

Federal Awards Reports In Accordance With the
Single Audit Act and the Uniform Guidance
December 31, 2020
OURAY COUNTY, COLORADO

OURAY COUNTY, COLORADO
Table of Contents
December 31, 2020

	<u>Page(s)</u>
Independent Auditor's 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	1-2
Independent Auditor's 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	3-4
Schedule of Expenditures of Federal Awards	5-6
Notes to the Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	8-9



INDEPENDENT AUDITOR’S 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
Ouray, 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, each major fund and the aggregate remaining fund information of Ouray County (the County) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated August 5, 2021.

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 opinion 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.

Blair and Associates, P.C.

Cedaredge, Colorado
August 5, 2021



Independent Auditor’s Report on Compliance for The Major Federal Program and Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Board of County Commissioners
Ouray, Colorado

Report on Compliance for the Major Federal Program

We have audited Ouray County’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 for the year ended December 31, 2020. The County’s major federal programs are identified in the summary of auditor’s 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the compliance for each of the County’s major federal 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; 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 the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the 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 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. However, our audit does not provide a legal determination of the County’s compliance.

Opinion on the Major Federal 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 for the year ended December 31, 2020.

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 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 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 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 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, each major fund and the aggregate remaining fund information of the County, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated August 5, 2021, 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.

Blair and Associates, P.C.

Cedaredge, Colorado
August 5, 2021

OURAY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2020

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Numbers	Pass-Through Entity Identifying Number	Major Program	Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through Colorado Department of Health Care Policy and Financing Medical Assistance program	93.778	*	No	\$ 77,864
Passed Through Colorado Department of Public Health and Environment:				
Public Health Emergency Preparedness	93.069	*	No	13,516
Childhood Immunization	93.268	*	No	5,709
ELC Funds COVID Related	93.323	*	No	56,991
EPR Covid Funds	93.354	*	No	32,362
Maternal and Child Health Services Block Grant	93.994	*	No	5,175
Passed Through Colorado Department of Human Services				
Guardianship Assistance Recovery	93.090	*	No	386
Temporary Assistance to Needy Families	93.558	*	No	55,382
Promoting safe and stable Families	93.556	*	No	728
Child Support Enforcement (Title IV-d)	93.563	*	No	17,753
Child Care and Development Block Grant	93.575	*	No	14,854
Child Care mandatory and Matching Funds of the Child Care and Development fund and Development Block Grant	93.596	*	No	8,141
Child Welfare Services - State Grants	93.645	*	No	18
Foster Care - Title IV-E	93.658	*	No	44,609
Adoption Assistance	93.659	*	No	1,515
Social Services Block Grant	93.667	*	No	3,738
Total Department of Health and Human Services				\$ 338,741

OURAY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2020

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Numbers	Pass-Through Entity Identifying Number	Major Program	Expenditures
DEPARTMENT OF AGRICULTURE				
Passed Through Colorado Department of Health Services:				
State Administrative matching Grants for Food Stamp program	10.561	*	No	\$ 39,494
Passed Through Colorado Department of Public Health and Environment:				
Special Supplemental Nutrition program for Women, Infants, and Children	10.557	*	No	25,670
Special Supplemental Nutrition program Women Infants and Children - Non Cash	10.557	*	No	9,580
Total Department of Agriculture				<u>\$ 74,744</u>
DEPARTMENT OF HOMELAND SECURITY				
Passed Through Colorado Department of Local Affairs:				
Emergency Management Performance	97.042	*	Yes	\$ 40,000
				<u>\$ 40,000</u>
DEPARTMENT OF TREASURY				
Passed through Colorado Department of Local Affairs				
COVID-19 Coronavirus Relief Fund	21.019	CVRF CM-051	Yes	\$ 208,183
Passed Through Colorado Department of Human Services				
COVID-19 Coronavirus Relief Fund	21.019	*	Yes	45,017
Passed Through Colorado Department of Public Health and Environment:				
COVID-19 Coronavirus Relief Fund	21.019	*	Yes	46,349
				<u>\$ 299,549</u>
Total federal award expenditures				<u>\$ 753,034</u>

Ouray County, Colorado
Notes to Schedule of Expenditures of Federal Awards
December 31, 2020

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Ouray County, Colorado (the County) under programs of the federal government for the year ended December 31, 2020. The information 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 or changes in net position or fund balance of the County.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County's summary of significant accounting policies is presented in Note 1 in the County's basic financial statements. Amounts reported in the Schedule are recognized on the modified accrual basis when they become a demand on current available federal resources and eligibility requirements are met, or on the accrual basis at the time liabilities are incurred and all eligibility requirements are met, depending on the basis of accounting used by the respective fund except for the following programs, which are reported in the schedule of expenditures of federal awards on the cash basis:

SNAP Cluster	10.551 & 10.561
Temporary Assistance for Needy Families Cluster	93.558
Child Support Enforcement	93.563
CCDF Cluster	93.575 & 93.596
Stephanie Tubbs Jones Child Welfare Services Program	93.645
Foster Care Title IV-E	93.658
Adoption Assistance	93.659
Social Services Block Grant	93.667
Medicaid Cluster	93.778

When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COSTS RATE

The County has elected to not use the 10% de minimus indirect cost rate on the major programs, as allowed under the Uniform Guidance.

NOTE D – HUMAN SERVICE PROGRAMS

The County's Department of Human Services operates several federally funded human services programs where benefits are provided to qualified citizens. The benefit distribution method consists of participants receiving benefits using a state-maintained electronic banking card (EBT) instead of the County's cash disbursements. The Colorado Department of Human Services provided total EBT authorizations to qualified citizens in the County.

Ouray County, Colorado
Notes to Schedule of Finding and Questioned Costs
December 31, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified	None Noted
Significant deficiency identified	None Reported
Noncompliance material to financial statements noted	None Noted

Federal Awards

Internal Control over major programs:	
Material weakness identified	None Noted
Significant deficiency identified	None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	None Noted

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.019	COVID-19 Coronavirus Relief Fund
97.042	Emergency Management Performance

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	No

Ouray County
Notes to Schedule of Finding and Questioned Costs
December 31, 2020

SECTION II — FINDINGS RELATED TO FINANCIAL STATEMENTS

There are no findings related to the financial statements as required by Government Auditing Standards.

SECTION III — FINDINGS RELATED TO FEDERAL AWARDS

None noted in the current year audit.

Note: There was no prior year audit findings related to financial statements and federal awards.