
Minutes of the Board of County Commissioners Special Meeting held on
September 28, 2020 at 1:30 PM in the Conejos County Board Room, 6683
County RD 13, Conejos, CO. 81129

Call the meeting to order:

Chrmn. Jarvies called the meeting to order at 1:30 PM.

Roll Call: Mitchell Jarvies- Chrmn. -Present
Steve McCarroll-Vice Chair-Present
Carlos Garcia-Vice Chair-Present
Tressesa Martinez- County Admn. Present

Also present was AnnaBelle Gomez, Deputy Clerk and Recorder.

Pledge of Allegiance: Chrmn. Jarvies led everyone in the Pledge of Allegiance.

Prayer: Chrmn. Jarvies gave the opening prayer.

Approval of Agenda

Motion to approve the agenda as presented: Comm. Garcia/Second: Comm. McCarroll, all in favor.

3-0 Motion carried unanimously.

Wall, Smith & Bateman-Conejos County 2019 Audit Presentation

Kim started with the Independent Auditor's Report; they do go through and remind them that they have audited the financials for the year ended December 31, 2019. There is a letter from them stating that they have followed the standards of their profession which are established by a National Organization and their job is to go through their system of internal control and make sure they have a good understanding. They get different areas to audit. They don't look at 100% of the transactions but they try to look at the higher risk areas. Because they have so much federal money they have to do additional compliance audit work; they do that with Nick at DSS and his group. This is an unmodified opinion which is what you want to have.

Jessica started out with Government wide statement; this is where they add in capital assets. Total Current Assets- 10,045.229, total non-

current assets- 6.3 million, total assets 16 million, current liabilities of 1.1 million, total non-current liabilities-391,000, for a total of 1.5 million.

Deferred Inflows of Resources-Current-Unavailable Revenue- Property Tax of 1.8 million; total net position of 13 million; they are net positions are restricted 6.0 million, and unrestricted is 6.5 million.

Statement of Activities: This is the income statement. They have added a depreciation expense and back out any capital assets. Total Government activities they have expenses of 12.9 million, Charges for Services 1.4 million, Operating Grants and Contributions almost 8 million, this shows that the county could not operate without taxes, we would have had a negative 3.5 million. They had a total General Revenues of 3.7 million which they did increase change in Net Position by 178,000.

Balance Sheet:

Total assets- 10 Million

Total Liabilities- almost a Million

Deferred Inflows of Resources- 1.7 Million

Fund Balance of almost -7.3 Million

General Fund- 2.7 Million

Road and Bridge - 2.4 Million

Social Services- 1.1 Million

Public Health Fund- 594,000

Other Governmental Funds- 394,000 - which includes the 2 Contingency Funds and the PILT Fund.

Comm. Garcia asked about inflows of resources. Wanted to know if those are taxes that people have not paid up to this point. The answer was that those taxes are assessed but not collected until 2020; those off set each other.

Income Statement:

Total Revenues: 13.1 Million

Total Expenditures of 12.8 Million

Other Financing Sources- 142,000

With an increase of 409,000

Net change in Fund Balance:

General Fund- 81,000

Road and Bridge - 641,00

Social Service Fund- 140,000

Public Health Fund- Decreased by 407,000 (497,000 OLTC Payback; which took a lot of years to accumulate that amount.)

Other Governmental Funds- 116,000

Comm. Garcia asked to explain Reconciliation of Total Government Fund Balances to the Statement of Net Position.

The answer to that was if the county was run as a business in full, to get back to those numbers they would have to do a reconciliation from the fund statements and add in all those items to capital assets long term liabilities. That shows how they get that.

Statement of Fiduciary Assets and Liabilities

Cash and Cash Equivalents- County Treasurer 1.78 million that the county has but owed to others - 108,000 from the Jail Commissary (Biggest entity is South Conejos School District because of their audit so the Treasurer had to hold on to those funds; everybody that the county collects funds such as towns, special districts- by the 10th of next month the Treasurer has to release those funds.

Notes to the Basic Financial Statements

If you come back to the notes this lays it out in a more detailed manner.

They did have a stewardship which was the Lodging Tax Fund; that exceeded appropriations by 915.00 during 2019 so they will get a letter. They spent more that they budgeted for.

Capital Assets- This is shown in detail which is a good monitoring tool to see where they are at.

Long Term Debt- These is the capital lease which shows 5 year lease.

Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual: Didn't have any over budgets other than Lodging Tax but it was very minimal.

Comm. Garcia asked if they could go over the Variances. The explanation was that they budgeted for 3.5 million; they collected more than they budgeted for by 522,000. Total expenditures they budgeted 4.5 million they spent 4.3 million so they were under budget by 208,000

Schedule of Expenditures of Federal Awards: Because the county has so much federal money coming through additional compliance procedures are required. Page 34 shows a list of all the federal monies that are extended throughout the year which shows the total of 1.8 million.

They do a risk assessment on that money; they look over a certain amount. The two programs that they audited this year were the TANF Cluster which was 407,000 and the Medical Cluster which was 404,000. The two letters talk about additional compliance; did not go over those in detail. Page 42 shows a recap of the audit results. They did issue an unmodified opinion on this financial statement. As far as internal controls on those financial statements we do have a material weakness identified. They did not have any significant deficiencies or non-compliance materials to financial statements. If you have your over budget by 100,000 that would be material non-compliance but 900 out of 40,000 is not material so it doesn't get recorded. On the Federal Awards which is TANF and Medicaid they did not identify any material weaknesses on those programs, they issued an un-modified report on the compliance on those programs; those require a lot of file, payroll, and disbursing testing to make sure that those funds are spent. Page 43 shows a repeat of the findings on financial statements through the last few years. They have a typical control finding which is not unusual for small government but it is something that they continue to work on; it is the amount of journal entries. There are monthly and yearly reconciliation procedures and specifically in the Sheriff's Department that weren't sufficient. There is the capital asset in the inventory listings that need a little bit more work. In the Sheriff's Department it is the outside housing that they have not used a great mechanism to maintain documentation to how those are figured; another area is the year end reconciliation on the ambulance. Right now it is a cash basis of accounting; there is a timing issue. The revenue is very consistent. By adding accounts receivable it will allow it to be monitored a little bit better. Concerning the outside 3rd party sometimes they make decisions on writing things off; they don't tend to follow the policies. Monitoring that accounts receivable will let you know how they are doing. That is not a finding but they do feel that there are controls over the monitoring on the ambulance; it is that extra level of monitoring. In 2018 they did have a governance comment that there was a little bit of issues in the monitoring.

The board had a small discussion on who makes those calls as far as write-offs on the ambulance. County Admn. Tressesa stated that they would probably bring them to the board; she will check with Debra. Tressesa then mentioned that they might end the contract with the 3rd party billing company because Debra has to spend a lot of time following up.

Kim stated that they do have a Corrective Action Plan letter from them; this gives them the avenue to talk about problems that they come

up during the audit. They are happy to report that they did not have any problems even with the COVID situation. The county's management was so accommodating. They were able to get what they needed.

Tressesa, mentioned that she had sent the board a response to the Corrective Action Plan which includes policies and procedures, Year-end accruals and Capital assets.

Kim stated that this a required letter from the Board. The oversight agency is the Federal Agency with the most money invested here that is why it says U.S. Department of Health and Human Services. The whole packet will be submitted to the Federal Audit Clearinghouse in the next couple of days. Health and Human Services will review the audit. They will get back to you if there are any issues; but usually you don't hear from them.

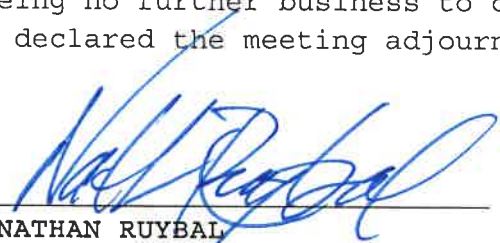
The Board thanked everyone for working together; knowing it wasn't easy this year with the restrictions that were in place and getting it done before the deadline even though they extended it.

Motion to accept the audit as presented: Comm. McCarroll/Second: Comm. Garcia, all in favor.

3-0 Motion carried.

There being no further business to come before the Board, Chrmn. Jarvies declared the meeting adjourned.

ATTEST:


NATHAN RUYBAL
CLERK OF THE BOARD


MITCHELL JARVIES
CHRMN. BD OF COUNTY COMM.