

MONTROSE COUNTY, COLORADO
REPORT ON SINGLE AUDIT
YEAR ENDED DECEMBER 31, 2021



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**MONTROSE COUNTY, COLORADO
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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 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 activities, each major fund, and the aggregate remaining fund information of Montrose County, Colorado (the County), as of and for the year ended December 31, 2021, 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 14, 2022.

Report on 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) 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 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*.

The County's Response to Findings

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

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 14, 2022



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

Board of County Commissioners
Montrose County, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Montrose County, Colorado's (the County) 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 the County's major federal programs for the year ended December 31, 2021. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the 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, 2021.

Basis for Opinion on Each Major Federal Program

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 the County 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 the County's compliance with the compliance requirements referred to above.

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 the County'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 the County'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 the County'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 the County'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 the County'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 the County'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.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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, each major fund, and the aggregate remaining fund information of the County as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 14, 2022, 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.



CliftonLarsonAllen LLP

Broomfield, Colorado
June 14, 2022



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF PASSENGER FACILITY CHARGES REVENUES AND EXPENDITURES REQUIRED BY THE PASSENGER FACILITY CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES

Board of County Commissioners
Montrose County, Colorado

Report on Compliance

Opinion on Compliance with the Passenger Facility Charge Program

We have audited Montrose County, Colorado's (the County) compliance with the compliance requirements described in the *Passenger Facility Charge Audit Guide* for Public Agencies, issued by the Federal Aviation Administration (the Guide) for its passenger facility charge program, for the year ended December 31, 2021.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that are applicable to its Passenger Facility Charge Program for the year ended December 31, 2021.

Basis for Opinion

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 Guide. Our responsibilities under those standards and the Guide are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County 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. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

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 the County's Passenger Facility Charge Program.

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 the County'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 Guide 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 the County's compliance with the requirements of the Passenger Facility Charge Program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guide, 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 the County'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 the County'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 Guide, but not for the purpose of expressing an opinion on the effectiveness of the County'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.

Report on 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 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 compliance requirement 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

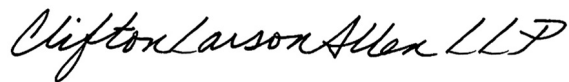
Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

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.

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 and the Guide. Accordingly, this report is not suitable for any other purpose.

Report on 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 activities, each major fund, and the aggregate remaining fund information of the County as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 14, 2022, 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 passenger facility charges revenues and expenditures is presented for purposes of additional analysis as required by the Guide 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 passenger facility charges revenues and expenditures is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Broomfield, Colorado
June 14, 2022

MONTROSE COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures	Total by Agency
Department of Health and Human Services:					
<i>Passed Through Colorado Department of Human Services:</i>					
Guardianship Assistance	93,090	N/A	\$ -	\$ 27,911	
Promoting Safe and Stable Families Program	93,556	N/A	-	28,607	
Temporary Assistance for Needy Families	93,558	N/A	-	879,881	
<i>Temporary Assistance for Needy Families Cluster Total</i>				<u>879,881</u>	
Child Support Enforcement	93,563	N/A	-	536,873	
Low-Income Home Energy Assistance	93,568	N/A	-	671,563	
<i>Child Care & Development Block Grant Cluster</i>					
Child Care Development Funds - Discretionary Funds	93,575	N/A	-	243,091	
Child Care Development Funds	93,596	N/A	-	413,366	
<i>Child Care & Development Block Grant Cluster Total</i>				<u>656,457</u>	
Child Welfare Services	93,645	N/A	-	87,420	
Foster Care - Title IV -E	93,658	N/A	-	659,344	
Adoption Assistance	93,659	N/A	-	313,342	
Social Services Block Grant	93,667	N/A	-	105,093	
Chafee Foster Care Independence (IV-E)	93,674	N/A	-	35,645	
Elder Abuse Prevention Interventions	93,747	N/A	-	6,931	
Subtotal				<u>6,931</u>	\$ 4,009,067
<i>Passed Through Colorado Department of Public Health & Environment:</i>					
Public Health Emergency Preparedness	93,069	FLWT HW19CJ	-	43,140	
Immunization Cooperative Agreements	93,268	IMM-Core-JG20CH	-	232,056	
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93,323	FHJA,202000013624	-	338,369	
STD Prevention and Control Grants	93,977	N/A	-	40	
Maternal & Child Health Services Block Grants to States - Kid's Thrive	93,994	MCH ND20FL	-	33,539	
Subtotal				<u>33,539</u>	647,144
<i>Passed Through Colorado Department of Healthcare Policy & Financing:</i>					
<i>Medicaid Cluster</i>					
Medical Assistance Program	93,778	N/A	-	503,906	
Medical Assistance Program - Single Entry Point	93,778	21-160390	-	291,395	
<i>Medicaid Cluster Total</i>				<u>795,301</u>	
Subtotal					795,301
Total Department of Health & Human Services					5,451,512

See accompanying Notes to Schedule of Expenditures of Federal Awards.

MONTROSE COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures	Total by 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	\$ -	\$ 7,272	
State Admin Matching Grants for Supplemental Nutrition Program	10.561	N/A	-	<u>438,212</u>	
<i>SNAP Cluster Total</i>				445,484	
Subtotal					\$ 445,484
<i>Passed Through Colorado Department of Public Health & Environment:</i>					
Special Supplemental Nutrition Program WIC Amount Redeemed by Participants within the WIC/ASPENS System	10.557	N/A	-	596,620	
Women, Infants, and Children Program	10.557	WIC-AB4-DOA	-	<u>289,276</u>	
Subtotal				885,896	
<i>Forest Service Schools and Roads Cluster</i>					
Title I - Secure Rural School Funding	10.665	N/A	-	<u>231,988</u>	
<i>Forest Service Schools and Roads Cluster Total</i>				231,988	
Subtotal					<u>1,117,884</u>
Total Department of Agriculture					1,563,368
Department of Housing and Urban Development:					
<i>Passed Through Colorado Department of Local Affairs, Division of Housing:</i>					
Housing Emergency Recovery Act - Community Development Block Grant	14.228	F15CDB14597	377,000	<u>377,000</u>	
Total Department of Housing & Urban Development					377,000
Department of Homeland Security:					
<i>Passed Through Governors Office of Homeland Security:</i>					
COVID-19 - Emergency Management Performance Grant	97.042	EMPG/LEMS 18EM-19-44	-	<u>47,000</u>	
Subtotal					47,000
<i>Passed Through Transportation Security Administration:</i>					
Airport Security	97.090	HSTS02-16-H-SLR642	-	<u>40,150</u>	
Subtotal					<u>40,150</u>
Total Department of Homeland Security					87,150
Department of Justice:					
<i>Direct Programs:</i>					
Bulletproof Vest Partnership Program	16.607	N/A	-	<u>5,205</u>	
Subtotal					5,205

See accompanying Notes to Schedule of Expenditures of Federal Awards.

MONTROSE COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures	Total by Agency
Department of Justice (Continued):					
<i>Passed Through Colorado Department of Justice:</i>					
Victims of Crime Act	16,575	N/A	\$ -	\$ 23,362	
Subtotal					\$ 23,362
Total Department of Justice					28,567
Department of Transportation:					
<i>Direct Programs - Federal Aviation Administration:</i>					
<i>Airport Improvement Program</i>					
MTJ Terminal Expansion	20,106	3-08-0043-052-2020	-	853,720	
MTJ Terminal Expansion	20,106	3-08-0043-056-2021	-	1,509,060	
COVID-19 - Airport Rescue Program	20,106	3-08-0044-013-2022	-	6,557	
COVID-19 - Airport Coronavirus Relief Grant	20,106	3-08-0043-054-2021	-	1,432,474	
COVID-19 - Airport Project	20,106	3-08-0043-053-2020	-	894,399	
Subtotal					4,696,210
Total Department of Transportation					4,696,210
Department of the Interior					
<i>Direct Programs:</i>					
Payments in Lieu of Taxes	15,226	N/A	-	2,783,457	
Total Department of the Interior					2,783,457
U.S. Small Business Administration					
<i>Direct Programs:</i>					
COVID-19 - Shuttered Venue Operators Grant Program	59,075	N/A	-	181,316	
Total Department of Transportation					181,316
Department of the Treasury					
<i>Passed Through Colorado Department of Local Affairs:</i>					
COVID-19 - Coronavirus Relief Fund	21,019	CVRF CM-127	-	166,384	
Subtotal					166,384
<i>Passed Through Colorado Department of Public Health & Environment:</i>					
COVID-19 - Coronavirus Relief Fund	21,019	N/A	-	2,700	
Subtotal					2,700
Total COVID-19 - Coronavirus Relief Fund					169,084
Total Department of the Treasury					169,084
Total Expenditures of Federal Awards			\$ 377,000		\$ 15,337,664

See accompanying Notes to Schedule of Expenditures of Federal Awards.

MONTROSE COUNTY, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2021

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, 2021. 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 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 the cost principles contained in the Uniform Guidance for all awards with the exception of ALN 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. 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
Supplemental Nutrition Program	10.561
Guardianship Assistance	93.090
Promoting Safe and Stable Families Program	93.556
Temporary Assistance for Needy Families	93.558
Child Support Enforcement	93.563
Low-Income Home Energy Assistance	93.568
Child Care & Development Block Grant Cluster	93.575, 93.596
Child Welfare Services	93.645
Foster Care – Title IV-E	93.658
Adoption Assistance	93.659
Social Services Block Grant	93.667
Chafee Foster Care Independence (IV-E)	93.674
Elder Abuse Prevention Interventions	93.747
Medicaid Cluster	93.778

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

MONTROSE COUNTY, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2021

NOTE 3 OTHER INFORMATION

The County participates in the Food Assistance Benefits/EBT program under ALN 10.551. The County performs some administrative duties on behalf of the State. The State distributed \$16,348,991 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, 2021

UNLIQUIDATED PFC REVENUE - BEGINNING OF YEAR	\$ 125,144
PFC REVENUES	
Revenues Collected from Carriers	788,772
Interest Earned	71
Total PFC Revenues	<u>788,843</u>
PROJECTED EXPENDITURES - CURRENT YEAR AND APPLICATION TO PRIOR YEAR'S CAPITAL PROJECTS	<u>(871,900)</u>
UNLIQUIDATED PFC REVENUES - END OF YEAR	<u><u>\$ 42,087</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
DECEMBER 31, 2021

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. Unliquidated PFC revenue at year-end is included in the upcoming 2022 FAA PFC application.

**MONTROSE COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021**

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? | ___X___ yes | _____ 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, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Findings and Questioned Costs – Passenger Facility Charges

Our audit did not disclose any matters required to be reported in accordance with 14 CFR 158.

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