

LAKE COUNTY, COLORADO

FINANCIAL STATEMENTS

Year Ended December 31, 2019

LAKE COUNTY, COLORADO

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Year Ended December 31, 2019

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INTRODUCTORY SECTION

LAKE COUNTY, COLORADO
COMMISSIONERS and ADMINISTRATION

Year Ended December 31, 2019

County Commissioners

Kayla Marcella – Commissioner
Mark Glenn – Commissioner
Sarah Mudge – Commissioner

Administration

Miguel Martinez – County Assessor
Patricia A. Berger – County Clerk/Recorder
Amy Reyes – County Sheriff
Janeen McGee – County Human Services Director
Padriac Smith – County Treasurer
Lorry Parker – Human Resources Manager
Kristol Hewlett – Finance Manager

Management's Discussion and Analysis

Management's Discussion & Analysis (M.D.A.)

Lake County Government

P.O. Box 964

Leadville, Colorado 80461

* As of And For The Year Ended December 31, 2019

As the management of Lake County, Colorado (the County) we offer the readers of our County's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2019. Within this section of Lake County, we are pleased to provide this document to the public which discusses and analyzes the context of the accompanying financial statements and disclosures following this section.

SUMMARY OF LAKE COUNTY FINANCIAL STATUS * HIGHLIGHTS

At December 31, 2019:

- The County's assets were \$51,582,235
- Total County's net position was \$37,248,611
- The County's governmental funds had a fund balance of \$15,584,777
- The County's General fund had a fund balance of \$7,926,710

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's *basic financial statements*. The County's basic financial statements are comprised of 3 components: 1) Government-wide financial statements; 2) Fund Financial Statements; and 3) Notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. Comparative data is presented when available.

Government-wide Financial Statements

The *Government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *Statement of Net position* presents information on all the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Evaluation of the overall financial health of the County would extend to other factors such as diversification of the taxpayers base or the condition of County infrastructure, in addition to the financial information provided in this report.

The *Statement of Activities* presents how the County's net position changed during the current calendar year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The County uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the County's most significant funds rather than the County as a whole. Major funds are separately reported.

Management's Discussion and Analysis (Unaudited)

Lake County Government

As of And For the Year Ended December 31, 2019

The County has three types of funds: *Governmental, Proprietary, and Fiduciary Funds*.

Governmental Funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different in that these statements report short-term calendar-year accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 5 through 7 of this report.

Proprietary Funds are reported in the fund financial statements and generally report services for which the County charges other funds a fee. The County proprietary fund is classified as an internal service fund and provides separate information for the business-type activity provided by the County.

The basic internal service fund financial statement is presented on pages 8 through 10 of this report.

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The Fiduciary Fund used by the County is the Agency Fund which represents funds collected and distributed by the County Treasurer, County Clerk, Public Trustee, and Sheriff.

The basic agency fund financial statement is presented on pages 11 and 48 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 12 of this report.

Required and Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information to demonstrate compliance with the County's adopted and final revised budget. Budgetary comparison statements are included as "required supplementary information," beginning on page 30, for the general fund and major special revenue funds.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the County as a whole.

Management's Discussion and Analysis (Unaudited)

Lake County Government

As of And For the Year Ended December 31, 2019

The County's net position at calendar year-end is \$37,248,611. The following table (TABLE # 1) provides a summary of the County's net position:

(TABLE # 1)

	Activities	
	2019	2018
Assets:		
Current and other assets	\$ 27,441,001	\$ 24,044,043
Capital assets, net	24,171,234	22,639,429
Total Assets	<u>51,612,235</u>	<u>46,683,472</u>
Liabilities:		
Current Liabilities	2,531,525	2,194,267
Long-term liabilities	2,597,326	2,761,489
Total Liabilities	<u>5,128,851</u>	<u>4,955,756</u>
Deferred Inflows of Resources	<u>9,204,773</u>	<u>7,505,122</u>
Net Position:		
Net invested in capital assets	23,245,225	21,563,672
Restricted: Tabor	352,000	352,000
Restricted: Inventories	67,591	44,857
Unrestricted	13,583,795	12,262,065
Total Net Position	<u>\$ 37,248,611</u>	<u>\$ 34,222,594</u>

Traditionally, the largest portion of any government's investments is in its capital assets. Land, buildings, equipment, machinery, and specialized tools are necessary in order to deliver and/or provide services to the County's residents and visitors. The County's capital assets account for 46.9% of its total assets; these assets are not an available source for payment of future spending. Of the remaining \$27,441,001 in assets, \$419,591 is restricted for the following purposes:

Lake County Restricted Reserves, December 31, 2019	Governmental Activities
Emergency reserves (TABOR)	\$ 352,000
Inventories	\$ 67,591
Total Restricted	<u>\$ 419,591</u>

Management's Discussion and Analysis (Unaudited)

Lake County Government

As of And For the Year Ended December 31, 2019

The County's government – wide net position increased \$3,026,016 during the current fiscal year, primarily due to increases in capital assets and favorable revenue collections. The following table (TABLE #2) provides a summary of the County's changes in net position:

(TABLE #2)

LAKE COUNTY, COLORADO		
SUMMARY OF NET POSITION BY TYPE - DECEMBER 31, 2019		
	Governmental Activities	
	2019	2018
Revenues:		
Program revenues:		
Charges for services	\$ 1,899,380	\$ 2,026,840
Grants & contributions	7,908,953	6,075,260
General revenues:		
Taxes	10,430,865	9,656,765
Interest & other revenue	1,186,459	786,335
Total Revenues	21,425,657	18,545,200
Expenses:		
General government	4,945,384	4,505,683
Public safety	3,865,915	3,624,193
Public works	1,955,603	2,179,802
Public health and welfare	4,231,019	3,934,582
Culture and recreation	3,158,644	2,912,328
Economic development	189,008	117,193
Total Expenses	18,345,573	17,273,781
Change in net position	3,026,016	1,271,419
Net Position, January 1	34,222,595	32,951,175
Net Position, December 31	\$ 37,248,611	\$ 34,222,594

GOVERNMENTAL REVENUES

Program revenues cover 43% of governmental operating expenses. This means that the County's taxpayers and other general governmental revenues fund 57% of the governmental activities. Sales, user, and property taxes are used to support governmental operations and capital additions. Property taxes provided \$7.2 million or 34% of the County's total governmental revenues. The County also relies on Federal and State operating grants and funding to support health and welfare operating expenses which totaled \$1.7 million or 8% of total governmental revenue in 2019. Sales taxes are the third largest revenue source totaling \$2.3 million or 11% of the total governmental revenues.

GOVERNMENTAL FUNCTIONAL EXPENSES

The general government, public safety, and health and welfare functions make up approximately 71% of the total governmental activities' expenses. General government totals 27% of total governmental expenses with public health and welfare totaling 23%, public safety totaling 21%, and public works and recreation totaling 28%. General government includes administrative and airport functions. Public health and welfare includes landfill and human services as well as pass-through grants from the Colorado Department of Public Health and Environment.

Management's Discussion and Analysis (Unaudited)

Lake County Government

As of And For the Year Ended December 31, 2019

The following table (TABLE #3) presents the cost of each of the County's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden placed on the County's taxpayers by each of these functions.

(TABLE #3)

Lake County, Colorado
Governmental Activities

	Total Cost of Services	% of Total	Net Cost of Services	% of Total
General government	\$ 5,134,392	28.0%	1,810,255	21.3%
Public Safety	3,865,915	21.1%	3,443,112	40.5%
Health and welfare	4,231,019	23.1%	(141,735)	-1.7%
Public works	1,955,603	10.7%	553,814	6.5%
Culture and recreation	3,158,644	17.2%	2,846,242	33.4%
Debt Service	-	0.0%	-	0.0%
Total	<u>\$ 18,345,573</u>	<u>100%</u>	<u>\$ 8,511,688</u>	<u>100%</u>

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Government Funds

As discussed, *Governmental Funds* are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$15,584,777.

The total ending balances of governmental funds show an increase of \$1,566,921 or a 11% increase over the prior year. This increase is primarily the result of the events and programs described in further detail within the analysis of the County's governmental activities that follows.

The General Fund

The *General Fund* is the County's primary operating fund and the largest sources of day-to-day service delivery. The General Fund's fund balance increased by \$1,217,730. The key contributing factors were increases in planned revenues for sales tax (\$458,166), clerk's fees (\$125,012), land use fees (\$60,961), as well as conservative spending in public safety (\$88,826), and culture and recreation (\$58,542).

Management's Discussion and Analysis (Unaudited)

Lake County Government

As of And For the Year Ended December 31, 2019

The Road & Bridge Fund

The *Road and Bridge Fund* is used to account for the motor fuel tax revenues and other sources of revenue legally restricted to the maintenance of County roads. The Road and Bridge fund balance increased by \$408,724. Key contributing factors included excess revenue collections in all categories of \$270,967 and expenditures less than budgeted of \$22,351.

The Human Services Fund

The *Human Services Fund* accounts for the operations of the County's welfare services. The Human Services fund balance decreased by \$101,694 which resulted from a decrease in planned grants (\$411,471) offset by lower than planned expenditures (\$425,312).

The Capital Acquisition Fund

The *Capital Acquisition Fund* accounts for the County's acquisition of machinery, equipment, and other capital assets. The Capital Acquisition fund balance decreased by \$132,282, as a result of spent planned acquisitions of \$284,098.

The Grants Fund

The *Grants Fund* accounts for the County's grant activities from Federal, State, and local sources. The Grant fund balance is zero since all expenditures are funded either by Federal, State, and local revenues or by transfers from other funds to meet grant matching requirements.

The Internal Service Fund

The County operates one internal service fund, for the purpose of funding health, dental, and worker's compensation insurance benefits for its employees as well as general and building liability insurance. Fund balance for the year decreased by \$71,140, primarily due to contributions being \$85,734 less than planned.

BUDGET HIGHLIGHTS

Budgetary Information

The General Fund revenue budget was amended during the year. Realized revenues exceeded final budget estimates in total by \$1,290,569.

In total, the County realized 114% of the estimated revenues.

The expenditure side of the original budget for the General Fund was amended during 2019. Actual expenditures exceeded planned expenditures in general government activities of \$213,108, public safety activities were less than planned expenditures by \$88,826, as well as culture and recreation activities of \$58,542.

Management’s Discussion and Analysis (Unaudited)

Lake County Government

As of And For the Year Ended December 31, 2019

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County’s investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2019 was \$23,245,225.

The County’s capitalization policy pertains to assets with a purchase value of \$5,000 or greater. Assets of lesser value are treated as operational expenditures.

Additional information as well as a detailed classification of the County’s net capital assets can be found in the Notes to the Financial Statement on page 22 of this report.

Debt Administration

At the end of the calendar year, the County had \$2,752,580 of recorded debt outstanding.

LAKE COUNTY, COLORADO			
Outstanding Borrowings			
	Governmental Activities		%
			Change
	2019	2018	
Capital leases	\$ 926,009	\$ 1,075,757	-14%
Compensated absences	231,401	233,797	-1%
Landfill closure and postclosure care	1,595,170	1,490,883	7%
Total	\$ 2,752,580	\$ 2,800,437	-2%

CONTACTING THE COUNTY’S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the County’s finances, comply with finance-related laws and regulations, and demonstrate the County’s commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Commissioner’s Office, Lake County Courthouse, Post Office Box 964, Leadville, Colorado 80461.

FINANCIAL SECTION

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 Commissioners
Lake County
Leadville, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Lake County as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Lake 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, discretely presented component unit, each major fund, and the aggregate remaining fund information of Lake County, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules on pages 30 - 45 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lake County's financial statements as a whole. The budgetary comparison schedules of the Internal Service Fund and the Emergency Telephone Services Authority component unit, the Agency Funds combining statement, and the Local Highway Finance Report are presented for purposes of additional analysis and legal compliance, and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*

The budgetary comparison schedules of the Internal Service Fund and the Emergency Telephone Services Authority component unit, the Agency Funds combining statement, 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 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 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 budgetary comparison schedules of the Internal Service Fund and component unit, the Agency Funds combining statement, the Local Highway Finance Report, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the 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 September 25, 2020, on our consideration of Lake County'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Lake County's internal control over financial reporting and compliance.

Hamblin and Associates

September 25, 2020
Golden, Colorado

Basic Financial Statements

LAKE COUNTY, COLORADO
STATEMENT OF NET POSITION
December 31, 2019

	Primary Government	Component Unit	
	Governmental Activities	Lake County Emergency Telephone Services Authority	TOTAL
ASSETS			
Current Assets			
Cash and Investments	\$ 16,082,278	\$ 62,938	\$ 16,145,216
Property Tax Receivables	9,204,773	-	9,204,773
Other Receivables	1,380,576	6,456	1,387,032
Due from Other Governments	590,434	-	590,434
Prepaid Expenses	15,955	-	15,955
Inventories	67,591	-	67,591
Total Current Assets	<u>27,341,607</u>	<u>69,394</u>	<u>27,411,001</u>
Noncurrent Assets			
Non Depreciated Capital Assets	10,931,489	-	10,931,489
Capital Assets	26,052,945	195,966	26,248,911
Accumulated Depreciation	(12,835,451)	(173,715)	(13,009,166)
Total Other Assets	<u>24,148,983</u>	<u>22,251</u>	<u>24,171,234</u>
TOTAL ASSETS	<u>51,490,590</u>	<u>91,645</u>	<u>51,582,235</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	1,047,435	-	1,047,435
Accrued Payroll Liability	243,494	-	243,494
Unearned Revenue	1,085,342	-	1,085,342
Current Portion of Long-Term Debt	155,254	-	155,254
Total Current Liabilities	<u>2,531,525</u>	<u>-</u>	<u>2,531,525</u>
Long-Term Liabilities			
Capital Leases	770,755	-	770,755
Post-Closure Costs	1,595,170	-	1,595,170
Compensated Absences	231,401	-	231,401
Total Long-Term Liabilities	<u>2,597,326</u>	<u>-</u>	<u>2,597,326</u>
TOTAL LIABILITIES	<u>5,128,851</u>	<u>-</u>	<u>5,128,851</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	9,204,773	-	9,204,773
NET POSITION			
Net Investment in Capital Assets	23,222,974	22,251	23,245,225
Restricted for TABOR	352,000	-	352,000
Restricted for Airport Inventories	67,591	-	67,591
Unrestricted	13,514,401	69,394	13,583,795
TOTAL NET POSITION	<u>\$ 37,156,966</u>	<u>\$ 91,645</u>	<u>\$ 37,248,611</u>

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

LAKE COUNTY, COLORADO

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	OPERATING		CAPITAL GRANTS	PRIMARY GOVERNMENT	COMPONENT UNIT	TOTAL
		CHARGES FOR SERVICES	GRANTS AND CONTRIBUTIONS		GOVERNMENTAL ACTIVITIES		
Governmental Activities							
Current:							
General Government	\$ 4,945,384	\$ 888,068	\$ 617,589	\$ 1,833,278	\$ (1,606,449)	\$ -	\$ (1,606,449)
Health and Welfare	4,231,019	648,007	3,722,831	-	139,819	-	139,819
Public Safety	3,753,877	80,095	230,879	-	(3,442,903)	-	(3,442,903)
Culture and Recreation	3,158,644	198,180	4,500	109,722	(2,846,242)	-	(2,846,242)
Public Works	1,955,603	11,636	1,390,154	-	(553,813)	-	(553,813)
Economic Development	189,008	-	-	-	(189,008)	-	(189,008)
TOTAL GOVERNMENTAL ACTIVITIES	<u>18,233,535</u>	<u>1,825,986</u>	<u>5,965,953</u>	<u>1,943,000</u>	<u>(8,498,596)</u>	<u>-</u>	<u>(8,498,596)</u>
Component Unit							
Lake County Emergency							
Emergency Telephone Services	112,038	73,394	-	-	-	(38,644)	(38,644)
TOTAL GOVERNMENT	<u>\$ 18,345,573</u>	<u>\$ 1,899,380</u>	<u>\$ 5,965,953</u>	<u>\$ 1,943,000</u>	<u>(8,498,596)</u>	<u>(38,644)</u>	<u>(8,537,240)</u>
GENERAL REVENUES							
Taxes Collected for General Operations					10,430,865	-	10,430,865
Licenses and Permits					245,622	-	245,622
Interest Income					543,896	8	543,904
Other Revenues					396,933	-	396,933
Gain (Loss) on Disposition of Assets					(54,068)	-	(54,068)
TOTAL GENERAL REVENUES					<u>11,563,248</u>	<u>8</u>	<u>11,563,256</u>
CHANGE IN NET POSITION					3,064,652	(38,636)	3,026,016
NET POSITION - Beginning of Year					34,092,314	130,281	34,222,595
NET POSITION- End of Year					<u>\$ 37,156,966</u>	<u>\$ 91,645</u>	<u>\$ 37,248,611</u>

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

LAKE COUNTY, COLORADO
BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2019

	GENERAL FUND	ROAD AND BRIDGE FUND	PUBLIC HEALTH AGENCY FUND	HUMAN SERVICES FUND	GRANTS FUND	AIRPORT FUND	BLOOD LEAD MONITORING FUND
ASSETS							
Cash and Equivalents	\$ 7,386,003	\$ 1,703,158	\$ 253,474	\$ 526,128	\$ 580,339	\$ 334,581	\$ 14,883
Property Tax Receivables	7,119,045	-	-	191,364	-	-	-
Other Receivables	35,161	56,740	-	371,745	916,930	-	-
Due from Other Funds	719,638	8,684	929	12,623	-	33,732	-
Due from Other Governments	406,246	-	27,687	-	-	-	-
Inventories	-	-	-	-	-	67,591	-
Prepaid Expenses	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 15,666,093	\$ 1,768,582	\$ 282,090	\$ 1,101,860	\$ 1,497,269	\$ 435,904	\$ 14,883
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 390,178	\$ 39,178	\$ 8,534	\$ 160,789	\$ 375,330	\$ 11,697	\$ 4,071
Accrued Payroll Liability	131,348	22,762	7,834	-	-	3,523	1,656
Unearned Revenue	64,000	-	15,898	515,415	490,029	-	-
Due to Other Funds	34,812	-	-	-	631,910	-	689
TOTAL LIABILITIES	620,338	61,940	32,266	676,204	1,497,269	15,220	6,416
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Property Taxes	7,119,045	-	-	191,364	-	-	-
FUND BALANCES							
Nonspendable:							
Inventory	-	-	-	-	-	67,591	-
Restricted For:							
Emergencies	352,000	-	-	-	-	-	-
Road and Bridge	-	1,706,642	-	-	-	-	-
Public Health	-	-	249,824	-	-	-	-
Human Services	-	-	-	234,292	-	-	-
Conservation Trust	-	-	-	-	-	-	-
Capital Acquisition	-	-	-	-	-	-	-
Clerk and Recorder EFTF	173,081	-	-	-	-	-	-
Committed To:							
Airport	-	-	-	-	-	353,093	-
Blood Lead Monitoring	-	-	-	-	-	-	8,467
Community Park Replacement	233,092	-	-	-	-	-	-
Landfill	-	-	-	-	-	-	-
Landfill Postclosure	-	-	-	-	-	-	-
Lodging Tax	-	-	-	-	-	-	-
Mineral Belt Trail	-	-	-	-	-	-	-
Sheriff Commissary	-	-	-	-	-	-	-
Mine Closure	-	-	-	-	-	-	-
Contingencies	300,000	-	-	-	-	-	-
Search and Rescue	9,074	-	-	-	-	-	-
Unassigned	6,859,463	-	-	-	-	-	-
TOTAL FUND BALANCES	7,926,710	1,706,642	249,824	234,292	-	420,684	8,467
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 15,666,093	\$ 1,768,582	\$ 282,090	\$ 1,101,860	\$ 1,497,269	\$ 435,904	\$ 14,883

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

LANDFILL FUND	CONSERVATION TRUST FUND	LODGING TAX FUND	SHERIFF COMMISSARY FUND	MINERAL BELT TRAIL FUND	CAPITAL ACQUISITION FUND	MINE CLOSURE FUND	AMBULANCE SERVICE FUND	TOTAL
\$ 1,588,130	\$ 304,927	\$ 179,084	\$ 5,807	\$ 41,554	\$ 679,462	\$ 2,246,391	\$ 60	\$ 15,843,981
-	-	-	-	-	450,695	332,598	749,551	8,843,253
-	2,421	-	-	133	11,522	-	-	1,380,576
-	-	36,971	-	-	-	-	-	789,682
-	-	-	-	-	-	-	-	470,904
-	-	-	-	-	6,138	-	-	67,591
-	-	-	-	-	-	-	-	6,138
<u>\$ 1,588,130</u>	<u>\$ 307,348</u>	<u>\$ 216,055</u>	<u>\$ 5,807</u>	<u>\$ 41,687</u>	<u>\$ 1,147,817</u>	<u>\$ 2,578,989</u>	<u>\$ 749,611</u>	<u>\$ 27,402,125</u>

\$ 42,097	9,265	\$ 1,856	\$ -	\$ 4,401	\$ -	\$ -	\$ -	\$ 1,047,396
4,916	-	-	-	-	-	-	-	172,039
-	-	-	-	-	-	-	-	1,085,342
1,331	-	-	11	-	-	-	565	669,318
<u>48,344</u>	<u>9,265</u>	<u>1,856</u>	<u>11</u>	<u>4,401</u>	<u>-</u>	<u>-</u>	<u>565</u>	<u>2,974,095</u>

-	-	-	-	-	450,695	332,598	749,551	8,843,253
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-	-	-	-	-	-	-	-	67,591
-	-	-	-	-	-	-	-	352,000
-	-	-	-	-	-	-	-	1,706,642
-	-	-	-	-	-	-	-	249,824
-	-	-	-	-	-	-	-	234,292
-	298,083	-	-	-	-	-	-	298,083
-	-	-	-	-	697,122	-	-	697,122
-	-	-	-	-	-	-	-	173,081
-	-	-	-	-	-	-	-	353,093
-	-	-	-	-	-	-	-	8,467
-	-	-	-	-	-	-	-	233,092
367,837	-	-	-	-	-	-	-	367,837
1,171,949	-	-	-	-	-	-	-	1,171,949
-	-	214,199	-	-	-	-	-	214,199
-	-	-	-	37,286	-	-	-	37,286
-	-	-	5,796	-	-	-	-	5,796
-	-	-	-	-	-	2,246,391	-	2,246,391
-	-	-	-	-	-	-	-	300,000
-	-	-	-	-	-	-	-	9,074
-	-	-	-	-	-	-	(505)	6,858,958
<u>1,539,786</u>	<u>298,083</u>	<u>214,199</u>	<u>5,796</u>	<u>37,286</u>	<u>697,122</u>	<u>2,246,391</u>	<u>(505)</u>	<u>15,584,777</u>

<u>\$ 1,588,130</u>	<u>\$ 307,348</u>	<u>\$ 216,055</u>	<u>\$ 5,807</u>	<u>\$ 41,687</u>	<u>\$ 1,147,817</u>	<u>\$ 2,578,989</u>	<u>\$ 749,611</u>	<u>\$ 27,402,125</u>
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TOTAL FUND BALANCE - GOVERNMENTAL FUNDS \$ 15,584,777

Capital assets used in governmental activities are not resources and are not reported in the funds:

Non Depreciated Capital Assets 10,931,489
Capital Assets 26,052,945
Accumulated Depreciation (12,835,451)

Earned but unpaid accumulated leave balances are not reported in the funds:

Accrued Payroll Liability (71,455)
Accrued Compensation (231,401)

Long-term liabilities are not due and payable in the current period

Leases Payable (926,009)
Landfill Post-Closure (1,595,170)

Internal Service Funds are blended into governmental activities:

Net Position of Internal Service Fund 247,242

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 37,156,966

LAKE COUNTY, COLORADO

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

For the Year Ended December 31, 2019

	GENERAL FUND	ROAD AND BRIDGE FUND	PUBLIC HEALTH AGENCY FUND	HUMAN SERVICES FUND	GRANTS FUND	AIRPORT FUND	BLOOD LEAD MONITORING FUND
REVENUES							
Taxes	\$ 8,370,917	\$ 558,416	\$ -	\$ 291,444	\$ -	\$ -	\$ -
Licenses and Permits	245,622	-	-	-	-	-	-
Intergovernmental	217,440	1,390,155	154,543	1,766,539	4,269,662	-	-
Charges for Services	898,637	67,096	117,330	-	-	207,523	-
Interest	542,640	-	-	-	-	-	-
Other Revenues	169,232	-	29,579	2,150	77,180	78,198	14,419
TOTAL REVENUES	10,444,488	2,015,667	301,452	2,060,133	4,346,842	285,721	14,419
EXPENDITURES							
Current							
General Government	4,031,345	-	-	-	2,135,936	301,798	-
Health and Welfare	-	-	545,013	2,161,827	849,537	-	85,089
Public Safety	2,607,618	-	-	-	475,907	-	-
Culture and Recreation	1,778,183	-	-	-	1,104,188	-	-
Public Works	165,886	1,606,943	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	8,611	-
Debt Service	-	-	-	-	-	-	-
TOTAL EXPENDITURES	8,583,032	1,606,943	545,013	2,161,827	4,565,568	310,409	85,089
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,861,456	408,724	(243,561)	(101,694)	(218,726)	(24,688)	(70,670)
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	355,000	-	218,726	-	-
Transfers (Out)	(643,726)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(643,726)	-	355,000	-	218,726	-	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,217,730	408,724	111,439	(101,694)	-	(24,688)	(70,670)
Fund Balances, Beginning	6,708,980	1,297,918	138,385	335,986	-	445,372	79,137
Fund Balances, Ending	\$ 7,926,710	\$ 1,706,642	\$ 249,824	\$ 234,292	\$ -	\$ 420,684	\$ 8,467

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

LANDFILL FUND	CONSERVATION TRUST FUND	LODGING TAX FUND	SHERIFF COMMISSARY FUND	MINERAL BELT TRAIL FUND	CAPITAL ACQUISITION FUND	MINE CLOSURE FUND	AMBULANCE SERVICE FUND	TOTAL 2019
\$ -	\$ -	\$ 234,070	\$ -	\$ -	\$ 151,816	\$ 74,723	\$ 749,479	\$ 10,430,865
-	-	-	-	-	-	-	-	245,622
-	56,547	-	-	-	-	-	-	7,854,886
535,400	-	-	-	-	-	-	-	1,825,986
-	1,256	-	-	-	-	-	-	543,896
-	-	375	1,703	24,097	-	-	-	396,933
535,400	57,803	234,445	1,703	24,097	151,816	74,723	749,479	21,298,188
-	-	-	-	-	-	-	-	6,469,079
582,578	-	-	-	-	-	-	-	4,224,044
-	-	-	-	-	-	-	749,984	3,833,509
-	54,627	-	-	13,764	-	-	-	2,950,762
-	-	-	-	-	-	-	-	1,772,829
-	-	188,332	-	-	-	-	-	188,332
-	-	-	-	-	159,927	-	-	168,538
-	-	-	-	-	124,171	-	-	124,171
582,578	54,627	188,332	-	13,764	284,098	-	749,984	19,731,264
(47,178)	3,176	46,113	1,703	10,333	(132,282)	74,723	(505)	1,566,924
70,000	-	-	-	-	-	-	-	643,726
-	-	-	-	-	-	-	-	(643,726)
70,000	-	-	-	-	-	-	-	-
22,822	3,176	46,113	1,703	10,333	(132,282)	74,723	(505)	1,566,924
1,516,964	294,907	168,086	4,093	26,953	829,404	2,171,668	-	14,017,853
\$ 1,539,786	\$ 298,083	\$ 214,199	\$ 5,796	\$ 37,286	\$ 697,122	\$ 2,246,391	\$ (505)	\$ 15,584,777

LAKE COUNTY, COLORADO

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS (Continued)**

For the Year Ended December 31, 2019

	<u>TOTAL</u>
NET CHANGE IN FUND BALANCES - ALL GOVERNMENTAL FUNDS	\$ 1,566,924
Principal payments on debt are reported as expenditures in the funds:	
Lease Payments	149,748
Liabilities not due and payable in the current period:	
Decrease in Landfill Post Closure	(104,287)
Change in Accrued Compensated Absences	2,395
Purchases of capital assets are expensed in governmental funds and depreciated on the statement of activities:	
Capitalized Assets	2,552,134
Depreciation Expense	(950,523)
Loss on capital asset disposition	(54,068)
Internal Service Funds are blended into governmental activities:	
Change in net assets of internal service funds	<u>(71,141)</u>
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ 3,064,652</u>

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

LAKE COUNTY, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2019

	<u>Internal Service Fund</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 238,297
Property Tax Receivables	361,520
Due from Other Governments	<u>119,530</u>
Total Current Assets	<u>729,164</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	39
Due to Other Funds	<u>120,363</u>
Total Current Liabilities	<u>120,402</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Taxes	<u>361,520</u>
NET POSITION	
Unrestricted	<u>247,242</u>
TOTAL NET POSITION	<u><u>\$ 247,242</u></u>
Reconciliation of Proprietary Net Position to Business-Type Activity Net Position:	
NET POSITION - Proprietary Funds	\$ 247,242
Internal Service Funds are blended into governmental activities:	
Net position of internal service funds allocated to governmental activities	<u>(247,242)</u>
NET POSITION - Business-type Activities	<u><u>\$ -</u></u>

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

LAKE COUNTY, COLORADO

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

For the Year Ended December 31, 2019

	Internal Service Fund
Revenues	
Taxes	
Property Taxes	\$ 216,078
Delinquent Taxes	311
Interest & Penalties	356
Total Taxes	216,745
Operating Revenues	
Contributions	1,473,016
Other Revenues	199,866
Total Operating Revenues	1,672,882
Total Revenues	1,889,627
Operating Expenses	
Insurance Premiums	1,851,671
Other - Leadville Sanitation District	109,097
Total Operating Expenses	1,960,768
Operating Income	(71,141)
Other Financing Sources	
Transfers In	-
Change in Net Position	(71,141)
Net Position, Beginning	318,383
Net Position, Ending	\$ 247,242
Reconciliation of Proprietary Fund Change in Net Position to Business-type Activity	
Change in Net Position - Proprietary Funds	\$ (71,141)
Internal Service Funds are blended into governmental activities:	
Change in net position of internal service funds allocated to governmental activities	71,141
Change in Net Position - Business-type Activities	\$ -

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

LAKE COUNTY, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
INTERNAL SERVICE FOR THE INSURANCE FUND

For the Year Ended December 31, 2019

Cash Flows From Operating Activities:	
Cash Received from Customers	\$ 1,671,856
Cash Received from Taxes	216,745
Cash Paid for Premiums	<u>(1,970,725)</u>
Net Cash Provided by Operating Activities	<u>(82,124)</u>
Net Increase (Decrease) in Cash	(82,124)
Cash - Beginning	<u>319,589</u>
Cash - Ending	<u><u>\$ 237,465</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	<u>\$ (71,141)</u>
Changes in Assets and Liabilities Related to Operations:	
(Increase) Decrease in:	
Property Tax Receivables	(144,769)
Other Receivables	-
Prepaid Expenses	(9,817)
Increase (Decrease) in:	
Unavailable Revenue - Property Taxes	144,769
Accounts Payable	<u>(140)</u>
Total Adjustments	<u>(10,983)</u>
Net Cash Provided by Operating Activities	<u><u>\$ (82,124)</u></u>

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

LAKE COUNTY, COLORADO

AGENCY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

December 31, 2019

	<u>Treasurer</u>	<u>Clerk</u>	<u>Public Trustee</u>	<u>Sheriff - Jail Inmate Fund</u>	<u>Total</u>
ASSETS					
Current Assets					
Cash and Investments	\$ 267,098	\$ 18,325	\$ 17,300	\$ 2,450	\$ 305,173
LIABILITIES					
Current Liabilities					
Taxes Paid in Advance	\$ 25,642	\$ -	\$ -	\$ -	\$ 25,642
Funds Held for Others	17,838	-	17,300	2,450	37,588
Funds Held for Other Governments	223,618	18,325	-	-	241,943
Total Liabilities	<u>\$ 267,098</u>	<u>\$ 18,325</u>	<u>\$ 17,300</u>	<u>\$ 2,450</u>	<u>\$ 305,173</u>

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

Notes to the Financial Statements

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. History and Function of Organization

Lake County, Colorado (the "County") was formed in 1861. The County operates under the regulations pursuant to the Colorado Revised Statutes that designate a three-member Board of County Commissioners to act as the governing authority. The County provides the following services: public safety (sheriff); highways and streets; sanitation (landfill); health and human services; public improvements; planning; library; airport; recreation; and general administrative services.

B. Reporting Entity

In defining and determining the County as an appropriate reporting entity, the County has considered manifestations of oversight over, and scope of public service of, various boards, commissions, authorities, and other entities. More specifically, these considerations include, but are not limited to: (1) their scope of public service; (2) the County's ability to select another entity's governing authority or management to significantly influence operations, approve budgetary appropriations and revisions; and (3) its responsibilities to fund deficits, operating deficiencies or determine revenue policy. Based on these considerations, the entities described below have been included in the County financial statements.

Elected Officials All financial transactions of the offices of elected officials of Lake County (Assessor, Clerk and Recorder, Coroner, District Attorney, Sheriff, and Treasurer) are recorded in the General Fund. The Board of County Commissioners has budgetary authority over elected officials and is accountable for all fiscal matters.

Lake County Emergency Telephone Service Authority The Authority was created for the purpose of providing 911 emergency phone services for Lake County. The Authority is a legally separate entity, governed by a five member Board. The Authority Board is appointed by the County Commissioners. The Authority is a component unit of the County and is included in the financial statements of the County as a discrete component unit.

C. Basis of Presentation

Government-Wide and Fund Financial Statements The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of the County as a whole. The reporting information includes all of the non-fiduciary activities of the County.

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation (Continued)

For the most part, the effect of interfund activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the County.

Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The effects of interfund activity have been eliminated from the government-wide financial statements.

Fund Financial Statements The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All enterprise funds are aggregated and reported as non-major funds. The fiduciary funds are presented separately.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The County reports the following major governmental funds described below:

General Fund This fund is the general operating fund of the County. It accounts for all financial resources except those required to be accounted for in another fund.

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation (Continued)

Special Revenue Funds These are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes.

Road and Bridge Fund - accounts for the proceeds of highway taxes and other specific revenue sources that are legally restricted to expenditures for maintenance and construction of the County road system.

Public Health Agency Fund – accounts for Federal, State, and local revenue sources restricted for providing health care services.

Human Services Fund - accounts for Federal, State and local revenues to be used to provide welfare services to eligible individuals within the County.

Grant Fund - accounts for the proceeds of grant monies received by the County.

Airport Fund – accounts for airport revenues used to provide airport services.

Blood Lead Monitoring Fund – accounts for proceeds received from the Asarco Trust to provide monitoring of biological and residential lead testing.

Landfill Fund – accounts for landfill operations funded by site collections.

Conservation Trust Fund – accounts for proceeds from the Colorado Lottery which is restricted for open space and recreation purposes.

Lodging Tax Fund – accounts for lodging tax collected within the County & expended for local marketing efforts.

Sheriff Commissary Fund – accounts for profits earned on commissary sales in the County Jail to be expended for jail operations.

Mineral Belt Trail Fund – accounts for contributions and donations received to maintain the Mineral Belt recreation trail.

Capital Acquisition Fund – accounts for the property taxes collected that are designated for the purchase of capital assets or the capital improvement thereof.

Mine Closure Fund – accounts for the property taxes collected that are designated for potential future costs associated with closure of the Climax Mine.

Ambulance Services Fund - accounts for the property taxes collected that are designated to provide for ambulance service in Lake County.

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation (Continued)

Proprietary Funds There is one proprietary internal service fund, the Insurance Fund. The Insurance fund accounts for health insurance, workers' compensation, building liability, and dental insurance. Revenues are derived from charges to the applicable departments and funds. Additional revenue is derived from employee withholding from employees who elect a higher level of health and dental coverage than the standard plan provided by the County.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's internal service fund are charges for services. Operating expenses of the internal service fund include costs of services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Funds Fiduciary funds account for assets held by the County in a trustee capacity or as an agent on behalf of others.

The agency funds are custodial in nature and do not present results of operations or a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. Those funds are used to account for assets that the County holds for others in an agent capacity. The County's agency funds include the Treasurer's office, Clerk's office, Sheriff Inmate, and Public Trustee.

D. Measurement Focus and Basis of Accounting

Government-Wide Financial Statements Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Governmental Fund Financial Statements Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available within sixty days after year-end. These could include federal, state, and county grants, and some charges for services.

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

E. Budgetary Data

The budgets of the County have been prepared in conformity with generally accepted accounting principles similar to that basis on which these financial statements have been prepared. The County adheres to the procedures listed below in establishing budgeting data reflected in the financial statements.

- Budgets are required by state law for all funds. By October 15, the County submits a proposed budget to the Commissioners for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year-end.
- Public hearings are conducted by the Commissioners to obtain taxpayer comments.
- Prior to December 31, the budget is adopted by formal resolution.
- The County Commissioners may transfer budgeted amounts between departments of any budgeted fund. Revisions that alter the total expenditures of any budgeted fund must be approved by the Commissioners.
- Expenditures may not legally exceed appropriations at the fund level.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted or as revised by the County.
- Encumbrance accounting is not utilized.

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Assets, Liabilities and Fund Balance

Cash The County pools cash resources of its various funds in order to facilitate the management of cash. Cash is pooled in interest-bearing accounts that are legally authorized. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County.

Receivables All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Capital Assets The County's capital assets are recorded at original cost. Donated assets are listed at their fair value at the date of donation. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. It is the policy of the County to capitalize all fixed assets costing more than \$5,000 with an estimated useful life of two or more years.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	3 - 40 years
Grounds	30 years
Vehicles, Heavy Equipment	5 - 10 years
Office, Shop Equipment	5 years

Long-Term Obligations In the government-wide financial statements and proprietary fund types in the financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Vacation, Sick Leave, Salary Related Payments, and Other Compensated Absences County employees are entitled to certain compensated absences based on their length of employment. Employees are allowed to accumulate benefits up to predetermined maximums and are compensated for these accumulated benefits either through paid time off or at termination or retirement.

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Assets, Liabilities and Fund Balance (Continued)

Net Position Net position in the government-wide financial statements are classified as: (1) invested in capital assets, net of related debt; (2) restricted; and (3) unrestricted. Restricted net position represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments, or imposed by law through state statute.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Balances In the governmental fund financial statements, the following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory or prepaid expenses) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders or other debt holders, contributors, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority through an ordinance or resolution. Committed fund balance can also include contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or an official or body to which the governing body delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

When fund balance resources are available for a specific purpose in more than one classification, it is the County's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned.

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Revenues and Expenditures

Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, fees and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

Property Tax Revenues The County Assessor certifies assessed property values on December 10. The County Commissioners certify the mill levy in December. Property taxes are levied based on the assessed valuation and mill levy on January 1. Assessed values are an approximation of market value. Taxpayers may pay their property taxes in one payment due April 30, or pay in two half payments due February 28 and June 15. The billings are considered due on these dates. The bill becomes delinquent and penalties and interest may be assessed by the County Treasurer on the post mark day following these dates.

NOTE 2: CASH AND INVESTMENTS

A summary of cash and investments is as follows:

Governmental Activities - Unrestricted	\$ 15,843,981
Fiduciary Funds	238,297
Component Unit	<u>62,938</u>
Grand Total - Cash and Investments	<u><u>\$ 16,145,216</u></u>

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

Cash	\$ 1,414,357
Investments	<u>14,667,921</u>
Total Cash and Investments - Primary Government	\$ 16,082,278
Cash Deposits - Component Unit	<u>62,938</u>
Grand Total - Cash and Investments	<u><u>\$ 16,145,216</u></u>

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2019

NOTE 2: CASH AND INVESTMENTS (Continued)

A. Deposits

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 percent 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 above were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

B. Investments

Credit Risk

The County invests excess funds under the prudent investor rule. Safety of principal is the foremost objective of the government of Lake County. The County Treasurer is responsible for managing all of the investments. The County has not adopted a formal investment policy limiting the allocation of cash or investments.

Eligible investments shall conform to state law and are limited by the County to include any of the following:

- Obligations of the United States and certain U.S. government agencies securities
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2019

NOTE 2: CASH AND INVESTMENTS (Continued)

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

	Fair Value	% of Portfolio	Rating (S&P)
U.S. instrumentalities	\$ 9,116,736	62.15%	AAA
Local government investment pools	4,106,185	27.99%	AAAm
Certificates of deposit	1,445,000	9.85% *	
Total Investments	\$ 14,667,921	100.00%	

* - Rating not readily available

During the year ended December 31, 2019, the County invested funds in the Colorado Surplus Asset Fund (CSAFE) and COLOTRUST. As investment pools, they operate under the Colorado Revised Statutes (24-75-701) and are overseen by the Colorado Securities Commissioner. They invest in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pools operate similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. These funds are rated AAAM by the Standard and Poor's Corporation.

Interest Rate Risk

The County manages its interest rate risk by setting a maximum maturity date no more than five years from the date of purchase.

Concentration of Credit Risk

The County places no limit on the amount that may be invested in any one issuer. More than 5 percent of the County's investments are in U.S. Treasury Notes, FHLB, and FHLMC securities. The allocation percentages of the County's investments are shown above.

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. As of December 31, 2019, the County's U.S. Treasury and Instrumentality securities were held by third party trustees in the name of the County.

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2019

NOTE 3: CAPITAL ASSETS

Changes in Capital Assets for the year are shown in the table below.

	Balance January 1, 2019	Additions	Disposals	Balance December 31, 2019
<u>Governmental Activities</u>				
Capital assets not being depreciated:				
Land	\$ 4,915,896	\$ -	\$ -	\$ 4,915,896
Land improvements	3,288,072	-	-	3,288,072
Construction in progress	777,548	1,949,973	-	2,727,521
Total capital assets not being depreciated	<u>8,981,516</u>	<u>1,949,973</u>	<u>-</u>	<u>10,931,489</u>
Capital assets being depreciated:				
Buildings	7,528,271	157,886	-	7,686,157
Improvements	3,763,885	35,505	-	3,799,390
Infrastructure	3,657,776	-	-	3,657,776
Equipment	10,886,461	408,770	385,609	10,909,622
Total capital assets being depreciated	<u>25,836,393</u>	<u>602,161</u>	<u>385,609</u>	<u>26,052,945</u>
Less: accumulated depreciation:				
Buildings	(3,510,106)	(188,019)	-	(3,698,125)
Improvements	(1,695,415)	(105,561)	-	(1,800,977)
Infrastructure	(493,868)	(119,406)	-	(613,274)
Equipment	(6,517,080)	(537,538)	(331,541)	(6,723,077)
Total accumulated depreciation	<u>(12,216,468)</u>	<u>(950,524)</u>	<u>(331,541)</u>	<u>(12,835,451)</u>
Governmental activities capital assets, net	<u>\$ 22,601,441</u>	<u>\$ 1,601,610</u>	<u>\$ 54,068</u>	<u>\$ 24,148,983</u>
<u>Component Unit</u>				
Capital assets being depreciated:				
Equipment	\$ 195,966	\$ -	\$ -	\$ 195,966
Less: accumulated depreciation	<u>(157,977)</u>	<u>(15,739)</u>	<u>-</u>	<u>(173,715)</u>
Component unit capital assets, net	<u>\$ 37,990</u>	<u>\$ (15,739)</u>	<u>\$ -</u>	<u>\$ 22,251</u>

Depreciation expense was charged to functions as follows:

General government	\$ 322,878
Health and welfare	31,451
Public safety	97,390
Culture and recreation	228,307
Public works	270,498
Total	<u>\$ 950,524</u>

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2019

NOTE 4: LONG-TERM DEBT

The following table summarizes the changes in the County's long-term liability activity for the year ended December 31, 2019:

Governmental Activities	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019	Due within One Year
Obligations under Capital Leases	\$ 1,075,757	\$ -	\$ 149,748	\$ 926,009	\$ 155,256
Landfill Closure and Post-Closure Costs	1,490,883	104,287	-	1,595,170	-
Compensated Absences	233,797	306,873	309,268	231,401	-
Totals	<u>\$ 2,800,437</u>	<u>\$ 411,160</u>	<u>\$ 459,016</u>	<u>\$ 2,752,580</u>	<u>\$ 155,256</u>

A. Capital Leases

In 2015, the County entered into a 15-year lease purchase agreement with Alpine Bank to purchase solar panels. The \$735,000 lease has an interest rate of 5.75% with monthly payments of \$6,128 through May 1, 2030. Future debt service requirements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 41,281	\$ 32,373	\$ 73,654
2021	43,753	29,901	73,654
2022	46,373	27,281	73,654
2023	49,149	24,504	73,653
2024	52,093	21,561	73,654
2025-2029	311,162	57,106	368,268
2030	30,247	441	30,688
Total	<u>\$ 574,058</u>	<u>\$ 193,166</u>	<u>\$ 767,224</u>

In 2017, the County entered into a five-year capital lease purchase agreement with People's National Bank for compactor and loader equipment. The \$570,438 lease has an interest rate of 2.85% with annual payments of \$124,171 through June 1, 2022. Future debt services requirements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 113,973	\$ 10,198	\$ 124,171
2021	117,294	6,877	124,171
2022	120,684	3,487	124,171
Total	<u>\$ 351,951</u>	<u>\$ 20,562</u>	<u>\$ 372,513</u>

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2019

NOTE 4: LONG-TERM DEBT (Continued)

B. Operating Leases

The County is committed under various leases for office equipment. For accounting purposes, these leases are considered to be operating leases, and therefore, the liability and the related assets have not been recorded in these financial statements.

C. Landfill Post-Closure Costs

The County is required by state and federal statutes to cover its landfill and perform certain maintenance and monitoring functions for no less than 30 years from the date the landfill is certified as covered. In addition to operating expenses related to current activities of the landfill, the County recognizes a liability for future closure and post-closure costs based on the proportion of the landfill that has been used. As of December 31, 2019, the estimated usage of the landfill was 60.1 percent.

The estimated liability for landfill closure and post-closure costs has a balance of \$1,595,170 as of December 31, 2019. It is estimated that an additional \$254,642 will be recognized between 2020 and 2021, when the landfill is expected to be filled to capacity. The estimated total closure costs of \$1,407,110 and post-closure costs of \$188,061 are based on the amounts that would be paid if all equipment, facilities, and services to close, monitor, and maintain the landfill were acquired as of December 31, 2019. However, the actual closure and post-closure costs may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. The portion of costs to be funded in future years may require new charges to landfill users, taxpayers, or both.

State of Colorado "Regulations Pertaining to Solid Waste Disposal Sites and Facilities, 6 CCR 1007-2" require that owners or operators of any solid waste disposal site/facility shall maintain in written documented form current cost estimates for hiring a third party to close such site and facility and to conduct post-closure care of such site/facility. The owner or operator of any solid waste disposal site and facility shall establish financial assurance sufficient to ensure payment of such costs. The County uses the "Local Government Financial Test" as its financial mechanism to financially assure full payment of all closure, post-closure, and if applicable, corrective action estimated costs.

The County makes annual contributions to finance closure and post-closure care costs. At December 31, 2019, cash and investments of \$1,171,949 are held by the Landfill Fund for these purposes.

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2019

NOTE 5: INTERFUND BALANCES AND TRANSFERS

Interfund balances at December 31, 2019, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The County expects to repay all interfund balances within one year.

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 34,812	\$ 719,638
Road and Bridge Fund	-	8,684
Public Health Fund	-	929
Human Services Fund	-	12,623
Grants Fund	631,910	-
Airport Fund	-	33,732
Capital Acquisition Fund	-	11,522
Conservation Trust Fund	-	2,421
Blood Lead Monitoring Fund	689	-
Mineral Belt Trail Fund	-	133
Landfill Fund	1,331	-
Ambulance Service Fund	565	-
Sheriff Commissary Fund	11	-
Subtotal - Governmental Funds	<u>\$ 669,319</u>	<u>\$ 789,682</u>
Insurance Fund	120,363	-
Total - All Funds	<u><u>\$ 789,682</u></u>	<u><u>\$ 789,682</u></u>

Interfund transfers for the year ended December 31, 2019, consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 643,726
Public Health Fund	355,000	-
Grants Fund	218,726	-
Landfill Fund	70,000	-
Total - All Funds	<u><u>\$ 643,726</u></u>	<u><u>\$ 643,726</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; (2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, (3) provide additional resources for current operations and (4) return money to the fund from which it was originally provided once a project, program, or grant is completed.

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2019

NOTE 6: FUND BALANCE

TABOR Amendment: The three (3) percent reserve of \$352,000, as required by the Colorado Tax Payers Bill of Rights (TABOR), has been reserved in the County's General Fund.

NOTE 7: RISK MANAGEMENT

The County is exposed to various risks of loss related to: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In order to obtain insurance coverage at a cost which it considered to be economically justifiable, the County became a member of Colorado Counties, Inc., which had previously served as the administrator of the two self-funded public entity insurance pools described below.

A. Colorado Counties Casualty and Property Pool (CCCPP)

CCCPP was formed on July 1, 1986 by an intergovernmental agreement among member counties of Colorado Counties, Inc. The purpose of the pool is to provide a risk management fund for defined property and casualty coverage of the 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, and that the Pool will purchase insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

B. County Workers' Compensation Pool (CWCP)

CWCP was formed on January 1, 1985 by an intergovernmental agreement among member counties of Colorado Counties, Inc. The purpose of the joint venture is to provide a joint workers' compensation pool for employees of the 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 that the Pool will purchase insurance through commercial companies for members' claims in excess of specified self-insured retention, which is determined each policy year.

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2019

NOTE 8: EMPLOYEE BENEFITS

A. Deferred Compensation

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen non-reimbursed emergency. There is no liability to the County under this plan and they are not included in the financial statements.

B. Retirement Plan

County employees are members of the Colorado Counties Officials and Employee Retirement Association (CCOERA). The CCOERA administers a multiple-employer defined contribution plan. The Plan's purpose is to provide benefits to its members and their dependents at retirement. Employees' rights vest in employer contributions and in the earnings, losses, and changes in fair market value of the Plan assets after five (5) years of service credit. Employer contributions to the Plan are between three and six percent of compensation, based on the contribution amount selected by each employee. Employer contributions match employee contributions and are funded on a current basis.

Net earnings or losses are allocated quarterly to the Plan participants. The allocation is based on each participant's balance as of the beginning of that quarter. Participants receiving benefit payments upon retirement or termination are allocated earnings through the date of the distribution.

Lake County's total payroll for the fiscal year ended December 31, 2019 was \$6,332,377. The total payroll of employees covered by the Plan was \$5,177,490. During 2019, the County's and employee's contribution to CCOERA was \$336,537 each. As of December 31, 2019, the Plan's assets did not include any Lake County securities or loans.

C. Vacation and Sick Leave

Vacation time accumulates for full-time employees at rates between 104 and 192 hours annually. Employees are paid annually for unused vacation pay at 30 percent of accumulated value. Employees separating from service are paid 100 percent of accumulated vacation time value. Sick leave accumulates for full-time employees at the rate of 120 hours annually to a maximum of 920 hours. Employees hired after 2003 are limited to a maximum of 480 hours. Employees are not paid for unused sick leave.

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2019

NOTE 9: CONTINGENCIES

A. Federal Grant Awards

The County receives financial assistance from federal and state government agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. In the County's opinion, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the County at December 31, 2019.

B. Tax Spending and Debt Limitations (TABOR Amendment)

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least three (3) percent of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increase.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded, unless the voters approve retention of such revenue.

The County's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualifications as an enterprise, will require judicial interpretation.

In 1996 a majority of the County's electors authorized the County to collect, retain and spend all revenues and other funds collected from any source, not withstanding the limitations of Article X, Section 20 of the Colorado Constitution.

Emergency Reserves have been provided for as required by Article X, Section 20 of the constitution of the State of Colorado. \$352,000 of the fund balance in the General Fund has been reserved in compliance with this requirement.

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2019

NOTE 9: CONTINGENCIES (Continued)

C. Other Contingencies

Mount Massive Golf Course The County is a co-signer with Mount Massive Golf Course, a Colorado not-for-profit corporation which operates the golf course, on a \$407,000 loan. In the event that the golf course operator were to default on the loan, the County would become liable for any outstanding balance. At December 31, 2019, Mount Massive was current on its loan.

Cooper Hill Ski Area The County funds property, vehicle and retail inventory insurance for Cooper Hill Ski Area, Inc., a Colorado not-for-profit corporation, in accordance with the terms of a lease with Cooper Hill.

Legal Liabilities The County is exposed to various risks of loss related to: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In order to obtain insurance coverage at a cost which it considered to be economically justifiable, the County became a member of Colorado Counties, Inc., which had previously served as the administrator of the two self-funded public entity insurance pools described in Note 7.

NOTE 10: CONTRABAND FORFEITURES

The Colorado Contraband Forfeiture Act allows law enforcement agencies to retain proceeds from the seizure of contraband. Proceeds are recorded within the Grant Fund and are used for drug enforcement activities.

Required Supplementary Information

Budgetary Comparison Schedules

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE GENERAL FUND

For the Year Ended December 31, 2019

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes:				
Property Taxes	\$ 6,020,683	\$ 6,020,683	\$ 6,002,020	\$ (18,663)
Delinquent Taxes	3,000	3,000	3,425	425
Interest & Penalties	10,000	10,000	41,697	31,697
Sales Taxes	1,847,000	1,847,000	2,305,166	458,166
Payments in Lieu of Tax	7,000	7,000	18,609	11,609
Total Taxes	<u>7,887,683</u>	<u>7,887,683</u>	<u>8,370,917</u>	<u>483,234</u>
Licenses and Permits:				
Drivers License Fees	30,000	30,000	30,010	10
Marriage License Fees	1,200	1,200	3,067	1,867
Permits	126,000	126,000	212,545	86,545
Total Licenses and Permits	<u>157,200</u>	<u>157,200</u>	<u>245,622</u>	<u>88,422</u>
Intergovernmental:				
Cigarette Taxes	1,500	1,500	3,682	2,182
Mineral Leases	137,000	137,000	212,880	75,880
Total Intergovernmental	<u>138,500</u>	<u>138,500</u>	<u>217,440</u>	<u>78,940</u>
Charges for Services:				
Election Fees	10,000	10,000	16,216	6,216
Clerk Fees	185,000	185,000	310,012	125,012
Treasurer's Fees	323,500	323,500	336,493	12,993
Land Use Fees	79,225	79,225	140,186	60,961
Public Trustee Fees	5,000	5,000	7,088	2,088
Assessors Fees	11,000	11,000	9,724	(1,276)
Sheriff's Fees	(205,834)	(205,834)	(256,073)	(50,239)
Library	11,000	11,000	21,002	10,002
Recreation	66,300	66,300	63,853	(2,447)
Traffic Code Fines	40,000	40,000	7,851	(32,149)
Pool	68,650	68,650	81,247	12,597
Ice Rink	21,000	21,000	24,175	3,175
Miscellaneous	186,800	186,800	136,863	(49,937)
Total Charges for Services	<u>801,641</u>	<u>801,641</u>	<u>898,637</u>	<u>96,996</u>
Interest Revenue:	<u>100,000</u>	<u>100,000</u>	<u>542,640</u>	<u>442,640</u>
Miscellaneous:				
Contributions	-	-	56	56
Expense Reimbursement	24,000	24,000	89,315	65,315
Other Revenues	33,616	44,895	79,861	34,966
Total Miscellaneous	<u>57,616</u>	<u>68,895</u>	<u>169,232</u>	<u>100,337</u>
TOTAL REVENUES	<u>9,142,640</u>	<u>9,153,919</u>	<u>10,444,488</u>	<u>1,290,569</u>

(Continued)

See the accompanying Independent Auditors' Report.

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE GENERAL FUND

For the Year Ended December 31, 2019

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
EXPENDITURES				
General Government:				
Board of Commissioners	622,670	674,731	997,801	(323,070)
Finance	250,782	250,782	267,300	(16,518)
Administrator	115,101	115,101	77,212	37,889
Information Technology	338,934	338,934	378,320	(39,386)
Clerk and Recorder	590,215	590,215	467,326	122,889
Treasurer	446,467	446,467	440,013	6,454
Assessor	425,152	425,152	423,633	1,519
Public Trustee	18,345	18,345	12,008	6,337
County Attorney	225,000	225,000	157,466	67,534
Office of the District Attorney	205,729	205,729	205,729	-
Coroner	86,215	86,215	83,247	2,968
Land Use	441,566	441,566	521,290	(79,724)
Total General Government	<u>3,766,176</u>	<u>3,818,237</u>	<u>4,031,345</u>	<u>(213,108)</u>
Public Safety				
Sheriff's Department	1,875,094	1,875,094	1,711,531	163,563
Fire Control	790,000	790,000	868,595	(78,595)
Search and Rescue	13,700	31,350	27,492	3,858
Total Public Safety	<u>2,678,794</u>	<u>2,696,444</u>	<u>2,607,618</u>	<u>88,826</u>
Culture and Recreation				
Recreation	1,165,736	1,165,736	1,131,549	34,187
Library Board	530,920	530,920	526,913	4,007
Senior Citizens	131,845	131,845	112,207	19,638
Veterans	8,224	8,224	7,514	710
Total Culture and Recreation	<u>1,836,725</u>	<u>1,836,725</u>	<u>1,778,183</u>	<u>58,542</u>
Economic Development				
Economic Development	163,500	163,500	165,886	(2,386)
TOTAL EXPENDITURES	<u>8,445,195</u>	<u>8,514,906</u>	<u>8,583,032</u>	<u>(68,126)</u>
Excess of Revenues Over Expenditures	697,445	639,013	1,861,456	1,222,443
Other Financing Sources (Uses)				
Transfers (Out)	(758,833)	(752,462)	(643,726)	108,736
Excess of Revenues and Other Sources Over Expenditures and Other Sources	(61,388)	(113,449)	1,217,730	1,331,179
Fund Balances, Beginning	6,517,511	6,517,511	6,708,980	191,469
Fund Balances, Ending	<u>\$ 6,456,123</u>	<u>\$ 6,404,062</u>	<u>\$ 7,926,710</u>	<u>\$ 1,522,648</u>

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE ROAD AND BRIDGE FUND

For the Year Ended December 31, 2019

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes				
Specific Ownership Taxes	\$ 472,000	\$ 472,000	\$ 558,416	\$ 86,416
Intergovernmental:				
Highway Users Tax	800,000	800,000	931,381	131,381
PILT	450,000	450,000	458,774	8,774
Total Intergovernmental	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,390,155</u>	<u>140,155</u>
Charges for Services:				
Sale of Assets	7,500	7,500	31,904	24,404
Expense Reimbursement	4,000	4,000	8,936	4,936
Other Revenues	11,200	11,200	26,256	15,056
Total Charges for Services	<u>22,700</u>	<u>22,700</u>	<u>67,096</u>	<u>44,396</u>
TOTAL REVENUES	<u>1,744,700</u>	<u>1,744,700</u>	<u>2,015,667</u>	<u>270,967</u>
EXPENDITURES				
Public Works:	<u>1,481,723</u>	<u>1,629,294</u>	<u>1,606,943</u>	<u>22,351</u>
Excess of Revenues Over Expenditures	262,977	115,406	408,724	293,318
Fund Balances, Beginning	<u>1,308,869</u>	<u>1,308,869</u>	<u>1,297,918</u>	<u>(10,951)</u>
Fund Balances, Ending	<u>\$ 1,571,846</u>	<u>\$ 1,424,275</u>	<u>\$ 1,706,642</u>	<u>\$ 282,367</u>

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE PUBLIC HEALTH AGENCY FUND

For the Year Ended December 31, 2019

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES:			
Intergovernmental			
Grants	\$ 95,940	\$ 154,543	\$ 58,603
Charges for Services	91,303	117,330	26,027
Other Revenues	<u>21,000</u>	<u>29,579</u>	<u>8,579</u>
 TOTAL REVENUES	 <u>208,243</u>	 <u>301,452</u>	 <u>93,209</u>
 HEALTH AND WELFARE EXPENDITURES	 <u>610,602</u>	 <u>545,013</u>	 <u>65,589</u>
Excess of Revenues Over (Under) Expenditures	(402,359)	(243,561)	158,798
 Other Financing Sources			
Transfers In	<u>355,000</u>	<u>355,000</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Sources	(47,359)	111,439	158,798
 Fund Balances, Beginning	 <u>144,562</u>	 <u>138,385</u>	 <u>(6,177)</u>
 Fund Balances, Ending	 <u>\$ 97,203</u>	 <u>\$ 249,824</u>	 <u>\$ 152,621</u>

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE HUMAN SERVICES FUND

For the Year Ended December 31, 2019

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES:			
Taxes			
Property Tax	\$ 291,621	\$ 290,717	\$ (904)
Delinquent Property Tax	-	249	249
Interest On Taxes	-	478	478
Total Taxes	<u>291,621</u>	<u>291,444</u>	<u>(177)</u>
Intergovernmental Grants	2,178,010	1,766,539	(411,471)
Other Revenues	-	2,150	2,150
TOTAL REVENUES	<u>2,469,631</u>	<u>2,060,133</u>	<u>(409,498)</u>
HEALTH AND WELFARE EXPENDITURES	<u>2,587,139</u>	<u>2,161,827</u>	<u>425,312</u>
Excess of Revenues Over (Under) Expenditures	(117,508)	(101,694)	15,814
Fund Balances, Beginning	<u>618,482</u>	<u>335,986</u>	<u>(282,496)</u>
Fund Balances, Ending	<u>\$ 500,974</u>	<u>\$ 234,292</u>	<u>\$ (266,682)</u>

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE GRANTS FUND

For the Year Ended December 31, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental	\$ 2,666,167	\$ 3,886,167	\$ 4,269,662	\$ 383,495
Other	-	-	77,180	77,180
TOTAL REVENUES	<u>2,666,167</u>	<u>3,886,167</u>	<u>4,346,842</u>	<u>460,675</u>
EXPENDITURES				
General Government	1,897,312	3,117,312	2,135,936	981,376
Public Safety	356,327	356,327	475,907	(119,580)
Public Health and Welfare	554,188	554,188	849,537	(295,349)
Culture and Recreation	192,173	192,173	1,104,188	(912,015)
TOTAL EXPENDITURES	<u>3,000,000</u>	<u>4,220,000</u>	<u>4,565,568</u>	<u>(345,568)</u>
Excess of Revenues Over (Under) Expenditures	(333,833)	(333,833)	(218,726)	115,107
Other Financing Sources				
Transfers In	<u>333,833</u>	<u>333,833</u>	<u>218,726</u>	<u>(115,107)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Sources	-	-	-	-
Fund Balances, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE AIRPORT FUND

For the Year Ended December 31, 2019

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Fuel Sales	\$ 220,000	\$ 200,379	\$ (19,621)
Fuel Taxes	5,800	7,144	1,344
Leases and Rentals	42,000	16,776	(25,224)
Other	73,000	61,422	(11,578)
	<u>340,800</u>	<u>285,721</u>	<u>(55,079)</u>
EXPENDITURES			
Operations	531,386	301,798	229,588
Capital Outlay	30,000	8,611	21,389
	<u>561,386</u>	<u>310,409</u>	<u>250,977</u>
Excess Of Revenues Over (Under) Expenditures	(220,586)	(24,688)	195,898
Fund Balances, Beginning	<u>406,047</u>	<u>445,372</u>	<u>39,325</u>
Fund Balances, Ending	<u>\$ 185,461</u>	<u>\$ 420,684</u>	<u>\$ 235,223</u>

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE BLOOD LEAD MONITORING FUND

For the Year Ended December 31, 2019

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Contributions	<u>\$ 90,250</u>	<u>\$ 14,419</u>	<u>\$ (75,831)</u>
EXPENDITURES			
Public Health and Welfare	<u>110,997</u>	<u>85,089</u>	<u>25,908</u>
Excess of Revenues Over (Under) Expenditures	(20,747)	(70,670)	(49,923)
Fund Balances, Beginning	<u>83,351</u>	<u>79,137</u>	<u>(20,622)</u>
Fund Balances, Ending	<u><u>\$ 62,604</u></u>	<u><u>\$ 8,467</u></u>	<u><u>\$ (70,545)</u></u>

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE LANDFILL FUND

For the Year Ended December 31, 2019

	ORIGINAL BUDGET	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Charges for Services	\$ 601,000	\$ 601,000	\$ 534,148	\$ (66,852)
Other Revenue	-	-	1,252	1,252
TOTAL REVENUES	601,000	601,000	535,400	(65,600)
EXPENDITURES				
Public Health and Welfare	538,975	553,198	582,578	(29,380)
Excess of Revenues Over (Under) Expenditures	62,025	47,802	(47,178)	(94,980)
Other Financing Sources (Uses)				
Transfers In	70,000	70,000	70,000	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Sources	132,025	117,802	22,822	(94,980)
Fund Balances, Beginning	1,537,336	1,537,336	1,516,964	(20,372)
Fund Balances, Ending	\$ 1,669,361	\$ 1,655,138	\$ 1,539,786	\$ (115,352)

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE CONSERVATION TRUST FUND

For the Year Ended December 31, 2019

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Intergovernmental:			
Lottery Funds from State	\$ 46,000	\$ 56,547	\$ 10,547
EXPENDITURES			
Culture and Recreation	120,000	54,627	65,373
Excess of Revenues Over (Under) Expenditures	(73,800)	3,176	76,976
Fund Balances, Beginning	291,352	294,907	3,555
Fund Balances, Ending	<u>\$ 217,552</u>	<u>\$ 298,083</u>	<u>\$ 80,531</u>

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE LODGING TAX FUND

For the Year Ended December 31, 2019

	<u>ORIGINAL BUDGET</u>	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES:				
Taxes				
Lodging	\$ 165,000	\$ 165,000	\$ 234,070	\$ 69,070
TOTAL REVENUES	<u>165,000</u>	<u>165,000</u>	<u>234,445</u>	<u>69,445</u>
EXPENDITURES				
Lodging Tax Marketing	<u>144,000</u>	<u>201,000</u>	<u>188,332</u>	<u>12,668</u>
Excess of Revenues Over (Under) Expenditures	21,000	(36,000)	46,113	82,113
Fund Balances, Beginning	<u>178,502</u>	<u>178,502</u>	<u>168,086</u>	<u>(10,416)</u>
Fund Balances, Ending	<u>\$ 199,502</u>	<u>\$ 142,502</u>	<u>\$ 214,199</u>	<u>\$ 71,697</u>

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE SHERIFF COMMISSARY FUND

For the Year Ended December 31, 2019

	<u>ORIGINAL & FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Inmate Revenues	<u>\$ 3,500</u>	<u>\$ 1,703</u>	<u>\$ (1,797)</u>
EXPENDITURES			
Jail Supplies and Expenses	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Excess Of Revenues Over Expenditures	(1,500)	1,703	3,203
Fund Balance, Beginning	<u>(148)</u>	<u>4,093</u>	<u>4,241</u>
Fund Balance, Ending	<u><u>\$ (1,648)</u></u>	<u><u>\$ 5,796</u></u>	<u><u>\$ 7,444</u></u>

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE MINERAL BELT TRAIL FUND

For the Year Ended December 31, 2019

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Contributions	\$ 7,000	\$ 24,097	\$ 17,097
EXPENDITURES			
Culture and Recreation	19,000	13,764	5,236
Excess of Revenues Over (Under) Expenditures	(12,000)	10,333	22,333
Fund Balances, Beginning	27,663	26,953	(710)
Fund Balances, Ending	<u>\$ 15,663</u>	<u>\$ 37,286</u>	<u>\$ 21,623</u>

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE CAPITAL ACQUISITION FUND

For the Year Ended December 31, 2019

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
TAXES:			
Property Taxes	\$ 151,313	\$ 150,844	\$ (469)
Delinquent Taxes	-	560	560
Interest & Penalties	500	412	(88)
	<u>151,813</u>	<u>151,816</u>	<u>3</u>
TOTAL REVENUES			
	<u>151,813</u>	<u>151,816</u>	<u>3</u>
EXPENDITURES			
Capital Projects	<u>328,654</u>	<u>159,927</u>	<u>168,727</u>
TOTAL EXPENDITURES			
	<u>452,825</u>	<u>284,098</u>	<u>168,727</u>
Excess of Revenues Over (Under) Expenditures	(301,012)	(132,282)	168,730
Fund Balances, Beginning	<u>829,404</u>	<u>829,404</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 528,392</u>	<u>\$ 697,122</u>	<u>\$ 168,730</u>

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE MINE CLOSURE FUND

For the Year Ended December 31, 2019

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
TAXES:			
Property Taxes	\$ 74,674	\$ 74,442	\$ (232)
Delinquent Taxes	-	109	109
Interest & Penalties	-	172	172
Total Revenues	74,674	74,723	49
Excess of Revenues and Other Sources Over Expenditures	74,674	74,723	49
Fund Balances, Beginning	\$ 2,171,668	2,171,668	\$ -
Fund Balances, Ending	\$ 2,246,342	\$ 2,246,391	\$ 49

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE AMBULANCE SERVICE FUND

For the Year Ended December 31, 2019

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
TAXES:			
Property Taxes	\$ 750,080	\$ 747,755	\$ (2,325)
Delinquent Taxes	-	409	409
Interest & Penalties	500	1,315	815
Total Revenue	750,580	749,479	(1,101)
 EXPENDITURES			
Ambulance Service Payments	750,500	749,984	516
Excess of Revenues Over Expenditures	80	(505)	(585)
Fund Balances, Beginning	-	-	-
Fund Balances, Ending	\$ 80	\$ (505)	\$ (585)

See the accompanying Independent Auditor's Report.

Other Supplementary Information

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
PROPRIETARY FUND - INTERNAL SERVICE
FOR THE INSURANCE FUND

For the Year Ended December 31, 2019

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES:			
Taxes			
Property Taxes	\$ 216,161	\$ 216,079	\$ (82)
Delinquent Taxes	-	311	311
Interest & Penalties	100	356	256
Total Taxes	<u>216,261</u>	<u>216,746</u>	<u>485</u>
Operating Revenues			
Contributions	1,558,750	1,473,016	(85,734)
Other Revenues	99,975	199,866	99,891
Total Operating Revenues	<u>1,658,725</u>	<u>1,672,882</u>	<u>14,157</u>
TOTAL REVENUES	<u>1,874,986</u>	<u>1,889,628</u>	<u>14,642</u>
EXPENDITURES			
Insurance Premiums	1,926,030	1,851,671	74,359
Other - Leadville Sanitation District	99,975	109,097	(9,122)
TOTAL EXPENDITURES	<u>2,026,005</u>	<u>1,960,768</u>	<u>65,237</u>
Excess of Revenues Over (Under) Expenditures	(151,019)	(71,140)	79,879
Fund Balances, Beginning	<u>309,068</u>	<u>318,383</u>	<u>9,315</u>
Fund Balances, Ending	<u>\$ 158,049</u>	<u>\$ 247,243</u>	<u>\$ 89,194</u>

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
COMPONENT UNIT - EMERGENCY TELEPHONE SERVICE AUTHORITY

For the Year Ended December 31, 2019

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Telecommunication Charges	\$ 55,000	\$ 73,394	\$ 18,394
Interest	15	8	(7)
	<u>55,015</u>	<u>73,402</u>	<u>18,387</u>
TOTAL OPERATING REVENUES			
EXPENSES			
Telecommunication Network Fees	7,800	4,081	3,719
Dispatch Position	39,000	20,000	19,000
Telecommunication Collection Fees	-	1,058	(1,058)
Maintenance	71,466	55,344	16,122
Miscellaneous	-	15,816	(15,816)
	<u>118,266</u>	<u>96,299</u>	<u>21,967</u>
TOTAL OPERATING EXPENSES			
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES - Non-GAAP Basis	<u>\$ (63,251)</u>	(22,897)	<u>\$ 40,354</u>
Adjustment to GAAP Basis:			
Depreciation		<u>(15,739)</u>	
EXCESS OF REVENUES OVER EXPENDITURES - GAAP Basis		(38,636)	
Fund Balance, Beginning		<u>130,281</u>	
Fund Balance, Ending		<u>\$ 91,645</u>	

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Year Ended December 31, 2019

	Balance January 1, 2018	Additions	Deletions	Balance December 31, 2018
<u>Treasurer</u>				
ASSETS				
Current Assets				
Cash and Investments	\$ 216,043	\$ 11,405,356	\$ 11,354,301	\$ 267,098
LIABILITIES				
Current Liabilities				
Taxes Paid in Advance	\$ 44,932	\$ 2,945	\$ 22,235	\$ 25,642
Funds Held for Others	20,077	175,930	178,169	17,838
Funds Held for Other Governments	151,034	11,204,246	11,131,662	223,618
Total Liabilities	\$ 216,043	\$ 11,383,121	\$ 11,332,066	\$ 267,098
<u>Clerk</u>				
ASSETS				
Current Assets				
Cash and Investments	\$ 290,043	\$ 2,096,330	\$ 2,368,048	\$ 18,325
LIABILITIES				
Current Liabilities				
Funds Held for Other Governments	\$ 290,043	\$ 2,096,330	\$ 2,368,048	\$ 18,325
<u>Public Trustee</u>				
ASSETS				
Current Assets				
Cash and Investments	\$ 11,375	\$ 194,340	\$ 188,415	\$ 17,300
Current Liabilities				
Funds Held for Others	\$ 11,375	\$ 194,340	\$ 188,415	\$ 17,300
<u>Sheriff - Jail Inmate Fund</u>				
ASSETS				
Current Assets				
Cash and Investments	\$ 7,946	\$ 36,361	\$ 41,857	\$ 2,450
Current Liabilities				
Funds Held for Others	\$ 7,946	\$ 36,361	\$ 41,857	\$ 2,450
<u>Total</u>				
ASSETS				
Current Assets				
Cash and Investments	\$ 525,407	\$ 13,732,387	\$ 13,952,621	\$ 305,173
LIABILITIES				
Current Liabilities				
Taxes Paid in Advance	\$ 44,932	\$ 2,945	\$ 22,235	\$ 25,642
Funds Held for Others	39,398	406,631	408,441	37,588
Funds Held for Other Governments	441,077	13,300,576	13,499,710	241,943
Total Liabilities	\$ 525,407	\$ 13,710,152	\$ 13,930,386	\$ 305,173

See the accompanying Independent Auditor's Report.

Supplemental Data for Oversight Agencies

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT		City or County: LAKE
		YEAR ENDING : December 2019
This Information From The Records Of (example - City of _ or County of		Prepared By: Phone: Kristol Hewlett 719-486-3338

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	358,034
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	572,861
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0
2. General fund appropriations		b. Snow and ice removal	548,448
3. Other local imposts (from page 2)	523,440	c. Other	0
4. Miscellaneous local receipts (from page 2)	67,096	d. Total (a. through c.)	548,448
5. Transfers from toll facilities		4. General administration & miscellaneous	116,351
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	11,249
a. Bonds - Original Issues		6. Total (1 through 5)	1,606,943
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	590,536	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)		2. Notes:	
	966,357	a. Interest	
D. Receipts from Federal Government (from page 2)		b. Redemption	
	458,773	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)		3. Total (1.c + 2.c)	0
	2,015,666	C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	
			1,606,943

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,297,918	2,015,666	1,606,943	1,706,641	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2019

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	31,904
4. Licenses		f. Charges for Services	4,050
5. Specific Ownership &/or Other	523,440	g. Other Misc. Receipts	13,051
6. Total (1. through 5.)	523,440	h. Other	18,091
c. Total (a. + b.)	523,440	i. Total (a. through h.)	67,096
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	931,381	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	34,976	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	458,773
f. Total (a. through e.)	34,976	g. Total (a. through f.)	458,773
4. Total (1. + 2. + 3.f)	966,357	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		314,262	314,262
(4). System Enhancement & Operation		43,772	43,772
(5). Total Construction (1) + (2) + (3) + (4)	0	358,034	358,034
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	358,034	358,034
			(Carry forward to page 1)

Notes and Comments:

COMPLIANCE SECTION

Federal Financial Assistance Reports

Lake 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>Name of Grant - Grant ID No.</i>	<i>Passed-through to Subrecipients</i>	<i>Federal Expenditures</i>
477 Cluster-Cluster					
Department of Health and Human Services					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Colorado Department of Human Services			\$ 12,397
<i>Total Department of Health and Human Services</i>					<u>12,397</u>
Total 477 Cluster-Cluster					<u>12,397</u>
CCDF Cluster-Cluster					
Department of Health and Human Services					
Child Care and Development Block Grant	93.575	Colorado Department of Human Services			41,671
<i>Total Department of Health and Human Services</i>					<u>41,671</u>
Total CCDF Cluster-Cluster					<u>41,671</u>
Medicaid Cluster-Cluster					
Department of Health and Human Services					
Medical Assistance Program	93.778	Rio Grande County	EPSDT		9,208
Medical Assistance Program	93.778	Colorado Dept of Human Services	Title XIX Medicaid		106,875
<i>Total Medical Assistance Program</i>					<u>116,083</u>
<i>Total Department of Health and Human Services</i>					<u>116,083</u>
Total Medicaid Cluster-Cluster					<u>116,083</u>
SNAP Cluster-Cluster					
United States Department of Agriculture					
Supplemental Nutrition Assistance Program	10.551	Colorado Dept of Human Services			5,673
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	CDHS			81,789
<i>Total United States Department of Agriculture</i>					<u>87,462</u>
Total SNAP Cluster-Cluster					<u>87,462</u>
TANF Cluster-Cluster					
Department of Health and Human Services					
Temporary Assistance for Needy Families	93.558	Colorado Dept of Human Services			174,377
<i>Total Department of Health and Human Services</i>					<u>174,377</u>
Total TANF Cluster-Cluster					<u>174,377</u>
Other Programs					
Department of Homeland Security					
Emergency Management Performance Grants	97.042	Colorado Dept of Public Safety			42,000
Pre-Disaster Mitigation	97.047	Colorado Division of Homeland Security and Emergency Management			14,990
<i>Total Department of Homeland Security</i>					<u>56,990</u>
United States Department of Justice					
Crime Victim Assistance	16.575	Colorado Department of Justice			72,025
<i>Total United States Department of Justice</i>					<u>72,025</u>
Department of Transportation					
Airport Improvement Program	20.106		3-08-0038-013-2018		1,949,973
Formula Grants for Rural Areas					
Formula Grants for Rural Areas	20.509	Colorado Dept of Transportation			140,801
<i>Total Formula Grants for Rural Areas</i>				\$248,445	<u>140,801</u>
<i>Total Department of Transportation</i>					<u>2,090,774</u>
Department of Health and Human Services					
Public Health Emergency Preparedness	93.069	CDPHE			9,200
Guardianship Assistance	93.090	Colorado Dept of Human Services			1,287
Childhood Lead Poisoning Prevention Projects_State and Local					
Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	CDPHE			6,805
Family Planning_Services	93.217	CDPHE			23,708
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	Colorado Dept of Human Services			91,644
Immunization Cooperative Agreements	93.268	CDPHE			989
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	CDPHE			6,407
Child Support Enforcement	93.563	Colorado Dept of Human Services			118,024
Foster Care_Title IV-E	93.658	Colorado Dept of Human Services			149,981
Adoption Assistance	93.659	Colorado Dept of Human Services			21,330
Social Services Block Grant	93.667	Colorado Dept of Human Services			72,638
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Colorado Dept of Human Services	Build a Generation		95,137
Maternal and Child Health Services Block Grant to the States	93.994	CDPHE			14,740
<i>Total Department of Health and Human Services</i>					<u>611,890</u>
Total Other Programs					<u>2,831,679</u>
Total Expenditures of Federal Awards				\$ 248,445	<u>\$ 3,263,669</u>

The accompanying notes are an integral part of this schedule

LAKE COUNTY, COLORADO

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2019

Note A - Basis of Presentation

The schedule of expenditures of federal awards includes the federal award activity of Lake County under programs of the federal government for the year ended December 31, 2019, and is presented on the accrual basis. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Because this schedule presents only a selected portion of the operations of Lake County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

Note B - Summary of Significant Accounting Policies

(1) Expenditures reported on this schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) The County has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance

HAMBLIN AND ASSOCIATES, LLC

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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

To the Board of Commissioners
Lake County
Leadville, 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, discretely presented component unit, each major fund, and the aggregate remaining fund information of Lake County (the County) as of and for the year ended December 31, 2019, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 25, 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 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 Lake 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 purposes.

Hamblin and Associates

Golden, Colorado
September 25, 2020

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

To the Board of Commissioners
Lake County
Leadville, Colorado

Report on Compliance for Each Major Federal Program

We have audited Lake County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Lake County's major federal programs for the year ended December 31, 2019. Lake County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Lake 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 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 on the County's compliance.

Opinion on Each Major Federal Program

In our opinion, Lake County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of Lake 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 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 Lake 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 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

Golden, Colorado
September 25, 2020

LAKE COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2019

I - Summary of Auditors' Results

Financial Statements

Type of auditors' 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 auditors' 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 programs tested as major programs:

CFDA 20.106 Airport Improvement Program

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

Auditee qualified as low-risk auditee? yes

LAKE COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2019

II. Findings Related to the Financial Statement Audit as Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

A. Reportable Conditions in Internal Control

The audit of the financial statements of Lake County as of and for the year ended December 31, 2019 did not disclose any reportable conditions in the internal control of Lake County that would be considered a material weakness.

B. Compliance Findings

The audit of the financial statements of Lake County as of and for the year ended December 31, 2019 did not disclose any instances of noncompliance with certain provisions of laws, regulations, and grants that were material to those financial statements.

III. Findings and Questioned Costs

A. Reportable Conditions in Internal Control

The audit of the federal awards of Lake County as of and for the year ended December 31, 2019, did not disclose any reportable conditions in the internal control of Lake County that would be considered a material weakness.

B. Compliance Findings

The audit of the federal awards of Lake County as of and for the year ended December 31, 2019 did not disclose any instances of noncompliance with certain provisions of laws, regulations, and grants that were material to those financial statements.

SECTION IV – SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

A. Reportable Conditions in Internal Control

The audit of the financial statements of Lake County as of and for the year ended December 31, 2018 did not disclose any reportable conditions in the internal control of Lake County that would be considered a material weakness.

B. Compliance Findings

The audit of the financial statements of Lake County as of and for the year ended December 31, 2018 did not disclose any instances of noncompliance with certain provisions of laws, regulations, and grants that were material to those financial statements.