noted:

-The Transportation Infrastructure Sales and Use Tax fund incorrectly recognized unearned revenue related to the US Highway 85 project received from the Colorado Department of Transportation. Initially the County recorded as 2024 revenue and subsequently moved back to 2023 since it was a reimbursable grant. An audit adjustment for \$29,773,000 was proposed and management elected to record. This resulted in \$29,773,000 related to this project being added to the SEFA.

- The Health Department fund incorrectly recognized revenue related to the Public Health Emergency Response Cooperative Agreement for Emergency Response PH Crisis Response Grant in 2022. An audit adjustment for \$77,657 was proposed of which \$50,574 management elected to pass on recording and \$27,083 management elected to record.

- As a result of grant revenue reconciliations, the Health Department fund, an audit adjustment of \$102,945 was proposed which management elected to record on the final SEFA.

- The Road and Bridge fund incorrectly recognized revenue related to developer contributions. An audit adjustment for \$109,975 was proposed and management elected to pass on recording.

- During SEFA tie out, we identified two grants which were initially recorded under the incorrect federal assistance listing. We proposed corrections and management elected to make the corrections on the final SEFA.

Corrective Action:

To facilitate more accurate and timelier grant reporting the following improvements were established:

1. Increased grant training for all departments. The Engineering Department brought in CDOT to do this, last year (2023) Forvis Mazars provided countywide training and the Finance Department provides additional training on an ad hoc basis. A full understanding of the requirements of the grants that are being applied for is crucial.
2. Departments receiving grants provide monthly reconciliations of all grants and provide grant agreements to the Finance Department to ensure accurate reporting on the SEFA (Schedule of Expenditures of Federal Awards).
3. Effective communication is essential to successful reporting and the Finance Department has formalized meetings with departments to address issues that surface and reporting expectations.

Person(s) Responsible for Implementation: Jill Janz – Accounting Manager, Christie Guthrie – Assistant Finance Director

Implementation Date: 6/1/24 and ongoing

2023-002 Finding: Allowable Costs and Allowable Activities

Status: Implemented

Criteria: According to 2 CFR Part 200.303 - The non-Federal entity must (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). (b) Comply with the U.S. Constitution, Federal statutes, regulations, and the terms and conditions of the Federal awards. (c) Evaluate and monitor the non-Federal entity's compliance with statutes, regulations and the terms and conditions of Federal awards

Condition: During testing, we noted that one transaction totaling \$1,501,269 related to 2022 activities and was included as an expenditure on the fiscal year 2023 Schedule of Expenditures of Federal Awards. The period of performance for the project began in 2022 and extended through 2023.

Corrective Action:

To facilitate more accurate and timelier grant reporting the following improvements were established:

1. Increased grant training for all departments. The Engineering Department brought in CDOT to do this, last year (2023) Forvis Mazars provided countywide training and the Finance Department provides additional training on an ad hoc basis. A full understanding of the requirements of the grants that are being applied for is crucial.
2. Departments receiving grants provide monthly reconciliations of all grants and provide grant agreements to the Finance Department to ensure accurate reporting on the SEFA (Schedule of Expenditures of Federal Awards).
3. Effective communication is essential to successful reporting and the Finance Department has formalized meetings with departments to address issues that surface and reporting expectations.

Person(s) Responsible for Implementation: Jill Janz – Accounting Manager, Christie Guthrie – Assistant Finance Director

Implementation Date: 6/1/24 and ongoing