

PARK COUNTY, COLORADO
FEDERAL AWARDS REPORT IN ACCORDANCE
WITH THE UNIFORM GUIDANCE

December 31, 2017

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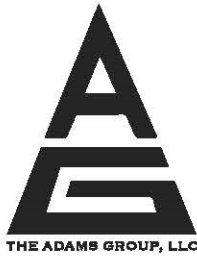
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Office of the State Auditor

July 30, 2018

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CERTIFIED PUBLIC ACCOUNTANTS

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*

To the Board of County Commissioners
Park County, 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, each major fund, and the aggregate remaining fund information of Park County, Colorado, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Park County, Colorado's basic financial statements and have issued our report thereon dated June 26, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Park County, Colorado'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 Park County, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of Park 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 may exist that have not been identified.

Compliance and Other Matters

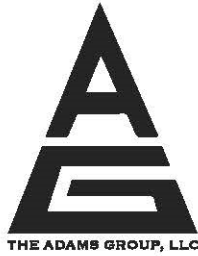
As part of obtaining reasonable assurance about whether Park County, Colorado's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and 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.

June 26 , 2018
Denver, Colorado

The Adams Group, LLC



CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Board of County Commissioners
Park County, Colorado

Report on Compliance for Each Major Federal Program

We have audited Park County, Colorado's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of Park County, Colorado's major federal programs for the year ended December 31, 2017. Park County, Colorado'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 conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Park County, Colorado'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, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and 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 Park County, Colorado'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 Park County, Colorado's compliance.

Opinion on Each Major Federal Program

In our opinion, Park 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 major federal programs for the year ended December 31, 2017.

Report on Internal Control Over Compliance

Management of Park County, Colorado, 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 Park County, Colorado'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 Park County, Colorado'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 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.

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, each major fund, and the aggregate remaining fund information of Park County, Colorado, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Park County, Colorado's basic financial statements. We issued our report thereon dated June 26, 2018, 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 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.

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.

June 26, 2018
Denver, Colorado

The Adams Group, LLC

Park County, Colorado
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2017

Program Description	CDFA #	Pass-through Entity Identifying Number	2017 TOTAL EXPENDITURES	EXPENDITURES TO SUBRECIPIENTS
U.S. DEPARTMENT OF AGRICULTURE				
Passed through the Colorado Department of Human Services				
Special Supplemental Nutrition Program for Women Infants, and Children	10.557	*	\$ 74,279	\$ -
Special Supplemental Nutrition Program for Women Infants, and Children	10.557	*	42,091	
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	*	116,457	
Emergency Food Assistance Program (Administrative Costs) (Food Distribution Cluster)	10.569	*	2,030	2,030
Total U.S. Department of Agriculture			234,857	2,030
U.S. DEPARTMENT OF INTERIOR				
National Heritage Area Federal Financial Assistance	15.939	P17AC00218	89,583	18,304
National Heritage Area Federal Financial Assistance	15.939	P16AC00745	80,856	47,277
Total U.S. Department of Interior			170,439	65,581
U.S. DEPARTMENT OF JUSTICE				
Crime Victim Assistance	16.575	2015-VX-15-009644-11	816	
Crime Victim Assistance	16.575	2015-VX-16-013729-11	45,939	
Total U.S. Department of Justice			46,755	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through the Colorado Department of Health And Environment				
Public Health Emergency Preparedness	93.069	*	6,212	
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	*	2,762	
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	*	33,838	
Immunization Cooperative Agreements	93.268	*	5,139	
Maternal and Child Health Services Block Grant to the States	93.994	*	11,454	
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	*	11,569	
Passed through the Colorado Department of Human Services				
Child Support Enforcement	93.563	*	94,134	
Low-Income Home Energy Assistance	93.568	*	1,535	
Temporary Assistance for Needy Families (TANF Cluster)	93.558	*	250,266	
Child Care and Development Block Grant	93.575	*	59,608	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	*	20,186	
Total CCDF Cluster			79,794	
Stephanie Tubbs Jones child Welfare Services Program	93.645	*	3,960	
Foster Care - Title IV-E	93.658	*	150,767	
Adoption Assistance	93.659	*	29,662	
Social Services Block Grant	93.667	*	59,496	
Medical Assistance Program (Medicaid Cluster)	93.778	*	156,888	
Guardianship Assistance	93.090	*	1,047	
Total U.S. Department of Human Services			898,523	-
NATIONAL ENDOWMENT FOR ARTS & HUMANITIES				
Passed through the Colorado Department of Education				
Grants to States	45.310	*	10,950	
Total National Endowment for Arts & Humanities			10,950	-
U.S. Department of Homeland Security				
Passed through Colorado Office of Emergency Management				
Emergency Management Performance Grant	97.042	17EM-18-48	32,000	
Total U.S. Department of Homeland Security			32,000	-
Total Federal Financial Assistance			\$ 1,393,524	\$ 67,611

* Pass through grant number not available

PARK COUNTY, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A General

The accompany Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Park County, Colorado primary government (the County).

The County's reporting entity is defined in Note 1 to the County's basic financial statements. All federal assistance received by the primary government directly from federal agencies, as well as federal financial assistance passed through other government agencies, including the State of Colorado, is included on the schedule. In addition, federal financial assistance awarded directly to eligible County Social Services recipients via Electronic Benefits Transfer (EBT) is also included in the schedule. The State of Colorado issues EBT to the eligible County recipients. Only the federal amount of such pass through awards and EBT is included in the schedule.

Note B Basis of Presentation

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 Park, County, Colorado, it is not intended to and does not present the financial position of the operations of Park County, Colorado, and it is not intended to and does not present the financial position, changes in net assets, or cash flows of Park County, Colorado.

Note 3 Summary of Significant Accounting Policies

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.

Note 4 Indirect Costs

Park County, Colorado has not elected to use the 10 percent de Minimis indirect cost rate as allowed under the Uniform Guidance.

Note 5 Noncash Programs

Certain federal assistance programs do not involve cash awards of the County. Of the federal expenditures presented in the accompany schedule of federal awards, noncash award programs include the following:

Special Supplemental Nutrition Program for Women, Infants, and Children	CFDA No. 10.557	\$ 74,279
Emergency Food Assistance Program	CFDA No. 10.569	2,030

PARK COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended December 31, 2017

Section II Findings - Financial Statement Findings

None

PARK COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended December 31, 2017

Section III Findings – Federal Award Findings and Questioned Costs

None

PARK COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2016

Section IV Findings – Summary Schedule of Prior Year Findings and Questioned Costs

Finding:	2016-001
Initial Year Finding Occurred	2016
Condition:	The County did not provide document that County personnel verified that the vendor was not suspended or debarred. In addition, was there was no language in the contracts pertaining to suspension and debarment.
Status:	Fully implemented