

BOULDER COUNTY, COLORADO

REPORT ON SINGLE AUDIT
December 31, 2020



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Board of County Commissioners
Boulder County, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Boulder County, Colorado (the County), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Boulder County, Colorado's basic financial statements, and have issued our report thereon dated April 29, 2022. Our report includes a reference to other auditors who audited the financial statements of Boulder County Housing Authority (the Authority), a major enterprise fund, and Josephine Commons, LLC, Aspinwall, LLC, Kestrel I, LLC, Tungsten Village, or Coffman Place, LLC, which are discretely presented component units, as described in our report on Boulder County, Colorado's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Boulder 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Boulder County's internal control. Accordingly, we do not express an opinion on the effectiveness of Boulder County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control 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 did identify 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 deficiencies described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002 to be material weaknesses.

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 2020-003 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Boulder 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2019-003.

Boulder County's Response to Findings

Boulder County's response to the findings identified in our audit is described in the accompanying corrective action plan. Boulder 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 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.



CliftonLarsonAllen LLP

Broomfield, Colorado
April 29, 2022



**INDEPENDENT AUDITORS' 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 County Commissioners
Boulder County, Colorado

Report on Compliance for Each Major Federal Program

We have audited Boulder County, Colorado'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 Boulder County's major federal programs for the year ended December 31, 2020. Boulder County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Boulder County, Colorado's basic financial statements include the operations of the Boulder County Housing Authority, a blended component unit of Boulder County, Colorado, which received \$16,441,996 in federal awards, which is not included in Boulder County, Colorado's schedule of expenditures of federal awards during the year ended December 31, 2020. Our audit, described below, did not include the operations of Boulder County Housing Authority, because Boulder County Housing Authority engaged other auditors to perform an audit in accordance with the Uniform Guidance.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Boulder 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 Boulder County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Boulder 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 major federal programs for the year ended December 31, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2020-003. Our opinion on each major federal program is not modified with respect to these matters.

Boulder County's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. Boulder 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 Boulder 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 Boulder 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 Boulder 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2020-003, that we consider to be a significant deficiency.

Boulder County's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. Boulder 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 the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Boulder County as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Boulder County's basic financial statements. We issued our report thereon dated April 29, 2022, 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.



CliftonLarsonAllen LLP

Broomfield, Colorado
April 29, 2022

Boulder County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

	Assistance Listing Number	Pass-through Identifying Number	Amount
Department of Agriculture			
<i>Pass-through funding</i>			
Colorado Department of Human Services			
<i>Supplemental Nutrition Assistance Cluster</i>			
Supplemental Nutrition Assistance Program	10.551	183CO401S8026	\$ 34,615
		183CO401S2514, 183CO401S8036, 183CO431Q7503, 183CO421S2519, 183CO421S2522, 183CO421S252043	
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		2,502,774
<i>Supplemental Nutrition Assistance Cluster Total:</i>			2,537,389
<i>Colorado Department of Public Health & Environment</i>			
Child and Adult Care Food Program	10.558	0010109	54,066
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	3C0700701	823,947
Department of Agriculture Total			3,415,402
Department of Health and Human Services			
<i>Direct funding</i>			
Substance Abuse and Mental Health Services - Center for Substance Abuse Prevention	93.276	1 NH28CE003226-01-00	16,988
Centers for Disease Control and Prevention (CDC) Drug Free Communities	93.276	6H79SP020754-05M003	78,734
Head Start	93.600	08CH1007;08CH011579	1,583,386
United States Food and Drug Administration (USFDA)	93.103	5U18FD005603	33,415
United States Food and Drug Administration (USFDA)	93.103	G-SP-1909-07536	2,000
			1,714,523
<i>Pass-through funding</i>			
National Association of County and City Health Officials	93.103	5U50FD005933-04	16,000
<i>Colorado Department of Regulatory Agencies</i>			
State Health Insurance Assistance Program	93.324	POGG1, SFAA, 201900002794	78,160
<i>Colorado Department of Health Care Policy and Finance</i>			
Medical Assistance Program Title XIX	93.778	20-0013	2,806,126
<i>Colorado Department of Human Services</i>			
Co-Responder Program	93.003	21IHJA161975	74,046
COVID-19- Aging and Disability Resource Centers	93.048		875
Substance Abuse and Mental Health Services- Boulder County Housing and Human Services; Community Services	93.243	18SM80793A	469,109
Substance Abuse and Mental Health Services- Boulder County Housing and Human Services; Community Services	93.243	1U79 SM063221-01;5H79 SM062325-02	2,500
Community-Based Child Abuse Prevention (CBCAP)	93.590	2018000012	149,155
Special Programs for Aging Title VII Chapter 2-Long Term Care Ombudsman Services for Older Individuals	93.042	19 IHEA 121332	6,824
Special Programs for Aging Title III Part D Disease Prevention and Health Promotion Services	93.043	19 IHEA 121332	22,782
Special Programs for Aging Title III Part E	93.052	19 IHEA 121332	80,215
			805,506
<i>Aging Cluster</i>			
Special Programs for Aging Title III Part B Grants for Supportive Services and Senior Care	93.044	19 IHEA 121332	565,765
Special Programs for Aging Title III Part C Nutrition Services	93.045	19 IHEA 121332	836,882
Aging Cluster Subtotal			1,402,647
<i>Childcare Cluster</i>			
Child Care and Development Block Grant	93.575	G1801COCCDF G1701COCCDF	6,076,575
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	G1801COCCDF G1701COCCDF	1,284,569
Childcare Cluster Subtotal			7,361,144
HUD/Housing Counseling	14.169	HC200841001	53,035
Longmont Housing Counseling	14.218	91.200B	43,549
Low-income Home Energy Assistance Program LEAP	93.568	18B1COLIEA	1,625
Guardianship Assistance	93.090	1801COGARD	56,503
Substance Abuse and Mental Health Services Administration (SAMHSA)	93.104	IE IID DBHM14000 Order #POGG1 IHJA	126,332
Promoting Safe and Stable Families PSSF	93.556	1801COFPSS, 1711COFPCV, 1701COFPSS	147,892
Colorado Works / Temporary Assistance for Needy Families [TANF]	93.558	1801COTANF, 1701COTANF	6,691,975
Child Support Services	93.563	1804COCSES 1804COCSES	2,511,024
Title IV-B Child Welfare State Grants	93.645	1801COCWSS	184,799
Foster Care Title IV-E	93.658	1801COFOST	3,197,757
Adoption Assistance Title IV-E	93.659	1801COADPT	624,161
Social Services Block Grant SSBG Title XX	93.667	1801COSOSR, 1701COSOSR	1,163,357
Child Abuse and Neglect Discretionary Activities	93.670	90CA183603	108,334
Chafee Foster Care Independence Program Title IV-E	93.674	2001COCILP	107,965
Block Grants for Prevention and Treatment of Substance Abuse	93.959	T1010006-18	55,161
Block Grants for Prevention and Treatment of Substance Abuse	93.959	B08TI010006	52,814
Block Grants for Prevention and Treatment of Substance Abuse	93.959	19 IHJA 109050 & 20 IHJA 129158	45,940
			15,172,223
<i>Colorado Department of Local Affairs</i>			
Community Services Block Grant	93.569	L15CSBG06, L18CSBG06	298,361
<i>Colorado Department of Public Health & Environment</i>			
Public Health Emergency Preparedness	93.069	CDC-RFA-TP19-1901	307,803
Injury Prevention and Control Research and State and Community Based Programs	93.136	CT FHLA 2021*0787	58,749
Immunization Cooperative Agreements	93.268	NH23IP922600	99,655
Centers for Disease Control and Prevention-Investigations and Technical Assistance	93.317	CK17-1701	22,567
Centers for Disease Control (CDC) Heal	93.439	NU58DP006503	29,756
COVID 19-PRJ Public Health Emergency Preparedness (PHEP) COVID19 Response	93.354	PO FHJA 202000010665	225,044
COVID 19- PRJ COVID-19 Public Health Emergency Preparedness (PHEP) Epidemiological Activities (EPI)	93.354	PO FHJA 202000012589	187,200
Maternal and Child Health Services Care Coordination and Child Adolescent Program	93.994	B04MC33825	51,329
Maternal and Child Health Services Block Grant to the States	93.994	B04MC29309-01-03	157,415
			1,139,518
<i>Community Transportation of America</i>			
CTAA 2019 Inclusive Planning	93.631	BC M4A CTAA	11,710
Department of Health and Human Services Total			30,805,918

Boulder County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

Department of Homeland Security

Pass-through funding

Colorado Department of Public Safety, Division of Homeland Security and Emergency Management

Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Emergency Management Performance Grants

Pre-Disaster Mitigation

Denver UASI Mass Care

97.036

97.042

97.047

97.067

PA-4145

20EM-21-06

17FMA19BC/17PDMBCLD

09-ME-01_COTS

7,125,318

110,000

1,349,128

990

Department of Homeland Security Total

8,585,436

Department of Housing and Urban Development

Pass-through funding

Colorado Department of Local Affairs

Community Development Block Grants - Disaster Recovery

14.269

Various

3,608,050

Department of Housing and Urban Development Total

3,608,050

Department of the Interior

Direct funding

Payments in Lieu of Taxes (PILT)

15.226

421,800

Department of the Interior Total

421,800

Department of Justice

Direct funding

State Criminal Alien Assistance Program

Criminal and Juvenile Justice and Mental Health Collaboration

Office of Juvenile Justice Delinquency Prevention (OJJDP) Reentry

Comprehensive Opioid Abuse Site-Based Program

Department of Justice Equitable Sharing Funds

16.606

16.745

16.812

16.838

16.922

14,496

209,392

116,064

293,185

64,155

Pass-through funding

Colorado Department of Public Safety

COVID 19-Coronavirus Emergency Supplemental Fund (CESF)

Internet Crimes Against Children

Crime Victim Assistance

Blue Skyridge Pinwheel Project

Edward Byrne Memorial Justice Assistance Program

16.034

16.543

16.575

16.738

16.738

2020-VD-BX-0613

2018-MC-FX-KO27

2018-VA-19-079-20/ 2019-V2-GX-0027

2018-DJ-18-03-17-1

2017-DJ-BX-0554/2018-DJ-BX-0694

117,655

8,770

173,349

29,377

17,144

Department of Justice Total

1,043,587

Department of Labor

Pass-through funding

Colorado Department of Labor and Employment

Unemployment Insurance

Reemployment Services and Eligibility Assessments

Trade Adjustment Assistance

Workforce Innovation Opportunity Act (WIOA) Youth WBD Funding

Apprenticeship USA Expansion and Innovation Grants

Performance Incentive and SAE Ad Works

17.225

17.225

17.245

17.274

17.278

17.278

28C9/NA

28C9,28C0

17C8,17C9

4YWY8

4FF7/4FH7

4Y68,4Y78,4Y88,4Y69, 4Y79, 4Y89 4Y60,

4Y70, 4Y80

7,044

28,744

16,600

40,897

21,772

72,464

Jefferson County

Co Responds and Recover Colorado

RecoverCO

17.277

17.277

4J20/4J30

4M20/4M30

30,024

35,809

Employment Cluster

Colorado Department of Labor and Employment

Employment Service/Wagner-Peyser Funded Activities

Disabled Veteran's Outreach Program (DVOP)

Local Veterans' Employment Representative Program (LVER)

17.207

17.801

17.804

2059,2S59

2D20

2L20

405,091

14,000

6,555

Employment Cluster Subtotal

2059,259,28C9

425,646

Workforce Integration Opportunity Act Cluster

CWDC Results of America

WIA Adult Program

WIA Youth Activities

EDW Work Based Learning

WIA Dislocated Worker Formula Grant

17.258

17.258

17.259

17.278

17.278

46A8,48A8,4AW7,4WA8

46A8,4DB8,48A8,4A69,48A9, 4BD9, 4A60,4

4Y69/4Y89

47D8, 49D8, 47D9,49D9,47D0,49D0

46D8,48D8, 46D9, 48D9, 4D60, 48D0

46A8/48A8,4AW7,4WA8,4Y68/4Y89,4WD8,

46D8/48D8,4Y78/4YD8,FAW7,4WD7

3,742

351,934

294,948

169,292

243,643

Workforce Integration Opportunity Act Cluster Subtotal

46D8/48D8,4Y78/4YD8,FAW7,4WD7

1,063,559

Department of Labor Total

1,742,559

Department of Transportation

Pass-through funding

Colorado Department of Transportation

Highway Planning and Construction

Highway Planning and Construction

Denver Regional Council of Governments

20.205

20.205

20.513

19-HA4-XC-00019; RAQC-16-HTD-00062;

17-HA4-XC-00062;17-HA4-XC-00007

18-HA4-XC-00004

EX20010

1,560,880

338,521

19,424

Department of Transportation Total

1,918,825

Boulder County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

Environmental Protection Agency

Pass-through funding

Colorado Department of Public Health & Environment			
Activities Relating to the Clean Air Act	66.034	PM-96837501	56,084
Capitalization Grants for Clean Water State Revolving Funds Recovery	66.458	CS-080001-18	6,000

Environmental Protection Agency	62,084
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Department of the Treasury

Pass-through funding

Colorado Department of Local Affairs			
COVID 19-Coronavirus Aid, Relief, and Economic Security Act (CARES Act), County Allocation	21.019	Executive Order D2020 070 DOLA	16,135,618
Colorado Department of Human Services			
COVID 19-Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Housing and Human Services Direct	21.019	Supplemental Funding	914,274
Colorado Department of Public Health & Environment			
COVID 19-Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Health	21.019	PO FHJA 202000013537	307,202
COVID 19-Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Health Immunization	21.019	PO FHJA 20210000038	34,491
City of Boulder			
COVID 19-Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Housing Helpline	21.019	Executive Order D2020 070 DOLA CB	90,000
Colorado Department of State			
COVID 19 - Election Safety	90.404	164514	259,118

Department of the Treasury	17,740,703
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Grand Total	\$ 69,344,364
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The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

BOULDER COUNTY, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2020

General:

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the primary government of Boulder County, Colorado and its component units, excluding the Boulder County Housing Authority, a blended component unit of the County, which expended \$16,441,996 in federal awards during the year ended December 31, 2020. The County's reporting entity is defined in Note 1 to the County's basic financial statements included in the Annual Comprehensive Financial Report (ACFR). 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 of Expenditures of Federal Awards, with the exception of Food Stamps. The State of Colorado issues EBT to the eligible County recipients. Only the federal amount of such pass-through awards and EBT transactions is included on the Schedule of Expenditures of Federal Awards.

NOTE 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Boulder County (the County) under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of 2 CFR 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, changes in net position, or cash flows of the County.

Governmental funds are used to account for the County's federal grant activity. Amounts reported in the Schedule of Expenditures of Federal Awards are recognized on the modified accrual basis when they become a demand on current available federal resources and eligibility requirements are met, or on the accrual basis at the time liabilities are incurred and all eligibility requirements are met. For the Disaster Grants – Public Assistance (Presidentially Declared Disasters) Program, ALN No. 97.036, this program is reported in the Schedule of Expenditures of Federal Awards based on expenditures incurred plus approvals of project worksheets by the grantor. Also, note that the following programs are reported in the Schedule of Expenditures of Federal Awards on the cash basis:

<u>Program Title</u>	<u>ALN</u>
State Administrative Matching Grants for the SNAP Program	10.561
Promoting Safe and Stable Families	93.556
Temporary Assistance for Needy Families	93.558
Child Support Enforcement	93.563
Low-Income Home Energy Assistance	93.568
CCDF Cluster	93.575, 93.596
Child Welfare Services-State Grants	93.645
Foster Care-Title IV-E	93.658
Adoption Assistance	93.659
Social Services Block Grant	93.667
Chafee Foster Care Independence Program	93.674
Medicaid Cluster	93.778

BOULDER COUNTY, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2020

Child Abuse and Neglect Discretionary Activities	93.670
Guardianship Assistance	93.090
Developmental Disabilities Projects of National Significance	93.631

Noncash Programs

Certain federal financial assistance programs do not involve cash awards to the County. These programs include the following:

<u>Program Title</u>	<u>ALN</u>
Women, Infant, Children (WIC)	10.557
Community Development Block Grant Program	14.218
Substance Abuse and Mental Health Services	93.243
Low-Income Home Energy Assistance Program (LIHEAP)	93.568
Temporary Assistance for Needy Families (TANF)	93.558
Community Based Child Abuse Prevention	93.590
County Administration	93.667
Child Welfare (including CHRP, RTC, Res MH, SB-80 and SB-94)	93.645, 93.658
	93.659, 93.667
Core Services	93.658
Child Care Assistance Program (CCAP)	93.596, 93.575
Supplemental Nutrition Assistance Program (SNAP) Benefits	10.551

Total electronic disbursements authorized by the State for 2020 were \$57,580,295.

The County has declined to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

ALN and Contract Numbers

Certain programs do not contain State or Federal contract numbers because they have not been assigned these numbers or the numbers were not obtainable.

Subrecipients

The County passed-through funding from the CDBG-DR program to Big Elk Meadows Association (BEMA) under ALN 14.269 with \$222,641 of federally reimbursed expenses.

BOULDER COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2020

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? x yes no
 - Significant deficiency(ies) identified? yes x none reported
3. Noncompliance material to financial statements noted? x yes no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? yes x no
 - Significant deficiency(ies) identified? x yes none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes no

Identification of Major Federal Programs

Assistance Listing Numbers

93.575 & 93.596
21.019
14.269

Name of Federal Program or Cluster

Child Care and Development Fund
Coronavirus Relief Fund
Community Development Block Grant Disaster Recovery (CDBG-DR)

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 2,080,331

Auditee qualified as low-risk auditee?

 yes x no

BOULDER COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2020

Section II – Financial Statement Findings

2020 – 001 Reconciliation of Accounts Receivable

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: Accounts receivable and the related deferred inflows of resources for unavailable grant revenue presented by the County did not agree to cash receipts received or expected to be received more than sixty days after year end.

Criteria: Based on the guidance in Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, grant revenue should be recognized when eligibility requirements are met, and the resources are available. For this purpose, the County considered revenues to be available if they are collected within 60 days after year-end.

Context: The errors were noted during testing of accounts receivable and deferred inflows of resources for unavailable revenue which included reconciliation of the account balance to underlying transactional level detail and testing of significant transactions.

Effect: As a result of this issue, the County posted multiple adjustments to revenues, receivables, and unavailable revenue. The net effect of those adjustments was an increase to revenue of \$1,864,829, a decrease to accounts receivable of \$309,165, and a decrease to unavailable revenue of \$2,173,994 in the Dedicated Resources Fund.

Cause: The County's process for reconciling accounts receivable did not properly track the timing of cash receipts to reconcile the cash receipts to the related receivable. This was due primarily to on-going challenges resulting from the County converting financial management systems in May of 2019, including challenges in the system configuration, insufficient training on processes in the new system, and limited reporting functionality in the new financial management system.

Repeat Finding: This is a repeat finding.

Recommendation: We recommend that the County improve the process for identifying and recording deferred inflows of resources relating to unavailable revenue for grant related accounts receivable collected greater than 60 days of year end.

Views of responsible officials and planned corrective actions: The County agrees with the finding and has adjusted revenue and deferred revenue accordingly. The County will improve the process for identifying and recording unavailable revenue for revenue received after 60 days of year end and improve the review process to ensure that this error does not occur again. All of the factors contributing to the cause of this error are being actively addresses to minimize the change of future errors. The County is focused on improving the functionality within the new financial management system along with implementing county-wide staff training on error identification, reporting and account reconciliation, a revised monthly close process, and formal written documentation of processes and procedures.

Responsible Official: Ramona Farineau, Chief Financial Officer

BOULDER COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2020

2020 – 002 Timeliness of Financial Reporting

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: The County did not file the annual audited financial statements within the required timeframe, including extensions, in Section 29-1-601, et seq., C.R.S.

Criteria: Based on the requirements in Section 29-1-601, et seq., C.R.S., the County is required to complete the audit within six months and submit to the Colorado Office of the State Auditor within thirty days of completion of the audit. The state auditor may authorize an extension for not more than sixty days.

Context: The County was aware of the requirements for filing annual financial statements with the Office of the State Auditor, however, was unable to file by the deadline due to delays in reconciling cash and accounts receivable.

Effect: The County was not able to submit audited financial statements to the Colorado Office of the State Auditor within the required timeframe.

Cause: The County's financial management system conversion resulted in significant delays reconciling cash and accounts receivable which delayed the County's preparation of its annual financial statements. This was due primarily to on-going challenges resulting from the County converting financial management systems in May of 2019, including challenges in the system configuration, insufficient training on processes in the new system, and limited reporting functionality in the new financial management system.

Repeat Finding: This is a repeat finding.

Recommendation: We recommend that the County improve the process for timely financial reporting.

Views of responsible officials and planned corrective actions: The County agrees with the finding. The County will improve the process for reconciling accounts to be in compliance with financial reporting requirements.

Responsible Official: Ramona Farineau, Chief Financial Officer

BOULDER COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2020

Section III – Findings and Questioned Costs – Major Federal Programs

2020-003

Federal Agency: Department of Treasury

Federal Program: Coronavirus Relief Fund

Assistance Listing Number: 21.019

Pass-Through Agency: Colorado Department of Human Services

Award Periods: March 1, 2020 – December 31, 2021

Compliance Requirement: Allowable Costs/Activity

Type of Finding: Significant Deficiency in Internal Control

Criteria or specific requirement: Per the 2 CFR 200.502, *Basis for Determining Federal Awards Expended*, the schedule of expenditures of federal awards (SEFA) for the period covered by the financial statements must be complete, accurate, and include the total federal awards expended.

Condition: The amounts presented for the Coronavirus Relief Fund on the County's SEFA did not agree to the amount passed through from other entities.

Questioned costs: None.

Context: Federal award requires accurate and reliable documentation of allowable costs.

Cause: A change to the funding source for certain costs reimbursed by the Colorado Department of Human Services was communicated to the County, however, this adjustment was not properly included on the County's SEFA.

Effect: An adjustment of \$914,274 was required to be made to the County's SEFA.

Repeat Finding: No.

Recommendation: We recommend that the County improve the review process over tracking and reporting the pass-through of reimbursements of federal expenditures.

Views of responsible officials: There is no disagreement with the audit finding.



Office of Financial Management

2020 13th Street • Boulder, Colorado 80302 • finance@bouldercounty.org • 303-441-3525
Mailing Address: P.O. Box 471 • Boulder, CO 80306 • www.BoulderCounty.org

BOULDER COUNTY, COLORADO SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED DECEMBER 31, 2020

Boulder County, Colorado respectfully submits the following summary schedule of prior audit findings for the year ended December 31, 2020.

Audit period: 2019

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS - FINANCIAL STATEMENT AUDIT

[Finding 2019-001](#)

Reconciliation of Cash and Investments Significant Deficiency

Condition: In 2019, it was determined that the county's reconciliation did not detect errors in the balance of cash and investments.

Status: Corrective action was taken.

[Finding 2019-002](#)

Reconciliation of Accounts Receivable Material Weakness

In 2019, it was determined that the county's reconciliation did not detect errors in the balance of accounts receivable and deferred inflows of resources for unavailable revenue.

Status: See current year finding 2020-001.

Reason for finding's recurrence: The county's reconciliation process did not detect errors within accounts receivable and deferred inflows of resources for unavailable revenue balances in 2020 primarily due to on-going challenges resulting from the county converting financial management systems in May of 2019, including challenges in the system configuration, insufficient training on processes in the new system, and limited reporting functionality in the new financial management system. The challenges from this continued into 2020.

Corrective Action: The county will improve the process for identifying and recording unavailable revenue for revenue received after 60 days of year end and improve the review process to ensure that this error does not occur again. All of the factors contributing to the cause of this error are being actively addressed to minimize the chance of future errors. The county is focused on improving the functionality of the new financial management system along with implementing county-wide training on error identification, reporting and account reconciliation, a revised monthly close process, and formal written documentation of processes and procedures.

Finding 2020-003

**Restatement of Fiduciary Net Position
Significant Deficiency**

Condition: In 2019, the county restated fiduciary net position for amounts that should have been reported as liabilities.

Status: Corrective action was taken.

Finding 2020-004

**Reconciliation of Accounts Receivable
Material Weakness**

Condition: The county did not file the single audit reporting package to the Federal Audit Clearinghouse within nine months after year end. In addition, the county did not file annual audited financial statements within the required timeframe, including extensions, in Section 29-1-601, et seq., C.R.S.

Status: See current year finding 2020-002.

Reason for finding's recurrence: The county's financial management system conversion resulted in significant delays reconciling cash and accounts receivable which delayed the county's preparation of its annual financial statements. This was due primarily to on-going challenges resulting from the county converting financial management systems in May of 2019, including challenges in the system configuration, insufficient training on processes in the new system, and limited reporting functionality in the new financial management system.

Corrective Action: The county will continue to improve all of the factors contributing to the delay in the preparation of its annual financial statements.

FINDINGS – FEDERAL AWARD PROGRAMS AUDITFinding 2019-005

Federal Agency: Department of Health and Human Services

State Department/Agency: Colorado Department of Human Services (CDHS)

Pass-Through Number(s): 1801COTANF & 1701COTANF

Federal Program: Temporary Assistance for Needy Families (TANF)

CFDA Number: 93.558

Award Periods: January 1, 2019 – December 31, 2019

Compliance Requirement: Eligibility

Type of Finding: Significant Deficiency in Internal Control

Condition: During testing of internal case review files, one case review document had errors for which the processing technician did not sign off on. This was found in one sample out of nineteen samples tested.

Status: Corrective action was taken.

Finding 2019-006

Federal Agency: Department of Health and Human Services

Federal Program: Head Start

CFDA Number: 93.600

Award Periods: January 1, 2019 – December 31, 2019

Compliance Requirement: Reporting

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Condition: During testing of financial reports, no evidence found of the 2nd Quarter report submission. This was found in one sample out of nineteen samples tested.

Status: Corrective action was taken.

Finding 2019-007

Federal Agency: Department of Health and Human Services

Federal Program: Head Start

CFDA Number: 93.600

Award Periods: January 1, 2019 – December 31, 2019

Compliance Requirement: Allowable Costs

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Condition: During testing of expenditures, supporting documentation was not available for an expense charged to the grant through the use of a procurement card. This was found in one sample out of sixty samples tested.

Status: Corrective action was taken.

Finding 2019-008

Federal Agency: Department of Health and Human Services

State Department/Agency: Colorado Department of Human Services

Pass-Through Number(s): 1801COFOST

Federal Program: Foster Care

CFDA Number: 93.658

Award Periods: January 1, 2019 – December 31, 2019

Compliance Requirement: Eligibility

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Condition: Per 12 Colorado Code Regulations §259-1-7.001.6 Primary caseworker or designated visitation casework for each child or youth shall have face-to-face contact with that child or youth at least once every calendar month.

Status: Corrective action was taken.

Finding 2019-009

Federal Agency: Department of Health and Human Services

Federal Program: Head Start

CFDA Number: 93.600

Award Periods: January 1, 2019 – December 31, 2019

Compliance Requirement: Allowable Costs/Activity

Type of Finding: Significant Deficiency in Internal Control

Condition: Per the 2 CFR 200.502 “Basis for Determining Federal Awards Expended”, the SEFA for the period covered by the financial statements must be complete, accurate, and include the total federal awards expended.

Status: Corrective action was taken.

If there are questions regarding this schedule, please call Ramona Farineau, Chief Financial Officer, 303-441-3499.



Office of Financial Management

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BOULDER COUNTY, COLORADO CORRECTIVE ACTION PLAN YEAR ENDED DECEMBER 31, 2020

Boulder County respectfully submits the following corrective action plan for the year ended December 31, 2020.

Audit period: 2020

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – FINANCIAL STATEMENT AUDIT

2020 – 001

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: Accounts receivable and the related deferred inflows of resources for unavailable grant revenue presented by the county did not agree to cash receipts received or expected to be received more than sixty days after year-end.

Recommendation: We recommend that the county improve the process for identifying and recording deferred inflows of resources relating to unavailable revenue for grant-related accounts receivable collected greater than 60 days after year-end.

Views of responsible officials and planned corrective actions: The county agrees with the finding and has adjusted revenue, accounts receivable, and unavailable revenue accordingly. The county will improve the process for identifying and recording unavailable revenue for revenue received more than 60 days after year-end and improve the review process to ensure that this error does not recur. All of the factors contributing to the cause of this error are being actively addressed to minimize the chance of future errors. The county is focused on improving the functionality within the new financial management system along with implementing county-wide staff training on error identification, reporting and account reconciliation, a revised monthly close process, and formal written documentation of processes and procedures.

Responsible Official: Ramona Farineau, Chief Financial Officer

Planned completion date for corrective action plan: June, 30 2022

2020 – 002

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: The county did not submit annual financial statements to the Colorado Office of the State Auditor within the required timeframe.

Recommendation: We recommend that the county improve the process for timely financial reporting.

Views of responsible officials and planned corrective actions: The county agrees with the finding. The county will improve the process for reconciling accounts to be in compliance with financial reporting and single audit reporting requirements.

Responsible Official: Ramona Farineau, Chief Financial Officer

Planned completion date for corrective action plan: June 30, 2022

FINDINGS— FEDERAL AWARD PROGRAMS AUDIT2020-003

Federal Agency: Department of Treasury

Federal Program: Coronavirus Relief Fund

Assistance Listing Number: 21.019

Pass-Through Agency: Colorado Department of Human Services

Award Periods: March 1, 2020 – December 31, 2021

Compliance Requirement: Allowable Costs/Activity

Type of Finding: Significant Deficiency in Internal Control

Recommendation: We recommend that the county improve the review process over tracking and reporting the pass-through of reimbursements of federal expenditures.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The county will improve the reconciliation process between the SEFA and the federal awards passed through the Colorado Department of Human Services.

Name of the contact person responsible for corrective action: Bridgette McCarthy

Planned completion date for corrective action plan: June 30, 2022

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