



Federal Awards Reports in Accordance
with the Uniform Guidance
December 31, 2018

Jefferson County, Colorado

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* 1

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 3

Schedule of Expenditures of Federal Awards 6

Notes to Schedule of Expenditures of Federal Awards 17

Schedule of Findings and Questioned Costs 19



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 then ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Jefferson County’s basic financial statements and have issued our report thereon dated June 17, 2019.

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 opinion 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as finding 2018-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2018-006 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*.

Jefferson County's Responses to the Findings

Jefferson County's responses to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Jefferson County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 result 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.

The image shows a handwritten signature in cursive script that reads "Eide Sully LLP".

Denver, Colorado

June 17, 2019, except for finding 2018-006 which is dated January 24, 2020



CPAs & BUSINESS ADVISORS

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's 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, 2018. 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 terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on 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 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 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 Opinions on Medical Assistance Program (Medicaid), Child Support Enforcement (CSE) and Equitable Sharing Program (ESP)

As described in the accompanying *schedule of findings and questioned costs*, Jefferson County did not comply with requirements regarding CFDA #93.778, Medicaid as described in finding 2018-004 for eligibility; CFDA #93.563 CSE as described in finding 2018-005 for procurement suspension and debarment, and CFDA #16.922 ESP as described in finding 2018-002 for procurement suspension and debarment. Compliance with such requirements is necessary, in our opinion, for Jefferson County to comply with the requirements applicable to those programs.

Qualified Opinion on Medical Assistance Program (Medicaid), Child Support Enforcement (CSE) and Equitable Sharing Program (ESP)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 Medicaid, CSE and ESP for the year ended December 31, 2018.

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, 2018.

Other Matters

As more fully described in Note E to the Schedule of Expenditures of Federal Awards (SEFA), the County has re-issued the SEFA previously reported on as of June 17, 2019, due to restatement of the SEFA to include missing federal incentives and adjustments for CFDA #'s 10.551, 10.561 and 93.558. Additionally, the single audit finding 2018-004 incorrectly identified the pass-through agency, which has now been changed from Colorado Department of Human Services to Colorado Department of Health Care Policy and Financing. The previously issued auditor's report dated June 17, 2019, is not to be relied upon due to the restatement of the SEFA. Our audit opinion is not modified with respect to these matters.

Jefferson County's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Jefferson County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Management of Jefferson County 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 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 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 and significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2018-002, 2018-003, 2018-004 and 2018-005 that we consider to be material weaknesses.

Jefferson County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Jefferson County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jefferson County as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Jefferson County's basic financial statements. We issued our report thereon dated June 17, 2019, 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.

Eide Bailly LLP

Denver, Colorado

June 17, 2019, except for the SNAP cluster and SEFA updated dates to January 24, 2020

Jefferson County, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2018

Program Description	CFDA #	Pass-through Entity Identifying Number	Sub-totals by Pass- through Entity Identifying Number	2018 Federal Expenditures	Clusters	Totals by Agency	Amounts Passed- Through to Subrecipients
DEPARTMENT OF AGRICULTURE							
Passed through Colorado Department of Human Services:							
Supplemental Nutrition Assistance Program	10.551	*		66,857	66,857 ¹		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	*		3,215,921	3,215,921 ¹	3,282,778 ¹	\$ 3,282,778
Passed through Colorado State Department of Health and Environment:							
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557						
	10.557	WIC FFY2018	1,012,358				
	10.557	WIC FFY2019	397,773				
	10.557	BFPC FFY2018	33,277				
	10.557	BFPC FFY2019	21,234				
	10.557	Non-Cash Value	3,330,028				
			<u>CFDA 10.557 Subtotal:</u>	4,794,670		4,794,670	
Passed through CO Dept of Local Affairs:							
Schools and Roads - Grants to States National Forest Payments	10.665	*		41,419	41,419 ²	41,419 ²	41,419
TOTAL: DEPARTMENT OF AGRICULTURE						<u>\$ 8,118,867</u>	
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
Direct Funding:							
Community Dev. Block Grants/Entitlement Grants	14.218	*		1,125,480	1,125,480 ³	1,125,480 ³	1,125,480
HOME Investment Partnerships Program	14.239	*		859,643		859,643	859,643
TOTAL: DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						<u>\$ 1,985,123</u>	

Jefferson County, Colorado
Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2018

Program Description	CFDA #	Pass-through Entity Identifying Number	Sub-totals by Pass- through Entity Identifying Number	2018 Federal Expenditures	Clusters	Totals by Agency	Amounts Passed- Through to Subrecipients
DEPARTMENT OF JUSTICE							
Direct Funding:							
State Criminal Alien Assistance Program (SCAAP)	16.606	*	58,631	58,631		58,631	
DNA Backing Reduction Program	16.741	*	25,162				
DNA Capacity Enhancement/Backlog	16.741	*	142,765				
			CFDA 16.741 Subtotal:	167,927		167,927	
Passed through Colorado Dept. of Public Safety/Division of Criminal Justice:							
Crime Victim Assistance	16.575						
Sheriff Crime Victim Assistance (VOCA)	16.575	*	91,847				
Elder Abuse Victim's Specialist	16.575	*	44,276				
			CFDA 16.575 Subtotal:	136,123		136,123	
Crime Victim Compensation Grant	16.576	*		863,000		863,000	
Violence Against Women Formula Grants	16.588						
District Attorney-VAWA	16.588	*	64,680				
District Attorney-Sexual Assault Rapid Response	16.588	*	201,996				
			CFDA 16.588 Subtotal	266,676		266,676	
Passed through City of Lakewood							
Edward Byrne Memorial Justice Assistance Grant	16.738						
Edward Byrne Justice Grant Formula 5	16.738	*	16,593				
			CFDA 16.738 Subtotal:	16,593		16,593	
Passed through Colorado Springs Police Department							
Missing Children's Assistance (Internet Crimes Against Children (ICAC) Subgrant)	16.543	2015-MC-FX-K030	4,810	4,810		4,810	

Jefferson County, Colorado
Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2018

Program Description	CFDA #	Pass-through Entity Identifying Number	Sub-totals by Pass- through Entity Identifying Number	2018 Federal Expenditures	Clusters	Totals by Agency	Amounts Passed- Through to Subrecipients
Passed through West Metro Drug Task Force							
Equitable Sharing Program	16.922						
Federal Seizure DOJ	16.922	*	525,857				
Equitable Sharing Program-Sheriff	16.922	*	1,316				
			<u>CFDA 16.922 Subtotal:</u>	527,173		527,173	
Passed through Department of Treasury							
Equitable Sharing Program-District Attorney	21.016	*	16,826				
			<u>CFDA 16.922 Subtotal:</u>	16,826		<u>16,826</u>	
TOTAL: DEPARTMENT OF JUSTICE						<u>\$ 2,057,759</u>	
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	*	34,751				
Wagner-Peyser Plan Year 2016	17.207	*	1,269				
Wagner-Peyser Plan Year 2017	17.207	*	399,882				
Wagner-Peyser Plan Year 2018	17.207	*	533,554				
Governor's Summer Job Hunt 16	17.207	*	40,000				
			<u>CFDA 17.207 Subtotal:</u>	1,009,456	1,009,456 4	1,009,456	
Disabled Veterans' Outreach Program (DVOP)							
FY18 DVOP	17.801	*	6,490				
			<u>CFDA 17.801 Subtotal:</u>	6,490	6,490 4	6,490	
WIOA Adult Program							
DW FY16 Dislocated Workers Initiatives	17.258	*	44,265				
WIA/WIOA Adult Program-Plan Year 2017	17.258	*	287,249				
WIA/WIOA Adult Program-Plan Year 2018	17.258	*	200,412				
FY16 WIOA 5% Evaluation	17.258	*	14,445				
			<u>CFDA 17.258 Subtotal:</u>	546,371	546,371 5	546,371	

Jefferson County, Colorado
Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2018

Program Description	CFDA #	Pass-through Entity Identifying Number	Sub-totals by Pass- through Entity Identifying Number	2018 Federal Expenditures	Clusters	Totals by Agency	Amounts Passed- Through to Subrecipients
WIOA Youth Activities	17.259	*					
WIA/WIOA Youth-Plan Year 2017	17.259	*	233,100				
WIA/WIOA Youth-Plan Year 2018	17.259	*	221,417				
Youth Work Experience-Plan Year 2016	17.259	*	122				
Youth Work Experience-Plan Year 2017	17.259	*	118,570				
Youth Work Experience-Plan Year 2018	17.259	*	67,496				
			CFDA 17.259 Subtotal:	640,705	640,705 ⁵	640,705	
Local Veterans' Employment Representative Program	17.804						
Workforce Development LVER-Plan Year 2018	17.804	*	3,244				
			CFDA 17.804 Subtotal:	3,244	3,244 ⁴	1,019,190 ⁴	3,244
Unemployment Insurance							
Workforce Development FY 2017	17.225	*	2,069				
Workforce Development FY 2018	17.225	*	1,253				
			CFDA 17.225 Subtotal:	3,322			3,322
Trade Adjustment Assistance	17.245						
Workforce Development TAA-Plan Year 2016	17.245	*	3,466				
Workforce Development TAA-Plan Year 2017	17.245	*	35,576				
			CFDA 17.245 Subtotal:	39,042			39,042

Jefferson County, Colorado
Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2018

Program Description	CFDA #	Pass-through Entity Identifying Number	Sub-totals by Pass- through Entity Identifying Number	2018 Federal Expenditures	Clusters	Totals by Agency	Amounts Passed- Through to Subrecipients
WIOA Dislocated Workers Formula Grants	17.278						
WIA/WIOA Dislocated Workers-Plan Year 2016	17.278	*	3,581				
WIA/WIOA Dislocated Workers-Plan Year 2017	17.278	*	361,680				
WIA/WIOA Dislocated Workers-Plan Year 2018	17.278	*	195,665				
FY17 AD Enhanced Dislocated Worker	17.278	*	9,941				
FY18 AD Enhanced Dislocated Worker	17.278	*	8,229				
FY16 25% Sislocated Worker Business Services	17.278	*	3,505				
FY16 WIOA 10% Planning	17.278	*	33				
FY17 AD Transfer Enhanced Dislocated Worker	17.278	*	33,730				
FY17 Enhanced Dislocated -Work Based Learning	17.278	*	12,572				
FY16 AD 25% Enhanced Work Based Learning	17.278	*	273				
FY18 AD Tranfer from Enhanced	17.278	*	8,951				
DW TA Workbased Learning Communities	17.278	*	7,572	645,732	645,732 ⁵		
Passed through Larimer County							
Innovation Pilot & Acceleration Grant	17.278	*	46,686				
			<u>CFDA 17.278 Subtotal:</u>	46,686	46,686 ⁵	1,879,494 ⁵	692,418
FY16 Apprenticeship USA	17.285	*		17,473			17,473
Passed through City and County of Denver							
H-1B Job Training Grants (TEC-P)	17.268	OEDEV-201520647-00		182,474			182,474
TOTAL: DEPARTMENT OF LABOR						<u>\$ 3,140,995</u>	
DEPARTMENT OF TRANSPORTATION							
Passed through Colorado Department of Transportation							
Highway Planning and Construction	20.205	*	386,873				
Safe Routes to School	20.205		23,345				
			<u>CFDA 20.205 Subtotal:</u>	410,218			410,218

Jefferson County, Colorado
Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2018

Program Description	CFDA #	Pass-through Entity Identifying Number	Sub-totals by Pass- through Entity Identifying Number	2018 Federal Expenditures	Clusters	Totals by Agency	Amounts Passed- Through to Subrecipients
Passed through Regional Air Quality Control							
State and Community Highway Safety	20.600						
Click It or Ticket	20.600	*	6,324				
CDOT Speed Mitigation-Fiscal Year 2015	20.600	*	80,000				
Passed through Office of Transportation Safety/Highway Safety Office							
State and Community Highway Safety							
NHTSA Impaired Driving	20.600		10,933				
CDOT 2018 DUI Mini-grant	20.600	18-06-61-04	4,366				
			<u>CFDA 20.600 Subtotal:</u>	101,623	6	101,623	6
				101,623	6	101,623	6
						<u>101,623</u>	
TOTAL: DEPARTMENT OF TRANSPORTATION						<u>\$ 511,841</u>	
Passed through Colorado Department of Health & Environment:							
Capitalization Grants for Drinking Water State Revolving Funds	66.468	WQC	305				
			<u>CFDA 66.468 Subtotal:</u>	305	7	305	7
						<u>305</u>	
TOTAL: ENVIRONMENTAL PROTECTION AGENCY						<u>\$ 305</u>	
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Direct Funding:							
Drug Free Communities	93.276	FY18	85,332				
			<u>CFDA 93.276 Subtotal:</u>	85,332		85,332	
Head Start	93.600	*	3,398,157				
			<u>CFDA 93.600 Subtotal:</u>	3,398,157		3,398,157	

Jefferson County, Colorado
Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2018

Program Description	CFDA #	Pass-through Entity Identifying Number	Sub-totals by Pass- through Entity Identifying Number	2018 Federal Expenditures	Clusters	Totals by Agency	Amounts Passed- Through to Subrecipients
Passed through Colorado Department of Health & Environment:							
Public Health Emergency Preparedness	93.069						
	93.069	HX18CJ	43,212				
	93.069	CRI-HX19CJ-BP2	42,008				
	93.069	Zika 6/1-6/30	2,000				
			CFDA 93.069 Subtotal:	87,220		87,220	
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074						
	93.074	FLWT-HW18CJ	258,468				
	93.074	HW19CJ-BP2	270,735				
			CFDA 93.074 Subtotal:	529,203		529,203	
Child Lead Poisoning Prevention Surveillance financed in part by Prevention and Public Health (PPHF) Program	93.753	CCLPP-NJ18CH	6,282				
			CFDA 93.753 Subtotal:	6,282		6,282	
Organized Approaches to Increase Colorectal Cancer Screening	93.800						
	93.800	KH18CL	1,000				
	93.800	KH19CL	259				
			CFDA 93.800 Subtotal:	1,259		1,259	
Injury Prevention and Control Research and State and Community Based Programs	93.136						
	93.136	PV17CL-Fed PDO	48,303				
	93.136	PV18CL Fed PDO	16,087				
			CFDA 93.136 Subtotal:	64,390		64,390	
Family Planning-Services	93.217						
	93.217	FPP-JA18CL-HHS	16,428				
			CFDA 93.217 Subtotal:	16,428		16,428	
Immunization Cooperative Agreements	93.268						
	93.268	KA181H	58,810				
			CFDA 93.268 Subtotal:	58,810		58,810	

Jefferson County, Colorado
Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2018

Program Description	CFDA #	Pass-through Entity Identifying Number	Sub-totals by Pass- through Entity Identifying Number	2018 Federal Expenditures	Clusters	Totals by Agency	Amounts Passed- Through to Subrecipients
Viral Hepatitis Prevention and Control	93.270						
	93.270	KP18RH	561				
	93.270	KP18CH	1,075				
			CFDA 93.270 Subtotal:	1,636		1,636	
Emerging Infections	93.317						
	93.317	QE18CH	8,527				
	93.317	QH18ZH	27,214				
			CFDA 93.317 Subtotal:	35,741		35,741	
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds							
Women's Wellness Connection	93.752						
		HM18CL-HHS	387				
		HM19CL-HHS	3				
			CFDA 93.752 Subtotal:	390		390	
HIV Prevention Activities-Health Department Based	93.940						
	93.940	GK18CH	5,620				
	93.940	EI18CH	80,282				
			CFDA 93.940 Subtotal:	85,902		85,902	
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds							
Immunization Core	93.539	JG17CH	58,810				
			CFDA 93.539 Subtotal:	58,810		58,810	
Preventive Health Services-Sexually Transmitted Diseases Preventive Health Services-Sexually Transmitted Diseases Control Grants	93.977						
	93.977	Non-Cash Value	21,828				
			CFDA 93.977 Subtotal:	21,828		21,828	
Maternal and Child Health Services Block Grant to the States	93.994						
	93.994	MCH-NB18BL	161,817				
	93.994	MCH-NC18CL	44,807				
	93.994	MCH-ND18CL	58,003				
			CFDA 93.994 Subtotal:	264,627		264,627	

Jefferson County, Colorado
Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2018

Program Description	CFDA #	Pass-through Entity Identifying Number	Sub-totals by Pass- through Entity Identifying Number	2018 Federal Expenditures	Clusters	Totals by Agency	Amounts Passed- Through to Subrecipients
Passed through CO Dept of Human Services:							
Guardianship Assistance	93.090	*	35,450				
			CFDA 93.090 Subtotal:	35,450		35,450	
Promoting Safe and Stable Families	93.556	*		206,778		206,778	
Temporary Assistance for Needy Families (TANF)	93.558	*		7,844,015	7,844,015 ⁸	7,844,015	
Child Support Enforcement	93.563	*		3,636,134		3,636,134	
Child Support Enforce Research Section 1115	93.564	*		21,787		21,787	
Low-Income Home Energy Assistance	93.568	*		29,458		29,458	
Child Care and Development Block Grant	93.575	*		2,720,273	2,720,273 ⁹	2,720,273	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	*		1,942,546	1,942,546 ⁹ 4,662,819 ⁹	1,942,546	
Stephanie Tubbs Jones Child Welfare Services Program: Title IV-B - Child Care	93.645	*		363,716		363,716	
Foster Care-Title IV-E	93.658	*		5,389,775		5,389,775	
Adoption Assistance	93.659	*		1,254,075		1,254,075	
Social Services Block Grant (Title XX) John H. Chafee Foster Care Program for Successful Transition to Adulthood (Independent Living IV-E)	93.667	*		1,990,547		1,990,547	
	93.674	*		128,153		128,153	
Passed Through Larimer County							
Temporary Assistance for Needy Families (STEP Subgrant)	93.558		339,863				
			CFDA 93.558 Subtotal:	339,863	339,863 ⁸ 8,183,878 ⁸	339,863	
Passed through Colorado Department of Health Care Policy and Financing:							
Children's Health Insurance Program	93.767	*	17,063	17,063		17,063	
Medical Assistance Programs:							
Early, Periodic Screen, Diagnose, Treat (ESPDT)	93.778	*	71,665	71,665	71,665 ¹⁰	71,665	
SEP - Options for Long Term Care	93.778	14-55362	1,300,551	1,300,551	1,300,551 ¹⁰	1,300,551	
Medicaid: Title XIX	93.778	*	3,327,159	3,327,159	3,327,159 ¹⁰ 4,699,375 ¹⁰	3,327,159	

Jefferson County, Colorado
Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2018

Program Description	CFDA #	Pass-through Entity Identifying Number	Sub-totals by Pass- through Entity Identifying Number	2018 Federal Expenditures	Clusters	Totals by Agency	Amounts Passed- Through to Subrecipients
Passed through Colorado Department of Local Affairs:							
Community Services Block Grant	93.569	*		291,497		291,497	
Passed Through Colorado Health Institute							
ACA - State Innovation Models: Funding for Model Design and Model Testing Assistance							
Regional Health Connector	93.624		70,645	70,645			
			CFDA 93.624 Subtotal:			70,645	
Passed Through Colorado Foundation of Public Health & Environment							
Research on Healthcare Costs, Quality and Outcomes							
Southwest Health Extension Partnership	93.226		22,004	22,004			
			CFDA 93.226 Subtotal:			22,004	
TOTAL: DEPARTMENT OF HEALTH AND HUMAN SERVICES						\$ 35,719,169	
DEPT OF HOMELAND SECURITY							
Passed through Colorado Department of Public Safety:							
Emergency Management Performance Grants	97.042	*		105,000		105,000	
Homeland Security Grant Program							
Passed through City and County of Denver:							
Urban Areas Security Initiative Grant	97.067	15UAS16DEN	35,612	35,612			
			CFDA 97.067 Subtotal:			35,612	
TOTAL: DEPARTMENT OF HOMELAND SECURITY						\$ 140,612	

Jefferson County, Colorado
 Schedule of Expenditures of Federal Awards (continued)
 Year Ended December 31, 2018

Program Description	CFDA #	Pass-through Entity Identifying Number	Sub-totals by Pass- through Entity Identifying Number	2018 Federal Expenditures	Clusters	Totals by Agency	Amounts Passed- Through to Subrecipients
EXECUTIVE OFFICE OF THE PRESIDENT							
High Intensity Drug Trafficking Areas Program							
Passed through the City of Lakewood:							
West Metro Drug Task Force HIDTA	95.001	G18RM0025A	71,297	71,297		71,297	
Passed through the Rocky Mountain HIDTA:							
Office of National Drug Control Policy-West Metro Drug Task Force	95.001	*	38,169	38,169		<u>38,169</u>	
TOTAL: EXECUTIVE OFFICE OF THE PRESIDENT						<u>\$ 109,466</u>	
TOTAL: JEFFERSON COUNTY FEDERAL EXPENDITURES				<u>\$ 51,784,137</u>	<u>\$ 24,996,361</u>	<u>\$ 24,996,361</u>	<u>\$ 51,784,137</u>
					<u>\$ 24,996,361</u>	<u>\$ 51,784,137</u>	<u>\$ 1,985,123</u>

* Pass-through Entity Identifying Number NOT AVAILABLE

Cluster Legend:

- ¹ Snap Cluster
- ² Forest Service Schools and Roads Cluster
- ³ CDBG-Entitlement Grants Cluster
- ⁴ Employment Service Cluster
- ⁵ WIA Cluster
- ⁶ Highway Safety Cluster
- ⁷ Drinking Water State Revolving Fund Cluster
- ⁸ TANF Cluster
- ⁹ CCDF Cluster
- ¹⁰ Medicaid Cluster

General

The accompanying Schedule of Expenditures of Federal Awards (schedule) 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 and Summary of Significant Accounting Policies

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.

Because the schedule presents only a selected portion of the operations of Jefferson County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Jefferson County.

Note B – Indirect Cost Rate

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

Note C – Assistance Listings (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 D – 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)	\$3,330,028	
Chlamydia Tests (CFDA #93.977)		\$ 21,828

Note E – Reissuance

The Colorado Department of Human Services (CDHS) determined the County did not include federal incentives and other adjustments as part of the total federal expenditures on the 2018 SEFA and has requested the SEFA be restated to correct the errors. There were three CFDA’s affected by this including 10.551, 10.561, and 93.558. The following table represents the corrections made to these programs on the SEFA:

CFDA #	Program	As Previously Reported	Restatement	As Restated
10.551	SNAP - EBT	\$0	\$66,857	\$66,857
10.561	SNAP - Admin	\$3,068,539	\$147,382	\$3,215,921
	SNAP Cluster	\$3,068,539	\$214,329	\$3,282,778
93.558	Temporary Assistance for Needy Families (Passed- through CDHS)	\$7,845,471	(\$1,456)	\$7,844,015
	TANF Cluster	\$8,185,334	(\$1,456)	\$8,183,878
	Total Federal Expenditures	\$51,571,354	\$212,873	\$51,784,137

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
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), Equitable Sharing Program (ESP) and Child Support Enforcement (CSE), which were 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>
Equitable Sharing Program	16.922
Medical Assistance Program (Medicaid Cluster)	93.778
Foster Care - Title IV-E	93.658
Head Start	93.600
Child Support Enforcement	93.563
Supplemental Nutrition Assistance Program (SNAP Cluster)	10.551 and 10.561
Adoption Assistance	93.659

Dollar threshold used to distinguish between Type A and Type B programs	\$1,553,524
Auditee qualified as low-risk auditee	No

Section II – Financial Statement Findings

**2018-001 Restatement and Material Audit Adjustments
Material Weakness**

Criteria: The County is required to provide accurate GAAP basis financial data for preparation of the annual financial statements. Additionally, a good system of internal accounting control contemplates an adequate system for recording, processing and reconciling account balances to the financial statements.

Condition: Based on audit procedures performed as of December 31, 2018, we identified the following material adjustments that were recorded in order to fairly present the financial statements in accordance with GAAP:

- During 2018, the West Metro Drug Task Force was notified by the Department of Justice that they needed a financial host for financial reporting as drug task forces are not considered separate legal entities. The Jefferson County Sheriff accepted the responsibility of becoming the fiscal agent for the drug task force in December 2018. Upon further assessment, it was determined that the West Metro Drug Task Force should also have been included within the reporting entity. Management has recorded this entry.
- During the current year, the County deeded land and the related water rights to another governmental entity and did not retire the assets from the County's fixed asset records. Management has recorded this entry.
- The County did not accrue for a legal contingency that the County is expected to be liable. Management has recorded this entry.
- The County improperly reported advanced grant funding as a contra-receivable account, rather than unearned revenue. Management has recorded this entry.
- In addition to the above journal entries, there were also passed (uncorrected) adjustments relating incorrect capitalization of prior year construction-in-progress, and improper accounting for prepaids expenses for immaterial transactions.

Cause: The West Metro Drug Task Force was created in 1994, current Finance Division staff were unaware that the West Metro Drug Task Force was operating under the County's tax ID and therefore it was not included in the financial statements. Additionally, the County operates under a decentralized structure where the finance division relies on confirmation from external departments. These external departments may not have an in-depth understanding of GAAP related to complex transactions.

Section II – Financial Statement Findings (continued)

Effect: The County has financial accountability for the West Metro Drug Task Force and thus a restatement was required to include it within the reporting entity. Additionally, management has posted the correcting journal entries for each of the items noted above, except for the passed (uncorrected) adjustments which were deemed to be immaterial. However, failure to ensure that significant transactions have been properly accounted for and presented in the financial statements may result in material misstatement to the County's financial statements.

Recommendation: We recommend the County continue to follow its established procedures to receive confirmation from external departments on the completeness and accuracy of their financial information. To ensure the external departments are aware of appropriate GAAP treatment for complex transactions, we recommend the County train departmental staff on the importance of notifying the finance division when they enter into unusual or infrequent transactions, or transactions in which they need assistance identifying the proper accounting period. The County should consider enhancing the current confirmation from departments to include a section for significant noncash transactions, and any other significant or unusual transactions.

Views of Responsible Officials: Agreed.

Section II – Financial Statement Findings (continued)

**2018-006 Schedule of Expenditures of Federal Awards (SEFA) Preparation and Reconciliation Controls
Significant Deficiency**

Criteria: In order to ensure the financial reports generated by the state’s system are accurate and meaningful, the County should have a system of internal controls in place that includes year-end reconciliations of program balances reported by the state with corresponding supervisor reviews and documentation thereof to foster recording and processing of financial data accurately and in a timely manner. Additionally, 2 C.F.R 200.510(b) *Schedule of expenditures of Federal awards* states “the auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee’s financial statements which must include the total Federal awards expended in accordance with 2 C.F.R.200.502 *basis for determining federal awards expended.*” and 2 C.F.R.200.502 states “The determination of when a Federal award is expended should be based on when the activity related to the Federal award occurs.”

Condition: The Colorado Department of Human Services (CDHS) determined the County did not include federal incentives and other adjustments as part of the total federal expenditures on the 2018 SEFA and has requested the SEFA be restated to correct the errors. There were three CFDA’s affected by this including 10.551, 10.561, and 93.558.

Cause: Grant staff were not aware of the requirements for reporting federal incentives and other adjustments on the SEFA.

Effect: When staff are not aware of the requirements on what to report on the SEFA it could lead to materially misstated balances for federal expenditures.

Recommendation: We recommend the county work closely with the state on any changes to what the county is required to report on the SEFA on a regular basis. Additionally, update internal controls surrounding the reconciliations and the preparation of the SEFA with the state reports.

Views of Responsible Officials: Management agrees with the finding.

Section III – Federal Award Findings and Questioned Costs

2018-002 **Department of Justice**
Passed-through West Metro Drug Task Force
CFDA #16.922
Equitable Sharing Program

Procurement, Suspension and Debarment
Material Non-Compliance
Material Weakness in Internal Control over Compliance

Criteria: Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) Subpart D – Post Federal Award Requirements, Section 200.318 requires that a non-federal entity must use its own documented procurement procedures which reflect applicable state and local laws and regulations, provided that the procurements confirm to applicable federal law and standards.

Federal regulations 2 C.F.R. 180.220 state that a contract for goods or services is a covered transaction if awarded in a nonprocurement transaction and if the amount of the contract is expected to equal or exceed \$25,000. Also, federal regulation 2. C.F.R. 180.300 requires that when a non-federal entity enters into a covered transaction with another entity, the non-federal entity must verify that the person or entity they intend to do business with is not excluded or disqualified from receiving federal funds. This can be done by: (1) checking the System of Award Management (SAM) exclusions, (2) collecting a certification from that entity, or (3) adding a clause or condition to the covered transaction with that person.

Condition: The Organization did not have a procurement policy in place to cover activity of the West Metro Drug Task Force. Additionally, we tested internal controls over procurement, suspension and debarment for the West Metro Drug Task Force and noted that there was no documentation to support five procurement transactions to two separate vendors (related to the SAM's check being performed to determine if the vendor was debarred or suspended). Although there was no documentation to support the internal control was in place, we noted that the vendors were not suspended or debarred.

Cause: The Organization did not have controls in place to ensure that the policy was drafted and adopted by January 1, 2018, the date the requirement became effective. Additionally, they did not perform verification prior to entering into a procurement transaction. Internal controls were not sufficient to ensure the required verification was performed.

Effect: The Organization did not have a procurement policy in effect during 2018. Additionally, failure to perform the SAM's check may result in entering into a contract with a suspended or debarred entity.

Section III – Federal Award Findings and Questioned Costs (continued)

Questioned Costs: None reported.

Context/Sampling: Sampling is not-applicable for the policies and procedures. A non-statistical sample of 20 expenditures subject to procurement out of approximately 100 total transactions were selected for procurement, suspension & debarment testing.

Report Finding from Prior Year(s): No.

Recommendation: We recommend the Organization update their policies and procedures to conform with Uniform Guidance.

Views of Responsible Officials: Agree.

Section III – Federal Award Findings and Questioned Costs (continued)

2018-003 **Passed-through West Metro Drug Task Force
CFDA #16.922
Equitable Sharing Program**

Allowable Activities/Allowable Costs

Material Weakness in Internal Control over Compliance

Criteria: As stated in the Guide to Equitable Sharing, equitably shared funds shall be used by law enforcement agencies for law enforcement purposes only. Specific permissible uses are outlined in the Guide to Equitable Sharing. It is the responsibility of grant management to review and approve grant expenditures to ensure compliance over allowable costs charged to the grant.

Condition: We selected 40 expenditures for testing of allowable activities/costs charged to the grant. We noted the following in our testing:

- For all transactions, there was no formal or timely review and approval of the expenditures prior to the Commander of the Task Force signing off on checks.
- We noted one instance where there was no formal supporting documentation (invoice, PO, bill, statement, etc.) for the recorded expenditure. There was informal documentation including the description of services provided and Task Force minutes discussing the need for the service; however, there was no support for the amount charged to the Task Force.

Cause: The Task Force does not have a procedure designed to ensure timely review and approval of expenditures.

Effect: Failure to properly approve expenditures could result in unallowable costs or activities to be incurred by the Task Force.

Questioned Costs: None reported.

Context/Sampling: A nonstatistical sample of 40 transactions out of approximately 200 transactions were selected for allowable costs and allowable activities testing.

Report Finding from Prior Year(s): No.

Recommendation: We recommend the Task Force implement a process to ensure timely reviews and documented approvals of all expenditures prior to the disbursement of funds.

Views of Responsible Officials: Agree.

Section III – Federal Award Findings and Questioned Costs (continued)

2018-004 **Passed-through Colorado Department of Health Care Policy and Financing (HCPF)
CFDA #93.778
Medical Assistance Program**

Eligibility

Material Non-Compliance

Material Weakness in Internal Control over Compliance

Criteria: According to the Colorado Department of Health Care Policy and Financing (HCPF), processing standards 8.100.3.D, the County is required to process a disability determination no later than 90 days following receipt of an application, and an initial application for any program not requiring a disability determination shall be processed no later than 45 days following receipt of application. Additionally, the County is required to perform Quality Control reviews over a specified number of case files selected by the State.

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

- Nine 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.
- One instance where a case review was performed by the Quality Control department, however the review findings were not corrected. This did not result in a change in eligibility.

Cause: Due to the County's ineffective monitoring, eligibility determinations were not completed in a timely manner and within the 45-day deadline. Additionally, the County does not have a procedure designed to ensure caseworkers correct eligibility findings identified through the Quality Control review process.

Effect: Failure to process applications timely could result in participants that are delayed approval of Medicaid services. Additionally, failure to follow-up on errors identified through the quality control process could result in incorrect eligibility determinations.

Questioned Costs: None reported.

Context/Sampling: A nonstatistical sample of 60 participants out of approximately 12,500, specifically relating to non-MAGI cases, was selected for eligibility testing. A nonstatistical sample of 60 quality control out of approximately 675 reviews was also selected for testing.

Report Finding from Prior Year(s): Yes, prior year finding 2017-001.

Section III – Federal Award Findings and Questioned Costs (continued)

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. We also recommend that management implement a process to ensure all Quality Control review findings are corrected timely.

Views of Responsible Officials: Agree.

Section III – Federal Award Findings and Questioned Costs (continued)

2018-005 **Passed-through Colorado Department of Human Services**
CFDA #93.563
Child Support Enforcement

Procurement
Material Non-Compliance
Material Weakness in Internal Control over Compliance

Criteria: According to the Code of Federal requirements section 200.320 there are three methods of procurement that must be used by non-Federal entities. Section 200.320 (b) identifies that procurement by small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

Condition: We tested the procurement compliance requirements and controls over this process for sixty procurements. We noted the following in our testing:

- Four instances in which there was no documentation to support if the appropriate quotes were obtained for procurements subject to the small purchases requirements.

Cause: Due to ineffective monitoring and/or recordkeeping, the County was unable to provide the appropriate documentation related to procurements tested.

Effect: Failure to obtain the appropriate quote required by Federal regulations for purchases meeting the small purchase definition could result in the County over paying for goods/services. Additionally, it could result in the Federal Agency not approving future funding for the federal program.

Questioned Costs: None reported.

Context/Sampling: A non-statistical sample of 60 procurements out of approximately 760 total procurement transactions, was selected for procurement testing.

Report Finding from Prior Year(s): No.

Recommendation: We recommend the County update their policies and procedures to include how many quotes will be obtained for each small purchase category. Additionally, we recommend the Department implement a process to ensure that quotes are received, documented and maintained in accordance with the Code of Federal requirements.

Views of Responsible Officials: Agree.