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Arapahoe County, Colorado

Annual Comprehensive Financial Report (ACFR) Audit
and Single Audit Presentation

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Responsibilities under US Generally Accepted Auditing Standards (GAAS)

- Auditors are responsible for:
 - Expressing opinions on whether financial statements are in conformity with U.S. Generally Accepted Accounting Principles in all material respects.
 - Expressing opinions only over information identified in our report. Other information (introductory section and statistical section) included in the annual report will be read/reviewed, but not subject to testing.
 - Performing audit in accordance with required auditing standards
 - Communication of significant matters related to audit



Responsibilities under US Generally Accepted Auditing Standards (GAAS)

- An audit in accordance with GAAS:
 - Does not relieve management of responsibilities
 - Includes consideration of internal control as basis for audit procedures, but not to opine on effectiveness of internal controls
 - Is designed to obtain reasonable, but not absolute, assurance about whether statements are free of material misstatement



Scope of the Audit

- Financial Statement Audit
 - Annual Comprehensive Financial Report (ACFR)
 - Unmodified (clean) audit opinion

- Single Audit
 - Schedule of Expenditures of Federal Awards (SEFA) - \$138.7 million in 2023



Significant Items in 2023

- American Rescue Plan Act – Federal Awards
 - State and Local Fiscal Recovery Funds - \$40.5 million
 - Emergency Rental Assistance - \$2.7 million

- Change in ending financial position
 - Governmental activities – \$30.5 million increase in net position
 - Long-term basis
 - Governmental funds - \$3.2 million increase in fund balance
 - Short-term basis - similar to budget



Significant Items in 2023

- Arapahoe County Public Health
 - Officially became an entity as of January 1, 2023
 - Presented as a discretely presented component unit of the County
 - Included in the County's ACFR but amounts and disclosures are separate from the rest of the County
- Implementation of GASB 96 for Software Subscriptions
 - Certain subscription-based software is now capitalized and shown as a long-term liability
 - Minimal impact on the overall financial position of the County



Financial Reporting Audit Findings

- No Material Weaknesses Identified
- No Significant Deficiencies Identified



Single Audit Results

Major Programs

- Community Development Block Grant- \$3.2 million
- HOME Investment Partnerships Program - \$3.1 million
- Highway Planning and Construction - \$5.2 million
- Child Care and Development Fund Cluster - \$14.9 million
- Coronavirus State and Local Fiscal Recovery Funds - \$40.5 million

Compliance / Uniform Guidance Report

- Material Weakness over Reporting in the CDBG Program
- Significant Deficiency over Special Tests and Provisions for the HOME Program

Schedule of Expenditures of Federal Awards (SEFA)

Notes to the SEFA

Schedule of Findings and Questioned Costs

Summary Schedule of Prior Audit Findings - None

Corrective Action Plan



Single Audit Findings (Federal Awards)

1. Material Weakness over Reporting in the CDBG Program
 - The Community Resources Department did not properly report subawards to the Federal Funding and Accountability Transparency Act Reporting System (FSRS).
 - The subrecipient information was properly reported after it was identified during the audit.

2. Significant Deficiency over Special Tests and Provisions for the HOME Program
 - The Community Resources Department did not complete the required inspections of the HOME-assisted rental housing units.
 - The County has contracted with external consultants to review and scheduled training for appropriate personnel to correct this issue going forward.



Required Communications

Qualitative Aspects of Accounting Practices

- Accounting Policies: Implementation of GASB 96, *Subscription-Based Information Technology Arrangements*
- Significant accounting estimates
- Financial statement disclosures

Difficulties Encountered in Performing the Audit: None

Uncorrected Misstatements: None

Corrected Misstatements: None



Required Communications (continued)

Disagreements with Management: None

Management Representations: Attached

Significant issues discussed with management prior to engagement: None

Audit of group financial statements / Quality of Component Auditor's Work

Other audit findings or issues: None

Other information in documents containing auditing financial statements

- Introductory Section and Statistical Section are unaudited

Questions?



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