ELBERT COUNTY, COLORADO

SINGLE AUDIT REPORT

DECEMBER 31, 2019

Contents

RubinBrown

1900 16th Street
Suite 300
Denver, CO 80202

T: 303.698.1883
E: info@rubinbrown.com
www.RubinBrown.com

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

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 County Commissioners
Elbert County, Colorado
Kiowa, 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, each major fund and the aggregate remaining fund information of Elbert County, Colorado (the County), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 29, 2020.

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

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RubinBrown LLP

June 29, 2020

RubinBrown

1900 16th Street
Suite 300
Denver, CO 80202

T: 303.698.1883
E: info@rubinbrown.com
www.RubinBrown.com

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

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
Elbert County, Colorado
Kiowa, Colorado

Report On Compliance For Each Major Federal Program

We have audited Elbert County, Colorado's (the County) compliance with the types of compliance requirements described in the Office of Management and Budget's *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, 2019. The County's major federal programs are 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 condition of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the 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, Costs 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 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 the County's compliance.

Opinion On Each Major Federal Program

In our opinion, the 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, 2019.

Report On Internal Control Over Compliance

Management of the 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 the 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 the 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 were not identified. We did identify a deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a significant deficiency.

The County's responses to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and the County's corrective action plan. The 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, each major fund and the aggregate remaining fund information of the County as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated June 29, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion 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 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.

RubinBrown LLP

June 29, 2020

ELBERT COUNTY, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2019
Page 1 Of 2

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Pass-through Entity Identifying Number	Federal Expenditures	Amounts Passed Through To Subrecipients
U.S. Department Of Agriculture				
Passed through Colorado Department of Human Services				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	*	$ 72,453	$ —
Total U.S. Department Of Agriculture			72,453	—
U.S. Department Of Health And Human Services				
Passed through Colorado Department of Human Services				
Temporary Assistance for Needy Families (TANF Cluster)	93.558	*	286,175	—
Child Support Enforcement	93.563	*	73,981	—
Low Income Home Energy Assistance	93.568	*	1,756	—
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	*	44,022	—
Child Care and Development Block Grant	93.575	*	81,234	—
Total Child Care And Development Fund Cluster			125,256	—
Stephanie Tubbs Jones Child Welfare Services Program	93.645	*	13,564	—
Foster Care - Title IV-E	93.658	*	155,787	—
Social Services Block Grant	93.667	*	72,518	—
Adoption Assistance	93.659	*	37,128	—
Guardianship Assistance	93.090	*	1,100	—
Total Passed Through Colorado Department Of Human Services			767,265	—
Passed through Colorado Department of Health Care Policy and Financing				
Medical Assistance Program (Medicaid Cluster)	93.778	*	143,400	—
Total Passed Through Colorado Department Of Health Care Policy And Financing			143,400	—
Passed through Colorado Department of Public Health and Environment				
Maternal and Child Health Services Block Grant to the States	93.994	*	19,911	—
Preventive Health and Health Services Block Grant	93.991	*	2,500	—
Cooperative Agreement for Emergency Response: Public Health Crisis	93.354		2,356	—
Total Passed Through Colorado Departement Of Public Health And Environment			24,767	—
Total U.S. Department Of Health And Human Services			$ 935,432	—

* Unavailable

ELBERT COUNTY, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Pass-through Entity Identifying Number	Federal Expenditures	Amounts Passed Through To Subrecipients
U.S. Department Of Homeland Security				
Passed through the Colorado Department of Public Safety				
Division of Homeland Security and Emergency Management				
Emergency Management Performance Grant	97.042	*	$ 28,000	$ —
Total Passed Through Colorado Department Of Public Safety Division Of Homeland Security And Emergency Management			28,000	—
Total U.S. Department Of Homeland Security			28,000	—
U.S. Department Of Justice				
Direct programs				
Bureau of Justice Assistance				
State Criminal Alien Assistance Program	16.606	*	6,322	—
Bulletproof Vest Partnership Program	16.607	*	4,015	—
Total Direct Programs			10,337	—
Passed through the Colorado Division of Criminal Justice				
Crime Victim Assistance	16.575	*	6,878	—
Edward Byrne Memorial Justice Assistance Grant Program	16.738	*	12,150	—
Total Passed Through Colorado Division Of Criminal Justice			19,028	—
Total U.S. Department Of Justice			29,365	—
Total Federal Financial Assistance			$ 1,065,250	$ —

* Unavailable

1. Basis Of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal award programs of the Elbert County, Colorado (the County), for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the 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). 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 assets or cash flows of the County.

2. Summary Of Significant Accounting

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Costs

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2019

Section I - Summary Of Auditors' Results

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles in the United States of America	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	___ yes _x_ no
• Significant deficiency(ies) identified?	___ yes _x_ none reported
Noncompliance material to financial statements noted?	___ yes _x_ no
Federal Awards	
Internal control over major federal programs:	
• Material weakness(es) identified?	___ yes _x_ no
• Significant deficiency(ies) identified?	_x_ yes ___ none reported
Type of auditors' report issued on compliance for major federal programs:	Unmodified
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:

CFDA Number	Name Of Federal Program Or Cluster
93.558	Temporary Assistance for Needy Families (TANF Cluster)
93.658	Title IV-E Foster Care

Dollar threshold used to distinguish between type A and type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	_x_ yes ___ no

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(CONTINUED)*
For The Year Ended December 31, 2019

Section II - Financial Statement Findings

None

Section III - Federal Award Findings And Questioned Costs

Finding 2019-001 Significant Deficiency in Internal Control over Foster Care - Title IV-E (Foster Care) Special Tests and Provisions

CFDA# 93.658
Federal Award Identification Number: Unavailable
Federal Agency: Department of Health and Human Services
Pass-Through Entity: Colorado Department of Human Services

Criteria Or Specific Requirement: Foster Care maintenance payments are allowable only when established at a reasonable and specific amount for a time-limited period established by the Title IV-E agency to assure the rate's continuing appropriateness for the administration of the Title IV-E program (42 USC 6719a)(11);45 CFR section 1356.21(m)(1); 45 CFR section 1356.60(a)(1) and (c)).

Applicable maintenance rates should be paid in compliance with the allowable rates per the program.

The County is expected to have internal controls over the rate determinations (special tests and provisions) process that ensures only appropriate rate is paid.

Condition: The County did not have effective internal controls in place over Foster Care rate determinations for the Trails system for all periods of 2019.

Cause: The related review of maintenance payment rates for the Trails system were not in place and in service for all periods of 2019.

Effect: Due to insufficient monitoring and internal controls over compliance, the County may not timely detect an error in rate determinations related to the Trails system.

Questioned Costs: None

Context: The County has a process to review and approve rates outside of Trails; however, one of three selected case files tested did not have the documented controls for the Trails System.

Identification As Repeat Finding: 2018-001, 2017-002

Recommendation: We recommend that the Department of Human Services consider the following recommendations:

- Have the child welfare supervisor review the monthly Trails Out-of-Home Trial payroll report prior to the submittal to the State for payment each month for accuracy of rates as agreed upon in the SS23-B.

- Have the Trails maintenance rates reviewed prior to completions within trains by a Human Service staff member who is not the assigned caseworker and have them signoff as approver of the maintenance rates within the Trails system.

Views Of Responsible Officials And Planned Corrective Action: The County agrees with the finding and has put together a corrective action plan for the finding. See the corrective action plan included in this report.

ELBERT COUNTY GOVERNMENT

Finance Department
Office 303-621-3133 or 303-621-3138 Fax 303-621-2343
PO Box 7, 215 Comanche St, Kiowa, CO, 80117

CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2019

Finding 2019-001:

Corrective Action Plan: In calendar year 2020, the Elbert County Department of Human Services will continue to implement the following procedures:

- The child welfare supervisor will sign off on the monthly TRAILS Out-of-Home trial payroll report to confirm that all information is correct. If the initial payroll report is not correct, the appropriate staff member will be contacted to correct the data in TRAILS prior to sign off by the reviewing child welfare supervisor.
- The child welfare supervisor will then give the reviewed monthly TRAILS Out-of-Home trial payroll report to the Business and Finance Operations Manager who will confirm the accuracy of rates as agreed upon in the SS23-B prior to final payroll approval.

Anticipated Completion Date: July 31, 2020

Person(s) Responsible: Jerri Spear, Director

Jerri Spear,
Health and Human Services Director

Sam Albrecht.
County Manager

ELBERT COUNTY GOVERNMENT

Finance Department
Office 303-621-3133 or 303-621-3138 Fax 303-621-2343
PO Box 7, 215 Comanche St, Kiowa, CO, 80117

ELBERT COUNTY, COLORADO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For The Year Ended December 31, 2019

Finding 2018-001: Significant Deficiency in Internal Control over Foster Care - Title IV-E (Foster Care) Eligibility and Special Tests and Provisions

CFDA# 93.658
Federal Award Identification Number: Unavailable
Federal Agency: Department of Health and Human Services
Pass-Through Entity: Colorado Department of Human Services

Summary of Prior Audit Finding: The County did not have effective internal controls over Foster Care eligibility and rate determinations.

Initial Finding Report Year: 2017

Status: 2019-001 Partial Correction Action Taken. Controls over the Trails system were not fully implemented consistent with the prior year Corrective Action Plan.