

FEDERAL FINANCIAL ASSISTANCE REPORTS

Kit Carson County
Schedule of Expenditures of Federal Awards By Grant
For the Year Ended December 31, 2019

<i>Federal Grantor/Program or Cluster Title</i>	<i>CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures</i>
477 Cluster-Cluster			
Department of Health and Human Services			
Temporary Assistance for Needy Families (477 Cluster - Version 2)	93.558	Colo Dept. of Human Services	\$ 160,444
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (477 Cluster - Version 2)	93.596	Colo Dept. of Human Services	2,387
<i>Total Department of Health and Human Services</i>			<u>162,831</u>
Total 477 Cluster-Cluster			<u>162,831</u>
CCDF Cluster-Cluster			
Child Care and Development Block Grant	93.575	Colo Dept. of Human Services	5,313
Total CCDF Cluster-Cluster			<u>5,313</u>
Medicaid Cluster-Cluster			
Department of Health and Human Services			
Medical Assistance Program- Single Entry Point	93.778	Colo Dept. of Health Care Policy and Financing,19-110332	122,265
Medical Assistance Program	93.778	Colo Dept. of Health Care Policy and Financing	61,956
<i>Total Department of Health and Human Services</i>			<u>184,221</u>
Total Medicaid Cluster-Cluster			<u>184,221</u>
SNAP Cluster-Cluster			
United States Department of Agriculture			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Colo Dept. of Human Services	49,962
<i>Total United States Department of Agriculture</i>			<u>49,962</u>
Total SNAP Cluster-Cluster			<u>49,962</u>
Other Programs			
United States Department of Justice			
Crime Victim Assistance	16.575	Colo Dept. of Justice	63,422
<i>Total United States Department of Justice</i>			<u>63,422</u>
Department of Health and Human Services			
Public Health Emergency Preparedness	93.069	Colo Dept. of Public Health and Environment	28,139
Guardianship Assistance	93.090	Colo Dept. of Human Services	21,136
Family Planning Services	93.217	Colo Dept. of Public Health and Environment	15,231
Immunization Cooperative Agreements	93.268	Colo Dept. of Public Health and Environment	999
Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	93.426	Colo Dept. of Public Health and Environment	16,124
Promoting Safe and Stable Families	93.556	Colo Dept. of Human Services	69,244
Child Support Enforcement	93.563	Colo Dept. of Human Services	50,925
Low-Income Home Energy Assistance	93.568	Colo Dept. of Human Services	2,828
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Colo Dept. of Human Services	699
Foster Care Title IV-E	93.658	Colo Dept. of Human Services	99,691
Adoption Assistance	93.659	Colo Dept. of Human Services	3,648
Social Services Block Grant	93.667	Colo Dept. of Human Services	49,223
Organized Approaches to Increase Colorectal Cancer Screening	93.800	Colo Dept. of Public Health and Environment	100
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	Colo Dept. of Public Health and Environment,WWC	1,341
Preventive Health and Health Services Block Grant	93.991	Colo Dept. of Public Health and Environment	22,500
Maternal and Child Health Services Block Grant to the States	93.994	Colo Dept. of Public Health and Environment	10,024
<i>Total Department of Health and Human Services</i>			<u>391,852</u>
United States Department of Agriculture			
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Colo Dept. of Public Health and Environment	85,167
<i>Total United States Department of Agriculture</i>			<u>85,167</u>
Total Other Programs			<u>540,441</u>
Total Expenditures of Federal Awards			<u>\$ 942,768</u>

The accompanying notes are an integral part of this schedule

HAMBLIN AND ASSOCIATES, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants

23720 Pondview Place
Golden, CO 80401

(303) 694-2727

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
Kit Carson 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 Kit Carson 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 July 21, 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.

Board of County Commissioners
Kit Carson County, Colorado

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.

Hamblin and Associates

July 21, 2020
Golden, Colorado

HAMBLIN AND ASSOCIATES, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants

23720 Pondview Place
Golden, CO 80401

(303) 694-2727

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of County Commissioners
Kit Carson County, Colorado

Report on Compliance for Each Major Federal Program

We have audited Kit Carson 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County'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 the 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 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. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, Kit Carson 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, 2019.

Board of County Commissioners
Kit Carson County, Colorado

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.

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.

Hamblin and Associates

July 21, 2020
Golden, Colorado

KIT CARSON COUNTY
Schedule of Findings and Questioned Costs
Year Ended December 31, 2019

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: unmodified

Internal control over financial reporting:

- Material weaknesses identified? no
- Significant deficiencies identified? none reported

Noncompliance material to financial statements noted? no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? no
- Significant deficiencies 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 2 CFR section 200.516(a)? no

Identification of Major Federal Programs

CFDA Numbers	Name of Federal Program
93.658	Foster Care – Title IV-E
93.563	Child Support Enforcement
93.558	Temporary Assistance for Needy Families Cluster
93.556	Promoting Safe and Stable Families

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? yes X no

KIT CARSON COUNTY
Schedule of Findings and Questioned Costs
Year Ended December 31, 2019

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

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



BOARD OF COUNTY COMMISSIONERS
KIT CARSON COUNTY
PO BOX 160
BURLINGTON CO 80807-0160

PH: 719-346-8139 (304)
FX: 719-346-7242

Gary Koop,
District 1 Commissioner
Cory Wall,
District 2 Commissioner
Dave Hornung,
District 3 Commissioner

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2019**

The County submits the following summary schedule of prior audit findings for the year ended December 31, 2019. The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

Section II – Financial Statement Findings

2017-001

Condition: The summary of cash and investment balances held by the County differed from the Semi-Annual Treasurer's report for the same period. It was subsequently determined that the amount reported was materially correct, but it was evident that the reconciliations done by the Treasurer's office were not being done timely.

Status: Resolved for the year ending December 31, 2017

Section III – Findings and Questioned Costs – Major Federal Programs

2017-002

Federal Agency: U.S. Department of Health and Human Services
Federal Program Title: Social Services Block Grant
CFDA Number: 93.667
Pass-Through Agency: Colorado Department of Human Services

Condition: The County administers a local Social Services program as authorized by the State of Colorado through its Department of Human Services. The Department submits information to the State to facilitate social services of behalf of eligible individuals to be funded through the State benefit system. As these benefits are not disbursed at the County level, there is no benefit related grant revenue or expense reported locally. The County is allocated a percentage of the State's Social Services Grant funding based on the State's allocation formula. The County also submits, for State review, administrative costs related to the County's Social Services program. These costs are submitted through the State's CFMS system.

BOARD OF COUNTY COMMISSIONERS

KIT CARSON COUNTY
PO BOX 160
BURLINGTON CO 80807-0160

PH: 719-346-8139 (304)
FX: 719-346-7242

The County was asked to provide preexisting support for amounts submitted to the State of Colorado for administrative reimbursement through the CFMS system. After numerous attempts to obtain support for the amounts submitted for reimbursement through the Social Services Block Grant, including clarification of what was needed, the County was unable to locate and provide the supporting documentation reconciling program level general ledger expenditures to program level amounts reported on the CFMS claims. While the County was able to provide documentation that tied some of the amounts reported on the general ledger to the monthly reimbursement claims, significant additional analysis was required by the auditors to develop an estimated supported amount of expenditures. While immaterial, we also noted some inconsistency in the categorization of expenditures reported through CFMS from month to month which made reconciliation more difficult.

To facilitate expenditure testing while attempting to obtain information related to specific costs being submitted for reimbursement through the CFMS system, the County's Department of Human Services overall administrative expenditures were tested. The Department utilizes the same processes and procedures for all costs incurred throughout the Department. Based on this testing, the Department of Human Services administrative costs appear to be adequately supported and, in general, costs appear to comply with federal grant activities allowed, allowable costs and cost principles relative to the Human Services grant programs being administered. However, allocations to specific grant programs could not be tested as the Department's general ledger is not consistent with external reporting through CFMS and therefore direct costs charged by grant could not be determined.

Status: Resolved for the year ending December 31, 2017

2017-003

Federal Agency: U.S. Department of Health and Human Services
Federal Program Title: Social Services Block Grant
CFDA Number: 93.667
Pass-Through Agency: Colorado Department of Human Services

Condition: As the County submits claims for reimbursement of costs, they are required to provide support verifying that the costs submitted were incurred prior to the date of the request. As noted in Finding 2017-002, as the County could not substantiate, and it could not be determined through additional audit procedures, a complete record of costs that were being submitted to generate the monthly claim reimbursement, evidence of when those charges were incurred could also not be supported.

Status: Resolved for the year ending December 31, 2017

BOARD OF COUNTY COMMISSIONERS

KIT CARSON COUNTY
PO BOX 160
BURLINGTON CO 80807-0160

PH: 719-346-8139 (304)
FX: 719-346-7242

2017-004

Federal Agency: U.S. Department of Health and Human Services

Federal Program Title: Medical Assistance Program

CFDA Number: 93.778

Pass-Through Agency: Colorado Department of Human Services and Colorado Department of Health Care Policy and Financing

Condition: The County administers a local Medical Assistance program as authorized by the State of Colorado. The County submits, for Colorado Department of Human Services review, administrative costs related to the Medical Assistance program. These costs are submitted through the Colorado Department of Human Services' CFMS system and are funded through the Colorado Department of Health Care Policy and Financing. The County also receives additional directly allocated funds through the Colorado Department of Health Care Policy and Financing for which reimbursement requests are not required.

The County's internal accounting software does not provide information related to specific costs being charged to individual programs. Accordingly, the expenditure sample from the County's Human Services accounting records resulted in a cross-program test rather than a program specific test. In order to convert this test from cross-program to a program specific test, the County was asked to provide a reconciliation of amounts requested for reimbursement through the State to preexisting support for the expenses charged internally. After numerous attempts requesting the reconciliation of the CFMS reports to general ledger postings, with ongoing clarification of what was needed, the County was not able to provide a reconciliation of the amounts, with the final reconciliation submission from the County being reports from the State's CFMS system to support the amounts reported in the CFMS system. (See additional discussion in Finding 2017-002 as to Department reconciliation processes).

While our above described testing of Human Service administrative expenses resulted in the belief that most costs would have been eligible for reimbursement, without support for what was actually reported to the State through CFMS, the expenses that were being reimbursed could not be verified. The County received \$64,354 of reimbursement from the Department of Health Care Policy and Financing through the CFMS system.

The \$73,919 of expenses reported through the County's Public Health Department for the "Single Entry Point/SEP" Medical Assistance program were separately tested without exception.

Status: Resolved for the year ending December 31, 2017

BOARD OF COUNTY COMMISSIONERS

KIT CARSON COUNTY
PO BOX 160
BURLINGTON CO 80807-0160

PH: 719-346-8139 (304)
FX: 719-346-7242

2017-005

Federal Agency: U.S. Department of Health and Human Services

Federal Program Title: Medical Assistance Program

CFDA Number: 93.778

Pass-Through Agency: Colorado Department of Human Services and Colorado Department of Health Care Policy and Financing

Condition: As the County submits claims for reimbursement of costs, they are required to provide support verifying that the costs submitted were incurred prior to the date of the request. As noted in Finding 2017-004 and related 2017-002, since the County could not substantiate which costs were being submitted, evidence of when those charges were incurred by the County Department of Human Services could also not be supported.

With regards to the Single Entry Point/SEP program run through the County's Department of Public Health, the County has been receiving advance funding from the Colorado Department of Health Care Policy and Financing for the Medical Assistance Program along with matching State funds since 2013. The County has not spent the full allocation received in any year that funding was received. The County cannot demonstrate that the Medical Assistance program funding is being spent in a timely manner as required by 2 CFR section 200.305(b).

Status: Resolved for the year ending December 31, 2017