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***EL PASO COUNTY PUBLIC HEALTH***  
*FEDERAL AWARDS REPORTS*  
*IN ACCORDANCE WITH THE*  
*SINGLE AUDIT ACT AND*  
*UNIFORM GUIDANCE*  
*DECEMBER 31, 2016*

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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***

Board of Health  
El Paso County Public Health  
Colorado Springs, 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 and the major fund of El Paso County Public Health (the Department), as of and for the year ended December 31, 2016, and the related notes to financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated June 22, 2017.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance And Other Matters**

As part of obtaining reasonable assurance about whether the Department's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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.

*RubinBrown LLP*

June 22, 2017

**Independent Auditors' Report On Compliance  
For The 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 Health  
El Paso County Public Health  
Colorado Springs, Colorado

**Report On Compliance For The Major Federal Program**

We have audited El Paso County Public Health's (the Department) compliance with the types of compliance requirements described in the Office of Management and Budget's (OMB) *OMB Compliance Supplement* that could have a direct and material effect on the Department's major federal program for the year ended December 31, 2016. The Department's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***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 the Department's major federal program 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* (the 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 the Department'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 the major federal program. However, our audit does not provide a legal determination of the Department's compliance.

### ***Opinion On The Major Federal Program***

In our opinion, the Department complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2016.

### **Report On Internal Control Over Compliance**

Management of the Department 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 the Department's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 the Department'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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 governmental activities and the major fund of the Department as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements. We have issued our report thereon dated June 22, 2017, 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 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 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 financial statements or to the 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 financial statements as a whole.

*RubinBrown LLP*

June 22, 2017

# EL PASO COUNTY PUBLIC HEALTH

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For The Year Ended December 31, 2016

Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>Department Of Agriculture</b>			
Passed through the Colorado Department of Public Health and Environment			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	AB16L	\$ 2,504,462
Special Supplemental Nutrition Program for Women, Infants, and Children		AB17L	635,311
Special Supplemental Nutrition Program for Women, Infants, and Children		AL16L	40,575
Special Supplemental Nutrition Program for Women, Infants, and Children		AL17L	12,899
Special Supplemental Nutrition Program for Women, Infants, and Children - Non-cash	10.557		8,537,265
<b>Total Department Of Agriculture</b>			<b>11,730,512</b>
<b>Department Of Transportation</b>			
Passed through the Colorado Department of Public Health and Environment			
Refugee TB Screening	20.600	WP16H	2,200
<b>Total Department Of Transportation</b>			<b>2,200</b>
<b>Environmental Protection Agency</b>			
Passed through the Colorado Department of Public Health and Environment			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	XK11G	819
Capitalization Grants for Drinking Water State Revolving Funds		XT11G	1,911
Total	66.468		2,730
School Safety Inspections	66.605	AT16F	39,604
PFC Groundwater Testing	66.605	AT16G	14,767
Total	66.605		54,371
<b>Total Environmental Protection Agency</b>			<b>57,101</b>
<b>Department Of Health And Human Services</b>			
Passed through the Colorado Department of Public Health and Environment			
Public Health Emergency Preparedness	93.069	HN16J	12,058
Public Health Emergency Preparedness		HW16J	283,567
Public Health Emergency Preparedness		HX17J	116,788
Total	93.069		412,413
HPP - PHEP Aligned Cooperative Programs	93.074	HF15J	61,426
HPP - PHEP Aligned Cooperative Programs		HW17J	234,666
Total	93.074		296,092
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	LN16H	7,500
Family Planning - Services	93.217	JA16L	57,875
Family Planning - Services		JA17L	28,291
Total	93.217		86,166
Immunization Cooperative Agreements	93.268	KA16H	217,153
Immunization Cooperative Agreements		KT16H	19,078
Total	93.268		236,231
Teen Suicide Prevention	93.624	ZM16L	34,412
Emergency Preparedness	93.755	WP17H	1,900
Preventive Health and Health Services Block Grant	93.758	HC15A	10,000
Preventive Health and Health Services Block Grant		HC16A	6,250
Total	93.758		16,250
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	KB16H	23,100
Maternal and Child Health Services Block Grant to the States	93.994	NC16L	336,898
Maternal and Child Health Services Block Grant to the States		NC17L	83,195
Total	93.994		420,093
<b>Total Department Of Health And Human Services</b>			<b>1,534,157</b>
<b>Total Expenditures Of Federal Awards</b>			<b>\$ 13,323,970</b>

See the accompanying notes to schedule of expenditures of federal awards.

# EL PASO COUNTY PUBLIC HEALTH

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## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2016

### 1. **Basis Of Presentation And Basis Of Accounting**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of El Paso County Public Health (the Department) and is presented on the modified accrual basis of accounting. The information in the accompanying schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in the schedule may differ from the amounts presented in, or used in, the preparation of the basic financial statements.

### 2. **Noncash Items**

The Special Supplemental Food Program for Women, Infants, and Children, CFDA No. 10.557, includes \$8,537,265 of food vouchers provided to individuals in the Department's service area, as reported by the Colorado Department of Public Health and Environment.

### 3. **Indirect Costs**

The Department has not elected to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance, Section 414.

**EL PASO COUNTY PUBLIC HEALTH**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended December 31, 2016**

**Section I - Summary Of Auditors' Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified?  yes  none noted

Noncompliance material to financial statements noted?

yes  no

**Federal Awards**

Internal control over major federal program:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified?  yes  none noted

Type of auditors' report issued on compliance for major federal program:

*Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)

yes  no

Identification of major federal program:

**CFDA Number(s)      Name Of Federal Program Or Cluster**

10.557      U.S. Department of Agriculture - Special Supplemental Nutritional Program for Women, Infants, and Children

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

\$750,000

Auditee qualified as low-risk auditee?

yes  no

**EL PASO COUNTY PUBLIC HEALTH**

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*CONTINUED*)**  
**For The Year Ended December 31, 2016**

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**Section II - Financial Statement Findings**

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There were no findings relating to the Department's financial statements that are required to be reported.

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**Section III - Federal Award Findings And Questioned Costs**

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There were no findings relating to the Department's financial statements that are required to be reported.



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**EL PASO COUNTY PUBLIC HEALTH**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For The Year Ended December 31, 2016**

**Finding 2015-001 Eligibility**

**Material Weakness In Internal Control**

**CFDA 10.557 - Special Supplemental Nutritional Program for Women, Infants, and Children (WIC)**

**Federal Agency:** U.S. Department of Agriculture

**Pass-Through Entity:** Colorado Department of Public Health and Environment

**Criteria Or Specific Requirement:** The Department is responsible for establishing internal controls over eligibility data to ensure recipients are in compliance with requirements of the grant.

**Views Of Responsible Officials And Planned Corrective Action:** El Paso County Public Health (EPCPH) has taken many actions to ensure errors are not made in WIC eligibility determinations, including significant training, individual oversight by the Colorado Department of Public Health and Environment, ongoing income verification, and additional high risk assessments during registered dietician appointments. With all of these items in place, EPCPH is confident the likelihood of errors in eligibility determination is minimal. As a result of this finding, EPCPH will put an additional control in place. A quarterly oversight of WIC educators will be performed by the registered dietitians to ensure the client provided information is correctly entered into the WIC system for a random appointment. In addition, quarterly EPCPH will select a random sample of WIC recipients who were adjunctively eligible for benefits and test to ensure the eligibility was correctly determined.

**Current Status:** Corrective action was taken. The Department has implemented new policies and procedures regarding review over eligibility determinations for the current year.