

PUEBLO COUNTY

SINGLE AUDIT REPORT



FOR THE YEAR ENDING
December 31, 2023

**PUEBLO COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023**

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	1
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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 Pueblo County Commissioners
Pueblo County, Colorado
Pueblo, 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 Pueblo County, Colorado, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Pueblo County, Colorado's basic financial statements, and have issued our report thereon dated September 25, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pueblo County, Colorado'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 Pueblo County, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of Pueblo County, Colorado'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.

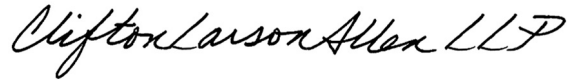
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pueblo County, Colorado’s 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 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.



CliftonLarsonAllen LLP

Broomfield, Colorado
November 6, 2024



**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 Pueblo County Commissioners
Pueblo County, Colorado
Pueblo, Colorado

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Pueblo County, Colorado's 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 Pueblo County, Colorado's major federal programs for the year ended December 31, 2023. Pueblo County, Colorado's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on COVID - 19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Pueblo County, Colorado complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on for COVID - 19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF) the year ended December 31, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Pueblo County, Colorado 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 other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2023.

Basis for Qualified and Unmodified Opinions

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 Pueblo County, Colorado 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 Pueblo County, Colorado's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on COVID - 19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)

As described in the accompanying schedule of findings and questioned costs, Pueblo County, Colorado did not comply with requirements regarding Assistance Listing No. 21.027 COVID - 19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF) as described in finding numbers 2023-003 for Procurement, 2023-004 for Subrecipient Monitoring, and 2023-005 for Suspension and Debarment.

Compliance with such requirements is necessary, in our opinion, for Pueblo County, Colorado to comply with the requirements applicable to that program.

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 Pueblo County, Colorado'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 Pueblo County, Colorado'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 Pueblo County, Colorado'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 Pueblo County, Colorado'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 Pueblo County, Colorado'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 Pueblo County, Colorado'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.

Other Matters

The results of our auditing procedures disclosed another instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-002. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-003, 2023-004, and 2023-005 to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, and 2023-006 to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on Pueblo County, Colorado's response to internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Pueblo County, Colorado's response was not subjected to the other 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 Pueblo County, Colorado as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Pueblo County, Colorado's basic financial statements. We have issued our report thereon, dated September 25, 2024, 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.



CliftonLarsonAllen LLP

Broomfield, Colorado
November 6, 2024

PUEBLO COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL ALN</u>	<u>PASS-THROUGH ENTITY'S IDENTIFYING NUMBER</u>	<u>PASS-THROUGH TO SUBRECIPIENTS</u>	<u>TOTAL FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Passed through Colorado Department of Human Services - Supplemental Nutrition Assistance Program Cluster - State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	Not available		2,020,943
Total SNAP Cluster				<u>2,020,943</u>
Food Distribution Cluster - Commodity Supplemental Food Program (Admin)	10.565	WQ33FA1ZHJQ8		119,834
Commodity Supplemental Food Program (Commodities - Non-Cash)	10.565	WQ33FA1ZHJQ8		633,791
Passed through Care & Share - Emergency Food Assistance Program (Admin)	10.569	Not available		10,000
Emergency Food Assistance Program (Food Commodities - Non-Cash)	10.569	Not available		2,317,933
Total Food Distribution Cluster				<u>3,081,558</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE				<u>5,102,501</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Passed through Colorado Department of Local Affairs - Emergency Solutions Grant	14.231	NUJ5Q3DW7U98		320,446
Passed through City of Pueblo, Colorado - Community Development Block Grant	14.218	HO2130		45,678
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				<u>366,124</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Direct Assistance - Federal Forfeiture Funds	16.922	Not available		13,010
Passed through Colorado Department of Public Safety Division of Criminal Justice - Crime Victim Assistance (DA)	16.575	2022-VA-23-171-10		30,096
Crime Victim Assistance (Sheriff)	16.575	2022-VA-23-171-10		79,057
Passed through Colorado Department of Corrections State Criminal Alien Assistance Program	16.606	15PBJA-22-RR-05305-SCAA		50,682
Passed through City of Pueblo, Colorado - Edward Byrne Memorial Justice Assistance Grant	16.738	2020-DJ-BX-0189, 2021-15PBJA-01279, 2021-DJ-22-01-37-1, 2021-DJ-22-06-8-1, 2022-15PBJA, 2022-DJ-23-06-55-1		156,726
TOTAL U.S. DEPARTMENT OF JUSTICE				<u>329,571</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Passed through Colorado Department of Transportation - National Priority Safety Programs	20.616	23NHTSA405C.4110		46,914
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				<u>46,914</u>

PUEBLO COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)
YEAR ENDED DECEMBER 31, 2023

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL ALN</u>	<u>PASS-THROUGH ENTITY'S IDENTIFYING NUMBER</u>	<u>PASS-THROUGH TO SUBRECIPIENTS</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S DEPARTMENT OF ENERGY</u>				
Passed through Colorado Office of Energy Conservation - Weatherization Assistance for Low-Income Persons	81.042	JLVGQ4E7RD53		1,098,459
TOTAL U.S. DEPARTMENT OF ENERGY				<u>1,098,459</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed through Colorado Department of Human Services - Special Programs for the Aging -				
Title VII - Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	Not available	28,129	28,129
Title III, Part D - Disease Prevention and Health Promotion Services	93.043	WQ33FA1ZHJQ8	9,242	9,242
Aging Cluster -				
Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	WQ33FA1ZHJQ8	246,510	588,125
Title III, Part C - Nutrition Services	93.045	WQ33FA1ZHJQ8	571,954	571,954
Nutrition Services Incentive Program (USDA)	93.053	Not available	72,072	72,072
Total Aging Cluster			<u>890,536</u>	<u>1,232,151</u>
Title III, Part E - National Family Caregiver Support Guardianship Assistance	93.052	WQ33FA1ZHJQ8	28,414	28,414
Temporary Assistance to Needy Families	93.090	Not available		145,135
Title IV-D, Child Support Enforcement	93.558	Not available		9,546,905
Low-Income Home Energy Assistance (DSS)	93.563	Not available		2,236,473
Low-Income Home Energy Assistance (HHS)	93.568	Not available		5,226,182
Passed through Colorado Office of Energy Conservation - Low-Income Home Energy Assistance (HHS)	93.568	JLVGQ4E7RD53		448,240
Passed through Colorado Department of Human Services - Child Care Cluster -				
Child Care & Development Block Grant	93.575	Not available		2,886,013
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	2201COCCDF, 2301COCCDF		773,865
Total Child Care Cluster				<u>3,659,878</u>
Applied Research in Child Welfare (ARCH)	93.634	Not available	34,061	34,061
Child Welfare Services-State Grants Title IV-B	93.645	Not available		142,686
Foster Care - Title IV-E	93.658	Not available		3,256,036
Adoption Assistance	93.659	Not available		1,287,554
Social Services Block Grant - Title XX	93.667	Not available		599,114
Chafee Foster Care Independence Program	93.674	Not available		60,703
COVID-19 - Elder Abuse Prevention Interventions Program	93.747	Not available		17,087
Block Grant for Community Mental Health Services	93.958	IBEH 181986		95,171
Substance Abuse Prevention and Treatment Block Grant	93.959	IBEH 181986		238,170

PUEBLO COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONT'D)
YEAR ENDED DECEMBER 31, 2023

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL ALN</u>	<u>PASS-THROUGH ENTITY'S IDENTIFYING NUMBER</u>	<u>PASS-THROUGH TO SUBRECIPIENTS</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Cont'd)</u>				
Passed through Colorado Department of Health Care Policy and Financing - Medicaid Cluster				
Single Entry Point, Medical Assistance Program	93.778	21-160395, 21- 160395A3		1,582,663
Title XIX, Medicaid Medical Assistance Program	93.778	Not available		3,306,811
Total Medicaid Cluster				<u>4,889,474</u>
Passed through Colorado Department of Local Affairs - Community Services Block Grant	93.569	Not available		306,617
Passed through Pueblo Young Womens Christian Association Family Violence Prevention and Services/Discretionary	93.592	90EV0471		5,906
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>990,382</u>	<u>33,493,328</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Passed through Colorado Department of Public Safety Division of Homeland Security & Emergency Management - Disaster Grants - Public Assistance	97.036	4498DR-CO		364,703
Passed through Colorado Department of Emergency Management - Chemical Stockpile Emergency Preparedness	97.040	EMD-2022-GR-2008		1,749,122
Homeland Security Grant	97.067	JHU3ZGFL6EJ6		355,160
Emergency Management Performance Grant	97.042	22EM-23-45; 23EM-24- 45		92,075
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>-</u>	<u>2,561,060</u>
<u>U.S. DEPARTMENT OF THE TREASURY</u>				
Direct Assistance				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not available	3,511,293	14,239,097
Local Assistance and Tribal Consistency Fund	23.032	Not available		406,623
Passed through Colorado Department of Public Safety Division of Criminal Justice - COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not available		75,413
Passed through Colorado Department of Human Services - COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	23 IBEH 178012; IBEH 181986		904,422
TOTAL U.S. DEPARTMENT OF THE TREASURY			<u>3,511,293</u>	<u>15,625,555</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 4,501,675</u>	<u>\$ 58,623,512</u>

PUEBLO COUNTY, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Pueblo County, Colorado (the County) under programs of the federal government for the year ended December 31, 2023. 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* (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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

The County has elected not to use the 10 percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

**PUEBLO COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023**

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? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported

3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? x yes _____ no
 - Significant deficiency(ies) identified? x yes _____ none reported

2. Type of auditors’ report issued on compliance for major federal programs: Unmodified for all major programs except for COVID – 19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF) 21.027

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 Number(s)	Name of Federal Program or Cluster
93.575, 93.596	Child Care and Development Fund Cluster
93.568	Low-Income Home Energy Assistance Program
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,758,705

Auditee qualified as low-risk auditee? _____ yes x no

**PUEBLO COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

2023 – 001

Federal Agency: U.S. Department of Health and Human Services

Federal Program Name: Child Care and Development Fund Cluster

Assistance Listing Number: 93.575 and 93.596

Pass-Through Agency: Colorado Department of Human Services

Pass-Through Number(s): 2201COCCDF, 2301COCCDF

Award Period: January 1, 2023 – December 31, 2023

Compliance Requirement: Eligibility

Type of Finding:

- Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: The State prepares the Colorado Child Care Assistance Program (CCAP) Quality Assurance Reviewer Guide, with specific requirements for review of case files. The County should have internal controls designed to ensure compliance with these provisions.

Condition: During our testing, we noted one out of ten cases that did not have an appropriate review. The corrective action on the error within this case file was not taken until brought up during the audit. There were no incorrect payments made.

Questioned costs: None

Context: From our sample of ten case reviews, there was one case where the review was not performed appropriately and the corrective action on the error within the case file (surrounding identification) was not taken at that time. Corrective action was not taken until 9/5/2024 when we inquired of the resolution to the error noted during the review. There were no incorrect payments made related to this error. This error was corrected on 9/5/2024.

Cause: The individual responsible for the case did not resolve the error when brought to their attention after the case review in November 2023.

Effect: The case file did not have the correct identification verification on file.

Repeat Finding: No

**PUEBLO COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Recommendation: We recommend the County review controls and procedures surrounding the follow-up by individual case managers surrounding errors noted on their case review to ensure corrective action is taken in a timely manner.

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

2023 – 002

Federal Agency: U.S. Department of Health and Human Services

Federal Program Name: Low-Income Home Energy Assistance Program

Assistance Listing Number: 93.568

Pass-Through Agency: Colorado Department of Human Services, Colorado Office of Energy Conservation

Pass-Through Number(s): JLVGQ4E7RD53

Award Period: January 1, 2023 – December 31, 2023

Compliance Requirement: Eligibility

Type of Finding:

- Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: Per Colorado Regulation 3.755.17 - Archiving Case Files, the County is responsible for archiving 3 program years plus the current program year files.

Condition: During our testing, we noted one out of forty case files the County was unable to locate.

Questioned costs: None

Context: The County was unable to locate the case file for one of the selected individuals for eligibility testing.

Cause: The County is in the process of scanning in old case files as was unable to locate the selected case file.

Effect: The County was unable to locate the case file.

Repeat Finding: No

Recommendation: CLA recommends the County review controls and procedures surrounding file storage/retention to ensure files are being archived in accordance with Colorado Regulation 3.755.17 - Archiving Case Files.

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

PUEBLO COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

2023 – 003

Federal Agency: U.S. Department of the Treasury

Federal Program Name: COVID - 19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)

Assistance Listing Number: 21.027

Federal Award Identification Number and Year: None identified

Award Period: March 3, 2021 – December 31, 2024

Compliance Requirement: Procurement

Type of Finding:

- Material Weakness in Internal Control over Compliance
- Material Noncompliance (Modified Opinion)

Criteria or specific requirement: Non-federal entities other than states, including those operating federal programs as subrecipients of states, must follow the procurement standards set out at 2 CFR sections 200.318 through 200.326. They must use their own documented procurement procedures, which reflect applicable state and local laws and regulations, provided that the procurements conform to applicable federal statutes and the procurement requirements identified in 2 CFR Part 200. This procurement process must be documented with proper supporting documentation.

Condition: The County did not have proper procurement documentation available for the contracts tested in the audit.

Questioned costs: None

Context: Seven of the seven contracts tested did not have the proper supporting documentation to demonstrate that procurement procedures were followed in accordance with the County's procurement policy.

Cause: The contracts were in process before the funding was assigned to the projects and there was turnover at the County.

Effect: Failure to document the procurement process exposes the County to the risk that the County's procurement policy was not followed before the contracts were awarded.

Repeat Finding: Yes, repeat of prior year finding 2022-003.

Recommendation: CLA recommends the County follow their internal procurement policy procedures and keep documentation of such procedures to ensure compliance with the federal procurement requirements.

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

PUEBLO COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

2023 – 004

Federal Agency: U.S. Department of the Treasury

Federal Program Name: COVID - 19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)

Assistance Listing Number: 21.027

Federal Award Identification Number and Year: None identified

Award Period: March 3, 2021 – December 31, 2024

Compliance Requirement: Subrecipient Monitoring

Type of Finding:

- Material Weakness in Internal Control over Compliance
- Material Noncompliance (Modified Opinion)

Criteria or specific requirement: Per 2 CFR 200.331(a) states that all pass-through entities must ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. Required information includes, federal award identification, subrecipient name, subrecipient's DUNS number, federal award identification number (FAIN), federal award date, subaward start and end date, amount of federal funds obligated, total amount of federal award, federal award project description, name of federal awarding agency, Assistance Listing (CFDA) number and name, identification of whether the award is R&D and indirect cost rate for federal award.

Per 2 CFR 200.303, requires that non-federal entities receiving federal awards establish and maintain internal control designed to reasonably ensure compliance with federal statutes, regulations, and the terms and conditions of the federal award. Effective internal control should include procedures to ensure required information is communicated prior to the issuance of the subaward.

Per 2 CFR 200.331(a)(1), pass-through entities must evaluate each subrecipient's risk of noncompliance to determine the appropriate level of monitoring of the subrecipient.

Per 2 CFR 200.332(d) through (f), pass-through entities must monitor the activities of the subrecipient, which includes reviewing financial reports required by the pass-through entity.

Condition: During our testing, we noted subrecipients tested had required information omitted from the sub agreements to the subrecipients including Assistance Listing (CFDA) title and number, subrecipient's DUNS number, Federal Award Identification Number (FAIN), identification of whether the award is research and development, and indirect cost rate for federal award. Subrecipients tested did not have evidence of the County's evaluation of the risk of noncompliance by the subrecipients, nor was there evidence of monitoring of annual audits for the subrecipients. Internal checklists that aid in compliance were missing for certain subrecipients. Quarterly reports were also not submitted to the County by the subrecipients subsequent to funding.

Questioned costs: None.

**PUEBLO COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Context: Five out of the five subrecipients did not include required information in subaward agreements issued to subrecipients and lacked evidence of both the evaluation of risk of noncompliance of the subrecipient and monitoring of annual audits for the subrecipients. One of the five subrecipients was missing an internal checklist that is signed by the County Manager. Five of the five subrecipients were provided the funding at the beginning of the grant award period and no required quarterly reports were submitted to the County subsequent to funding.

Cause: Lack of sufficient controls in place to ensure that subrecipient agreements contain all required information and are monitored appropriately.

Effect: Failure to communicate required information and to adequately monitor the subrecipients could result in subrecipients not properly administering the federal programs in accordance with federal regulations.

Repeat Finding: Yes, repeat of prior year finding 2022-004.

Recommendation: CLA recommends that the County review its procedures for communicating information to subrecipients and implement the procedures necessary to ensure information is included in the subrecipient award documents at time of funding and that appropriate monitoring is performed for each subrecipient.

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

2023 – 005

Federal Agency: U.S. Department of the Treasury

Federal Program Name: COVID - 19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)

Assistance Listing Number: 21.027

Federal Award Identification Number and Year: None identified

Award Period: March 3, 2021 – December 31, 2024

Compliance Requirement: Suspension and Debarment

Type of Finding:

- Material Weakness in Internal Control over Compliance
- Material Noncompliance (Modified Opinion)

Criteria or specific requirement: Per 2 CFR 200.303, requires that non-federal entities receiving federal awards establish and maintain internal control designed to reasonably ensure compliance with federal statutes, regulations, and the terms and conditions of the federal award. Effective internal controls should include procedures in place to ensure the required certifications for covered contracts and subawards are received, documented, and contracts are not made with a debarred or suspended party.

Condition: During our testing of six covered transactions, we noted all vendors and subawards did not have proper supporting documentation for suspension and debarment procedures for vendors.

Questioned costs: None.

**PUEBLO COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023**

Context: All six covered transaction tested did not have proper supporting documentation for suspension and debarment procedures.

Cause: Lack of sufficient controls in place to ensure that suspension and debarment checks were performed prior to entering into contracts.

Effect: Failure to obtain the required certifications or perform verification procedures with the SAM could result in the payment of federal funds to vendors that are suspended or debarred from participation in federal assistance programs.

Repeat Finding: Yes, repeat of prior year finding 2022-005.

Recommendation: CLA recommends the County obtain certifications from vendors stating their organization is not suspended, debarred, or otherwise excluded from participation in federal assistance programs or document the procedures performed to verify the vendor is not identified as suspended or debarred on SAM.

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

2023 – 006

Federal Agency: U.S. Department of the Treasury

Federal Program Name: COVID - 19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)

Assistance Listing Number: 21.027

Federal Award Identification Number and Year: None identified

Award Period: March 3, 2021 – December 31, 2024

Type of Finding:

- Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award requires compliance with allowable costs and activities. The County should have internal controls designed to ensure compliance with these provisions, including review of expenditure detail when preparing the Scheduled of Expenditures of Federal Awards (SEFA).

Condition: The County did not identify SLFRF expenditures associated with revenue replacement funds until after the SEFA was prepared.

Questioned costs: None

Context: The County had support behind the overall totals reported in aggregate on the SEFA for the SLFRF program, but the specific expenditure detail was not readily available. The County had to go back through and put together expenditure level detail to support the amounts reported on the SEFA. The County worked with an ARPA consultant for the \$10 million revenue replacement, but did not have a listing of related expenditures until we brought this up during the audit.

PUEBLO COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

Cause: The County did not have proper procedures in place to support amounts reported on the SEFA for the SLFRF program.

Effect: The County did not identify SLFRF expenditures associated with revenue replacement funds until after the SEFA was prepared.

Repeat Finding: No

Recommendation: We recommend the County review its controls and procedures in place surrounding tracking detail of federal expenditures.

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

**PUEBLO COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2023**

Pueblo County respectfully submits the following summary schedule of prior audit findings for the year ended December 31, 2023.

Audit period: 2022

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

2022 – 001

Condition: For the Single Entry Point program, unearned revenue was understated by \$739,481 and revenue was overstated by the same amount at December 31, 2021. In addition, at December 31, 2022, a state grant's deferred outflows were overstated and unearned revenue was understated by \$668,555.

Status: This was not a repeat finding for the 2023 fiscal year audit.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

2022 – 002 Medicaid Cluster

Condition: Expenditures originally reported on Schedule of Expenditures of Federal Awards for the year ended December 31, 2021 were understated. In the fiscal year ended December 31, 2022, \$1,389,172 of prior year expenditures associated with the Medicaid Cluster were included in the schedule of expenditures of federal awards.

Status: This was not a repeat finding for the 2023 fiscal year audit.

2022 – 003 SLFRF – Procurement

Condition: The County did not have proper procurement documentation available for the contracts tested in the audit.

Status: See current year finding at 2023 – 003.

Reason for finding's recurrence: The contracts were in process before the funding was assigned to the projects.

Corrective Action: The County will implement new policies and procedures to ensure that all expenditures of American Rescue Plan (APRA) funds will follow the procurement guidelines outlined in the US Treasury rules and regulations as well as County procurement policies.

**PUEBLO COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2023**

2022 – 004 SLFRF – Subrecipient Monitoring

Condition: During our testing, we noted subrecipients tested had required information omitted from the sub agreements to the subrecipients including Assistance Listing (CFDA) title and number, subrecipient's DUNS number, Federal Award Identification Number (FAIN), identification of whether the award is research and development, and indirect cost rate for federal award. Subrecipients tested did not have evidence of the County's evaluation of the risk of noncompliance by the subrecipients, nor was there evidence of monitoring of annual audits for the subrecipients. Internal checklists that aid in compliance were missing for certain subrecipients. A subrecipient was provided the funding at the beginning of the grant award period and no required quarterly reports were submitted to the County subsequent to funding.

Status: See current year finding at 2023 – 004.

Reason for finding's recurrence: The subrecipient agreements were already in place from 2022 and no amendments were made to the agreements with the required information.

Corrective Action: The County will ensure that all subrecipients of American Rescue Plan (APRA) funds are monitored by using appropriate subrecipient monitoring procedures to ensure compliance with the grant awarded throughout the contract period.

2022 – 005 SLFRF – Suspension & Debarment

Condition: During our testing of five covered transactions (three vendors and two subawards), we noted all three vendors did not have proper supporting documentation for suspension and debarment procedures for vendors.

Status: See current year finding at 2023 – 005.

Reason for finding's recurrence: Contract addendums were not made to existing contracts regarding the signed certification for debarment.

Corrective Action: The County will ensure that any entity that receives American Rescue Plan (APRA) funding is not suspended or debarred as well as ensure that they are registered on SAM.gov before any funds are disbursed by the County. An addendum is being added to all current and new contracts that will require signed certification from the vendors/contractors related to debarment and registration with SAM.gov.

Questions regarding this schedule, please call Sherri Crow at 719-583-6544.

**PUEBLO COUNTY, COLORADO
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2023**

Pueblo County, Colorado respectfully submits the following corrective action plan for the year ended December 31, 2023:

Audit period: 2023

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

None.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

U.S. Department of Health and Human Services

2023-001 Child Care and Development Fund Cluster – Assistance Listing No. 93.575 and 93.596

Recommendation: CLA recommends the County review controls and procedures surrounding the follow-up by individual case managers surrounding errors noted on their case review to ensure corrective action is taken in a timely manner.

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

Action taken in response to finding: The County will develop and implement new policy and procedures to ensure that follow-through with correction of monthly childcare review error findings occur in a timely manner.

All Child Care Eligibility Technicians will be retrained on the process for follow-up on their cases. When errors are found, the technician will have 10 working days to correct the error and the Supervisor will have five days to follow-up on corrections.

Supervisor will keep all findings and follow-up due dates and completions on an excel spreadsheet in share point.

Child Care Supervisor will provide excel spreadsheet with findings, follow-up dates, and completions to Administrator on a monthly basis.

Names of the contact persons responsible for corrective action: Gina Wilburn – Colorado Child Care Assistance Program Supervisor, Tracy Brown – Family Services Division Administrator, and Russell Guerrero – Family Services Division Deputy Director

Planned completion date for corrective action plan: January 1, 2025

**PUEBLO COUNTY, COLORADO
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2023**

2023-002 Low-Income Home Energy Assistance – Assistance Listing No. 93.568

Recommendation: CLA recommends the County review controls and procedures surrounding file storage/retention to ensure files are being archived in accordance with Colorado Regulation 3.755.17 - Archiving Case Files.

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

Action taken in response to finding: We have completed the transfer of all our previous files and now scanning all new and current cases into a new database called Papervision. Each permanent technician will be responsible to scan their own cases into the database.

Name of the contact person responsible for corrective action: Samantha Contreras

Planned completion date for corrective action plan: New database has been implemented as of September 2024

U.S. Department of the Treasury

2023-003 COVID-19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF) – Assistance Listing No. 21.027

Recommendation: CLA recommends the County follow their internal procurement policy procedures and keep documentation of such procedures to ensure compliance with the federal procurement requirements.

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

Action taken in response to finding: The County will implement new policies and procedures to ensure that all expenditures of American Rescue Plan (APRA) funds will follow the procurement guidelines outlined in the US Treasury rules and regulations as well as County procurement policies for any new ARPA contracts. Most all of the 2023 expenditures were part of contracts that were already in place when the 2022 findings came out in September 2023 so this could not be corrected.

Name of the contact person responsible for corrective action: Sherri Crow, Director of Budget and Finance

Planned completion date for corrective action plan: December 1, 2024

**PUEBLO COUNTY, COLORADO
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2023**

2023-004 COVID-19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF) – Assistance Listing No. 21.027

Recommendation: CLA recommends that the County review its procedures for communicating information to subrecipients and implement the procedures necessary to ensure information is included in the subrecipient award documents at time of funding and that appropriate monitoring is performed for each subrecipient.

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

Action taken in response to finding: The County will ensure that all subrecipients of American Rescue Plan (APRA) funds are monitored by using appropriate subrecipient monitoring procedures to ensure compliance with the grant awarded throughout the contract period. This process was started in 2024 as part of the 2022 Corrective Action plan and many of the subrecipients were in compliance for 2023. Due to a change in personnel early in 2024 this was not followed up on until later in the year.

Name of the contact person responsible for corrective action: Sherri Crow, Director of Budget and Finance

Planned completion date for corrective action plan: December 1, 2024

2023-005 COVID-19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF) – Assistance Listing No. 21.027

Recommendation: CLA recommends the County obtain certifications from vendors stating their organization is not suspended, debarred, or otherwise excluded from participation in federal assistance programs or document the procedures performed to verify the vendor is not identified as suspended or debarred on SAM.

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

Action taken in response to finding: The County has ensured that any entity that receives American Rescue Plan (APRA) funding is registered on SAM.gov before any funds are disbursed by the County. An addendum will be added to all current and new contracts that will require signed certification from the vendors/contractors related to debarment and registration with SAM.gov.

Name of the contact person responsible for corrective action: Sherri Crow, Director of Budget and Finance

Planned completion date for corrective action plan: February 1, 2025

**PUEBLO COUNTY, COLORADO
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2023**

2023-006 COVID-19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF) – Assistance Listing No. 21.027

Recommendation: CLA recommends the County review its controls and procedures in place surrounding tracking detail of federal expenditures.

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

Action taken in response to finding: ARPA expenditures were processed and tracked by three different individuals for 2023 and part of 2024 and there were some inconsistencies in the process. This is no longer the case and the process has been streamlined for more efficiency.

Name of the contact person responsible for corrective action: Sherri Crow, Director of Budget and Finance

Planned completion date for corrective action plan: December 1, 2024

Questions regarding this plan, please call Sherri Crow at 719-583-6544.