

BOULDER COUNTY, COLORADO

REPORT ON SINGLE AUDIT
December 31, 2021



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

TABLE OF CONTENTS

	PAGE
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 <i>Government Auditing Standards</i>	1
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.....	3
Schedule of Expenditures of Federal Awards	7
Notes to Schedule of Expenditures of Federal Awards	10
Schedule of Findings and Questioned Costs.....	12
Summary Schedule of Prior Year Audit Findings.....	17
Corrective Action Plan	19



**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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 27, 2023. Our report includes a reference to other auditors who audited the financial statements of Boulder County Housing Authority, a major enterprise fund, or Josephine Commons, LLC, Aspinwall, LLC, Kestrel I, LLC, Tungsten Village, or Coffman Place, LLC discretely presented component units as described in our report on the County'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.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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 2021-001 and 2021-002 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 2021-003 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 2021-001

The County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

Greenwood Village, Colorado
January 27, 2023



**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**

The Board of County Commissioners
Boulder County, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Boulder County's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2021. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Boulder County Housing Authority, a blended component unit of the County, which received \$19,369,933 in federal awards, which is not included in the County's schedule of expenditures of federal awards during the year ended December 31, 2021. Our audit, described below, did not include the operations of the Boulder County Housing Authority, because the Boulder County Housing Authority engaged other auditors to perform an audit in accordance with the Uniform Guidance.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon, dated January 27, 2023, 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 basic 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 27, 2023

Boulder County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

	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		\$ 38,938
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		2,985,445
<i>Supplemental Nutrition Assistance Cluster Total:</i>			3,024,383
Colorado Department of Public Health & Environment			
Child and Adult Care Food Program	10.558		76,509
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	20 FHLA 140864	789,244
WIC Grants To States (WGS)	10.578	PO FHLA 202100013308	1,065
Colorado Natural Resources Conservation Service			
Natural Resources Conservation Services Emergency Watershed Program - FA and TA	10.923		3,331,139
Urban Agriculture and Innovative Production-Farm to Table	10.935	NR203A750027C015	28,684
Department of Agriculture Total			7,251,024
Department of Health and Human Services			
<i>Direct funding</i>			
Substance Abuse and Mental Health Services - Center for Substance Abuse Prevention	93.276	6 NH28CE003101-01-01	121,103
Head Start	93.600	08CH011579	1,323,117
United States Food and Drug Administration (USFDA)	93.103	2020: G-SP-1909-07536	2,314
United States Food and Drug Administration (USFDA)	93.103	1U18FD007025-01	74,088
			1,520,622
<i>Pass-through funding</i>			
Colorado Department of Regulatory Agencies			
State Health Insurance Assistance Program	93.324		56,321
Colorado Department of Health Care Policy and Finance			
Medical Assistance Program Title XIX	93.778		2,972,976
Colorado Department of Human Services			
COVID-19- Aging and Disability Resource Centers	93.048		46,616
Substance Abuse and Mental Health Services- Boulder County Housing and Human Services; Community Service:	93.243	18SM80793A; 1H79SP082350-0121SP82350A	571,234
Special Programs for Aging Older Americans Title III and Title VII	93.041		4,429
Special Programs for Aging Title VII Chapter 2-Long Term Care Ombudsman Services for Older Individuals	93.042		19,592
Special Programs for Aging Title III Part D Disease Prevention and Health Promotion Services	93.043		15,304
Special Programs for Aging Title III Part E	93.052		89,531
			746,706
<i>Aging Cluster</i>			
Special Programs for Aging Title III Part B Grants for Supportive Services and Senior Care	93.044		534,082
Special Programs for Aging Title III Part C Nutrition Services	93.045		408,442
<i>Aging Cluster Subtotal</i>			942,524
<i>Childcare Cluster</i>			
Child Care and Development Block Grant	93.575	08HE000530	4,019,369
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		3,694,143
<i>Childcare Cluster Subtotal</i>			7,713,512
HUD/Housing Counseling	14.169		13,663
Longmont Housing Counseling	14.218		50,000
Low-income Home Energy Assistance Program LEAP	93.568		70,654
Guardianship Assistance	93.090		59,130
Substance Abuse and Mental Health Services Administration (SAMHSA)	93.104	IE IID DBHM14000 Order #POGG1 IHJA	46,535
Promoting Safe and Stable Families PSSF	93.556		149,481
Colorado Works / Temporary Assistance for Needy Families [TANF]	93.558		5,176,610
Child Support Services	93.563		2,757,865
Title IV-B Child Welfare State Grants	93.645		177,561
Foster Care Title IV-E	93.658		3,481,518
Adoption Assistance Title IV-E	93.659		733,221
Social Services Block Grant SSBG Title XX	93.667		1,149,907
Child Abuse and Neglect Discretionary Activities	93.670		5,253
Chafee Foster Care Independence Program Title IV-E	93.674		131,872
CRF	93.747		22,926
CCRG- Child Care and Development Fund	93.750	1505273, 1672208, 59025	78,231
Block Grants for Prevention and Treatment of Substance Abuse	93.959	19 IHJA 109087 21 IHJA 159950-(Orig) 21 IHJA 1676662-(Amend)	162,803
			14,267,230
Colorado Department of Local Affairs			
Community Services Block Grant	93.569	L18CSBG06, L21CSBG06	599,684
Colorado Department of Public Health & Environment			
Public Health Emergency Preparedness	93.069	2020*232	230,153
Public Health Emergency Preparedness	93.069	2020*365	69,306
Injury Prevention and Control Research and State and Community Based Programs	93.136	CT FHLA 2021*0787	115,834
Immunization Cooperative Agreements	93.268	PO, FHCA 2022*2963	89,862
Immunization Cooperative Agreements	93.268	PO, FHJA, 202100010265	108,734
Immunization Cooperative Agreements	93.268	2020-065	78,889
Immunization Cooperative Agreements	93.268	PO, FHJA, 2021*6227	95,037
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC-1) FY21	93.323	PO, FHJA, 202000013515	2,393,353
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC-2) FY21	93.323	PO, FHJA, 202100010492	1,343,271
Centers for Disease Control and Prevention-Investigations and Technical Assistance	93.317	2021*2939	22,567
Centers for Disease Control and Prevention-Investigations and Technical Assistance	93.317	NU50CK000483	38,928
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	5 NU38OT000297; PO#: 7490	10,000
Centers for Disease Control (CDC) Heal	93.439	19 FHLA 127043	5,424
Centers for Disease Control (CDC) Heal	93.439	19 FHLA 127043	18,029
Maternal and Child Health Services Care Coordination and Child Adolescent Program	93.994	2022: 2019*3301 Amend#3 2022*0900	55,139

Boulder County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Maternal and Child Health Services Block Grant to the States	93.994	2019*2280	158,579
Immunization Cooperative Agreements (IZ CORE) FY21	96.268	2020*065	42,584
			4,875,689
Department of Health and Human Services Total			33,695,264
Department of Homeland Security			
<i>Pass-through funding</i>			
Colorado Department of Public Safety, Division of Homeland Security and Emergency Management			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Various	264,936
Disaster Grants - Wildfire	97.046		637,757
Emergency Management Performance Grants	97.042	19EM-20-06	110,000
Pre-Disaster Mitigation	97.047	17FMA19BC/17PDMBCLD	259,283
Department of Homeland Security Total			1,271,976
Department of Housing and Urban Development			
<i>Pass-through funding</i>			
Colorado Department of Local Affairs			
Community Development Block Grants - Disaster Recovery	14.269	Various	3,328,285
COVID-19 ESG CV CARES Act 21	14.231	H1ESG91227	185,993
Department of Housing and Urban Development Total			3,514,278
Department of the Interior			
<i>Direct funding</i>			
Payments in Lieu of Taxes (PILT)	15.226		439,944
Department of the Interior Total			439,944
Department of Justice			
<i>Direct funding</i>			
State Criminal Alien Assistance Program	16.606		40,616
Criminal and Juvenile Justice and Mental Health Collaboration	16.745		58,841
Criminal and Juvenile Justice and Mental Health Collaboration	16.745		41,865
Office of Juvenile Justice Delinquency Prevention (OJJDP) Reentry	16.812		195,773
Comprehensive Opioid Abuse Site-Based Program	16.838		280,212
Comprehensive Opioid Abuse Site-Based Program	16.838		51,553
Department of Justice Equitable Sharing Funds	16.922		12,329
<i>Pass-through funding</i>			
Colorado Department of Public Safety			
COVID-19 Coronavirus Emergency Supplemental Fund (CESF)	16.034	2020-VD-BX-0613	364,637
Internet Crimes Against Children	16.543	2018-MC-FX-KO27	116,942
Crime Victim Assistance	16.575	2018-VA-19-079-20/ 2019-V2-GX-0027	293,627
Crime Victim Compensation	16.576	2019-V1-GX-0048	113,152
Blue Skyridge Pinwheel Project	16.738	2018-DJ-18-03-17-1	62,914
		2017-DJ-BX-0554/2018-DJ-BX-0694/2018-MU-	
Edward Byrne Memorial Justice Assistance Program	16.738	BX-0121	120,828
Department of Justice Total			1,753,289
Department of Labor			
<i>Pass-through funding</i>			
Colorado Department of Labor and Employment			
Unemployment Insurance	17.225		26,054
Trade Adjustment Assistance	17.245		50,168
City and County of Denver			
PY21 TECP	17.268		56,286
Jefferson County			
Co Responds and Recover Colorado	17.277		416,248
<i>Employment Cluster</i>			
Colorado Department of Labor and Employment			
Employment Service/Wagner-Peyser Funded Activities	17.207		513,773
Disabled Veteran's Outreach Program (DVOP)	17.801		23,000
<i>Employment Cluster Subtotal</i>		2059,259,28C9	536,773
<i>Workforce Integration Opportunity Act Cluster</i>			
WIA Adult Program and PY20 ZOMA	17.258		475,663
WIA Youth Activities	17.259		349,706
EDW Work Based Learning and WIA Dislocated Worker Formula Grant	17.278		209,078
<i>Workforce Integration Opportunity Act Cluster Subtotal</i>			1,034,447
Department of Labor Total			2,119,976
Department of Transportation			
<i>Pass-through funding</i>			
Colorado Department of Transportation			
Highway Planning and Construction	20.205	19-HA4-XC-00019; RAQC-16-HTD-00062; 17-HA4-XC-00062; 17-HA4-XC-00007	40,968
Highway Planning and Construction	20.205	18-HA4-XC-00004	2,286,479
Highway Planning and Construction	20.205		1,110,392
Denver Regional Council of Governments			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		116,669
Department of Transportation Total			3,554,508

Boulder County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Environmental Protection Agency

Pass-through funding

Colorado Department of Public Health & Environment			
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act FY20	66.034	2018*100475 Amend 3 and 4	15,205
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act FY21	66.034	2018*100475 Amend 5	12,034
Transitioning Food and Beverage Manufacturers to Pollution Reduced Packaging	66.717	96847901 X9	83,128

Environmental Protection Agency	110,367
--	----------------

Department of the Treasury

Direct funding

COVID 19-Coronavirus Local Fiscal Recovery Funds County Allocation ARPA	21.027		961,953
COVID 19-Emergency Rental Assistance Rounds 1 and 2	21.023		5,212,677
Asset Forfeiture	21.016		35,743

Pass-through funding

Colorado Department of Local Affairs			
COVID 19-Coronavirus Aid, Relief, and Economic Security Act (CARES Act), County Allocation Round 4	21.019	Executive Order D2020 070 DOLA	20,000
Colorado Department of Labor and Employment			
COVID 19-Coronavirus Aid, Relief, and Economic Security Act (CARES Act), CWDC RUN	21.027		23,664
Colorado Department of Health and Human Services			
COVID 19-Coronavirus Aid, Relief, and Economic Security Act (CARES Act), HHS	21.019		272,936

Department of the Treasury	6,526,973
-----------------------------------	------------------

Grand Total	\$ 60,237,599
--------------------	----------------------

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, 2021

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 \$19,369,933 in federal awards during the year ended December 31, 2021. 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, 2021. 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, Assistance Listing Number (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, 2021

Child Abuse and Neglect Discretionary Activities	93.670
Guardianship Assistance	93.090

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
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 2021 were \$81,453,383.

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 \$353,231 of federally reimbursed expenses.

**BOULDER COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2021**

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? x yes 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? yes x 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)? yes x no

Identification of Major Federal Programs

Assistance Listing Numbers

10.551 & 10.561

10.923

93.778

93.563

93.323

20.205

21.023

Name of Federal Program or Cluster

Supplemental Nutrition Assistance Program

Natural Resources Conservation Services
Emergency Watershed Program

Medicaid Cluster

Child Support Services

COVID-19 Epidemiology and Laboratory Capacity
for Infectious Diseases

Highway Planning & Construction Cluster

COVID-19 Emergency Rental Assistance

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

\$ 1,807,128

Auditee qualified as low-risk auditee?

 yes x no

BOULDER COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2021

Section II – Financial Statement Findings

2021 – 001 Timeliness of Financial Reporting

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

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.

Criteria: Based on the requirement in 2 CFR 200.512, Report submission, the County is required to submit the single audit reporting package within nine months after the end of the County's year end. 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 and for filing the single audit reporting package to the Federal Audit Clearinghouse, however, was unable to file by the deadline due to delays in reconciling cash and accounts receivable.

Effect: The County is out of compliance with the requirement to file the single audit reporting package within nine months of the County's year end and 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 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.

In addition, the Financial Services Division was combined with the Budget Office in mid-2019 to create the County's Office of Financial Management. During this time, there were significant changes and turnover to key personnel involved in the financial management system conversion. The inherent time required to hire and train new staff in these positions also contributed to the delay.

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 timeliness of the processes for reconciling accounts to be in compliance with financial reporting and single audit reporting requirements.

Responsible Official: Ramona Farineau, Chief Financial Officer

BOULDER COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2021

2021 – 002 Accounts Payable

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

Condition: The accounts payable amount presented by the County did not agree to the total payables owed for contracted services as of December 31, 2021.

Criteria: Governmental Accounting Standards Board Statement No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, and subsequent amendments to this guidance define payables and provide guidance for proper valuation of these liabilities.

Context: The error was noted during testing of accounts payable which included review of a sample of payments made subsequent to year end and the service periods for those payments.

Effect: As a result of this issue, an adjustment in the Social Services Fund to increase accounts payable and expenditures by \$926,597 was required.

Cause: The County's process for identifying and recording accounts payable improperly excluded items which was not detected as part of the reconciliation over accounts payable at the end of the year.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend that the County improve the process for identifying errors during the reconciliation process over accounts payable balances at year end and improve the review process to ensure that all payables are being recorded properly.

Views of responsible officials and planned corrective actions: The County agrees with the finding. The County will improve the process for determining the items that should be reported as accounts payable and improve the review process for completeness of accounts payable at the end of the year.

Responsible Official: Ramona Farineau, Chief Financial Officer

BOULDER COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2021

2021 – 003 SEFA Presentation

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Condition: The total expenditures presented by the County on the Schedule of Expenditures of Federal Awards (SEFA) did not agree to the total amount expended by the County.

Criteria: Based on the requirements in 2 CFR § 510(b), entities receiving over \$750,000 in federal awards are required to prepare an accurate and complete SEFA.

Context: The error was noted during reconciliation of the amounts reported on the SEFA to the County's transactional detail.

Effect: The expenditures reported on the County's SEFA were overstated by \$1,451,578 and required to be corrected by this amount during the audit.

Cause: The County reported the full amount allocated to the Boulder County Housing Authority on the SEFA rather than the amount expended by the Boulder County Housing Authority on eligible and allowable costs, resulting in an overstatement of the expenditures on the SEFA.

Repeat Finding: This is not a repeat finding

Recommendation: We recommend that the County improve the process for preparing and reviewing the SEFA to ensure that expenditures are properly reported.

Views of responsible officials and planned corrective actions: The County agrees with the finding. The County will improve the process for preparing and reconciling the SEFA, particularly for expenditures relating to blended component units.

Responsible Official: Ramona Farineau, Chief Financial Officer

**BOULDER COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).



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.gov

BOULDER COUNTY, COLORADO SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED DECEMBER 31, 2021

Boulder County, Colorado respectfully submits the following summary schedule to prior audit findings for the year ended December 31, 2021.

Audit Period: 2020

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

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.

Status: Resolved.

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.

Status: See current year finding 2021-001

FINDINGS – FEDERAL AWARD PROGRAMS AUDIT

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

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.

Status: Corrective action was taken.



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.gov

BOULDER COUNTY, COLORADO CORRECTIVE ACTION PLAN YEAR ENDED DECEMBER 31, 2021

Boulder County respectfully submits the following corrective action plan for the year ended December 31, 2021.

Audit period: 2021

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

2021 – 001

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 timeliness of processes 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: July 31, 2023

2021 – 002

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

Condition: The accounts payable amount presented by the County did not agree to the total payables owed for contracted services as of December 31, 2021.

Recommendation: We recommend that the County improve the process for identifying errors during the reconciliation process over accounts payable balances at year end and improve the review process to ensure that all payables are being recorded properly.

Views of responsible officials and planned corrective actions: The county agrees with the finding and has adjusted accounts payable and expenditures accordingly. The county will improve the process for identifying accounts payable and reviewing to ensure that accounts payables are complete each year.

Responsible Official: Ramona Farineau, Chief Financial Officer

Planned completion date for corrective action plan: July 31, 2023

2021 – 003

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

Condition: The total expenditures presented by the County on the Schedule of Expenditures of Federal Awards (SEFA) did not agree to the total amount expended by the County.

Recommendation: We recommend that the County improve the process for preparing and reviewing the SEFA to ensure that expenditures are properly reported.

Views of responsible officials and planned corrective actions: The county agrees with the finding and has the Schedule of Expenditures of Federal Awards accordingly. The county will improve the process for preparing the SEFA relating to expenditures of blended component units.

Responsible Official: Ramona Farineau, Chief Financial Officer

Planned completion date for corrective action plan: July 31, 2023



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.