

MONTROSE COUNTY, COLORADO
REPORT ON SINGLE AUDIT
YEAR ENDED DECEMBER 31, 2019

**MONTROSE COUNTY, COLORADO
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2019**

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 <i>GOVERNMENT AUDITING STANDARDS</i>	1
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, AND REPORT ON THE SCHEDULE OF PASSENGER FACILITY CHARGES REVENUES AND EXPENDITURES REQUIRED BY THE UNIFORM GUIDANCE AND THE PASSENGER FACILITY CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES	3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	6
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	9
SCHEDULE OF PASSENGER FACILITY CHARGES REVENUES AND EXPENDITURES	10
NOTES TO SCHEDULE OF PASSENGER FACILITY CHARGES REVENUES AND EXPENDITURES	11
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	12



**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
Montrose 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 activity, each major fund, and the aggregate remaining fund information of Montrose 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 16, 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 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
June 16, 2020



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, AND REPORT ON THE SCHEDULE OF PASSENGER FACILITY CHARGES REVENUE AND EXPENDITURES REQUIRED BY THE UNIFORM GUIDANCE AND THE PASSENGER FACILITY CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES

Board of County Commissioners
Montrose County, Colorado

Report on Compliance for Each Major Federal Program and Passenger Facility Charge Program

We have audited Montrose County, Colorado's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs and its compliance with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the Guide), issued by the Federal Aviation Administration for its passenger facility charge program 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 conditions of its federal awards applicable to its federal programs and to its passenger facility charge program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and on its passenger facility charge program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, 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) and the Guide. Those standards, the Uniform Guidance, and the Guide 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 or the passenger facility charge 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 and on the passenger facility charge program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program and Passenger Facility Charge 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 and on the passenger facility charge program 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 and on the passenger facility charge 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 the passenger facility charge program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the Guide, 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 or the passenger facility charge 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 or the passenger facility charge 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 or the passenger facility charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the Guide. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and Schedule of Passenger Facility Charges Revenues and Expenditures Required by the Guide

We have audited the financial statements of the governmental activities, the business-type activity, 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 issued our report thereon dated June 16, 2020, 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 and schedule of passenger facility charges revenues and expenditures are presented for purposes of additional analysis as required by the Uniform Guidance and the Guide and are 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 and the schedule of passenger facility charges are fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Broomfield, Colorado
June 16, 2020

**MONTROSE COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2019**

Agency/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures	Total by Program & Agency
Department of Health and Human Services:					
<i>Passed Through Colorado Department of Human Services:</i>					
IV-E Relative Guardianship	93.090	N/A	\$ N/A	\$ 20,684	
Temporary Assistance for Needy Families - Cluster	93.558	N/A	N/A	913,583	
Child Support Enforcement	93.563	N/A	N/A	592,101	
Low-Income Home Energy Assistance	93.568	N/A	N/A	572,311	
<i>Child Care & Development Block Grant Cluster</i>					
Child Care Development Funds - Discretionary Funds	93.575	N/A	N/A	284,790	
Child Care Development Funds	93.596	N/A	N/A	<u>382,865</u>	
<i>Child Care & Development Block Grant Cluster Total</i>				667,655	
Child Welfare Services - State Grants	93.645	N/A	N/A	51,191	
Foster Care - Title IV -E	93.658	N/A	N/A	473,760	
Adoption Assistance	93.659	N/A	N/A	252,666	
Social Services Block Grant	93.667	N/A	N/A	108,347	
Chafee Foster Care Independence (IV-E)	93.674	N/A	N/A	<u>17,205</u>	
Subtotal					\$ 3,669,503
<i>Passed Through Colorado Department of Public Health & Environment:</i>					
Health Care Coalition	93.069	N/A	N/A	21,079	
Emergency Preparedness	93.074	N/A	N/A	37,923	
Family Planning - Core Services	93.217	N/A	N/A	60,168	
Federal Portion of Immunization Grant	93.539	N/A	N/A	15,345	
STD Prevention Systems Federal Non-Cash Assistance	93.977	N/A	N/A	4,216	
Maternal & Child Health Services Block Grants to States - Kid's Thrive	93.994	N/A	N/A	<u>57,857</u>	
Subtotal					196,588
<i>Passed Through Colorado Department of Healthcare Policy & Financing:</i>					
<i>Medicaid Cluster</i>					
Medical Assistance Program	93.778	N/A	N/A	470,234	
Medical Assistance Program - Single Entry Point	93.778	N/A	N/A	<u>317,013</u>	
<i>Medicaid Cluster Total</i>				787,247	
Healthy Communities Outreach	93.767	N/A	N/A	<u>17,387</u>	
Subtotal					804,634
<i>Direct Programs - Health Resources and Services Administration:</i>					
Rural Communities Opioid Response Program	93.912	N/A	N/A	<u>6,450</u>	
Subtotal					<u>6,450</u>
Total Department of Health & Human Services					4,677,175

See accompanying Notes to Schedule of Expenditures of Federal Awards.

MONTROSE COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

Agency/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures	Total by Program & Agency
Department of Agriculture:					
<i>Passed Through Colorado Department of Human Services:</i>					
<i>SNAP Cluster</i>					
Federal Incentives for Food Stamp Program	10.551	N/A	\$ N/A	\$ 8,128	
State Admin Matching Grants for Supplemental Nutrition Program	10.561	N/A	N/A	<u>397,274</u>	
<i>SNAP Cluster Total</i>				405,402	
Subtotal					\$ 405,402
<i>Passed Through Colorado Department of Public Health & Environment:</i>					
<i>Special Supplemental Nutrition Program</i>					
WIC Amount Redeemed by Participants within the WIC/ASPENS System	10.557	N/A	N/A	683,183	
Women, Infants, and Children Program	10.557	N/A	N/A	<u>269,303</u>	
Subtotal				952,486	
<i>Forest Service Schools and Roads Cluster</i>					
Title I - Secure Rural School Funding	10.665	N/A	N/A	<u>283,430</u>	
Subtotal					<u>1,235,916</u>
Total Department of Agriculture					1,641,318
Department of Housing and Urban Development:					
<i>Passed Through Colorado Department of Local Affairs, Division of Housing:</i>					
<i>Housing Emergency Recovery Act -</i>					
Community Development Block Grant	14.228	F15CDB14597	156,611	<u>156,611</u>	
Total Department of Housing & Urban Development					156,611
Department of Homeland Security:					
<i>Passed Through Governors Office of Homeland Security:</i>					
<i>Emergency Management Performance Grant</i>					
Subtotal	97.042	N/A	N/A	<u>45,000</u>	45,000
<i>Passed Through Transportation Security Administration:</i>					
<i>Airport Security</i>					
Subtotal	97.090	N/A	N/A	<u>32,208</u>	<u>32,208</u>
Total Department of Homeland Security					77,208
Department of Justice:					
<i>Direct Programs:</i>					
<i>Bulletproof Vest Partnership Program</i>					
Subtotal	16.607	N/A	N/A	<u>4,364</u>	4,364

See accompanying Notes to Schedule of Expenditures of Federal Awards.

MONTROSE COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

Agency/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures	Total by Program & Agency
Department of Justice (Continued):					
<i>Passed Through Colorado Department of Justice:</i>					
Victims of Crime Act	16.575	N/A	\$ N/A	\$ 10,000	
Subtotal				<u>10,000</u>	\$ 10,000
Total Department of Justice					14,364
Department of Transportation:					
<i>Direct Programs - Federal Aviation Administration:</i>					
<i>Airport Improvement Program</i>					
Approaches Land Acquisition	20.106	N/A	N/A	1,852	
Hopkins Field Runway Rehabilitation	20.106	N/A	N/A	76,390	
MTJ Terminal Expansion	20.106	N/A	N/A	102,779	
Apron Taxiway Fillets Expansion	20.106	N/A	N/A	980,113	
Subtotal				<u>1,161,134</u>	1,161,134
<i>Passed Through Colorado Department of Transportation:</i>					
<i>Highway Planning and Construction Cluster</i>					
Highway Planning and Construction	20.205	N/A	N/A	71,458	
Highway Planning and Construction Cluster Total				<u>71,458</u>	
Subtotal					<u>71,458</u>
Total Department of Transportation					1,232,592
Total Expenditures of Federal Awards					<u>\$ 7,799,268</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

MONTROSE COUNTY, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2019

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Montrose County, Colorado (the County) under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of 2 CFR 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 assets, or cash flows of the County.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule 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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Amounts reported in the Schedule of Expenditures of Federal Awards are recognized on the modified accrual basis when they become a demand on current available federal resources and eligibility requirements are met, except in the following programs, which are reported in the Schedule of Expenditures of Federal Awards on the cash basis:

Federal Incentives for Food Stamp Program	10.551
SNAP Admin	10.561
IV-E Relative Guardianship	93.090
Temporary Assistance for Needy Families Cluster	93.558
Child Support Enforcement IV-D Admin	93.563
Low-Income Home Energy Assistance	93.568
CCDF Cluster	93.575, 93.596
Child Welfare Services-State Grants	93.645
Foster Care-Title IV-E	93.658
Adoption Assistance	93.659
Social Services Block Grant	93.667
Chafee Foster Care Independence Program	93.674
Medicaid Cluster	93.778

The County has declined to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 OTHER INFORMATION

The County participates in the Food Assistance Benefits/EBT program under CFDA 10.551. The County performs some administrative duties on behalf of the State. The State distributed \$5,456,815 in benefits which are not reflected on the schedule of expenditures of federal awards for the County as the program's compliance requirements are the responsibility of the State.

**MONTROSE COUNTY, COLORADO
SCHEDULE OF PASSENGER FACILITY CHARGES REVENUES AND EXPENDITURES
YEAR ENDED DECEMBER 31, 2019**

UNLIQUIDATED PFC REVENUE - BEGINNING OF YEAR	\$ -
PFC REVENUES	
Revenues Collected from Carriers	604,294
Interest Earned	1,473
Total PFC Revenues	<u>605,767</u>
PROJECTED EXPENDITURES - CURRENT YEAR AND APPLICATION TO PRIOR YEAR'S CAPITAL PROJECTS	<u>(605,767)</u>
UNLIQUIDATED PFC REVENUES - END OF YEAR	<u><u>\$ -</u></u>

See accompanying Notes to Schedule of Passenger Facility Charges Revenues and Expenditures.

MONTROSE COUNTY, COLORADO
NOTES TO SCHEDULE OF PASSENGER FACILITY CHARGES REVENUES AND EXPENDITURES
YEAR ENDED DECEMBER 31, 2019

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of passenger facility charges revenues and expenditures includes agreements entered into directly between the County and the Federal Aviation Administration. It is presented in accordance with the requirements of the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration in September 2000 using the accrual basis of accounting.

NOTE 2 PASSENGER FACILITY CHARGES

Revenue consists of passenger facility charges and investment earnings on restricted cash related to passenger facility charges. Expenditures consist of FAA approved projects expended in the current and prior years and are reported when projects are complete.

**MONTROSE COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019**

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 that are not considered to be material weakness(es)? | _____ 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? | _____ yes | ___X___ no |
| • Significant deficiency(ies) identified? | _____ yes | ___X___ none reported |
| 2. Type of auditors’ report issued on compliance for major federal programs: | Unmodified | |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.156(a)? | _____ yes | ___X___ no |

Passenger Facility Charges

- | | | |
|---|------------|-----------------------|
| 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. Material noncompliance noted? | _____ yes | ___X___ no |

**MONTROSE COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019**

Section I – Summary of Auditors’ Results (Continued)

Identification of Major Federal Programs

<u>CFDA Number</u>	<u>Name of Federal Program of Cluster</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
93.558	Temporary Assistance for Needy Families (TANF)

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

\$ 750,000

Auditee qualified as low-risk auditee?

 X yes no

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

No findings noted.

Section III – Findings and Questioned Costs – Passenger Facility Charges

No findings noted.