

**Baca County, Colorado**

**Financial Statements**

**December 31, 2020**

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***r*farmer, llc**  
***a certified public accounting and consulting firm***

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*Independent Auditor's Report*

Board of County Commissioners  
Baca County, Colorado

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Baca County (the "County"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements 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, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2020, and the respective changes in financial position for the year 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 information 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.

Management has elected to omit the management's discussion and analysis. The omission of this information does not affect our opinion.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying supplementary information such as the combining and individual nonmajor fund financial statements, the budget to actual information, the local highway finance report, and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2021 on our consideration of the 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 solely 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 the effectiveness of 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 the County's internal control over financial reporting and compliance.

***rfarmer, llc***

May 26, 2021

**Baca County, Colorado**  
**Statement of Net Position**  
**December 31, 2020**

	<b>Governmental Activities</b>	<b>Total</b>
<b>ASSETS</b>		
Cash and Equivalents	\$ 7,489,333	\$ 7,489,333
Receivables	3,464,454	3,464,454
Due from Other Governmental Agencies	38,595	38,595
Capital Assets		
Land	16,480	16,480
Buildings and Improvements	5,288,757	5,288,757
Machinery and Equipment	10,466,414	10,466,414
Less: Accumulated Depreciation	(8,701,934)	(8,701,934)
Total Capital Assets	7,069,717	7,069,717
Total Assets	18,062,099	18,062,099
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	181,930	181,930
Unearned revenues	366,683	366,683
Long-term liabilities		
Due in more than one year		
Compensated absences	144,287	144,287
Total liabilities	692,900	692,900
Deferred cash inflow of resources		
Deferred Property taxes	3,459,681	3,459,681
<b>NET POSITION</b>		
Net investment in capital assets	7,069,717	7,069,717
Restricted for:		
Other projects	46,178	46,178
Unrestricted	6,793,623	6,793,623
Total Net Position	\$ 13,909,518	\$ 13,909,518

The accompanying notes to financial statements  
are an integral part of these statements.

**Baca County, Colorado  
Statement of Activities  
For the Year Ended December 31, 2020**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
<b>Primary government</b>						
Governmental Activities						
General Government	\$ 2,307,349	\$ 441,073	\$ 250,456	\$ -	\$ (1,615,820)	\$ (1,615,820)
Public Safety	1,076,825	32,464	60,657	-	(983,704)	(983,704)
Public Works	3,158,602	2,126	2,340,026	-	(816,450)	(816,450)
Health and Human Services	1,278,275	16,013	1,071,543	-	(190,719)	(190,719)
Culture and Recreation	216,758	-	7,451	314,239	104,932	104,932
Total governmental activities	<u>8,037,809</u>	<u>491,676</u>	<u>3,730,133</u>	<u>314,239</u>	<u>(3,501,761)</u>	<u>(3,501,761)</u>
Total primary government	<u>8,037,809</u>	<u>491,676</u>	<u>3,730,133</u>	<u>314,239</u>	<u>(3,501,761)</u>	<u>(3,501,761)</u>
<b>General revenues</b>						
Taxes						
Property taxes, levied for general purposes					\$ 3,094,095	\$ 3,094,095
Miscellaneous taxes					870	870
SO tax					351,247	351,247
Grants and contributions not restricted to specific programs					564,762	564,762
Unrestricted investment earnings					74,756	74,756
Miscellaneous					207,204	207,204
<i>Special item</i> - gain (loss) on disposition assets					6,863	6,863
Total general revenues, special items, and transfers					<u>4,299,797</u>	<u>4,299,797</u>
Change in net position					798,036	798,036
Net position - beginning					13,119,251	13,119,251
Net position - ending					<u>\$ 13,909,518</u>	<u>\$ 13,909,518</u>

The accompanying notes to financial statements  
are an integral part of these statements.

**Baca County, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2020**

	<u>General</u>	<u>Road &amp; Bridge</u>	<u>Health and Human Services</u>	<u>Capital</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 3,848,782	\$ 2,217,888	\$ 720,463	\$ 263,826	\$ 438,374	\$ 7,489,333
Taxes receivable, net	2,801,237	432,808	162,303	-	63,332	3,459,680
Receivable from other governments	-	-	38,595	-	-	38,595
Other receivables	-	-	4,772	-	-	4,772
Total assets	<u>6,650,019</u>	<u>2,650,696</u>	<u>926,133</u>	<u>263,826</u>	<u>501,706</u>	<u>10,992,380</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	79,585	81,558	1,825	1,449	17,513	181,930
Unearned revenue	142,790	-	223,893	-	-	366,683
Total liabilities	<u>222,375</u>	<u>81,558</u>	<u>225,718</u>	<u>1,449</u>	<u>17,513</u>	<u>548,613</u>
Deferred inflow of resources:						
Deferred property taxes	<u>2,801,239</u>	<u>432,808</u>	<u>162,302</u>	<u>-</u>	<u>63,332</u>	<u>3,459,681</u>
Fund balance:						
Restricted for:						
Other purposes--programs	-	-	46,178	-	-	46,178
Committed	-	2,136,330	491,935	262,377	-	2,890,642
Unassigned	3,626,405	-	-	-	-	3,626,405
Committed, reported in non-major funds	-	-	-	-	420,861	420,861
Total fund balance	<u>3,626,405</u>	<u>2,136,330</u>	<u>538,113</u>	<u>262,377</u>	<u>420,861</u>	<u>6,984,086</u>
Total liabilities and fund balance	<u>\$ 6,650,019</u>	<u>\$ 2,650,696</u>	<u>\$ 926,133</u>	<u>\$ 263,826</u>	<u>\$ 501,706</u>	<u>\$ 10,992,380</u>

The accompanying notes to financial statements  
are an integral part of these statements.

**Baca County, Colorado**  
**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**  
**December 31, 2020**

Total fund balance, governmental funds	\$	6,984,086
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.		7,069,718
Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable ), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		(144,287)
Rounding		1
Net Position of Governmental Activities in the Statement of Net Position	\$	13,909,518

The accompanying notes to financial statements  
are an integral part of these statements.

**Baca County, Colorado**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2020**

	<u>General</u>	<u>Road &amp; Bridge</u>	<u>Health and Human Services</u>	<u>Capital</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>						
Property Taxes	\$ 2,503,672	\$ 379,759	\$ 147,831	\$ -	\$ 62,833	\$ 3,094,095
SO Tax	344,178	-	-	-	7,069	351,247
Miscellaneous taxes	870	-	-	-	-	870
Fees and fines	25	-	-	1,000	-	1,025
Licenses and permits	-	13,211	-	-	-	13,211
Intergovernmental	864,131	2,625,488	815,961	313,239	7,451	4,626,270
Charges for services	453,650	-	-	-	77,786	531,436
Investment earnings	74,605	-	-	-	150	74,755
Miscellaneous	163,290	9,702	-	-	-	172,992
Rent	8,427	-	-	-	-	8,427
Total revenues	<u>4,412,848</u>	<u>3,028,160</u>	<u>963,792</u>	<u>314,239</u>	<u>155,289</u>	<u>8,874,328</u>
<b>EXPENDITURES</b>						
Current:						
General government	2,192,065	42,469	-	79	48,885	2,283,498
Public safety	999,233	-	-	-	40,612	1,039,845
Public works	-	2,714,774	-	-	-	2,714,774
Health and welfare	257,627	-	1,016,786	-	-	1,274,413
Culture and recreation	168,215	-	-	-	8,410	176,625
Capital Outlay	100,443	559,368	-	416,521	-	1,076,332
Total Expenditures	<u>3,717,583</u>	<u>3,316,611</u>	<u>1,016,786</u>	<u>416,600</u>	<u>97,907</u>	<u>8,565,487</u>
Excess (deficiency) of revenues over expenditures	<u>695,265</u>	<u>(288,451)</u>	<u>(52,994)</u>	<u>(102,361)</u>	<u>57,382</u>	<u>308,841</u>
<b>SPECIAL ITEM</b>						
Proceeds from sale of asset	-	-	-	6,863	-	6,863
Net change in fund balances	695,265	(288,451)	(52,994)	(95,498)	57,382	315,704
Fund balances - beginning	2,931,140	2,424,781	591,107	357,875	363,479	6,668,382
Fund balances - ending	<u>\$ 3,626,405</u>	<u>\$ 2,136,330</u>	<u>\$ 538,113</u>	<u>\$ 262,377</u>	<u>\$ 420,861</u>	<u>\$ 6,984,086</u>

The accompanying notes to financial statements  
are an integral part of these statements.

**Baca County, Colorado**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of**  
**Governmental Funds to the Statement of Activities**  
**For the Year Ended December 31, 2020**

Net change in fund balances - total governmental funds: \$ 315,704

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlay of \$1,076,332 was more than depreciation of \$605,055 in the current period. 471,277

Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets. Thus, the change in Net Positions differs from the change in fund balance by the cost of the asset sold. 11,055

Change in fund balances of governmental activities \$ 798,036

The accompanying notes to financial statements  
are an integral part of these statements.

**Baca County, Colorado**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2020**

	<b>TOTAL AGENCY FUNDS</b>
<b>ASSETS:</b>	
Cash and cash equivalents	<u>\$ 121,009</u>
Total Assets	<u>121,009</u>
<b>LIABILITIES:</b>	
Due to other governmental units	121,009
Total Liabilities	<u>\$ 121,009</u>

The accompanying notes to financial statements  
are an integral part of these statements.

**Baca County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2020**

**Note 1      Summary of Significant Accounting Policies**

The County's financial statements are prepared in accordance with accounting principles generally accepted in the United States (USGAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing USGAAP for state and local governments through its pronouncements. The more significant accounting policies established by USGAAP used by the County are discussed below:

**Reporting Entity**

The reporting entity consists of (a) the primary government; i.e. the County, and (b) organizations for which the County is financially accountable. The County is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the County. Consideration is also given to other organizations, which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the County. Organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria above, the County is not financially accountable for any other entity, nor is the County a component unit of any other government.

**Government-wide and Fund Financial Statements**

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The County sheriff's protection, road maintenance, culture and recreation, and administration are classified as governmental activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions. The functions are also supported by general government revenues (property taxes, intergovernmental revenue, investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, and operating and capital grants. Program revenues must be directly associated with the function (sheriff, roads, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The government-wide focus is on the sustainability of the County as an entity and the change in the County's net position resulting from the current year's activities.

### **Fund Financial Statements**

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures/ expenses.

The fund focus is on current available resources and budget compliance.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund. The major sources of revenue include property taxes, specific ownership taxes, intergovernmental revenues, and charges for services. The major expenditures include general government and public safety.

The *Road and Bridge Fund* accounts for assets and earnings to be used for road maintenance. The major sources of revenue include property taxes and intergovernmental revenue-highway user's trust fund. The major expenditures are for road and bridge maintenance.

The *Capital Fund* accounts for capital outlay costs relating to equipment and in some instances, building renovations. The major source of revenues is grants, if applicable, for capital improvements and transfers-in. The major expenditures include capital outlay costs.

The *Health and Human Services Fund* accounts for assets and earnings to be used for welfare expenditures. The major sources of revenues include property taxes and intergovernmental revenue-public welfare funds from the State of Colorado. The major expenditures include welfare benefits paid to welfare recipients and expenditures relating to administering benefits.

The County reports the following non-major governmental funds:

The *Pest Control District Fund* accounts for assets and earnings that are used for the reimbursement of expenses incurred spraying noxious weeds.

The *Contingent Fund* accounts for assets and earnings that are governed by CRS.

The *Conservation Trust Fund* accounts for lottery proceeds required to be expended solely on park and recreation improvements.

The *E911 Fund* accounts for assets and earnings that are used for the public safety communication system.

The County has no proprietary or business-type funds.

The County reports the Treasurer's Office as a fiduciary fund. The fiduciary fund is not reported in any other financial statement.

### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

#### **Long-term Economic Focus and Accrual Basis**

The governmental activities in the government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

#### **Current Financial Focus and Modified Accrual Basis**

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

#### **Financial Statement Presentation**

Amounts reported as program revenues include 1) charges to customers and applicants for goods, services, or privileges, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

#### **Investments**

Investments, if any, are stated at cost, which is approximately the same as fair value due to the type of investments. All investments are maintained in the Treasurer's office. The Treasurer is authorized to invest funds in any investment that qualifies under the applicable Colorado Revised Statutes.

## **Property Taxes**

Annual property taxes are levied and assessed on January 1 and are certified by the County by November 1 of the current year. On January 1 of the following year, the County Treasurer bills the property owners, thus establishing an enforceable lien on the property. The County Treasurer also collects the property taxes and remits the collections on a monthly basis to the County.

The County recognizes a receivable, net of estimated uncollectible balances, for property tax levied upon certification by the County Treasurer. A deferred revenue liability is recorded in the same amount since the taxes are not available at year-end to fund expenditures of the current year.

Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses.

## **Capital Assets**

Capital assets, which include land, land improvements, distribution systems, buildings, equipment, and vehicles, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The infrastructure the County has will be capitalized for costs incurred after January 1, 2004.

The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets constructed in the business-type activities. There was not any interest capitalized during the year.

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

<b><u>Assets</u></b>	<b><u>Years</u></b>
Land improvements	25
Buildings and improvements	75
Machinery and equipment	10
Vehicles	5
Infrastructure	50

### **Vacation Days & Sick Leave - Compensated Absences**

All County employees, who are considered full-time employees, are eligible to receive paid vacation. Any unused vacation can be carried forward. Upon termination, any unused vacation up to a maximum number of days will be paid. The number of days depends on length of service. Sick leave can be accumulated up to 60 days with the maximum amount carried forward year-to-year. Sick leave is not paid when the employee is terminated. The unused hours can be donated to the County's sick leave bank.

### **Long-Term Obligations**

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of the governmental fund. The remaining portion of such obligations is reported in the governmental activities' column of the government-wide financial statements.

### **Use of Estimates**

The preparation of financial statements in conformity with GAAP required the County's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

### **Legal Provisions and Authorization for Deposits**

The County is governed by state statutes as to the type of institutions and investments with which it may deposit funds and transact business.

### **Contraband**

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

## **Note 2      Stewardship, Compliance, and Accountability**

### **Budgetary Information**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year-end.

As required by Colorado, the County followed the required timetable noted below in preparing, approving, and enacting its budget for each year.

For each budget year, prior to August 25, the County Assessor sent to the County an assessed valuation of all taxable property within the County's boundaries.

The County Administrator, or other qualified person appointed by the Commissioners, submitted to the Commissioners, on or before October 15, a recommended budget, which detailed the necessary property taxes needed along with other available revenues to meet the County's operating requirements.

Prior to December 15, a public hearing was held for the budget, the Council certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Council adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.

After adoption of the budget resolution, the County may make the following changes: a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2019 were collected in 2020 and taxes certified in 2020 will be collected in 2021. Taxes are due on January 1<sup>st</sup> in the year of collection; however, they may be paid in either one installment (no later than April 30<sup>th</sup>) or two equal installments (not later than February 28<sup>th</sup> and June 15<sup>th</sup>) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16<sup>th</sup>.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the County because it is at present considered not necessary to assure effective budgetary control or to facilitate effective cash planning and control.

### **TABOR Amendment**

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax, and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR required advance voter approval for the creation of any multiple- fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

In November 1996, the voters of the County approved a ballot initiative permitting the County to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatever, without limitation, in 1995 and all subsequent years, notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution.

The County's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

## **Note 3**

### **Deposits and Investments**

#### **Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by State regulators. Amounts on deposit in excess of Federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public depositories as a group. The market value of the collateral must exceed 102% of the uninsured deposits.

The Colorado Division of Banking is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At year-end, the County Treasurer's cash deposits had a bank balance of \$2,845,241 which is insured by the Federal Deposit Insurance Corporation (FDIC) and collateralized in single institution pools.

**Custodial Credit Risk**—Baca County is not exposed to custodial risk due to funds deposited in local financial institutions that meet PDPA requirements and have FDIC coverage.

## Investments

Colorado Statutes authorize the County to invest in any of the following investments:

Repurchase agreements,

Obligations of the United States or obligations unconditionally guaranteed by the United States,

Obligations of the State of Colorado and most general obligations of units of local government,

Federally insured mortgages and student loans,

Participation with other local governments in pooled investment funds (trusts), these trusts are supervised by participating governments, and must comply with the same restrictions on cash deposits and investments. (One such trust formed under the statute is ColoTrust). MBIA's COLOTRUST PRIME and PLUS+ pools are a 2a7-like investment pool.

The following facts are relevant for 2a7-like investment pools:

- Credit risk: COLOTRUST PRIME and PLUS+ Portfolios are rated AAAM by S&P. COLOTRUST PLUS+ is rated AAA by Moody's and AAA/V1+ by Fitch.
- Custodial credit risk: COLOTRUST PRIME and PLUS+ participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- COLOTRUST PRIME is a stable \$1.00 NAV portfolio offering daily liquidity that only invests in the US Treasury securities, US Government Agencies, bank deposits, and repurchase agreements.
- COLOTRUST PLUS+ invests in the same securities as PRIME as well as collateralized bank deposits, highly rated commercial paper, and corporate bonds. PLUS+ is a stable \$1.00 NAV fund that offers daily liquidity.

The County Treasurer, who has the authority to invest funds, per the County policies, invested \$600,000 in FHLMC, FHLMC, and FNMA step coupons. The fair market value is approximately the same as cost. All investments are a level 1 investment as defined by applicable standards. Level 1 investments have a readily determinable fair value based on market valuations.

**Note 4 Pension Plan**

The County has adopted a defined contribution retirement plan, which provides for contributions equal to 3% of earnings by each full-time employee with a matching amount contributed by the County. The employer contributed \$84,242 and the employees contributed \$84,242 in 2020, based on qualifying salaries of approximately \$2,808,078 with total salaries being approximately \$3,317,530. The plan is with Colorado County Officials and Employees Retirement Association. Upon retirement, the employee is entitled to all funds deposited in his account, including investment earnings. Upon termination of employment, the employee will normally recover his contributions to the plan, plus investment earnings, plus 20% of total County contributions up to 100% in his name for each year of employment.

There were approximately 130 employees as of December 31 that are considered general employees.

The County Commissioners authorize and approve changes to the plan.

**Note 5 Capital Assets**

Capital asset activity for the year ended December 31, 2020, was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Land	\$ 16,480	\$ -	\$ -	\$ 16,480
Buildings & Improvements	4,872,236	440,921	-	5,313,157
Machinery & Equipment	9,907,839	635,410	(101,235)	10,442,014
Total	14,796,555	1,076,331	(101,235)	15,771,651
Less: Accum Deprec	(8,198,114)	(605,055)	101,235	(8,701,934)
Net amount	<u>\$ 6,598,441</u>	<u>\$ 471,276</u>	<u>\$ -</u>	<u>\$ 7,069,717</u>

Depreciation expense was charged to functions of the primary government as follows:

<b>Governmental Activities:</b>	
General Government	\$ 123,655
Public Safety	33,514
Highways & Streets	401,359
Health & Welfare	6,384
Culture & Recreation	40,133
<b>Total Depreciation Expense</b>	<u>\$ 605,055</u>

**Note 6 Long-term Liabilities**

Accrued vacation at year-end consists of the following:

	<b>Beginning Balance</b>	<b>Additions to Long-Term Debt</b>	<b>Retirement of Long-Term Debt</b>	<b>Ending Balance</b>
Social Services	\$ 22,212	\$ -	\$ -	\$ 22,212
Road & Bridge	64,161	-	-	64,161
General	57,914	-	-	57,914
Total	\$ 144,287	\$ -	\$ -	\$ 144,287

The schedule of long-term debt is as follows:

	<b>January 1</b>	<b>Additions</b>	<b>Deletions</b>	<b>December 31</b>	<b>Current</b>
Compensated Absences	\$ 144,287	\$ -	\$ -	\$ 144,287	\$ -

**Note 7 Risk Management**

**County Workers' Compensation Pool**

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

**Colorado Counties Casualty and Property Pool**

The County is exposed to various risks of loss related to property and casualty losses. The County joined together with other Counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CAPP for its property and casualty insurance coverage.

The intergovernmental agreement of formation of CAPP provides that the Pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

The County, in their opinion, has obtained adequate coverage as required by Colorado Revised Statutes to settle claims in the ordinary course of business. However, due to the unknown nature

of potential liability, some claims may arise that fall outside the coverage limits for which the County would be financially responsible. Claims have not exceeded coverages during the past three years.

## **Note 8      Joint Ventures**

The County participates in various pools covering workers' compensation and property and casualty losses. These joint ventures do not meet the criteria for inclusion within the reporting entity because the pools:

- are financially independent and responsible for their own financial deficits and entitled to their own surpluses,
- have separate governing boards from that of the County, which is comprised of one voting member from each participating County,
- have governing boards and management who have the ability to significantly influence operations by approving budgetary requests and adjustments, signing contracts, hiring personnel, exercising control over facilities, and determining the outcome or disposition of matters affecting the recipients of services provided, and
- have absolute authority over all funds and fiscal responsibility including budgetary responsibility and reporting to state agencies and control fiscal management.

## **Note 9      Contingent Liabilities**

The County is not aware of any contingent liabilities that need to be disclosed.

During the latter part of 2004, the State of Colorado, Department of Human Services converted to a new accounting system to account for the public welfare costs, revenues, and eligible clients. The accounting system failed and several clients received more welfare benefits than they were entitled. It was ruled in federal court that if a welfare client received excess funds as a result of the State of Colorado, Department of Human Services or the County Department of Social Services error or errors, the welfare client was not responsible for repaying the excess amount and the State and County could not start a collection effort. The State has not decided if they will pursue collection efforts against the County for any excess payments made because of the accounting system errors. The amount of liability, if any, that the County could owe to the State because of the errors is not known and the impact on the financial statements, if any, cannot be determined.

**Note 10      Fund Balances**

The County has applied the requirements of GASB 54 – Fund Balance Reporting.

**Non-Spendable**

Non-spendable balances represent amounts, which have been paid for but not, consumed and will include inventories and prepaid expenses.

**Committed**

The portion of fund balance constrained for specific purposes according to the limitations imposed by the County’s highest level of decision-making authority, the County Commissioners, or other individuals authorized to assign funds to be used for a specific purpose. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.

**Assigned**

Assigned balances represent balances where the intent is expressed by (1) the governing body itself or (2) a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

**Unassigned**

Unassigned balances can be used for any legal purpose and are limited to the General Fund.

The County considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**Note 11      EBT Authorization**

Refer to the following page for the Schedule of EBT Authorizations, Warrant Expenditures, and Total Expenditures for the year ended December 31, 2020, for the Department of Health and Human Services fund.

Note 11

**Baca County Department of Social Services  
Public Welfare Fund  
Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures  
for the year ended December 31, 2020**

<b>Program</b>	<b>County EBT Authorizations</b>	<b>County Share of Authorizations</b>	<b>Expenditures By County Warrant</b>	<b>County EBT Authorizations and Expenditures by County Warrant</b>	<b>Total Expenditures</b>
Regular County Administration	\$ -	\$ -	\$ 182,492	\$ 182,492	\$ 182,492
APS	-	-	19,647	19,647	19,647
Old Age Pension - OAP	83,710	2,707	-	83,710	2,707
Child Care	4,692	3,039	13,310	18,002	16,349
TANF/Colo Works	127,929	21,915	67,967	195,897	89,883
Child Welfare - 100 & 80/20	4,361	901	158,719	163,080	159,620
Child Welfare - 90& New Caseworker	-	-	47,446	47,446	47,446
Collaborative Management Grant	-	-	29,935	29,935	29,935
Core Services & Spec. Econ. Asst.	-	-	3,644	3,644	3,644
General Assistance - County Only	-	-	17,760	17,760	17,760
IV-D Administration	-	-	50,094	50,094	50,094
Low Energy Assistance - LEAP	82,897	-	1,628	84,525	1,628
Medicaid Transportation	-	-	93,450	93,450	93,450
PCA/Ombudsman/AAA	-	-	272,296	272,296	272,296
Employment First/FSJS	-	-	(15)	(15)	(15)
Aid to Needy Disabled - AND	30,567	6,113	-	30,567	6,113
Home Care Allowance	-	-	-	-	-
<b>Sub-Total</b>	<b>334,156</b>	<b>34,675</b>	<b>958,373</b>	<b>1,292,530</b>	<b>993,049</b>
Food Assistance EBT	737,140	-	-	737,140	-
<b>Grand Total</b>	<b>\$ 1,071,296</b>	<b>\$ 34,675</b>	<b>\$ 958,373</b>	<b>\$ 2,029,670</b>	<b>\$ 993,049</b>

**Baca County, Colorado**  
**Budget and Actual**  
**General**  
**For the year ended December 31, 2020**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Property taxes	\$ 2,528,943	\$ 2,528,943	\$ 2,503,672
SO taxes	250,000	250,000	344,178
Sales and miscellaneous taxes	800	800	870
Fees and fines	2,500	2,500	25
Intergovernmental	682,142	682,142	864,131
Charges for services	407,882	407,882	453,650
Investment earnings	65,000	65,000	74,605
Sale of equipment	12,800	12,800	8,427
Miscellaneous	44,300	44,300	163,290
Total revenues	<u>3,994,367</u>	<u>3,994,367</u>	<u>4,412,848</u>
<b>EXPENDITURES</b>			
Current:			
General government	2,489,366	2,489,366	2,192,065
Public safety	1,249,264	1,249,264	999,233
Health and sanitation	259,418	259,418	257,627
Culture and recreation	230,733	230,733	168,215
Capital Outlay	81,000	81,000	100,443
Total Expenditures	<u>4,309,781</u>	<u>4,309,781</u>	<u>3,717,583</u>
Excess (deficiency) of revenues over expenditures	<u>(315,414)</u>	<u>(315,414)</u>	<u>695,265</u>
Net change in fund balances	(315,414)	(315,414)	695,265
Fund balances - beginning	2,372,700	2,372,700	2,931,140
Fund balances - ending	<u>\$ 2,057,286</u>	<u>\$ 2,057,286</u>	<u>\$ 3,626,405</u>

**Baca County, Colorado**  
**Budget and Actual**  
**Road & Bridge**  
**For the year ended December 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Property Taxes	\$ 397,967	\$ 397,967	\$ 379,759
Licenses and permits	13,800	13,800	13,211
Intergovernmental	2,895,998	2,895,998	2,625,488
Charges for services	1,900	1,900	-
Miscellaneous	14,350	14,350	9,702
Total revenues	<u>3,324,015</u>	<u>3,324,015</u>	<u>3,028,160</u>
<b>EXPENDITURES</b>			
Current:			
General government	41,900	41,900	42,469
Highways and roads	3,129,719	3,129,719	2,714,774
Capital Outlay	590,000	590,000	559,368
Total Expenditures	<u>3,761,619</u>	<u>3,761,619</u>	<u>3,316,611</u>
Excess (deficiency) of revenues over expenditures	<u>(437,604)</u>	<u>(437,604)</u>	<u>(288,451)</u>
Net change in fund balances	(437,604)	(437,604)	(288,451)
Fund balances - beginning	1,906,660	1,906,660	2,424,781
Fund balances - ending	<u>\$ 1,469,056</u>	<u>\$ 1,469,056</u>	<u>\$ 2,136,330</u>

**Baca County, Colorado**  
**Budget and Actual**  
**Health and Human Services**  
**For the year ended December 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Property Taxes	\$ 148,394	\$ 148,394	\$ 147,831
Intergovernmental	1,343,304	1,343,304	815,961
Miscellaneous	353,339	353,339	-
Total revenues	<u>1,845,037</u>	<u>1,845,037</u>	<u>963,792</u>
<b>EXPENDITURES</b>			
Current:			
Health and welfare	<u>1,957,888</u>	<u>1,957,888</u>	<u>1,016,786</u>
Total Expenditures	<u>1,957,888</u>	<u>1,957,888</u>	<u>1,016,786</u>
Excess (deficiency) of revenues over expenditures	<u>(112,851)</u>	<u>(112,851)</u>	<u>(52,994)</u>
Net change in fund balances	(112,851)	(112,851)	(52,994)
Fund balances - beginning	578,895	578,895	591,107
Fund balances - ending	<u>\$ 466,044</u>	<u>\$ 466,044</u>	<u>\$ 538,113</u>

**Baca County, Colorado**  
**Budget and Actual**  
**Capital**  
**For the year ended December 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Fees and fines	\$ -	\$ -	\$ 1,000
Intergovernmental	650,000	650,000	313,239
Total revenues	<u>650,000</u>	<u>650,000</u>	<u>314,239</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	-	79
Public Safety	150,000	150,000	-
Capital Outlay	500,000	500,000	416,521
Total Expenditures	<u>650,000</u>	<u>650,000</u>	<u>416,600</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(102,361)</u>
<b>SPECIAL ITEM</b>			
Proceeds from sale capital assets	-	-	6,863
Net change in fund balances	-	-	(95,498)
Fund balances - beginning	178,839	178,839	357,875
Fund balances - ending	<u>\$ 178,839</u>	<u>\$ 178,839</u>	<u>\$ 262,377</u>

**Baca County, Colorado  
Balance Sheet  
Other Governmental Funds  
December 31, 2020**

	<u>E911</u>	<u>Contingency</u>	<u>Conservation Trust</u>	<u>Pest Control District</u>	<u>Total Other Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 160,173	\$ 114,028	\$ 9,203	\$ 154,970	\$ 438,374
Taxes receivable, net	-	-	-	63,332	63,332
Total assets	<u>160,173</u>	<u>114,028</u>	<u>9,203</u>	<u>218,302</u>	<u>501,706</u>
<b>LIABILITIES AND NET POSITIONS</b>					
Liabilities:					
Accounts payable	<u>17,513</u>	-	-	-	<u>17,513</u>
Total liabilities	<u>17,513</u>	-	-	-	<u>17,513</u>
Deferred inflow of resources:					
Deferred property taxes	-	-	-	63,332	63,332
Fund balance:					
Committed	<u>142,660</u>	<u>114,028</u>	<u>9,203</u>	<u>154,970</u>	<u>420,861</u>
Total fund balances	<u>142,660</u>	<u>114,028</u>	<u>9,203</u>	<u>154,970</u>	<u>420,861</u>
Total liabilities and fund balances	<u>\$ 160,173</u>	<u>\$ 114,028</u>	<u>\$ 9,203</u>	<u>\$ 218,302</u>	<u>\$ 501,706</u>

**Baca County, Colorado**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Other Governmental Funds**  
**For the Year Ended December 31, 2020**

	<u>E911</u>	<u>Contingency</u>	<u>Conservation Trust</u>	<u>Pest Control District</u>	<u>Total Other Governmental Funds</u>
<b>REVENUES</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ 62,833	\$ 62,833
SO Taxes	-	-	-	7,069	7,069
Intergovernmental	-	-	7,451	-	7,451
Charges for services	32,439	45,347	-	-	77,786
Investment earnings	74	-	6	70	150
Total revenues	<u>32,513</u>	<u>45,347</u>	<u>7,457</u>	<u>69,972</u>	<u>155,289</u>
<b>EXPENDITURES</b>					
Current:					
General government	324	45,419	-	3,142	48,885
Public Safety	25,650	-	-	14,962	40,612
Culture and recreation	-	-	8,410	-	8,410
Total Expenditures	<u>25,974</u>	<u>45,419</u>	<u>8,410</u>	<u>18,104</u>	<u>97,907</u>
Excess (deficiency) of revenues over expenditures	<u>6,539</u>	<u>(72)</u>	<u>(953)</u>	<u>51,868</u>	<u>57,382</u>
Net change in fund balances	6,539	(72)	(953)	51,868	57,382
Fund balances - beginning	136,121	114,100	10,156	103,102	363,479
Fund balances - ending	<u>\$ 142,660</u>	<u>\$ 114,028</u>	<u>\$ 9,203</u>	<u>\$ 154,970</u>	<u>\$ 420,861</u>

**Baca County, Colorado**  
**Budget and Actual**  
**E911**  
**For the year ended December 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Charges for services	\$ 38,800	\$ 38,800	\$ 32,439
Investment earnings	300	300	74
Total revenues	<u>39,100</u>	<u>39,100</u>	<u>32,513</u>
<b>EXPENDITURES</b>			
Current:			
General government	400	400	324
Public Safety	31,700	31,700	25,650
Capital Outlay	7,000	7,000	-
Total Expenditures	<u>39,100</u>	<u>39,100</u>	<u>25,974</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>6,539</u>
Net change in fund balances	-	-	6,539
Fund balances - beginning	166,474	166,474	136,121
Fund balances - ending	<u>\$ 166,474</u>	<u>\$ 166,474</u>	<u>\$ 142,660</u>

**Baca County, Colorado  
Budget and Actual  
Contingency  
For the year ended December 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Charges for services	\$ 114,090	\$ 114,090	\$ 45,347
Total revenues	<u>114,090</u>	<u>114,090</u>	<u>45,347</u>
<b>EXPENDITURES</b>			
Current:			
General government	114,090	114,090	45,419
Total Expenditures	<u>114,090</u>	<u>114,090</u>	<u>45,419</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(72)</u>
Net change in fund balances	-	-	(72)
Fund balances - beginning	114,090	114,090	114,100
Fund balances - ending	<u>\$ 114,090</u>	<u>\$ 114,090</u>	<u>\$ 114,028</u>

**Baca County, Colorado  
Budget and Actual  
Conservation Trust  
For the year ended December 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Intergovernmental	\$ 10,980	\$ 10,980	\$ 7,451
Investment earnings	20	20	6
Total revenues	<u>11,000</u>	<u>11,000</u>	<u>7,457</u>
<b>EXPENDITURES</b>			
Current:			
Culture and recreation	<u>11,000</u>	<u>11,000</u>	<u>8,410</u>
Total Expenditures	<u>11,000</u>	<u>11,000</u>	<u>8,410</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(953)</u>
Net change in fund balances	-	-	(953)
Fund balances - beginning	<u>6,073</u>	<u>6,073</u>	<u>10,156</u>
Fund balances - ending	<u>\$ 6,073</u>	<u>\$ 6,073</u>	<u>\$ 9,203</u>

**Baca County, Colorado  
Budget and Actual  
Pest Control District  
For the year ended December 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
<b>REVENUES</b>			
Property Taxes	\$ 63,477	\$ 63,477	\$ 62,833
SO Taxes	6,000	6,000	7,069
Investment earnings	200	200	70
Total revenues	<u>69,677</u>	<u>69,677</u>	<u>69,972</u>
<b>EXPENDITURES</b>			
Current:			
General government	3,000	3,000	3,142
Public Safety	50,200	50,200	14,962
Total Expenditures	<u>53,200</u>	<u>53,200</u>	<u>18,104</u>
Excess (deficiency) of revenues over expenditures	<u>16,477</u>	<u>16,477</u>	<u>51,868</u>
Net change in fund balances	16,477	16,477	51,868
Fund balances - beginning	59,468	59,468	103,102
Fund balances - ending	<u>\$ 75,945</u>	<u>\$ 75,945</u>	<u>\$ 154,970</u>

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County:
	YEAR ENDING : December 2020
This Information From The Records Of (example - City of _ or County of _) County of Baca	Prepared By: Cindi Parsons Phone: 719.563.1132

**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
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	3,263,107
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	
3. Other local imposts (from page 2)	382,395	c. Other	
4. Miscellaneous local receipts (from page 2)	7,578	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneous	53,506
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	3,316,613
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	389,973	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	2,352,727	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	285,462	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	3,028,162	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	3,316,613

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	2,424,781	3,028,162	3,316,613	2,136,330	0

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2020

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	379,759	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	
4. Licenses	2,126	f. Charges for Services	
5. Specific Ownership &/or Other	510	g. Other Misc. Receipts	1,704
6. Total (1. through 5.)	2,636	h. Other	5,874
c. Total (a. + b.)	382,395	i. Total (a. through h.)	7,578
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	2,340,026	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	285,462
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	12,701	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	12,701	g. Total (a. through f.)	285,462
4. Total (1. + 2. + 3.f)	2,352,727	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)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments:

**Baca County, Colorado**  
**Schedule of Federal Awards Expended**  
**for the year ended December 31, 2020**

<u>GRANT TITLE</u>	<u>PASS-THRU AGENCY</u>	<u>FEDERAL CFDA NUMBER</u>	<u>AMOUNT OF AWARD EXPENDED</u>	
<b>DEPARTMENT OF HEALTH &amp; HUMAN SERVICES:</b>				
IV-D Administration	Colo. Dept of Human Services	93.563	\$ 41,061	
LEAP	Colo. Dept of Human Services	93.568	896	
Title IV-E-FC	Colo. Dept of Human Services	93.658	61,316	
Block Grant- Title XX	Colo. Dept of Human Services	93.667	27,469	
Title IV-E Guard As	Colo. Dept of Human Services	93.090	679	
IV-B Child Care	Colo. Dept of Human Services	93.645	122	
CO Works- TANF	Colo. Dept of Human Services	93.558	211,156	
Child Care Development Funds	Colo. Dept of Human Services	93.596	5,777	
ELC	Colo. Dept of Human Services	93.323	55,162	
CCDF Cluster	Colo. Dept of Human Services	93.575	3,677	
Community Services Block Grant	Colo. Dept of Human Services	93.569	28,000	
IV-E Adoption	Colo. Dept of Human Services	93.659	<u>3,904</u>	439,219
<b>DEPARTMENT OF HEALTH &amp; HUMAN SERVICES:</b>				
Programs for the Aging	Colo. Dept of Health Care Policy & Fin.	93.044	4,010	
EPR Core	Colo. Dept of Health Care Policy & Fin.	93.069	24,909	
Medicaid Cluster	Colo. Dept of Health Care Policy & Fin.	93.778	<u>63,892</u>	92,811
<b>DEPARTMENT OF PUBLIC HEALTH &amp; ENVIRONMENT</b>				
Immunization	Colo. Dept of Public Health & Environ	93.268	5,655	
OPPI LPHA	Colo. Dept of Public Health & Environ	93.994	3,452	
Immunization	Colo. Dept of Public Health & Environ	93.354	<u>12,346</u>	21,453
<b>DEPARTMENT OF AGRICULTURE:</b>				
WIC	Colo. Dept of Public Health & Environ	10.557	30,357	
WIC	Colo. Dept of Public Health & Environ	10.557	42,899	
Food Stamp Cluster	Colo. Dept of Human Services	10.551	727	
Food Stamp Cluster	Colo. Dept of Human Services	10.561	<u>51,999</u>	125,982
<b>DEPARTMENT OF LOCAL AFFAIRS:</b>				
Coronavirus Relief Fund Program	Colo. Dept of Local Affairs	21.019	<u>322,281</u>	322,281
<b>DEPARTMENT OF HOMELAND SECURITY:</b>				
Emergency Management		97.042	<u>32,000</u>	32,000
<b>TOTAL FEDERAL FINANCIAL AWARDS</b>			<u>\$ 1,033,746</u>	

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**NOTE 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Baca County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the federal requirements.

The County does not use the minimum indirect cost rate.

**Baca County, Colorado**  
**Schedule of Findings and Questioned Costs**  
**December 31, 2020**

**Section I: Summary of Auditor's Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified.

Internal control over financial reporting:		
• Material weakness(es) identified?	___ Yes	_X_ None noted
• Significant deficiency(ies) identified?	___ Yes	_X_ None reported
Noncompliance material to financial statements noted?	___ Yes	_X_ None noted

**Federal Awards**

Internal control over major federal programs:		
• Material weakness(es) identified?	___ Yes	_X_ None noted
• Significant deficiency(ies) identified?	___ Yes	_X_ None noted
Type of auditor's report issued on compliance for major federal programs: unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ Yes	_X_ None noted
Identification of major federal programs:		
CFDA Number(s):	Name of Federal Program or Cluster:	
93.558	Co Works TANF	
21.019	Coronavirus Relief Fund Program	
Dollar threshold used to distinguish between type A and type B programs:	\$750,000	
Auditee qualified as a low-risk auditee?	___ Yes	_X_ No

**Section II: Financial Statement Findings**

There were not any findings.

**Section III: Federal Awards Findings**

There were not any findings.

**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***

*Independent Auditor's Report*

Board of County Commissioners  
Baca County, Colorado

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Baca County (the "County") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 26, 2021.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*rfarmer, llc*

May 26, 2021

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

*Independent Auditor's Report*

Board of County Commissioners  
Baca County, Colorado

**Report on Compliance for Each Major Federal Program**

We have audited Baca 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 Baca County's major federal programs for the year ended December 31, 2020. Baca County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Baca 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Baca County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Baca County's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Baca County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

## Report on Internal Control over Compliance

Management of Baca 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 Baca County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Baca 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.

*rfarmer, llc*

May 26, 2021