

KIT CARSON COUNTY, COLORADO

FINANCIAL STATEMENTS

Year Ended December 31, 2019

KIT CARSON COUNTY, COLORADO

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Kit Carson County
Management Discussion and Analysis
December 31, 2019

The discussion and analysis of the Kit Carson County's financial performance provides an overall review of the County's financial activities for the year ended December 31, 2019. The intent of this discussion and analysis is to look at the County's financial performance as a whole. Readers should also review the financial statements and the notes to the financial statements to broaden their understanding of the County's financial performance.

Financial Highlights

The Kit Carson County's governmental activities net position increased by \$2,118,638 and business-type net position decreased by \$1,051,526 for the year.

The assets of the County exceeded its liabilities at the close of calendar year 2019 by \$19,775,993 (*net position*). Of this amount, \$5,057,265 (*unrestricted net position*) may be used to meet the County's ongoing obligations or unforeseen expenses.

As of the close of calendar year 2019, the County's General Fund reported an ending fund balance of \$3,299,302 compared to the calendar year 2018 balance of \$2,979,684.

At the end of 2019 unrestricted net position for the proprietary funds (business-type activities) was \$(111,162) compared to (\$203,093) in 2018.

General Fund 2019 revenues decreased by \$441,652 to \$7,426,319. General Fund expenditures decreased in 2019 by \$2,115,369 to \$6,183,854.

Using the Basic Financial Statements

The Basic Financial Statements consists of the Management's Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the Kit Carson County as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements: the Statement of Net Position and the Statement of Activities. Both provide long and short-term information about the County's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the County's operations in more detail. The governmental fund statements tell how general County services were financed in the short term as well as what remains for future spending. The County has five major governmental funds: General Fund, Road & Bridge Fund, Public Health Fund, Solid Waste Fund & Human Services Fund as well as four non-major governmental funds:

- Contingency Fund
- E-911 Fund
- Conservation Trust Fund
- Capital Fund

Kit Carson County
Management Discussion and Analysis
December 31, 2019

Proprietary fund statements offer short and long-term financial information about the activities that the County operates as a business. The County operates two proprietary funds as follows:

- Ambulance Fund
- Kit Carson County Facility Fund (closed as of 12-31-2019)

The County also has the following fiduciary agency funds:
County Treasurer-Public Trustee, County Clerk, and County Sheriff

Fiduciary fund statements provide information about financial relationships where the County acts solely as a trustee or agent for the benefit of others to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis of the County as a Whole

The County's total net position was \$19,775,931 as of December 31, 2019 and \$18,451,033 as of December 31, 2018. This represents an increase of \$1,324,898 or 7.18%.

Government-Wide Financial Statements

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private businesses. The statements include all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the County's net position and how it has changed. The change in net position is important because it tells the reader that for the County as a whole, the financial position of the County has improved or diminished. The causes of this change may be the result of various factors, some financial, some not. Non-financial factors include facility conditions, and state or federal government required programs.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes, intergovernmental revenues and taxes (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The Governmental Activities of the County include: general government, public safety (Sheriff), The Business-type Activities of the Kit Carson County consist of fees charges by various departments including, Ambulance Service, Public Health, Road & Bridge and Solid Waste.

Kit Carson County
Management Discussion and Analysis
December 31, 2019

Net Position

Net position might serve over time as a useful indicator of a government's financial position. In the case of the Kit Carson County, assets exceeded liabilities by approximately \$19.8 million at the close of 2019.

Net position of the County at December 31, 2019 was as follows:

CONDENSED STATEMENT OF NET POSITION						
	Governmental	Business-	Total	Governmental	Business-	Total
	Activities	type Activities		Activities	Activities	
	2019			2018		
ASSETS						
Current Assets	\$ 8,800,824	\$ 117,786	\$ 8,918,610	\$ 13,870,751	\$ (188,450)	\$ 13,682,301
Capital Assets, Net	12,307,026	1,121,410	13,428,436	11,200,333	2,126,104	13,326,437
Total Assets	<u>21,107,850</u>	<u>1,239,196</u>	<u>22,347,046</u>	<u>25,071,084</u>	<u>1,937,654</u>	<u>27,008,738</u>
LIABILITIES						
Current Liabilities	792,050	6,624	798,674	886,591	14,643	901,234
Noncurrent Liabilities	1,039,942	-	1,039,942	742,938	-	742,938
Total Liabilities	<u>1,831,992</u>	<u>6,624</u>	<u>1,838,616</u>	<u>1,629,529</u>	<u>14,643</u>	<u>1,644,172</u>
Deferred Inflows of Resources	732,499	-	732,499	6,913,533	-	6,913,533
NET POSITION						
Net Investment in Capital Assets	12,307,026	1,121,410	13,428,436	11,200,333	2,126,104	13,326,437
Restricted	394,795	-	394,795	382,375	-	382,375
Unrestricted	5,841,538	111,162	5,952,700	4,945,314	(203,093)	4,742,221
Total Net Position	<u>\$ 18,543,359</u>	<u>\$ 1,232,572</u>	<u>\$ 19,775,931</u>	<u>\$ 16,528,022</u>	<u>\$ 1,923,011</u>	<u>\$ 18,451,033</u>

The statement of net position reflects a cash and investments position totaling \$7,714,983 of total assets. The bulk of the County's resources, \$12.3 million, are invested in capital assets. These capital assets consist of land and improvements, buildings, Road & Bridge and Solid Waste equipment. The remaining total assets are property tax and grant receivables.

Kit Carson County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Kit Carson County's investment in its capital assets is reported net of related debt, it should be noted that the funds needed to repay this debt must be provided from other sources since, in general, the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the County's ongoing obligations to citizens and creditors.

Kit Carson County
Management Discussion and Analysis
December 31, 2019

Changes in Net Position

Governmental activities increased the Kit Carson County's net position by \$2,118,638.

Business activities decreased the County's net position by \$1,051,526.

A summary of the changes in net position is as follows:

	Condensed Statement of Activities					
	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for services	\$ 1,471,754	\$ 1,363,437	\$ 233,208	\$ 176,296	\$ 1,704,962	\$ 1,539,733
Operating grants & contributions	6,568,165	8,043,908	250	-	6,568,415	8,043,908
Capital grants & contributions	-	-	186,746	123,983	186,746	123,983
General revenues:						
Property taxes	7,178,036	7,220,160	-	-	7,178,036	7,220,160
Specific ownership taxes	810,396	734,570	-	-	810,396	734,570
Other general revenues	725,392	648,741	694	364	726,086	649,105
Total Revenues	16,753,743	18,010,816	420,898	300,643	17,174,641	18,311,459
Expenses						
General government	3,217,421	3,438,318	-	-	3,217,421	3,438,318
Public safety	2,222,175	2,186,619	-	-	2,222,175	2,186,619
Health, Welfare and Sanitation	3,674,715	4,309,457	-	-	3,674,715	4,309,457
Culture and recreation	377,682	572,587	-	-	377,682	572,587
Public works	4,512,464	3,486,187	-	-	4,512,464	3,486,187
Ambulance operations	-	-	507,134	462,792	507,134	462,792
Facilities	-	-	1,145,057	36,834	1,145,057	36,834
Total Expenses	14,004,457	13,993,168	1,652,191	499,626	15,656,648	14,492,794
Changes in net position-						
normal operations	2,749,286	4,017,648	(1,231,293)	(198,983)	1,517,993	3,818,665
Non-operational changes:						
Transfers	(172,420)	-	172,420	-	-	-
Gain (Loss) on disposal of assets	(458,230)	(716,906)	7,347	(3,998)	(450,883)	(720,904)
Change in Net Position	2,118,636	3,300,742	(1,051,526)	(202,981)	1,067,110	3,097,761
Net Position, Beginning	16,528,022	13,227,280	1,923,011	2,125,992	18,451,033	15,353,272
Prior period restatement	(103,299)	-	361,087	-	257,788	-
Net Position, Ending	\$ 18,543,359	\$ 16,528,022	\$ 1,232,572	\$ 1,923,011	\$ 19,775,931	\$ 18,451,033

Kit Carson County
Management Discussion and Analysis
December 31, 2019

Financial Analysis of the County's Funds

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the County's governmental fund is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

General Fund – The General Fund went from a balance of \$2,618,598 in 2018 to \$3,299,302. Total revenues decreased by \$2,214,053 while expenditures decreased by \$2,115,369.

Proprietary Funds - Proprietary funds have historically operated as enterprise funds using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the statements for the business-type activities of the County as a whole. The proprietary fund statements, however, will provide a greater level of detail than the information found in the government-wide statements.

Ambulance Fund – Ambulance Fund net position increased by \$93,531 from 2018. Expenditures increased by \$158,459.

KCC Facilities Fund – KCC Facilities Fund was closed as of December 31, 2019. Cash was transferred to the General Fund. Fixed assets were transferred to governmental activities general fixed assets.

Kit Carson County
Management Discussion and Analysis
December 31, 2019

Capital Assets

Approximately 79% of the County's capital assets support governmental activities. The majority of the value is invested in land, buildings and improvements, and equipment:

	Balance January 1, 2019	Additions	Disposals/ Adjustments	Balance December 31, 2019
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 154,107	\$ -	\$ -	\$ 154,107
Capital assets being depreciated:				
Buildings & Improvements	6,682,886	1,978,764	-	8,661,650
Equipment & Furniture	14,251,746	498,271	255,852	14,494,165
Total capital assets being depreciated	20,934,632	2,477,035	255,852	23,155,815
Less: accumulated depreciation:				
Buildings & Improvements	2,746,470	82,021	(736,674)	3,565,165
Equipment & Furniture	7,141,936	830,091	534,296	7,437,731
Total accumulated depreciation	9,888,406	912,112	(202,378)	11,002,896
Total capital assets being depreciated, net	11,046,226	1,564,923	458,230	12,152,919
Governmental activities capital assets, net	<u>\$ 11,200,333</u>	<u>\$ 1,564,923</u>	<u>\$ 458,230</u>	<u>\$ 12,307,026</u>

The County's business-type activities capital assets consist mainly of its investments in its ambulance equipment and building improvements:

	Balance January 1, 2019	Additions	Corrections Disposals	Balance December 31, 2019
Business-type Activities				
Capital assets being depreciated:				
Buildings & Improvements	\$ 2,374,988	\$ -	\$ 1,841,686	\$ 533,302
Equipment & Furniture	1,153,748	269,206	108,006	1,314,948
Total capital assets being depreciated	3,528,736	269,206	1,949,692	1,848,250
Less: accumulated depreciation:				
Buildings & Improvements	733,024	43,944	736,674	40,294
Equipment & Furniture	669,609	136,662	119,725	686,546
Total accumulated depreciation	1,402,633	180,606	856,399	726,840
Business-Type activity capital assets, net	<u>\$ 2,126,103</u>	<u>\$ 88,600</u>	<u>\$ 1,093,293</u>	<u>\$ 1,121,410</u>

Kit Carson County
Management Discussion and Analysis
December 31, 2019

Long-Term Debt

The County governmental long-term debt consists of accrued compensated absences and landfill closure and post-closure liability.

Governmental Activities:	Balance			Balance	Current
	<u>12/31/2018</u>	<u>Additions</u>	<u>Payments</u>	<u>12/31/2019</u>	<u>Portion</u>
Landfill Closure and Postclosure Liability	\$ 552,683	\$297,004	\$ -	\$ 849,687	\$ -
Accrued Compensated Absences	<u>190,255</u>	<u>119,445</u>	<u>149,709</u>	<u>159,991</u>	<u>-</u>
Total Noncurrent Liabilities	<u>\$ 742,938</u>	<u>\$416,449</u>	<u>\$149,709</u>	<u>\$ 1,009,678</u>	<u>\$ -</u>

The County does not have any business-type activities long-term debt.

General Fund Budget

The General Fund accounts for all of the general government services provided by the Kit Carson County including: public safety (Sheriff) and general government services. The County's General Fund revenues were \$435,041 less than planned. The County's General Fund expenditures were \$2,115,371 less than budgeted.

Economic Factors and Future Budgets and Rates

Future expenditures include and continuing to update paved roads as funds are available. Kit Carson County has a Strategic Plan that outlines upcoming expenditures planned for the next five (5) years. This is available upon request.

Request for Information

The financial statements are designed to provide information for regulatory reporting to federal and state agencies and those with an interest in the County's finances. Questions concerning this, or any additional information, should be addressed to Paula Weeks, County Administrator, Kit Carson County, PO Box 160, Burlington, CO 80807.

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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

To the Board of County Commissioners
Kit Carson County
Burlington, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kit Carson County (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 as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Kit Carson County, Colorado, as of December 31, 2019, and the respective changes in financial position, and, where applicable, cash flows, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information – Management Discussion and Analysis

Accounting principles generally accepted in the United States of America require that the management discussion and analysis on pages M1 – M7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules shown on pages 34-43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The combining and budgetary comparison statements and schedules listed as other supplementary information and included on pages 44-51 are presented for purposes of additional analysis and are not a required part of the financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Kit Carson County, Colorado's basic financial statements. The supplementary statements and schedules and the local highway finance report, listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary statements and schedules, the local highway finance report, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2020, on our consideration of Kit Carson County, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Kit Carson County, Colorado's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kit Carson County, Colorado's internal control over financial reporting and compliance.

Hamblin and Associates

July 21, 2020
Golden, Colorado

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FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements provide a financial overview of the County's operations. These financial statements present the financial position, operating results, and cash flows, where applicable, of all funds and activities as of December 31, 2019.

KIT CARSON COUNTY
STATEMENT OF NET POSITION

December 31, 2019

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and Investments	\$ 7,320,188	\$ 8,923	\$ 7,329,111
Restricted Cash and Equivalents	394,795	-	394,795
Property Tax Receivable	732,499	-	732,499
Receivable from Other Governments	57,757	-	57,757
Other Receivables	-	20,705	20,705
Internal Balances	(114,250)	-	(114,250)
Inventory	261,285	83,285	344,570
Prepaid Expenses	148,550	4,873	153,423
Total Current Assets	<u>8,800,824</u>	<u>117,786</u>	<u>8,918,610</u>
Noncurrent Assets			
Capital Assets Not Being Depreciated	154,107	-	154,107
Capital Assets Being Depreciated (Net)	12,152,919	1,121,410	13,274,329
Total Non-current Assets	<u>12,307,026</u>	<u>1,121,410</u>	<u>13,428,436</u>
TOTAL ASSETS	<u>21,107,850</u>	<u>1,239,196</u>	<u>22,347,046</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	642,618	6,624	649,242
Other Liabilities	44,990	-	44,990
Unearned Grant Revenue	99,488	-	99,488
Unearned Revenue	4,954	-	4,954
Total Current Liabilities	<u>792,050</u>	<u>6,624</u>	<u>798,674</u>
Noncurrent Liabilities			
Landfill Closure and Postclosure Liability	849,687	-	849,687
Accrued Compensated Absences	190,255	-	190,255
Total Noncurrent Liabilities	<u>1,039,942</u>	<u>-</u>	<u>1,039,942</u>
TOTAL LIABILITIES	<u>1,831,992</u>	<u>6,624</u>	<u>1,838,616</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Property Taxes	732,499	-	732,499
NET POSITION			
Net Investment in Capital Assets	12,307,026	1,121,410	13,428,436
Restricted Net Position	394,795	-	394,795
Unrestricted Net Position	5,841,538	111,162	5,952,700
TOTAL NET POSITION	<u>\$ 18,543,359</u>	<u>\$ 1,232,572</u>	<u>\$ 19,775,931</u>

The accompanying notes are an integral part of the financial statements.

KIT CARSON COUNTY

STATEMENT OF ACTIVITIES

Year Ended December 31, 2019

Function/Program	Expenses	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business- Type Activities	TOTAL
Primary Government:							
Governmental Activities							
General Government	\$ 3,217,421	\$ 730,331	\$ 484,862	\$ -	\$ (2,002,228)	\$ -	\$ (2,002,228)
Public Safety	2,222,175	127,185	5,899	-	(2,089,091)	-	(2,089,091)
Health, Welfare & Sanitation	3,674,715	512,328	2,312,028	-	(850,359)	-	(850,359)
Culture and Recreation	377,682	100,242	25,456	-	(251,984)	-	(251,984)
Public Works	4,512,464	1,668	3,739,920	-	(770,876)	-	(770,876)
Total Government Activities	14,004,457	1,471,754	6,568,165	-	(5,964,538)	-	(5,964,538)
Business-Type Activities:							
Ambulance Operations	507,134	233,208	250	186,746	-	(86,930)	(86,930)
Facilities	1,145,057	-	-	-	-	(1,145,057)	(1,145,057)
Total Business-Type Activities	1,652,191	233,208	250	186,746	-	(1,231,987)	(1,231,987)
Total Primary Government	\$ 15,656,648	1,704,962	6,568,415	186,746	(5,964,538)	(1,231,987)	(7,196,525)
General Revenues							
Taxes:							
Property Taxes					7,178,036	-	7,178,036
Specific Ownership Taxes					810,396	-	810,396
Investment Earnings (Losses)					42,104	-	42,104
Gain (Loss) on Disposal of Assets					(458,230)	7,347	(450,883)
Miscellaneous Revenue					683,288	694	683,982
Transfers					(172,420)	172,420	-
Total General Revenues					8,083,174	180,461	8,263,635
CHANGE IN NET POSITION					2,118,636	(1,051,526)	1,067,110
NET POSITION - Beginning of Year					16,528,022	1,923,011	18,451,033
Prior Period Restatement					(103,299)	361,087	257,788
NET POSITION - End of Year					\$ 18,543,359	\$ 1,232,572	\$ 19,775,931

The accompanying notes are an integral part of the financial statements.

KIT CARSON COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2019

	General Fund	Public Health Agency	Road and Bridge Fund	Human Services Fund	Solid Waste Fund	Other Governmental Funds	TOTAL 2019
ASSETS							
Cash and Equivalents	\$ 3,370,706	\$ 355,610	\$ 2,822,068	\$ 172,526	\$ 366,867	\$ 627,206	\$ 7,714,983
Property Tax Receivable	515,000	-	154,999	12,500	50,000	-	732,499
Receivable from Other Governments	-	-	57,757	-	-	-	57,757
Other Receivables	-	-	-	-	-	-	-
Due From Other Funds	197,952	-	-	-	-	-	197,952
Inventories	-	27,857	207,184	-	26,244	-	261,285
Prepaid Expense	69,490	20,881	38,515	12,953	5,000	1,711	148,550
TOTAL ASSETS	4,153,148	404,348	3,280,523	197,979	448,111	628,917	9,113,026
LIABILITIES							
Accounts Payable	289,559	21,105	290,404	26,948	14,313	289	642,618
Other Liabilities	44,990	-	-	-	-	-	44,990
Due to Other Funds	-	312,202	-	-	-	-	312,202
Unearned Grant Revenue	-	99,488	-	-	-	-	99,488
Unearned Revenue	4,297	-	-	657	-	-	4,954
TOTAL LIABILITIES	338,846	432,795	290,404	27,605	14,313	289	1,104,252
DEFERRED INFLOWS OF FINANCIAL RESOURCES							
Deferred Property Taxes	515,000	-	154,999	12,500	50,000	-	732,499
TOTAL DEFERRED INFLOWS	515,000	-	154,999	12,500	50,000	-	732,499
FUND BALANCES							
Nonspendable - Inventory and Prepays	-	48,738	245,699	12,953	31,244	1,711	340,345
Restricted	-	-	-	-	-	394,795	394,795
Committed	-	(77,185)	2,589,421	144,921	352,554	232,122	3,241,833
Unassigned	3,299,302	-	-	-	-	-	3,299,302
TOTAL FUND BALANCES	\$ 3,299,302	\$ (28,447)	\$ 2,835,120	\$ 157,874	\$ 383,798	\$ 628,628	\$ 7,276,275

The accompanying notes are an integral part of the financial statements.

KIT CARSON COUNTY

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

December 31, 2019

Fund Balance - Governmental Funds	\$ 7,276,275
 Amounts reported for governmental activities in the Statement of Net Position are different because:	
 Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported as assets in the governmental activities Statement of Net Position	
Capital Assets not being depreciated	154,107
Capital Assets being depreciated	23,155,815
Accumulated Depreciation	(11,002,896)
 Some liabilities are not due and payable in the current period and are not included in the fund level financial statements, but are included in the governmental activities on the Statement of Net Position	
Landfill Closure and Postclosure Liability	(849,687)
Accrued Compensated Absences	<u>(190,255)</u>
 Governmental Activities Net Position	 <u><u>\$ 18,543,359</u></u>

The accompanying notes are an integral part of the financial statements.

KIT CARSON COUNTY

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

Year Ended December 31, 2019

	General Fund	Public Health Agency	Road and Bridge Fund	Human Services Fund	Solid Waste Fund	Other Governmental Funds	TOTAL 2019
REVENUES							
Taxes	\$ 5,704,334	\$ -	\$ 1,640,003	109,968	534,120	\$ 7	\$ 7,988,432
Licenses and Permits	98,956	50,793	-	-	-	-	149,749
Intergovernmental	484,862	1,021,971	3,739,920	1,290,057	-	31,355	6,568,165
Charges for Services	730,331	188,692	1,668	-	272,843	100,242	1,293,776
Fines and Forfeits	28,229	-	-	-	-	-	28,229
Investment Earnings (Losses)	41,803	-	-	-	-	301	42,104
Other Revenues	337,804	170,483	172,142	237	2,533	89	683,288
TOTAL REVENUES	7,426,319	1,431,939	5,553,733	1,400,262	809,496	131,994	16,753,743
EXPENDITURES							
Current:							
General Government	3,532,671	-	77,452	-	-	24	3,610,147
Public Safety	2,030,359	-	-	-	-	121,311	2,151,670
Health, Welfare & Sanitation	13,941	1,696,064	-	1,477,985	496,607	-	3,684,597
Culture and Recreation	350,346	-	-	-	-	27,336	377,682
Public Works	-	-	4,803,662	-	-	-	4,803,662
Capital Outlay	256,537	4,172	328,309	-	3,798	51,804	644,620
TOTAL EXPENDITURES	6,183,854	1,700,236	5,209,423	1,477,985	500,405	200,475	15,272,378
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	1,242,465	(268,297)	344,310	(77,723)	309,091	(68,481)	1,481,365
OTHER FINANCING SOURCES (USES)							
Transfers In	-	389,341	-	-	-	-	389,341
Transfers (Out)	(561,761)	-	-	-	-	-	(561,761)
TOTAL OTHER FINANCING SOURCES (USES)	(561,761)	389,341	-	-	-	-	(172,420)
CHANGE IN FUND BALANCES	680,704	121,044	344,310	(77,723)	309,091	(68,481)	1,308,945
FUND BALANCES, Beginning	2,618,598	(149,491)	2,490,810	235,597	74,707	697,109	5,967,330
FUND BALANCES, Ending	\$ 3,299,302	\$ (28,447)	\$ 2,835,120	\$ 157,874	\$ 383,798	\$ 628,628	\$ 7,276,275

The accompanying notes are an integral part of the financial statements.

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS (Continued)
Year Ended December 31, 2019

Change in Governmental Fund Balance \$ 1,308,945

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital assets used in governmental activities are not current financial resources therefore, are expensed when acquired in the fund financial statements, and are depreciated over their useful lives in the governmental activities on the Statement of Activities:

Purchased Capitalized Assets	1,913,293
Depreciation Expense	(912,112)
Net Reduction of Capital Assets	(458,230)

Some liabilities are not due and payable in the current period and are expensed in the governmental funds but are not included in the governmental activities of Statement of Activities:

Change in Closure/Postclosure Liability	297,004
Change in Accrued Compensated Absences	<u>(30,264)</u>

Change in Net Position - Governmental Activities **\$ 2,118,636**

The accompanying notes are an integral part of the financial statements.

KIT CARSON COUNTY

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
 December 31, 2019

	Ambulance Fund	Facility Fund	Total 2019
ASSETS			
Current Assets			
Cash and Investments	\$ 8,923	\$ -	\$ 8,923
Receivable from Other Governments	-	-	-
Other Receivables	20,705	-	20,705
Due (To)/From Other Funds	-	-	-
Inventory	83,285	-	83,285
Prepaid Expenses	4,873	-	4,873
Total Current Assets	<u>117,786</u>	<u>-</u>	<u>117,786</u>
Noncurrent Assets			
Capital Assets Being Depreciated, Net	1,121,410	-	1,121,410
TOTAL ASSETS	<u>\$ 1,239,196</u>	<u>\$ -</u>	<u>\$ 1,239,196</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 6,624	\$ -	\$ 6,624
NET POSITION			
Net Investment in Capital Assets	1,121,410	-	1,121,410
Unrestricted Net Position	111,162	-	111,162
TOTAL NET POSITION	<u>\$ 1,232,572</u>	<u>\$ -</u>	<u>\$ 1,232,572</u>

The accompanying notes are an integral part of the financial statements.

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENSES
and CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

Year Ended December 31, 2019

	Ambulance Fund	Facility Fund	Total
			2019
OPERATING REVENUES			
Charges for Services	\$ 233,208	\$ -	\$ 233,208
Miscellaneous Fees	-	-	-
TOTAL OPERATING REVENUES	233,208	-	233,208
OPERATING EXPENSES			
Personal Services	281,509	-	281,509
Contractual Services	19,208	-	19,208
Utilities and Telephone	18,232	-	18,232
Repairs and Maintenance	8,791	-	8,791
Supplies	22,304	-	22,304
Other Expenses	5,298	1,108,223	1,113,521
Travel and Training	4,653	-	4,653
Capital Outlay	3,367	-	3,367
Depreciation	143,772	36,834	180,606
TOTAL OPERATING EXPENSES	507,134	1,145,057	1,652,191
OPERATING INCOME (LOSS)	(273,926)	(1,145,057)	(1,418,983)
OTHER REVENUES (EXPENSES)			
Refunds and Reimbursements	694	-	694
Donations	250	-	250
Gain/(Loss) on Disposal of Assets	7,347	-	7,347
TOTAL OTHER REVENUES (EXPENSES)	8,291	-	8,291
NET INCOME (LOSS) BEFORE TRANSFERS	(265,635)	(1,145,057)	(1,410,692)
TRANSFERS IN (OUT)	172,420	-	172,420
CAPITAL GRANTS	186,746	-	186,746
CHANGE IN NET POSITION	93,531	(1,145,057)	(1,051,526)
NET POSITION, Beginning	777,954	1,145,057	1,923,011
Prior period restatement (Note 13)	361,087	-	361,087
NET POSITION, Beginning, restated	1,139,041	1,145,057	2,284,098
NET POSITION, Ending	\$ 1,232,572	\$ -	\$ 871,485

The accompanying notes are an integral part of the financial statements.

KIT CARSON COUNTY

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2019

	<u>Ambulance Fund</u>	<u>Facility Fund</u>	<u>Total 2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash from Goods and Services	\$ 271,599	\$ -	\$ 271,599
Cash Paid for Employees and benefits	(281,509)	-	(281,509)
Cash Paid to Vendors	(91,493)	-	(91,493)
Net Cash Provided/(Used) by Operating Activities	<u>(101,403)</u>	<u>-</u>	<u>(101,403)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Donations	250	-	250
Other Receipts	694	-	694
Internal Balances	109,382	-	109,382
Net Cash Provided (Used) by Noncapital Financing Activities	<u>110,326</u>	<u>-</u>	<u>110,326</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital Grants	186,746	-	186,746
Asset Disposal	7,347	-	7,347
Purchases of Capital Assets	(269,206)	-	(269,206)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(75,113)</u>	<u>-</u>	<u>(75,113)</u>
Cash Flows (Uses) From Investing Activities:			
Close out of fund, transfer cash to general fund	-	(3,212)	(3,212)
NET CHANGE IN CASH AND CASH EQUIVALENTS	8,923	(3,212)	5,711
CASH & CASH EQUIVALENTS, Beginning	-	3,212	3,212
CASH & CASH EQUIVALENTS, Ending	<u>\$ 8,923</u>	<u>\$ -</u>	<u>\$ 8,923</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	\$ (273,926)	\$ (36,834)	\$ (310,760)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation Expense	143,772	36,834	180,606
(Increase) Decrease in Assets:			
Other Receivables	38,391	-	38,391
Prepaid Expenses	(1,622)	-	(1,622)
Increase (Decrease) in Liabilities:			
Accounts Payable	(8,018)	-	(8,018)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (101,403)</u>	<u>\$ -</u>	<u>\$ (101,403)</u>

The accompanying notes are an integral part of the financial statements.

KIT CARSON COUNTY

AGENCY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2019

	<u>County Treasurer Agency Fund</u>	<u>County Public Trustee Agency</u>	<u>County Clerk Agency Fund</u>	<u>County Sheriff Agency Fund</u>	<u>Total</u>
ASSETS					
Cash and Investments	<u>\$ 548,674</u>	<u>\$ 360,656</u>	<u>\$ 447,500</u>	<u>\$ 2,846</u>	<u>\$ 1,359,676</u>
FIDUCIARY NET POSITION					
Funds Held for Others	<u>\$ 548,674</u>	<u>\$ 360,656</u>	<u>\$ 447,500</u>	<u>\$ 2,846</u>	<u>\$ 1,359,676</u>

The accompanying notes are an integral part of the financial statements.

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Kit Carson County, Colorado (the County) conform to accounting principles generally accepted in the United States of America (USGAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the County's financial statements. Based upon the application of these criteria, there are no other entities included in the County's reporting entity.

Reporting Entity

Kit Carson County is a political subdivision of the State of Colorado, governed by an elected three-member Board of County Commissioners. There are also five other elected officials of Kit Carson County (Assessor, Clerk and Recorder, Sheriff, Coroner, and Treasurer).

All financial transactions of the offices of elected officials of Kit Carson County are included in the General Fund of the County's basic financial statements. The Board of County Commissioners has budgetary authority over the elected officials and is accountable for all fiscal matters. County property taxes fund a significant portion of the costs of operating the elected officials' offices. Services provided by the elected officials are for the benefit of Kit Carson County residents and are conducted within the boundaries of the County.

These basic financial statements present the financial position of Kit Carson County (the primary government) and its component units in accordance with Statements of the Governmental Accounting Standards Board. The County has no component units.

Government-Wide and Fund Financial Statements

The County's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the County accompanied by a total column. Fiduciary activities of the County are not included in these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are presented on an *economic resources measurement focus* and the *accrual basis of accounting*. Accordingly, all of the County's assets and liabilities, including capital assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

The primary revenue sources, which have been treated as susceptible to accrual by the County, are property tax, intergovernmental revenues and other taxes. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The County reports the following major governmental funds:

General Fund

This is the County's primary operating fund. It accounts for all activities of the general government, except those required to be accounted for in another fund.

Public Health Fund

This fund accounts for public health activities provided by the County. This fund is primarily funded through dedicated State and Federal grants as well as County matching funds.

Road & Bridge Fund

This fund accounts for maintenance of all County roads and bridges. This fund's primary revenue sources are a dedicated mill levy and State Highway Users Tax funds.

Department of Human Services

This fund accounts for public welfare costs paid to qualifying clients. Major dedicated revenues are federal and state grant funds as well as County matching funds. The majority of the County's federal funds expended are through this fund.

Solid Waste Fund

This fund accounts for operation of the County landfill and related collection activities. The primary dedicated revenues are landfill fees.

Proprietary funds are accounted for using the *economic resources measurement focus* and the *accrual basis of accounting*. Accordingly, all assets and liabilities (whether current or non-current) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position present increases (revenue) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operating of the fund. All other expenses are reported as non-operating expenses.

The County reports the following major proprietary funds:

Kit Carson County Facility Fund

This fund accounts for the purchase of the jail and the sheriff's office and the lease of the facility to the general fund.

Ambulance Fund

This fund accounts for ambulance services provided by the County.

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Measurement Focus, Basis of Accounting, and
Financial Statement Presentation (Continued)**

The County reports the following fiduciary agency funds.

County Treasurer, Public Trustee, County Clerk and County Sheriff Agency Funds

These funds accounts for cash held at year-end and due to other individuals or entities. The amounts are not included in any other financial statements. The County Treasurer holds the County Clerk and County Sheriff Funds as part of the overall County Treasurer account balance.

Eliminations

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities.

Reconciliation of the Fund financial statements to the Government-Wide financial statements is provided in the financial statements to explain the differences created by the integrated approach of GASB Statement No. 34.

Budgets and Budgetary Accounting

Annual budgets are adopted as required by Colorado Statutes. Formal budgetary integration is employed as a management control device during the year.

The budget calendar is as follows:

August 25 - Assessors must submit abstract of assessments, reflecting all assessed values of property in the County by class and subclass to the Division of Property Taxation. Assessors must certify to all taxing entities and the Division of Local Government the new total assessed valuation and the amounts for the various factors needed to compute the statutory property tax revenue limits.

October 15 - Statutory deadline for submission of proposed budget to the local governing body. "Notice of Budget" to be published when budget received.

December 15 - Statutory deadline for certification of mill levies to the Board of County Commissioners. Local government levying a property tax must adopt their budget before certifying the levy to the County. Local Governing Body shall enact an ordinance or resolution making appropriations for the ensuing fiscal period.

December 22 - Statutory deadline for Board of County Commissioners to certify levies and revenues to assessor and the Division of Property Taxation.

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting (Continued)

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons in this report are presented on the GAAP basis except those adopted by the proprietary funds.

Appropriations are adopted by resolution for each fund in total. Over expenditures are not deemed to exist unless the fund as a total has expenditures in excess of appropriations. All appropriations lapse at yearend. Supplemental budgets were not adopted during the year

Cash and Equivalents

For purposes of the statement of cash flows, the County considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Property Taxes

Annual property taxes are levied and assessed on January 1, and are certified by the County by November 1 of the current year. On January 1 of the following year, the County Treasurer bills the property owners, thus establishing an enforceable lien on the property. The County Treasurer also collects the property taxes and remits collections on a monthly basis to the County. County property tax revenues are recognized, as they become current receivables from the County Treasurer. One-half of the property taxes are due by February 28 and one-half due by June 15 or all may be paid by April 30 to avoid penalties and interest.

Inventory

Inventories are valued at cost, using the first-in, first-out (FIFO) method.

Capital Assets

The County follows the policy of capitalizing all assets that cost more than \$5,000 with an estimated useful life of more than one year. The useful lives of the assets are:

Infrastructure	75 years
Buildings & Improvements	50-100 years
Furniture & Fixtures	7-12 years
Machinery, Equipment, & Vehicles	5-12 years

Infrastructure has been capitalized beginning January 1, 2006.

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues

Program revenues derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government's general revenues. The statement of activities reports separately three categories of program revenues: (a) charges for services, (b) program specific operating grants and contributions, and (c) program-specific capital grants and contributions.

Charges for services include revenues based on exchange or exchange like transactions. These revenues arise from charges to customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided. Revenues in this category include fees charged for specific services, such as water use or garbage collection; licenses and permits, such as liquor licenses, and building permits; operating special assessments and any other amounts charged to service recipients.

Program-specific grants and contributions (operating and capital) include revenues arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program. Some grants and contributions consist of capital assets or resources that are restricted for capital purposes to purchase, construct, or renovate capital assets associated with a specific program. These are reported separately from grants and contributions that may be used either for operating expenses or for capital expenditures of the program at the discretion of the reporting government. These categories of program revenue are specifically attributable to a program and reduce the net expense of that program to the reporting government. Multi-purpose grants (those that provide financing for more than one program) are reported as program revenue if the amounts restricted to each program are specifically identified in either the grant award or the grant application. Multi-purpose grants that do not provide for specific identification of the programs and amounts are reported as general revenues.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Transactions

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the County are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expended in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed. At year-end, outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business type activities are reported in the government-wide financial statements as "internal balances".

Compensated Absences

Full-time employees hired are allowed sick leave of 12 days per year. Up to 125 days may be accumulated. Upon separation of employment, employees hired before April 1, 2011 may be paid out 25% of accumulated days at the employee's current pay level. No more than 40 hours will be paid out upon termination for employees hired before April 1, 2011. There is no pay out of sick or vacation leave for employees hired after April 1, 2011. Full-time employees accrue vacation immediately at a rate of 1 day per month. They receive these 12 working days per year through 5 years of service. Those employees with 6-10 years of service receive 13.5 working days, those with 11-20 years receive 18 working days, and those with 21 and more years receive 25.5 working days per year. Leave must be taken in the subsequent year, with no more than 5 days (40 hours) balance at the end of the qualifying year will be paid upon termination. For employees hired after April 1, 2011, the amount that can be accumulated was decreased. Accrued compensated absence balances are presented in Note 4.

Contraband

Per Colorado Contraband Forfeiture Act (CRS 16-13-501 to 511), proceeds received from the seizure of contraband must be used for the specific purpose of law enforcement activities. These proceeds are exempt from the appropriation process. Kit Carson County received no material proceeds from contraband during the year.

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises both under the full accrual and modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in both the governmental activities statement of net position and in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced.

Net Position/Fund Balance

In the government-wide financial statements and for the proprietary fund statements, Net Position are either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as "nonspendable" include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Fund balances are reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by the highest formal action, the adoption of an Ordinance, of the government's highest level of decision-making authority, the County Board, are reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All remaining fund balance in the General Fund or deficits in the other governmental funds are presented as unassigned.

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position / Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

NOTE 2: CASH AND INVESTMENTS

A summary of cash and investments follows:

Governmental Activities - Unrestricted	\$ 5,351,466
Governmental Activities - Restricted	382,375
Business-Type Activities - Unrestricted	3,212
Fiduciary Funds	<u>504,903</u>
Total Cash and Investments	<u>\$ 6,241,956</u>

The County's cash and investment balances are comprised of the following:

Cash Equivalents	\$ 3,855,334
Investments	<u>2,386,622</u>
Total Cash and Investments	<u>\$ 6,241,956</u>

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 2: CASH AND INVESTMENTS (Continued)

Deposits (Continued)

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The County's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2019, all of the County's bank deposits as shown below were either insured by federal depository insurance or collateralized under PDPA. Uninsured deposits in financial institutions are placed into three categories depending on the custody credit risk. The categories are as follows:

1. Uncollateralized
2. Collateralized with securities held by the pledging financial institution
3. Collateralized with securities held by the pledging financial institution's trust department, or agent but not in the entity's name

	Bank Balance	Book Balance
FDIC Insured	\$ 1,352,395	\$ 1,352,395
PDPA Collateralized not in County's name	2,119,194	2,480,964
Cash on Hand	-	21,975
Total Cash Equivalents	<u>\$ 3,471,589</u>	<u>\$ 3,855,334</u>

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments

The following are the major categories of assets and liabilities measured at fair value on a recurring basis during the year ended December 31, 2019 using quoted market prices in active markets (Level 1), significant observable inputs for similar assets (Level 2) and significant unobservable inputs (Level 3):

	<u>Level 2</u>	<u>Total</u>
U.S. Agency Securities	\$2,334,023	\$ 2,334,023
Mutual Funds	52,594	52,594
Total	<u>\$2,386,617</u>	<u>\$ 2,386,617</u>

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

- U.S. Government Agencies/Mutual Funds - Valued at the quoted market prices of the underlying assets in a non-active market.

The County recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. During 2019, there were no changes in the methods or assumptions utilized to derive the fair value of the County's assets and liabilities.

Except for those amounts earned from restricted resources, all investment earnings are reported in the General Fund.

Credit Risk

The County invests excess funds under the prudent investor rule. The criteria for selection of investments and their order of priority are: 1) Safety, 2) Liquidity, and 3) Yield. The County Treasurer is responsible for all of the investments of the County.

Eligible investments shall conform to state law and may include any of the following:

- Obligations of the United States and certain U.S. government agencies securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptance of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 2: **CASH AND INVESTMENTS** (Continued)

Investments (Continued)

As of December 31, 2019, the County's investments consisted of the following:

	Market Value	Weighted Mat. in Years	% of Overall Investments
FFCB	\$ 987,630	1.22	41.38%
Resolution Funding Corp	1,346,393	1.79	56.41%
Mutual Funds	52,594	-	2.20%
Total Investments	<u>\$2,386,617</u>	<u>1.52</u>	<u>100.00%</u>

Interest Rate Risk

The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in state statutes. The County's investment portfolio does not contain investments that exceed that limitation.

Concentration of Credit Risk

The County places no limit on the amount that may be invested in any one issuer. The County's allocation of investment risk is as presented in the above table.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County Board of Trustees approves a list of financial institutions and depositories authorized to provide investment services. The County's investments are held by ProEquities.

NOTE 3: **RECEIVABLES**

The County has recorded receivables from various governmental and non-governmental sources. The largest governmental activity receivable is for \$6,913,398 of property taxes levied in 2019 for collection in 2019. In addition, the County has recorded intergovernmental tax and grant receivables of \$276,038. The governmental activities also report an additional \$220,728 of other receivables. No allowance has been recorded against these receivables.

The Ambulance Fund reports the majority of the business-type activity receivables. There were \$- of ambulance charges receivable at year end. The County has reported an allowance of \$- against this amount for a net receivable of \$20,705.

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 4: CAPITAL ASSETS

A Summary of the County’s governmental activity capital assets is as follows:

	Balance January 1, 2019	Additions	Disposals/ Adjustments	Balance December 31, 2019
<u>Governmental Activities</u>				
Capital assets not being depreciated:				
Land	\$ 154,107	\$ -	\$ -	\$ 154,107
Capital assets being depreciated:				
Buildings & Improvements	6,682,886	1,978,764	-	8,661,650
Equipment & Furniture	14,251,746	498,271	255,852	14,494,165
Total capital assets being depreciated	<u>20,934,632</u>	<u>2,477,035</u>	<u>255,852</u>	<u>23,155,815</u>
Less: accumulated depreciation:				
Buildings & Improvements	2,746,470	82,021	(736,674)	3,565,165
Equipment & Furniture	7,141,936	830,091	534,296	7,437,731
Total accumulated depreciation	<u>9,888,406</u>	<u>912,112</u>	<u>(202,378)</u>	<u>11,002,896</u>
Total capital assets being depreciated, net	<u>11,046,226</u>	<u>1,564,923</u>	<u>458,230</u>	<u>12,152,919</u>
Governmental activities capital assets, net	<u>\$ 11,200,333</u>	<u>\$ 1,564,923</u>	<u>\$ 458,230</u>	<u>\$ 12,307,026</u>

Depreciation is charged to the County’s governmental activities as follows:

General Government	\$ 146,286
Public Safety	106,602
Public Works	614,755
Health, Welfare, and Sanitation	44,469
Total Depreciation	<u>\$ 912,112</u>

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 4: CAPITAL ASSETS (Continued)

The following schedule presents business-type activities capital assets at December 31, 2018:

<u>Business-type Activities</u>	Balance January 1, 2019	Additions	Corrections Disposals	Balance December 31, 2019
Capital assets being depreciated:				
Buildings & Improvements	\$ 2,374,988	\$ -	\$ 1,841,686	\$ 533,302
Equipment & Furniture	1,153,748	269,206	108,006	1,314,948
Total capital assets being depreciated	<u>3,528,736</u>	<u>269,206</u>	<u>1,949,692</u>	<u>1,848,250</u>
Less: accumulated depreciation:				
Buildings & Improvements	733,024	43,944	736,674	40,294
Equipment & Furniture	669,609	136,662	119,725	686,546
Total accumulated depreciation	<u>1,402,633</u>	<u>180,606</u>	<u>856,399</u>	<u>726,840</u>
Business-Type activity capital assets, net	<u>\$ 2,126,103</u>	<u>\$ 88,600</u>	<u>\$ 1,093,293</u>	<u>\$ 1,121,410</u>

Depreciation is charged to the County's business-type activities as follows:

Facility Fund	\$ 36,834
Ambulance Fund	143,772
Total	<u>\$ 180,606</u>

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 5: LONG-TERM LIABILITIES

The County has recorded governmental activities long-term liabilities related accrued compensated absences and for future landfill closure costs. Changes in these liabilities are summarized below.

Governmental Activities:	Balance <u>12/31/2018</u>	Additions	Payments	Balance <u>12/31/2019</u>	Current <u>Portion</u>
Landfill Closure and Postclosure Liability	\$ 552,683	\$297,004	\$ -	\$ 849,687	\$ -
Accrued Compensated Absences	<u>190,255</u>	<u>119,445</u>	<u>149,709</u>	<u>159,991</u>	<u>-</u>
Total Noncurrent Liabilities	<u>\$ 742,938</u>	<u>\$416,449</u>	<u>\$149,709</u>	<u>\$ 1,009,678</u>	<u>\$ -</u>

Landfill Closure and Postclosure Liability

State and federal laws and regulations require the County to place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The estimated cost is to perform all closure and post closure care was \$849,687, based on a cost estimate completed in March, 2019. The costs were comprised of \$508,442 of closure costs and \$341,243 of post-closure costs. The County currently has a filled pit (the old landfill, a pit, "Cell A", that is in the process of being closed and is opening a new pit, "Cell B" that is unused. The County is treating the old landfill and Cell A as fully utilized. Based on this usage, the County has recorded a long-term liability of \$849,687. The County estimates that the new cell will last approximately fifteen years with closure and post closure costs included in the next cost estimate. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and post closure care or to exhibit financial assurance that it is able to finance these costs without the contributions to a trust. The County has demonstrated financial assurance and as a result has not made any contributions to a trust. The County has restricted cash resources at the governmental activity level equal to the amount of the closure and post-closure liability.

Lease Obligations on Intangibles

The County has entered into lease transactions on intangibles (software licenses) that are not reported as long-term debt, in accordance with the Governmental Accounting Standards Board. The lease payments are expended during the current period.

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 6: JOINT VENTURES

The County participates in the Colorado Technical Services, Inc. (CTSI) Insurance Pool. This joint venture does not meet the criteria for inclusion within the reporting entity because the CTSI Insurance Pool:

- Is financially independent and responsible for its own financial deficits and entitled to its own surpluses.
- Has a separate governing board from that of the County.
- The governing board and management have the ability to significantly influence operations by approving budgetary requests and adjustments, signing contracts, hiring personnel, exercising control over facilities and determining the outcome or disposition of matters affecting the recipients of services provided, and
- Has absolute authority over all funds and fiscal responsibility including budgetary responsibility and reporting to state agencies and controls fiscal management.

The County is part of a joint venture to support Northeast Colorado Bookmobile Service. The counties involved are Kit Carson, Logan, Morgan, Phillips, Washington and Yuma. Each county's funding proportion is determined by a percentage method based on the previous year's contribution and/or an original formula, which weighs factors such as population, area, and assessed valuation. Complete financial statements may be obtained at their offices in Wray, Colorado.

The County is also part of a joint venture of the Thirteenth Judicial District comprised of the Colorado counties of Morgan, Logan, Yuma, Kit Carson, Washington, Phillips and Sedgwick. Each county's funding is determined primarily by population. Complete financial statements may be obtained at their offices in Fort Morgan, Colorado. Financial information is not included for any of the entities.

Finally, the County also provides an extension office affiliated with Colorado State University and jointly participates in providing health related services through Centennial Mental Health.

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 7: PENSION PLANS

The County currently provides a retirement program with Colorado County Officials and Employees Retirement Association (CCOERA) for eligible employees. The CCOERA Retirement Plan is a qualified pension plan adopted by the Colorado County Officials and Employees Retirement Association to provide income after retirement for eligible officials and employees of Member Counties, Member Special Districts and Member Municipalities. The Retirement Plan was adopted according to section 401(a) of the Internal Revenue Code, and is also referred to as a Defined Contribution Money Purchase Pension Plan. Retirement benefits through the Retirement Plan are usually in addition to those provided under Federal Social Security.

Any Colorado County, Special District or Municipality may choose to adopt the Retirement Plan and become a member of the Association. Both employer and employee make contributions to the Retirement Plan. Contributions and the investment return from the contributions provide retirement benefits.

The seven-member Governing Board of the Association makes all necessary rules and is responsible for the administration of the funds in the Retirement Plan. Two members are elected by county employees, one from the western half of the state and the other from the eastern half of the state. Two members are elected by participating municipal and other political subdivision employers. Two members of the Governing Board are selected by participating county commissioners of the Association, and the fifth member is the county treasurer of the county in the association with the largest population. (Colorado Revised Statute § 24-54-108). The Governing Board is authorized to make plan changes as allowed by Statute.

When the employee is hired, it is mandatory that the employee enrolls in the retirement plan. The employee must work at least 20 hours per week or an average of 20 hours per week throughout the year, but no less than 1,040 hours in a 12 month period during the year to remain eligible for retirement benefits.

The minimum monthly contribution by the employee is 3% of the employee's monthly salary with the County making a matching contribution of 3%.

Employees hired after January 1, 2013 will be vested 0% in year 1, 20% in year 2, 40% in year 3, 60% in year 4, 80% in year 5 and 100% in year 6 of employment. If the employee leaves before being fully vested, the employee will only be able to take the earned percentage of vestment. If the employee is age 55 or above on the date of hire or before the 6 year vesting period is complete, the employee will be immediately vested.

The amount paid into CCOERA by the County in 2019 was \$146,982, based on covered payroll of \$4,449,930. Contributions for the 2018 and 2017 fiscal years were \$143,181, and \$136,237, respectively. All contribution requirements have been met.

The County also has a 457 Pension Plan. The employer does not make any contributions to the plan. The employee contributions and earnings fund the plan. There are no reportable assets being accumulated by the County.

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 8: RISK MANAGEMENT

County Workers' Compensation Pool

The County is exposed to various risks of loss related to injuries of employees while on the job. The County joined together with other Counties in the State of Colorado to form the County Workers' Compensations Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CWCP for its workers' compensation insurance coverage. The intergovernmental agreement of formation of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year. Additional information may be obtained from CWCP.

Colorado Counties Casualty and Property Pool

The County is exposed to various risks of loss related to property and casualty losses. The County joined together with other Counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CAPP for its property and casualty insurance coverage. The intergovernmental agreement of formation of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary. The Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year. Additional information may be obtained from CAPP.

The County, in their opinion, has obtained adequate coverage as required by Colorado Revised Statutes to settle claims in the ordinary course of business. However, due to the unknown nature of potential liability, some claims may arise that fall outside the coverage limits for which the County would be financially responsible. There have not been any claims in excess of coverages during the past three years.

Self-Insured Health Insurance

The County carries a high deductible health insurance plan and have agreed to fund the employees' portion of the deductible up to \$5,000 annually. Claims must be submitted to the County within twelve months of the date of service. This information is tracked by the County and there is no outside benefit management. A summary of paid claims and estimated claims liability as of December 31 for the past two years is as follows:

	<u>Beginning Liability</u>	<u>Claims Incurred</u>	<u>Claims Paid</u>	<u>Ending Liability</u>
2018	\$ 22,284	\$315,133	\$295,970	\$41,447
2019	41,447	332,962	313,799	60,610

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 9: COMMITMENTS AND RESTRICTIONS

TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The County believes it is in compliance with the requirements of the amendment. However, the County has made certain interpretations of the amendment's language in order to determine its compliance.

In November 1997, the County passed the following election question with regards to TABOR:

SHALL KIT CARSON COUNTY, COLORADO, WITHOUT CREATING, INCREASING, OR ADDING ANY TAXES OF ANY KIND, INCLUDING ANY INCREASE IN THE PROPERTY TAX MILL LEVY, BE AUTHORIZED TO COLLECT, RETAIN AND EXPEND THE FULL AMOUNT OF REVENUES, INCLUDING GRANTS AND ANY OTHER REVENUES RECEIVED, IN 1996 AND EACH SUBSEQUENT YEAR, AND TO SPEND SUCH REVENUES FOR COUNTY ROADS, COUNTY AGENCIES AND LAWFUL GOVERNMENTAL PURPOSES, NOTWITHSTANDING ANY RESTRICTIONS IMPOSED BY OR CONTAINED IN ARTICLE X, SECTION 20, OF THE COLORADO CONSTITUTION?

The TABOR Amendment requires the County to establish a reserve for emergencies. At December 31, 2019, the County's total TABOR reserve of \$363,000 is reported in the Contingent Fund.

Other Restrictions and Set-Asides

The County has restricted fund balance in the Conservation Trust Fund pursuant to Colorado statutes. In addition, the County has committed all resources in its special revenue and capital projects funds for the fund's purpose.

NOTE 11: NET POSITION AND FUND BALANCES SET ASIDE

The County has restricted funds in the Contingent Fund to meet the TABOR emergency reserve requirement as discussed in Note 9 above. Net position in the Conservation Trust Fund is restricted by statute for parks and recreation purposes.

In addition to the restricted equity described above, the County has committed all available resources in its Special Revenue and Capital Projects funds for the funds' purposes.

KIT CARSON COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 12: BUDGET VIOLATIONS

The County's expenditures exceeded appropriations in the Road & Bridge, Human Services, and Ambulance Funds, which may be a violation of Colorado statutes.

NOTE 13: CORRECTION OF ERROR

The County converted to new accounting software in 2017. As part of the conversion, some memorized transactions caused duplicate entries. Corrections made by removing the duplicate entries resulted in restated beginning balances by \$226,636 in Road & Bridge Fund and \$31,152 in Landfill Fund.

For two prior years, cash transfers from General Fund to Ambulance Fund did not have corresponding Transfers in/out. Correcting the prior periods resulted in a \$361,087 increase in Ambulance Fund net position, and a corresponding decrease in General Fund.

NOTE 14: CLOSURE OF KIT CARSON COUNTY FACILITIES FUND

During 2019, the Commissioners passed a resolution to close the Kit Carson County Facilities Fund, transferring \$3,212 cash to General Fund, and transferring \$1,105,012 net fixed assets to Governmental Activities - General Fixed Assets.

REQUIRED SUPPLEMENTARY INFORMATION

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE

BUDGET AND ACTUAL

GENERAL FUND

Year Ended December 31, 2019

	2019			2018 Actual
	Original & Final Budget	Actual	Variance with Final Budget	
REVENUES				
Taxes:				
Property Taxes	\$ 5,038,085	\$ 5,112,435	\$ 74,350	5,037,574
Specific Ownership Taxes	499,365	591,899	92,534	499,365
Total Taxes	<u>5,537,450</u>	<u>5,704,334</u>	<u>166,884</u>	<u>5,536,939</u>
Licenses and Permits:	42,300	98,956	56,656	108,349
Intergovernmental:				
Govt Grants and Contracts	82,537	300,319	217,782	78,820
IGA and MOU Agreements	35,000	27,376	(7,624)	38,505
State Grants	1,233,271	150,879	(1,082,392)	1,048,113
Other Intergovernmental	4,000	6,288	2,288	3,335
Total Intergovernmental	<u>1,372,008</u>	<u>484,862</u>	<u>(887,146)</u>	<u>1,168,773</u>
Charges for Services:				
Transfer from Treasurer	703,000	636,833	(66,167)	614,685
Miscellaneous Fees	84,872	70,455	(14,417)	50,868
Charges for Services	47,051	23,043	(24,008)	38,759
Total Charges for Services	<u>834,923</u>	<u>730,331</u>	<u>(104,592)</u>	<u>704,312</u>
Fines and Forfeits	31,117	28,229	(2,888)	23,338
Investment Earnings/(Losses)	22,304	41,803	19,499	(13,233)
Other Revenue:				
Refunds and Reimbursements	97,317	69,020	(28,297)	97,316
Sale of Assets	1,500	2,232	732	1,500
Insurance Proceeds	4,793	12,398	7,605	4,793
Donations	4,241	2,009	(2,232)	4,241
Intragovernmental Revenue	128,505	100,000	(28,505)	90,000
Miscellaneous Revenue	141,643	152,145	10,502	141,643
Total Other Revenues	<u>377,999</u>	<u>337,804</u>	<u>(40,195)</u>	<u>339,493</u>
TOTAL REVENUES	<u>8,218,101</u>	<u>7,426,319</u>	<u>(791,782)</u>	<u>7,867,971</u>

See the accompanying Independent Auditor's Report.

(Continued)

KIT CARSON COUNTY

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL**

GENERAL FUND

Year Ended December 31, 2019

	2019		Variance with Final Budget
	Original & Final Budget	Actual	
(Continued)			
EXPENDITURES			
Public Safety			
Victims Assistance	87,431	74,184	13,247
Sheriff	679,482	646,414	33,068
Jail	840,743	783,198	57,545
Coroner	83,560	62,000	21,560
Emergency Management	76,259	65,980	10,279
Communications Center	485,703	263,111	222,592
Emergency Communications Towers	30,000	16,025	13,975
Useful Public Service	3,092	1,949	1,143
Court Security	111,887	107,418	4,469
Commissary	10,000	10,080	(80)
Total Public Safety	2,408,157	2,030,359	377,798
Health, Welfare & Sanitation			
Veteran Officer	19,011	13,941	5,070
Culture and Recreation			
Fair	218,317	204,460	13,857
Rodeo	145,642	145,886	(244)
Total Culture and Recreation	363,959	350,346	13,613
Capital Outlay			
General Government	68,270	244,446	(176,176)
Public Safety	111,300	12,091	99,209
Total Capital Outlay	487,365	256,537	(76,967)
TOTAL EXPENDITURES	9,953,402	6,183,854	3,335,122
Revenues in Excess (Deficiency) of Expenditures	(1,735,301)	1,242,465	2,543,340
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(302,950)	(561,761)	(258,811)
TOTAL OTHER FINANCING SOURCES (USES)	(302,950)	(561,761)	(258,811)
CHANGE IN FUND BALANCE	(2,038,251)	680,704	2,718,955
FUND BALANCE, Beginning	2,979,685	2,979,685	-
Prior period adjustment	-	(361,087)	-
FUND BALANCE, Beginning, restated	2,618,598	2,618,598	-
FUND BALANCE, Ending	\$ 580,347	\$ 3,299,302	\$ 2,718,955

See the accompanying Independent Auditor's Report.

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
PUBLIC HEALTH FUND

Year Ended December 31, 2019

	2019		Variance with Final Budget
	Original & Final Budget	Actual	
REVENUES			
Licenses and Permits	\$ 32,000	\$ 50,793	\$ 18,793
Intergovernmental			
Govt Grants and Contracts	1,148,610	960,613	(187,997.00)
Other Governmental	317,398	61,358	(256,040.00)
Total Intergovernmental	<u>1,466,008</u>	<u>1,021,971</u>	(444,037.00)
Charges for Services			
Health Insurance Receipts	89,800	107,532	17,732.00
Miscellaneous Fees	161,842	81,160	(80,682.00)
Total Charges for Services	<u>251,642</u>	<u>188,692</u>	(62,950.00)
Other Revenue			
Donations	800	372	(428.00)
Indirect Revenue	53,795	169,944	116,149.00
Intergovernmental Revenue	10,925	167	(10,758.00)
Total Other Revenue	<u>65,520</u>	<u>170,483</u>	104,963.00
TOTAL REVENUES	<u>1,815,170</u>	<u>1,431,939</u>	(383,231.00)

See the accompanying Independent Auditor's Report.

(Continued)

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE

BUDGET AND ACTUAL

PUBLIC HEALTH FUND

Year Ended December 31, 2019

	2019		
	Original & Final Budget	Actual	Variance with Final Budget
(Continued)			
EXPENDITURES			
Health, Welfare & Sanitation			
Nurse	248,734	273,213	(24,479)
Prenatal	8,803	1,975	6,828
WIC	111,158	125,756	(14,598)
Healthy Communities	22,526	21,698	828
Health Officer	3,000	3,000	-
EPR	24,170	25,239	(1,069)
CVP	184,461	221,800	(37,339)
Single Entry Point/OLTC	291,305	195,371	95,934
Aging Resources	4,361	2,810	1,551
Family Planning	62,963	93,511	(30,548)
Health Specialist	72,870	74,124	(1,254)
Cancer Control	11,580	2,170	9,410
Colo Prevention Center	34,020	32,936	1,084
Health Promotion	32	-	32
Tobacco Cessation Program	45,083	35,017	10,066
Nurse Family Partnership	462,390	397,372	65,018
Home Care Allowance	13,029	1,795	11,234
Communities that Care	132,669	130,291	2,378
Senior Dental Program	42,330	32,313	10,017
Chronic Disease Prevention	29,351	11,930	17,421
Reserves	14,782	13,743	1,039
Total Health, Welfare & Sanitation	1,819,617	1,696,064	123,553
Capital Outlay			
Health, Welfare & Sanitation	-	4,172	-
TOTAL EXPENDITURES	1,819,617	1,700,236	123,553
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(4,447)	(268,297)	(259,678)
OTHER FINANCING SOURCES (USES)			
Transfers in	258,892	389,341	130,449
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	258,892	389,341	130,449
CHANGE IN FUND BALANCE	254,445	121,044	(129,229)
FUND BALANCE, Beginning	(149,491)	(149,491)	-
FUND BALANCE, Ending	\$ 104,954	\$ (28,447)	\$ (129,229)

See the accompanying Independent Auditor's Report.

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
ROAD AND BRIDGE FUND

Year Ended December 31, 2019

	2019		
	Original & Final Budget	Actual	Variance with Final Budget
REVENUES:			
Taxes			
Property Taxes	\$ 1,525,255	\$ 1,481,938	\$ (43,317)
Specific Ownership Taxes	155,000	158,065	3,065
Total Taxes	<u>1,680,255</u>	<u>1,640,003</u>	<u>(40,252)</u>
Intergovernmental			
IGA and MOU Agreements	112,652	621,001	508,349
Other Intergovernmental	<u>3,093,070</u>	<u>3,118,919</u>	<u>25,849</u>
Total intergovernmental	<u>3,205,722</u>	<u>3,739,920</u>	<u>534,198</u>
Charges for Services			
Miscellaneous Fees	3,260	195	(3,065)
Charges for Services	<u>4,100</u>	<u>1,473</u>	<u>(2,627)</u>
Total Charges for Services	<u>7,360</u>	<u>1,668</u>	<u>(5,692)</u>
Other Revenue			
Refunds and Reimbursements	3,839	62,937	59,098
Sales of Assets	25,000	52,174	27,174
Insurance Proceeds	262,102	53,413	(208,689)
Miscellaneous Revenue	<u>4,070</u>	<u>3,618</u>	<u>(452)</u>
Total Other Revenues	<u>295,011</u>	<u>172,142</u>	<u>(122,869)</u>
TOTAL REVENUES	<u>5,188,348</u>	<u>5,553,733</u>	<u>365,385</u>

See the accompanying Independent Auditor's Report.

(Continued)

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
ROAD AND BRIDGE FUND
Year Ended December 31, 2019

	2019		
	Original & Final Budget	Actual	Variance with Final Budget
(Continued)			
EXPENDITURES			
General Government			
Treasurer's Fees	76,000	77,452	(1,452)
Public Works			
Road & Bridge Dist #1	1,139,909	1,084,821	55,088
Road & Bridge Dist #2	1,030,654	918,503	112,151
Road & Bridge Dist #3	943,760	885,399	58,361
Weed District	105,845	67,018	38,827
Road & Bridge Improvement	492,716	1,847,792	(1,355,076)
CDL Testing	172	129	43
Total Public Works	3,713,056	4,803,662	(1,090,606)
Capital Outlay			
Public Works	895,000	328,309	566,691
TOTAL EXPENDITURES	4,684,056	5,209,423	(525,367)
CHANGE IN FUND BALANCE	504,292	344,310	(159,982)
FUND BALANCE, Beginning	2,264,173	2,264,173	-
Correction of error (Note 13)	-	226,637	-
FUND BALANCE, Beginning, restated	2,264,173	2,490,810	226,637
FUND BALANCE, Ending	\$ 2,768,465	\$ 2,835,120	\$ 66,655

See the accompanying Independent Auditor's Report.

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE

BUDGET AND ACTUAL

HUMAN SERVICES FUND

Year Ended December 31, 2019

	2019		
	Original & Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes			
Property Taxes	\$ 143,480	\$ 97,291	\$ (46,189)
Specific Ownership Taxes	12,500	12,677	177
Total Taxes	155,980	109,968	(46,012)
Intergovernmental			
Human Service Grants	1,637,022	1,290,057	(346,965)
Other Revenue			
Miscellaneous Revenue	78	237	159
TOTAL REVENUES	1,793,080	1,400,262	(392,818)
EXPENDITURES			
Health, Welfare & Sanitation			
Social Services	1,473,272	1,477,985	(4,713)
CHANGE IN FUND BALANCE	319,808	(77,723)	(397,531)
FUND BALANCE, Beginning	235,597	235,597	-
FUND BALANCE, Ending	\$ 555,405	\$ 157,874	\$ (397,531)

See the accompanying Independent Auditor's Report.

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE

BUDGET AND ACTUAL

SOLID WASTE FUND

Year Ended December 31, 2019

	2019		
	Original & Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes			
Property Taxes	\$ 500,098	\$ 486,365	\$ (13,733)
Specific Ownership Taxes	50,000	47,755	(2,245)
Total Taxes	550,098	534,120	(15,978)
Charges for Services			
Charges for Services	274,000	272,843	(1,157)
Other Revenue			
Miscellaneous Revenue	-	2,533	2,533
TOTAL REVENUES	824,098	809,496	(14,602)
EXPENDITURES			
Health, Welfare & Sanitation			
Solid Waste	732,427	496,607	235,820
Total Health, Welfare & Sanitation	732,427	496,607	235,820
Capital Outlay			
Health, Welfare & Sanitation	105,729	3,798	101,931
TOTAL EXPENDITURES	838,156	500,405	337,751
CHANGE IN FUND BALANCE	(14,058)	309,091	323,149
FUND BALANCE, Beginning	43,556	43,556	-
Correction of error (Note 13)	-	31,151	31,151
FUND BALANCE, Beginning, restated	74,707	74,707	-
FUND BALANCE, Ending	\$ 60,649	\$ 383,798	\$ 323,149

See the accompanying Independent Auditor's Report.

OTHER SUPPLEMENTARY INFORMATION

KIT CARSON COUNTY

BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

December 31, 2019

	<u>Special Revenue Funds</u>			<u>Cap Proj Fnd</u>	<u>TOTAL</u> <u>2019</u>
	<u>Conservation</u>			<u>Capital</u>	
	<u>Contingent</u> <u>Fund</u>	<u>Trust</u> <u>Fund</u>	<u>E-911</u> <u>Fund</u>	<u>Fund</u>	
ASSETS					
Cash and Equivalents	\$ 377,000	\$ 17,795	\$ 62,496	\$ 169,915	\$ 627,206
Property Tax Receivable	-	-	-	-	-
Other Receivable	-	-	-	-	-
Prepaid Expense	-	-	1,711	-	1,711
TOTAL ASSETS	<u>377,000</u>	<u>17,795</u>	<u>64,207</u>	<u>169,915</u>	<u>628,917</u>
LIABILITIES					
Current Liabilities					
Accounts Payable	-	-	289	-	289
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Taxes	-	-	-	-	-
FUND BALANCES					
Nonspendable - Prepaids	-	-	1,711	-	1,711
Restricted	377,000	17,795	-	-	394,795
Committed	-	-	62,207	169,915	232,122
TOTAL FUND BALANCES	<u>\$ 377,000</u>	<u>\$ 17,795</u>	<u>\$ 63,918</u>	<u>\$ 169,915</u>	<u>\$ 628,628</u>

See accompanying Independent Auditor's Report.

KIT CARSON COUNTY

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS**

Year Ended December 31, 2019

	<u>Special Revenue Funds</u>			<u>Cap Proj Fnd</u>	<u>Total 2019</u>
	<u>Contingent Fund</u>	<u>Trust Fund</u>	<u>E-911 Fund</u>	<u>Capital Fund</u>	
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 7	\$ 7
Intergovernmental	-	25,456	5,899	-	31,355
Charges for Services	-	-	100,242	-	100,242
Investment Earnings	-	301	-	-	301
Other Revenues	-	-	89	-	89
TOTAL REVENUES	<u>-</u>	<u>25,757</u>	<u>106,230</u>	<u>7</u>	<u>131,994</u>
EXPENDITURES					
General Government	-	-	-	24	24
Public Safety	-	-	121,311	-	121,311
Culture and Recreation	-	27,336	-	-	27,336
Capital Outlay	-	-	-	51,804	51,804
TOTAL EXPENDITURES	<u>-</u>	<u>27,336</u>	<u>121,311</u>	<u>51,828</u>	<u>200,475</u>
CHANGE IN FUND BALANCE	-	(1,579)	(15,081)	(51,821)	(68,481)
FUND BALANCE, Beginning	<u>377,000</u>	<u>19,374</u>	<u>78,999</u>	<u>221,736</u>	<u>697,109</u>
FUND BALANCE, Ending	<u>\$ 377,000</u>	<u>\$ 17,795</u>	<u>\$ 63,918</u>	<u>\$ 169,915</u>	<u>\$628,628</u>

See the accompanying Independent Auditor's Report.

SPECIAL REVENUE FUND

Special Revenue Fund is established to account for the proceeds of specific revenue sources, other than special assessments, expendable trusts, or major capital projects that are legally restricted to expenditures for specified purposes.

KIT CARSON COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
CONTINGENT FUND
Year Ended December 31, 2019

	2019		
	Original & Final Budget	Actual	Variance with Final Budget
EXPENDITURES			
General Government			
Reserves	\$ -	\$ -	\$ -
CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE, Beginning	<u>377,000</u>	<u>377,000</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 377,000</u>	<u>\$ 377,000</u>	<u>\$ -</u>

See the accompanying Independent Auditor's Report.

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
CONSERVATION TRUST FUND
 Year Ended December 31, 2019

	2019		
	Original & Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental			
Govt Grants and Contracts	\$ 28,000	\$ 25,456	\$ (2,544)
Investment Earnings	301	301	-
TOTAL REVENUES	28,301	25,757	(2,544)
EXPENDITURES			
Culture & Recreation			
Conservation	31,374	27,336	4,038
CHANGE IN FUND BALANCE	(8,073)	(1,579)	6,494
FUND BALANCE, Beginning	19,374	19,374	-
FUND BALANCE, Ending	\$ 11,301	\$ 17,795	\$ 6,494

See the accompanying Independent Auditor's Report.

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
E911 FUND

Year Ended December 31, 2019

	2019		
	Original & Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental			
IGA and MOU Agreements	\$ 24,019	\$ 5,899	\$ (18,120)
Charges for Services			
Charges for Services	170,575	100,242	(70,333)
Refunds and Reimbursements	-	89	89
TOTAL REVENUES	<u>194,594</u>	<u>106,230</u>	<u>(88,364)</u>
EXPENDITURES			
Public Safety			
E-911	199,714	121,311	78,403
TOTAL EXPENDITURES	<u>199,714</u>	<u>121,311</u>	<u>78,403</u>
CHANGE IN FUND BALANCE	(5,120)	(15,081)	(9,961)
FUND BALANCE, Beginning	<u>78,999</u>	<u>78,999</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 73,879</u>	<u>\$ 63,918</u>	<u>\$ (9,961)</u>

See the accompanying Independent Auditor's Report.

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL FUND
Year Ended December 31, 2019

	2019		
	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes			
Property Taxes	\$ 195,372	\$ 7	\$ (195,365)
Specific Ownership Taxes	14,665	-	(14,665)
TOTAL REVENUES	<u>210,037</u>	<u>7</u>	<u>(210,030)</u>
EXPENDITURES			
General Government	5,861	24	5,837
Capital Outlay			
Other Capital	169,915	51,804	118,111
TOTAL EXPENDITURES	<u>175,776</u>	<u>51,828</u>	<u>123,948</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Sources	34,261	(51,821)	(86,082)
Other Financing Sources (Uses)			
Transfers In	-	0	-
CHANGE IN FUND BALANCE	34,261	(51,821)	(86,082)
FUND BALANCE, Beginning	<u>221,736</u>	<u>221,736</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 255,997</u>	<u>\$ 169,915</u>	<u>\$ (86,082)</u>

See the accompanying Independent Auditor's Report.

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed in a manner similar to private business enterprises. The costs of providing goods or services to the general public on a continuing basis are recovered primarily from user charges.

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
BUDGET AND ACTUAL
AMBULANCE FUND

Year Ended December 31, 2019

	2019			2018 Actual
	Original And Final Budget	Actual	Variance with Final Budget	
OPERATING REVENUES				
Charge for Services	\$ 297,096	\$ 233,208	\$ (63,888)	\$ 174,626
Miscellaneous Fees	2,000	-	(2,000)	1,670
TOTAL OPERATING REVENUES	<u>299,096</u>	<u>233,208</u>	<u>(65,888)</u>	<u>176,296</u>
OPERATING EXPENSES				
Personal Services	363,552	281,509	82,043	232,575
Contractual Services	20,029	19,208	821	21,128
Utilities and Telephone	22,000	18,232	3,768	26,373
Repairs and Maintenance	9,500	8,791	709	6,155
Supplies	25,750	22,304	3,446	33,533
Other Expenses	7,010	5,298	1,712	3,503
Travel and Training	15,500	4,653	10,847	18,224
Capital Outlay	9,400	272,573	(263,173)	132,618
Total Operating Expenses	<u>472,741</u>	<u>632,568</u>	<u>(159,827)</u>	<u>474,109</u>
OPERATING INCOME (LOSS)	<u>(173,645)</u>	<u>(399,360)</u>	<u>(225,715)</u>	<u>(297,813)</u>
OTHER REVENUES (EXPENSES)				
Refund and Reimbursements	364	694	330	364
Donations	500	250	(250)	123,983
Intergovernmental Revenue	-	186,746	186,746	-
Gain/(Loss) on disposal of assets	2,500	7,347	4,847	(3,998)
TOTAL OTHER REVENUES (EXPENSES)	<u>3,364</u>	<u>195,037</u>	<u>191,673</u>	<u>120,349</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>(170,281)</u>	<u>(204,323)</u>	<u>(34,042)</u>	<u>(177,464)</u>
TRANSFERS				
Transfer In	172,420	172,420	-	-
CHANGE IN NET POSITION - BUDGET BASIS	<u>2,139</u>	<u>(31,903)</u>	<u>\$ (34,042)</u>	<u>(177,464)</u>
RECONCILIATION OF BUDGET TO GAAP BASIS				
Capital Outlay		269,206		123,692
Depreciation		(143,772)		(112,375)
CHANGE IN NET POSITION - GAAP BASIS		<u>93,531</u>		<u>(166,147)</u>
NET POSITION, Beginning		777,954		
Prior period adjustment (Note 13)		361,087		
NET POSITION, Beginning, restated		<u>1,139,041</u>		<u>944,101</u>
NET POSITION, Ending		<u>\$ 1,232,572</u>		<u>\$ 777,954</u>

See the accompanying Independent Auditor's Report.

KIT CARSON COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN NET POSITION
BUDGET AND ACTUAL
KIT CARSON COUNTY FACILITIES FUND
Year Ended December 31, 2019

	2019		
	Original And Final Budget	Actual	Variance With Final Budget
OPERATING EXPENSES			
Capital outlay	\$ -	\$ -	\$ -
Transfer out (fund closeout)	-	1,108,223	(1,108,223)
TOTAL OPERATING EXPENSES	-	1,108,223	(1,108,223)
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES - Non-GAAP Basis	-	(1,108,223)	(1,108,223)
RECONCILIATION OF BUDGET TO GAAP BASIS:			
Depreciation		(36,834)	
CHANGE IN NET POSITION - GAAP BASIS		(1,145,057)	
NET POSITION, Beginning		1,145,057	
NET POSITION, Ending		\$ -	

See the accompanying Independent Auditor's Report.

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COMPLIANCE SECTION

State Compliance

Steps for printing your content and returning to 'Edit Mode

1. Click Ctrl + A on a Windows machine or Command + A on a Mac to select all data.
2. Right-click your mouse and select Print.
3. Confirm that print settings are correct - make sure "selection only" isn't checked.
4. Print hard copy or to PDF.
5. Click "Edit Mode" to return to modifying your data.
6. Remember to click "Save" to save any changes.

ANNUAL HIGHWAY FINANCE REPORT - CY19

Email address: paula.weeks@kitcarsoncounty.org
 City/County: Kit Carson County

II - RECEIPTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Receipts from local sources	
2. General Fund Appropriations:	\$ 0.00
3. Other local imposts: <i>from A.3. Total below</i>	\$ 1,684,272.12
4. Miscellaneous local receipts: <i>from A.4. Total below</i>	\$ 116,778.84
5. Transfers from toll facilities	\$ 0.00
6. Proceeds of sale of bonds and notes	
a. Bonds - Original Issues:	\$ 0.00
b. Bonds - Refunding Issues:	\$ 0.00
c. Notes:	\$ 0.00
SubTotal:	\$ 1,801,050.96
B. Private Contributions	\$ 0.00

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

Please no commas or dollar signs for the input

A.3. Other local imposts

a. Property Taxes and Assessments	\$ 1,481,937.88
b. Other Local Imposts	
1. Sales Taxes:	\$ 0.00
2. Infrastructure and Impact Fees:	\$ 0.00
3. Liens:	\$ 0.00
4. Licenses:	\$ 0.00
5. Specific Ownership and/or Other:	\$ 202,334.24
Total: (a + b) carried to 'Other local imposts' above	\$ 1,684,272.12

A.4. Miscellaneous local receipts

Please no commas or dollar signs for the input

a. Interest on Investments:	\$ 0.00
b. Traffic fines & Penalties:	\$ 0.00
c. Parking Garage Fees:	\$ 0.00
d. Parking Meter Fees:	\$ 0.00
e. Sale of Surplus Property:	\$ 52,174.30
f. Charges for Services:	\$ 1,473.00
g. Other Misc. Receipts:	\$ 63,131.54
h. Other:	\$ 0.00
Total: (a through h) carried to 'Misc local receipts' above	\$ 116,778.84

C. Receipts from State Government

Please no commas or dollar signs for the input

1. Highway User Taxes:	\$ 3,289,422.87
3. Other State funds:	
c. Motor Vehicle Registrations:	\$ 12,522.51
d. Other (Specify):	
Comments: SB extra Funding	\$ 250,499.73
e. Other (Specify):	
Comments: undefined	\$ 0.00
Total: (1+3c,d,e)	\$ 3,552,445.11

D. Receipts from Federal Government

Please no commas or dollar signs for the input

2. Other Federal Agencies	
a. Forest Service:	\$ 0.00
b. FEMA:	\$ 0.00
c. HUD:	\$ 0.00
d. Federal Transit Administration:	\$ 0.00
e. U.S. Corp of Engineers	\$ 0.00
f. Other Federal:	\$ 0.00
Total: (2a-f)	\$ 0.00

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Local highway disbursements

1. Capital outlay: (from A.1.d. Total Capital Outlay' below)	\$ 2,226,159.20
2. Maintenance:	\$ 2,226,159.20
3. Road and street services	
a. Traffic control operations:	\$ 2,059.10
b. Snow and ice removal:	\$ 0.00

c. Other:	\$	0.00
4. General administration & miscellaneous	\$	1,690,705.19
5. Highway law enforcement and safety	\$	0.00
		Total: (A.1-5) \$ 6,145,082.69

Please no commas or dollar signs for the input

B. Debt service on local obligations

1. Bonds		
a. Interest	\$	0.00
b. Redemption	\$	0.00
2. Notes		
a. Interest	\$	0.00
b. Redemption	\$	0.00
		SubTotal: (1-2) \$ 0.00

Please no commas or dollar signs for the input

C. Payments to State for Highways:	\$	0.00
D. Payments to Toll Facilities:	\$	0.00

Total Disbursements: (A+B+C-D) \$ 6,145,082.69

Please no commas or dollar signs for the input

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES - (Detail)

Please no commas or dollar signs for the input

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	\$ 0.00	\$ 0.00	\$ 0.00
b. Engineering Costs:	\$ 0.00	\$ 0.00	\$ 0.00
c. Construction			
1. New Facilities:	\$ 0.00	\$ 0.00	\$ 0.00
2. Capacity Improvements:	\$ 0.00	\$ 359,332.66	\$ 359,332.66
3. System Preservation:	\$ 0.00	\$ 1,863,169.56	\$ 1,863,169.56
4. System Enhancement:	\$ 0.00	\$ 3,656.98	\$ 3,656.98
5. Total Construction:			\$ 2,226,159.20
d. Total Capital Outlay: (Lines A.1.a. + 1.b. + 1.c.5)			\$ 2,226,159.20

IV. LOCAL HIGHWAY DEBT STATUS

Please no commas or dollar signs for the input

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
1. Bonds (Refunding Portion)		\$ 0.00	\$ 0.00	\$ 0.00
B. Notes (Total):	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 1,861,814.04	\$ 5,353,496.07	\$ 6,145,082.69	\$ 1,070,227.42	\$ 0.00

Notes & Comments:

undefined

Please enter your name: Paula Weeks

Please provide a telephone number where you may be reached: 719-346-8133(220)

Save Print Mode Edit Mode

Please click on the "Save" button before viewing the data in a print format.

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			162,831
CCDF Cluster-Cluster			
Child Care and Development Block Grant	93.575	Colo Dept. of Human Services	5,313
Total CCDF Cluster-Cluster			5,313
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			184,221
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			49,962
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			540,441
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.

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

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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.

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

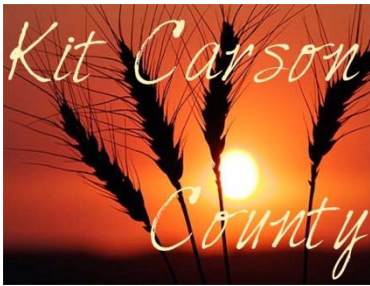
KIT CARSON COUNTY
Schedule of Findings and Questioned Costs
Year Ended December 31, 2019

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.

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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

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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

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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