

DOLORES COUNTY, COLORADO

Accountants' Reports
and
Basic Financial Statements

December 31, 2020

DOLORES COUNTY, COLORADO

TABLE OF CONTENTS December 31, 2020

Independent Auditors' Report on Basic Financial Statements	1-2
Management's Discussion and Analysis	3-13
Basic Financial Statements	
Government -Wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Balance Sheet-Governmental Funds and the Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances- Governmental Funds to the Statement of Activities	18
Statement of Net Position-Proprietary Fund-Enterprise Fund	19
Statement of Revenues, Expenses, and Changes in Net Position-Proprietary Fund-Enterprise Fund	20
Statement of Cash Flows-Proprietary Fund-Enterprise Fund	21
Statement of Fiduciary Net Position	22
Statement of Changes in Fiduciary Net Position	23
Notes to the Financial Statements	24-39
Required Supplementary Information	40
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-General Fund	41-43
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual- Road and Bridge Fund	44
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual- Social Services Fund	45

DOLORES COUNTY, COLORADO

TABLE OF CONTENTS

December 31, 2020

Other Supplementary Information	46
Non Major Governmental Funds	47
Combining Balance Sheet-Non Major Governmental Funds	48
Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Non Major Governmental Funds	49
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-Senior Services Fund	50
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-Conservation Trust Fund	51
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-Ormiston Fund	52
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-Contingency Fund	53
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-Public Health Fund	54
Schedule of Revenues, Expenditures and Changes in Net Position-Budget and Actual- Proprietary Fund-Enterprise Fund	55
Information Required by Oversight Authorities	56
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements in Accordance with Government Auditing Standards	57-58
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance Required by the Uniform Guidance	59-60
Schedule of Expenditures of Federal Awards	61-62
Notes to the Schedule of Federal Financial Assistance	63
Schedule of Findings and Questioned Costs	64
Summary of Prior Audit Findings	65
Schedule of Corrective Action Plan	66
Local Highway Finance Report	67-68

Majors and Haley, P.C. Certified Public Accountants

P.O. Box 1478
Cortez, CO 81321
(970) 565-9521
Fax: (970) 565-9441

Chris L. Majors, CPA, MT

Lori Hasty Haley, CPA

INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Dolores County, Colorado
Dove Creek, Colorado 81321

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Dolores County, Colorado 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.

Auditors' 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 of 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 auditors' 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 auditors consider 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Dolores County, Colorado, as of December 31, 2020, and the respective changes in financial position and, where applicable,

cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 13 and pages 40 through 45 be presented to supplement the basic financial statements. Such information, although not a required 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.

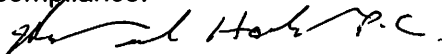
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Dolores County, Colorado's basic financial statements. The combining non-major fund financial statements, budgetary comparison schedules, and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining non-major fund financial statements, budgetary comparison schedules, Local Highway Finance Report and the schedule of expenditures of federal awards are the responsibility of management and were 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining non-major fund financial statements, budgetary comparison schedules, Local Highway Finance Report and the schedule of expenditures of federal awards are 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 August 11, 2021, on our consideration of the Dolores County, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing 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 the Dolores County, Colorado's internal control over financial reporting and compliance.



Majors and Haley, P.C.
August 11, 2021

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2020

FINANCIAL HIGHLIGHTS

Key financial highlights for the County in 2020 are as follows:

- In total, net position increased by \$227,502. Net position of governmental activities increased by \$225,607, which represents a .86 percent increase from 2019. Net position of business type activities increased \$1,895 or .17 percent from 2019.
- General revenues accounted for \$4,383,298 in revenue or 50.3 percent of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$4,328,570 million or 49.7 percent of total revenues of \$8,711,868.
- Governmental activities total assets increased by \$85,449. Total liabilities increased by \$37,836. Deferred inflows of resources decreased by \$177,994.
- The County incurred \$8,322,545 million in expenses related to governmental activities. \$4,275,836 of these expenses were offset by program specific charges for services, grants and contributions. General revenues (primarily property taxes and mineral leasing funds) of \$4,246,808 were adequate to cover the balance of the costs of these programs.
- Among the major funds, the General Fund had \$3,882,436 in revenues, including transfers and \$3,627,954 in expenditures including transfers. It's fund balance increased by \$254,482 from \$8,919,006 to \$9,173,488.
- Net position of the Enterprise Fund increased from \$1,115,432 to \$1,117,327.

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: management's discussion and analysis, the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the County.

- The first two statements are County-wide financial statements that provide both short-term and long-term information about the County's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the County, reporting the County's operations in more detail than the County-wide statements.
- The governmental funds statements tell how basic services such as general government were financed in the short-term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about the activities the County operates like businesses, such as weed control services.
- Fiduciary funds statements provide information about the financial relationships in which the County acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the County's budget for the year.

County-wide Statements

The County-wide statements report information about the County as a whole using accounting methods similar to those used by private companies. The statement of net position includes all of the County's assets, deferred outflows of

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2020

resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two County-wide statements report the County's net position and how it has changed. Net position (the difference between the County's assets, deferred inflows of resources, and liabilities and deferred outflows of resources) is one way to measure the County's financial position.

- Over time, increases or decreases in the County's net position are an indicator of whether its financial position is improving or deteriorating.
- To assess the County's overall health, you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of county facilities.

In the County-wide financial statements, the County's activities are divided into two categories:

- **Governmental activities-** Most of the County's basic services are included here, such as general government, public works, public safety, public health and culture and recreation. These activities are financed mainly through property taxes and operating grants.
- **Business-type activities-** The County charges fees to help cover the costs of certain services it provides. The County's weed control operation is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's funds, focusing on its most significant or "major" funds, not the County as a whole. Funds are accounting devices the County uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by state law. However, the County establishes many other funds to help it manage and control its finances to achieve certain results.

The County uses three types of funds:

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2020

- **Governmental funds-** Most of the County's basic services are included in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general operations and the services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the County-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- **Proprietary funds-** Services for which the County charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the County-wide financial statements. The County's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information such as cash flow analysis.
- **Fiduciary funds-** The County is the agent, or fiduciary, for assets that belong to others, such as the Agency Fund. The County is responsible for ensuring that the assets reported in this fund are used only for their intended purposes and by those to whom the assets belong. The County excludes these activities from the County-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Total assets increased by \$78,603. Total liabilities increased by \$38,433.
Deferred inflows of resources decreased by \$187,332.

The County's combined net position was larger on December 31, 2020 than it was at December 31, 2019, increasing by .83 percent to \$27,708,866. Most of the increase came from its governmental activities, the net position of which increased \$225,607 to \$26,591,539. The net position of the County's business type activities increased \$1,895 to \$1,117,327.

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2020

Table 1 provides a summary of the County's net position for 2020 compared to 2019:

Table 1
Condensed Statement of Net Position
(In millions)

	Governmental Activities		Business-type Activities		Total County	
	2020	2019	2020	2019	2020	2019
Assets						
Current assets	\$ 19.353	\$ 19.835	\$ 1.121	\$ 1.115	\$ 20.474	\$ 20.950
Capital assets	10.514	9.947	0.119	0.131	10.633	10.078
Total assets	29.867	29.782	1.240	1.246	31.107	31.028
Liabilities						
Current liabilities	0.312	0.283	0.002	0.001	0.314	0.284
Noncurrent liabilities	0.242	0.234			0.242	0.234
Deferred inflows of resouces	2.721	2.899	0.121	0.130	2.842	3.029
Net Position						
Net investment capital assets	10.257	9.681	0.119	0.131	10.376	9.812
Nonspendable-Inventories	0.386	0.360			0.386	0.360
Restricted	6.925	7.556			6.925	7.556
Unrestricted	9.024	8.769	0.998	0.984	10.022	9.753
Total net position	\$ 26.592	\$ 26.366	\$ 1.117	\$ 1.115	\$ 27.709	\$ 27.481

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2020

Table 2 shows the changes in net position for fiscal year 2020 compared to 2019.

Table 2
Changes in Net Position
(In millions)

	Governmental Activities		Business-type Activities		Total County	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charges for services	\$ 0.521	\$ 1.124	\$ 0.053	\$ 0.051	\$ 0.574	\$ 1.175
Operating grants	3.755	3.819			3.755	3.819
Capital grants					-	-
General revenues						
Property taxes	3.265	3.373	0.130	0.137	3.395	3.510
Mineral leasing	0.327	0.359			0.327	0.359
Other	0.655	0.827	0.006	0.008	0.661	0.835
Total revenues	<u>8.523</u>	<u>9.502</u>	<u>0.189</u>	<u>0.196</u>	<u>8.712</u>	<u>9.698</u>
Expenses						
General government	2.222	2.053			2.222	2.053
Public safety	1.174	0.972			1.174	0.972
Public works	2.594	3.081	0.187	0.146	2.781	3.227
Public health and welfare	2.106	1.737			2.106	1.737
Culture and recreation	0.200	0.199			0.200	0.199
Depreciation-unallocated	0.027	0.027			0.027	0.027
Total expenses	<u>8.323</u>	<u>8.069</u>	<u>0.187</u>	<u>0.146</u>	<u>8.510</u>	<u>8.215</u>
Increase in supply inventory	0.026	0.016			0.026	0.016
Increase (decrease) in net position	<u>\$ 0.226</u>	<u>\$ 1.449</u>	<u>\$ 0.002</u>	<u>\$ 0.050</u>	<u>\$ 0.228</u>	<u>\$ 1.499</u>

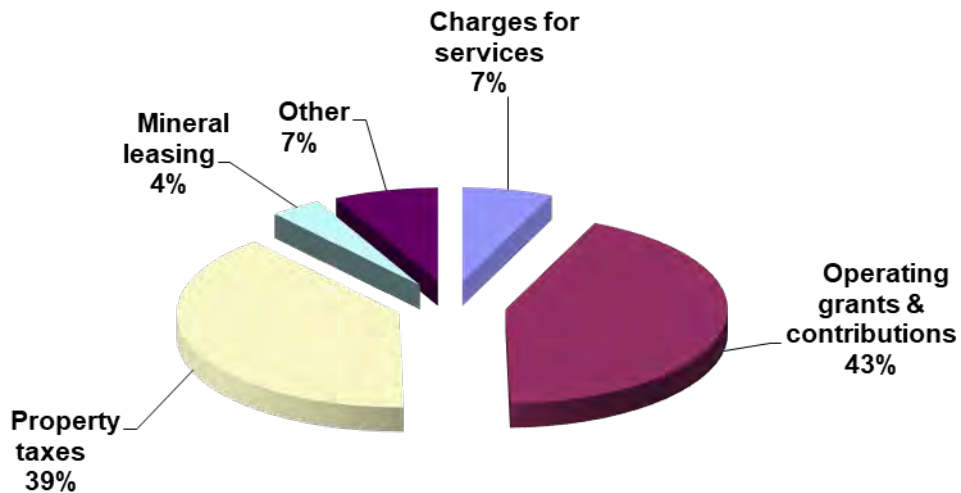
DOLORES COUNTY, COLORADO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2020**

Operating grants and property taxes accounted for most of the County’s total revenue, with each contributing 43 percent and 39 percent respectively (See Table 3). Another 7 percent came from charges for services and the remainder from mineral leasing and other sources.

The County’s expenses are predominately related to public works, (32.7 percent), general government (26.1 percent) and public health and welfare (24.7 percent) (See Table 4).

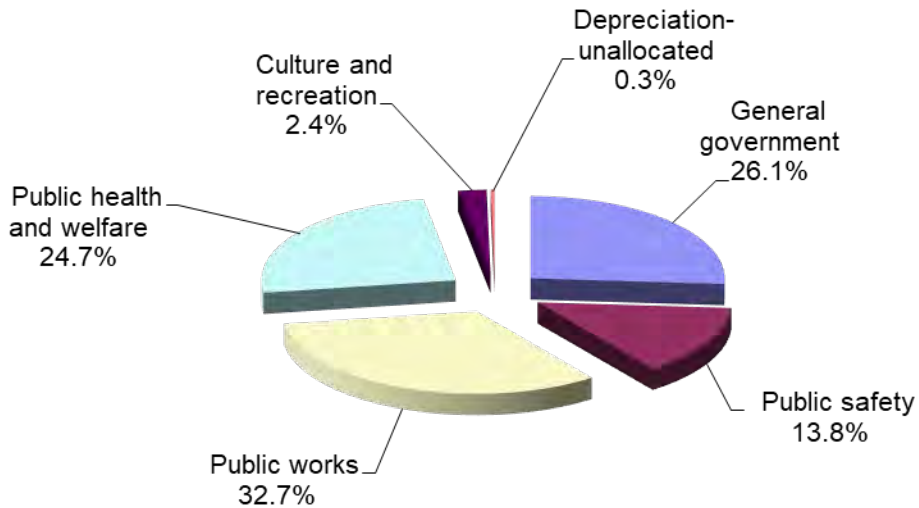
Table 3
Sources of Revenue for Fiscal Year 2020



DOLORES COUNTY, COLORADO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2020**

**Table 4
Expenses for Fiscal Year 2020**



Governmental Activities

The primary sources of operating revenue for the County come from operating grants and general property taxes. The County receives approximately 82 percent of this funding from these sources while the remaining amounts come from charges for services and other general revenues.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those service costs. Table 5 shows, for governmental activities, the total cost of services and net cost of services. That is, it identifies the cost of these services supported by general revenues including general property taxes.

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2020

Table 5
Government Activities
(In millions)

	Total Cost of Services		Net Cost of Services	
	2020	2019	2020	2019
General government	\$ 2.222	\$ 2.053	\$ 1.868	\$ 1.823
Public safety	1.174	0.972	0.949	0.792
Public works	2.594	3.081	0.723	(0.080)
Public health and welfare	2.106	1.737	0.325	0.398
Culture and recreation	0.200	0.199	0.155	0.166
Depreciation-unallocated	0.027	0.027	0.027	0.027
Total	\$ 8.323	\$ 8.069	\$ 4.047	\$ 3.126

- The cost of all governmental activities during the year was \$8.323 million.
- Some of the cost was financed by the users of the County's programs (\$.521 million)
- Federal and state government subsidized certain programs with grants and contributions (\$3.755 million).
- However, \$4.247 million was financed by state and county taxpayers. This portion of governmental activities was financed with \$3.265 million in property taxes, \$.327 million in mineral leasing and \$.655 in other general revenues.

Business-type Activities

Business-type activities are made up of the Mandatory Pest Control District. This program had revenues of \$189,224 and expenses of \$187,329. Business-type activities received \$136,336 in property and specific ownership taxes.

DOLORES COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2020

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Information about the County's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds have total revenues of \$8.523 million and expenditures of \$8.899 million.

General Fund Budgetary Highlights

The County's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund.

Over the course of the year, the County made no revisions to the annual operating budget.

- Actual revenues were \$94,794 less than budget, primarily because the County budgeted for certain grants that were not received.
- Actual expenditures were \$287,007 less than budget primarily for the same reason as the excess in budgeted revenues.

CAPITAL ASSET ADMINISTRATION

By the end of 2020, the County has invested \$16.316 million in land, buildings, and equipment (including vehicles), of this total, \$15.971 million was from governmental activities.

Table 6 shows capital assets for 2020 compared to 2019:

DOLORES COUNTY, COLORADO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2020**

**Table 6
Capital Assets at December 31
(In millions)**

	Governmental Activities		Business-Type Activities		Total County	
	2020	2019	2020	2019	2020	2019
Land	\$ 0.207	\$ 0.207			\$ 0.207	\$ 0.207
Buildings	10.474	9.696			10.474	9.696
Equipment	5.291	5.049	\$ 0.344	\$ 0.340	5.635	5.389
Total	<u>\$ 15.972</u>	<u>\$ 14.952</u>	<u>\$ 0.344</u>	<u>\$ 0.340</u>	<u>\$ 16.316</u>	<u>\$ 15.292</u>

Additional information on the County's capital assets can be found in the Notes to the Financial Statements on page 33 of this report.

FACTORS BEARING ON THE COUNTY'S FUTURE

At the time these financial statements were prepared and audited, the County is not aware of any existing circumstances that could significantly affect its financial health in the future.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the County's citizens, taxpayers, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Dolores County Administration Office, P.O. Box 608 Dove Creek, Colorado 81324.

DOLORES COUNTY, COLORADO
Statement of Net Position

December 31, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash	\$ 16,122,898	\$ 944,496	\$ 17,067,394	\$ 411,290
Property taxes receivable	2,721,033	120,862	2,841,895	114,008
Other receivables	8,623		8,623	
Due from state	32,017		32,017	
Due from other governments	80,474		80,474	
Inventory	385,780	55,273	441,053	
Investment in water tap	2,350		2,350	
Capital assets	15,971,407	344,362	16,315,769	
Accumulated depreciation	(5,457,279)	(224,976)	(5,682,255)	
Total capital assets, net of depreciation	10,514,128	119,386	10,633,514	
Total Assets	29,867,303	1,240,017	31,107,320	525,298
Liabilities				
Accounts payable	216,234	1,828	218,062	
Payments in arrears	8,623		8,623	
Unearned grant revenue	73,023		73,023	
Long term liabilities				
Due in less than one year	14,765		14,765	
Due in more than one year	242,086		242,086	
Total Liabilities	554,731	1,828	556,559	-
Deferred Inflows of Resources				
Unearned property tax revenue	2,721,033	120,862	2,841,895	114,008
Net Position				
Invested in capital assets, net of related debt	10,257,277	119,386	10,376,663	
Nonspendable				
Inventories	385,780		385,780	
Restricted				
Cancer treatments	25,733		25,733	
TABOR	150,000		150,000	8,000
Public health and welfare	1,460,673		1,460,673	
Public works	3,920,498		3,920,498	
Parks and recreation	30,597		30,597	
Contingencies	1,337,493		1,337,493	
Unrestricted	9,023,488	997,941	10,021,429	403,290
Total Net Position	\$ 26,591,539	\$ 1,117,327	\$ 27,708,866	\$ 411,290

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO
Statement of Activities

For the Year Ended December 31, 2020

	Program Revenues				Net (Expenses) Revenue And Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business- type Activities	Total	
Governmental Activities								
General government	\$ 2,221,967	\$ 194,262	\$ 159,869		\$ (1,867,836)		\$ (1,867,836)	
Public safety	1,173,849	96,506	128,382		(948,961)		(948,961)	
Public works	2,594,334	134,555	1,737,266		(722,513)		(722,513)	
Public health and welfare	2,105,757	61,672	1,718,808		(325,277)		(325,277)	
Culture and recreation	199,631	33,549	10,967		(155,115)		(155,115)	
Depreciation-unallocated	27,007				(27,007)		(27,007)	
Total Governmental Activities	<u>8,322,545</u>	<u>520,544</u>	<u>3,755,292</u>	<u>-</u>	<u>(4,046,709)</u>		<u>(4,046,709)</u>	
Business-Type Activities								
Mandatory Pest Control District	187,329	52,734				\$ (134,595)	(134,595)	
Total Business-Type Activities	<u>187,329</u>	<u>52,734</u>	<u>-</u>			<u>(134,595)</u>	<u>(134,595)</u>	
Total Primary Government	<u>\$ 8,509,874</u>	<u>\$ 573,278</u>	<u>\$ 3,755,292</u>	<u>\$ -</u>	<u>(4,046,709)</u>	<u>(134,595)</u>	<u>(4,181,304)</u>	
Component Unit								
Library	\$ 159,819		\$ 47,600					\$ (112,219)
Total Component Units	<u>\$ 159,819</u>	<u>\$ -</u>	<u>\$ 47,600</u>	<u>\$ -</u>				<u>(112,219)</u>
General Revenues								
Property tax for general purposes					2,975,234	129,475	3,104,709	120,867
Property tax for Quality of Life					290,082		290,082	
Specific Ownership tax for general purposes					160,673	6,861	167,534	6,408
Specific Ownership tax for Quality of Life					15,380		15,380	
Severance Tax					30,912		30,912	
Delinquent tax and interest					3,909	57	3,966	174
Delinquent tax and interest Quality of Life					418		418	
Intergovernmental								
Motor Vehicle License Fees					9,441		9,441	
Mineral Leasing					326,671		326,671	
Payment in Lieu of Taxes					167,029		167,029	
Impact Assistance					4,302	97	4,399	
Earnings on investments					113,944		113,944	2,727
Reimbursements					83,262		83,262	
Miscellaneous					65,551		65,551	1,733
Total General Revenues					<u>4,246,808</u>	<u>136,490</u>	<u>4,383,298</u>	<u>131,909</u>
Changes in Net Position					<u>200,099</u>	<u>1,895</u>	<u>201,994</u>	<u>19,690</u>
Net Position Beginning of the Year					26,365,932	1,115,432	27,481,364	391,600
Increase (decrease) in inventories					25,508		25,508	
Net Position End of the Year					<u>\$ 26,591,539</u>	<u>\$ 1,117,327</u>	<u>\$ 27,708,866</u>	<u>\$ 411,290</u>

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Balance Sheet
Governmental Funds

December 31, 2020

	General Fund	Road and Bridge Fund	Social Services Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 9,210,809	\$ 4,024,124	\$ 1,153,539	\$ 1,734,426	\$ 16,122,898
Property taxes receivable	1,917,276	456,033	210,915	136,809	2,721,033
Other receivables			8,623		8,623
Due from state			32,017		32,017
Due from other governments	61,408		949	18,117	80,474
Inventory		385,780			385,780
Investment in water tap	2,350				2,350
Total Assets	<u>\$ 11,191,843</u>	<u>\$ 4,865,937</u>	<u>\$ 1,406,043</u>	<u>\$ 1,889,352</u>	<u>\$ 19,353,175</u>
Liabilities					
Accounts payable	\$ 101,079	\$ 103,626	\$ 178	\$ 11,351	\$ 216,234
Unearned grant revenue			73,023		73,023
Payments in arrears			8,623		8,623
Total Liabilities	<u>101,079</u>	<u>103,626</u>	<u>81,824</u>	<u>11,351</u>	<u>297,880</u>
Deferred Inflows of Resources					
Unearned property tax revenue	<u>1,917,276</u>	<u>456,033</u>	<u>210,915</u>	<u>136,809</u>	<u>2,721,033</u>
Fund Balances					
Nonspendable					
Inventories		385,780			385,780
Restricted					
Cancer treatments				25,733	25,733
TABOR	150,000				150,000
Public health and welfare			1,113,304	347,369	1,460,673
Public works		3,920,498			3,920,498
Parks and recreation				30,597	30,597
Contingencies				1,337,493	1,337,493
Unrestricted					
Assigned for future year's expenditures	8,997,508				8,997,508
Unassigned	25,980				25,980
Total Fund Balances	<u>9,173,488</u>	<u>4,306,278</u>	<u>1,113,304</u>	<u>1,741,192</u>	<u>16,334,262</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 11,191,843</u>	<u>\$ 4,865,937</u>	<u>\$ 1,406,043</u>	<u>\$ 1,889,352</u>	<u>\$ 19,353,175</u>

Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position

Total Fund Balance Governmental Funds \$ 16,334,262

Amounts reported for governmental activities in the Statement of Net Assets are different because

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

Capital assets	\$ 15,971,407	
Accumulated depreciation	<u>(5,457,279)</u>	10,514,128

Long term liabilities are not due and payable in the current period and therefore, they are not reported in the governmental funds balance sheet.

Due within one year	(14,765)	
Due in more than one year	<u>(242,086)</u>	(256,851)

Total Net Position Governmental Activities \$ 26,591,539

DOLORES COUNTY, COLORADO
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the Year Ended December 31, 2020

	General Fund	Road and Bridge Fund	Social Services Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 2,501,711	\$ 509,771	\$ 235,783	\$ 229,410	\$ 3,476,675
Intergovernmental revenues	785,611	1,746,707	1,178,522	551,368	4,262,208
Charges for services	138,374	145,750		61,672	345,796
Interest	111,892			1,985	113,877
Fee accounts	182,876				182,876
Other	111,654	24,259		5,299	141,212
Total Revenues	3,832,118	2,426,487	1,414,305	849,734	8,522,644
Expenditures					
General government	2,194,173			3,638	2,197,811
Public safety	1,154,678				1,154,678
Public works		2,594,047			2,594,047
Public health and welfare	12,750		1,991,076	756,896	2,760,722
Culture and recreation	191,353				191,353
Total Expenditures	3,552,954	2,594,047	1,991,076	760,534	8,898,611
Excess revenues over (under) expenditures	279,164	(167,560)	(576,771)	89,200	(375,967)
Other Financing Sources (Uses)					
Transfers in	50,318		54,000	25,000	129,318
Transfers out	(75,000)			(54,318)	(129,318)
Total Other Financing Sources (Uses)	(24,682)	-	54,000	(29,318)	-
Net Change in Fund Balances	254,482	(167,560)	(522,771)	59,882	(375,967)
Fund Balances beginning of the year	8,919,006	4,448,330	1,636,075	1,681,310	16,684,721
Net increase (decrease) in inventory		25,508			25,508
Fund Balances end of the year	\$ 9,173,488	\$ 4,306,278	\$ 1,113,304	\$ 1,741,192	\$ 16,334,262

The accompanying notes are an integral part of this statement.

DOLORES 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 Governmental Funds \$ (375,967)

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital asset purchases capitalized	\$ 1,019,094	
Depreciation expense	<u>(451,951)</u>	
		567,143

Repayment of debt principal is an expenditure in the governmental funds but the repayment reduces long term debt in the Statement of Net Position

Principal payments of capital leases		31,639
--------------------------------------	--	--------

Some increases in debt are not reported in the governmental funds but are reflected in the Statement of Activities

Increase in accrued compensated absences		(22,716)
--	--	----------

Change in Net Position of Governmental Activities \$ 200,099

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Statement of Net Position
Proprietary Fund
Enterprise Fund

December 31, 2020

	<u>Business-type Activities</u> <u>Mandatory Pest Control District</u>	
Assets		
Current Assets		
Cash	\$	944,496
Property tax receivable		120,862
Inventory		55,273
Total Current Assets		<u>1,120,631</u>
Noncurrent Assets		
Capital assets	\$	344,362
Accumulated depreciation		(224,976)
Total Noncurrent Assets		<u>119,386</u>
Total Assets		<u><u>1,240,017</u></u>
Liabilities		
Current Liabilities		
Accounts payable		1,828
Total Current Liabilities		<u>1,828</u>
Deferred inflows of resources		
Deferred property tax revenue		<u>120,862</u>
Net Position		
Net investment in capital assets	119,386	
Unrestricted	997,941	
Total Net Position		<u><u>\$ 1,117,327</u></u>

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Fund
 Enterprise Fund
For the Year Ended December 31, 2020

		<u>Business-type Activities Mandatory Pest Control District</u>
Operating Revenues		
Weed control revenue	\$	52,734
Total Operating Revenues		<u>52,734</u>
Operating Expenses		
Weed control operations		
Chemicals	\$	33,768
Salaries and benefits		114,153
Supplies		2,236
Professional fees		1,000
Telephone and utilities		5,627
Travel		1,079
Office		337
Dues and meetings		1,141
Repairs and maintenance		2,977
Treasurer's fees		6,946
Miscellaneous		2,537
Depreciation		15,528
Total Operating Expenses		<u>(187,329)</u>
Operating income (loss)		<u>(134,595)</u>
Non-Operating Revenue		
Property tax	129,475	
Specific ownership tax	6,861	
Delinquent tax and interest	57	
Impact aid	97	
Total Non-Operating Revenue		<u>136,490</u>
Change in net position		<u>1,895</u>
Net position beginning of the year		1,115,432
Net position end of the year	<u>\$</u>	<u><u>1,117,327</u></u>

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Statement of Cash Flows
Proprietary Fund
Enterprise Fund

For the Year Ended December 31, 2020

	Business-type Activities Mandatory Pest Control District
Cash Flows from Operating Activities	
Cash received from customers	\$ 52,734
Cash payments to employees for services	(114,153)
Cash payments to suppliers for goods and services	(51,437)
Net Cash Flows provided (used) by Operating Activities	(112,856)
Cash Flows from Capital and Related Financing Activities	
Purchase of equipment	\$ (4,019)
Net Cash Flows provided (used) by Capital and Related Financing Activities	(4,019)
Cash Flows from Noncapital Financing Activities	
Property tax	129,475
Specific ownership tax	6,861
Delinquent tax and interest	57
Impact aid	97
Net Cash Flows provided (used) by Noncapital Financing Activities	136,490
Net increase (decrease) in cash and cash equivalents	19,615
Cash and cash equivalents beginning of the year	924,881
Cash and cash equivalents end of the year	\$ 944,496
Reconciliation of operating income (loss) to Net Cash provided (used) by Operating Activities	
Operating income (loss)	\$ (134,595)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	\$ 15,528
(Increase) or decrease in Inventory	5,614
Increase or (decrease) in Accounts payable	597
Total adjustments	21,739
Net Cash Flows provided (used) by Operating Activities	\$ (112,856)

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Statement of Fiduciary Net Position

As of December 31, 2020

	<u>Custodial Fund</u>
Assets	
Cash	\$ 87,457
Total Assets	<u>87,457</u>
Liabilities	
Due to other governments	87,457
Total Liabilities	<u>87,457</u>
Net Position	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

Statement of Changes in Fiduciary Net Position

For the Year Ended December 31, 2020

	<u>Custodial Fund</u>
Additions	
Taxes collected for other governments	\$ 4,775,433
Total additions	<u>4,775,433</u>
Deductions	
Payment of taxes to other governments	4,775,433
Total deductions	<u>4,775,433</u>
Net increase (decrease) in fiduciary net position	-
Net position beginning	-
Net position ending	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

Summary of Significant Accounting Policies - Dolores County, Colorado's (the County) financial statements are prepared in accordance with U.S. generally accepted accounting principals (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements of Interpretations).

The following significant accounting policies were applied to the preparation of the accompanying financial statements.

Reporting Entity – Dolores County, Colorado is a statutory (non-home-rule) county and serves as an administrative unit of the State of Colorado.

The County's financial reporting entity comprises the following:

Primary Government:	Dolores County, Colorado
Blended Component Unit:	Dove Creek Mandatory Pest Control District
Discretely Presented Component Unit:	Dolores County Library District

In determining the financial reporting entity, the County complies with the provisions of GASB Statement No. 14, "The Financial Reporting Entity," and includes all component units of which the County appointed a voting majority of the unit's board; the County is either able to impose its will on the unit or a financial benefit or burden relationship exists.

Blended Component Unit- The Dove Creek Mandatory Pest Control District serves a portion of Dolores County and is governed by a Board of Trustees appointed by the County Commissioners. The Commissioners approve all expenditures of the District. The District is included as an enterprise fund of the County.

Discretely Presented Component Unit- The Dolores County Library District operates the County Library. The commissioners appoint the governing board of the District and approve its' budget.

Fund Accounting – The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resource, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and in the means by which spending activities are controlled. The various funds are grouped into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

Governmental Funds – are used to account for all or most of a government’s general activities, including the collection and disbursement of earmarked funds (special revenue funds). The following are the County’s major governmental funds.

General Fund – is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include local property taxes, specific ownership taxes and state and federal grants.

Special Revenue Funds-

Road and Bridge Fund – accounts for the costs related to county road and bridge construction and maintenance. By state law, a portion of this fund’s property tax revenues are allocated to cities and towns for use in their road and street activities. This fund is required by state law.

Social Services Fund- accounts for federal and state public welfare programs administered by the County. This fund is also required by state law.

Non-major Funds- The other governmental funds of the County are Special Revenue Funds. These funds account for revenues derived from earmarked revenue sources. Special revenue funds consist of the Senior Services Fund, Conservation Trust Fund, Ormiston Fund, Contingency Fund and the Public Health Fund.

Proprietary Funds–

Enterprise Fund – focuses on the determination of the changes in net position, financial position and cash flows and are classified as either enterprise or internal service. The County’s major enterprise fund is:

Dove Creek Mandatory Pest Control District- is used to account for the financial transactions related to the weed control operations of the County.

Fiduciary Funds – reporting focuses on net position and changes in net position. In 2019 the County implemented GASB 84. Under this new reporting requirement, the County has one custodial fund.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

Basis of Presentation-

County-wide Financial Statements- The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The county-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliation with a brief explanation to better identify the relationship between the county-wide financial statements and the statements for governmental funds.

The county-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function or program of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements- Fund financial statements report detailed information about the County. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources and all

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

liabilities and deferred outflows of resources associated with the operations of these funds are included on the statement of net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting – determines when transactions are recorded in the financial records and reported on the financial statements. County-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Revenues- Exchange and Non-exchange Transactions- Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when used is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes collected within 60 days after year-end, interest, and certain grants.

Unearned Revenue- arises when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

Expenses/Expenditures- On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the statement of revenues, expenses and changes in fund net position as an expense with a like amount reported as donated commodities revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets and Budgetary Accounting – The County is required by Colorado Statutes to adopt annual budgets for all funds. Each budget is prepared on the same basis (U.S. GAAP basis) as that used for accounting purposes, except for the Enterprise Fund, which is prepared essentially on the modified accrual basis of accounting. This basis of accounting is at variance with U.S. GAAP.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

Prior to October 20, the Budget Officer submits to the County Commissioners a proposed operating budget for the fiscal year commencing the following January 1.

The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain comments.

Prior to December 31, the budget is legally adopted through passage of adoption and appropriations resolutions.

Formal budgetary integration is employed as a management control device during the year.

Department directors are authorized to transfer budget amounts within the department. However, the County Commissioners must approve any revisions that alter the total expenditures of any department.

Appropriations are adopted by resolution for each fund in total and lapse at the end of each year. Over-expenditures are not deemed to exist unless the fund as a total has expenditures in excess of appropriations.

Cash and Cash Equivalents – for the purpose of the Statement of Cash Flows of the Enterprise Fund is considered to be all of the highly liquid investments with a maturity of six months or less.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

Short-term Inter-fund Receivables/Payables- During the course of operations, certain transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the County-wide statement of net position and, classified as due from other funds or due to other funds on the balance sheet.

Inventories – in the governmental funds consist of expendable supplies held for consumption, the cost of which is recorded as an expenditure at the time of purchase. Restrictions of fund balance have been established for the inventory balances.

Capital Assets – General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the county-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the county-wide statements of net position and in the respective fund financial statements.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated general fixed assets are valued at their estimated fair value on the date donated. The County maintains a capitalization threshold of five thousand dollars. As per GASB 34 the County has elected to report infrastructure assets on a prospective basis. Therefore, infrastructure acquired before January 1, 2004 is not included in the financial statements.

All reported capital assets are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities <u>Estimated Lives</u>	Business-Type Activities <u>Estimated Lives</u>
Buildings and Improvements	20-50 Years	20 Years
Furniture and Equipment	5-15 Years	5-10 Years
Vehicles	8 Years	10 Years

Property Tax Revenue Recognition – The County bills and collects its own property taxes as well as property taxes of all other taxing authorities within the County. The property taxes are levied and certified in December of the year prior to the year the taxes are collected. Property taxes become an enforceable lien on January 1 of each year. Secured property taxes are due in two equal installments on February 28 and June 15, and are delinquent after February 28 and June 15 respectively. The entire balance can be paid by April 30 without penalty. Property taxes levied are recorded as unearned revenues in the year levied, as they are not

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

due until the following year. An allowance for un-collectible taxes is not provided as the un-collectible amounts were determined to be negligible based upon an analysis of historical trends.

Compensated absences- Compensated absences arise from policies concerning paid time off. In the event of termination, an employee is reimbursed for accumulated paid time off. Accumulated paid time off benefits are shown as long term debt obligations since these amounts are not expected to be paid from currently available resources.

Accrued Liabilities and General Long-Term Obligations- All payables, accrued liabilities and long-term obligations are reported in the county-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the non-current portion of capital leases, compensated absences, and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payment made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements.

Governmental Fund Balances- In the governmental fund financial statements, fund balances are classified as follows:

Non-spendable- Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact. This includes inventory maintained in the Road and Bridge Fund.

Restricted- Amounts that can be used only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors. This includes the County's TABOR reserve.

Committed- Amounts that can be used only for specific purposes determined by a formal action by the Board of County Commissioners.

Assigned- Amounts that are designated by the Board of County Commissioners for a particular purpose but are not spendable until appropriated. This includes assignments for subsequent year's expenditures.

Unassigned- All amounts not included in the other spendable classifications.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

Use of Restricted Resources-When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the County's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the County's policy is to first apply the expenditure toward restricted fund balance and then to other less restrictive classifications-committed and then assigned fund balances before using unassigned fund balance.

Fund Balance Restrictions- The County restricts those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unrestricted fund balance indicates that portion of fund equity, which is available for appropriation in future periods. Assigned fund balances have been established for future year's expenditures.

Net Position- Net position represents the difference between assets, deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Operating Revenues and Expenses- Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges related to weed control. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activities of the fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Inter-fund Transactions- Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

Cash and Investments – The County Treasurer maintains a cash pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Cash".

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

Deposits- The Colorado Public Deposit Protection Act (PDPA) governs the County's cash deposits. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets, to be maintained by another institution or held in trust for all of its local government depositors as a group, with a market value of at least 102% of the uninsured deposits. The State Regulatory Commission for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and the reporting of uninsured deposits and assets maintained in the collateral pools.

Colorado statutes define eligible investments for local governments. These include bonds and other interest-bearing obligations of or guaranteed by the United States government or its agencies, bonds which are direct obligations of the State of Colorado or any of its political subdivisions, repurchase agreements, commercial paper, guaranteed investment contracts and local government investment pools.

At December 31, 2020 the County had investments in two local government investment pools, the Colorado Liquid Asset Trust (COLOTRUST) and the Colorado Surplus Asset Fund Trust (CSAFE). These investment pools are investment vehicles established for local government entities in Colorado to pool surplus funds for investment purposes. The pools are routinely monitored by the Colorado Division of Securities with regard to its operations and investments, which are also subject to provisions of C.R.S. Title 24, Article 75, and Section 6. The fair value of the investments in the pools are the same as the value of the pool shares. None of these types of investments are categorized because they are not evidenced by securities that exist in physical or book form. COLOTRUST is rated AAAM by Standard and Poors and CSAFE is rated AAAM by Standard and Poors.

At December 31, 2020 the carrying amount of the County's cash and investments was \$17,154,851. The County's bank balances were \$1,292,626, COLOTRUST balances were \$14,971,627 and CSAFE balances were \$1,000,537. The County's bank balances at December 31, 2020 and during the year then ended were entirely covered by FDIC insurance or pledged collateral held by the County's agent banks in the name of governmental accounts of which the County is a part.

Retirement Plan – The County is a member of the Colorado County Officials and Employees Retirement Association. All members of the Association are participants in a defined contribution retirement plan which was adopted and is administered to provide income after retirement in addition to benefits provided by Federal Social Security. All County employees are required to participate after one year of continuous service. Contributions made by the employee are a minimum of four percent and a maximum of six percent of gross salary, at the employees' discretion. Employees may make additional voluntary contributions not to exceed ten percent of compensation.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

The County maintains no control over the plan, other than being a member of the Association. Employees are fully vested upon participation in the plan. The County has no unfunded liability under the plan. The total 2020 County payroll was \$2,933,883. The covered payroll for retirement plan purposes was \$2,451,388. The 2020 employer and employee contributions to the plan were \$120,500 and \$120,500 respectively. There were no County securities or other transactions included in the plan's assets.

Capital Assets – Capital asset activity for the fiscal year ended December 31, 2020 follows:

	Capital Assets <u>Jan 1, 2020</u>	Additions	Deletions/ Transfers	Capital Assets <u>Dec 31, 2020</u>
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 206,580			\$ 206,580
Total capital assets not being depreciated	<u>206,580</u>	<u>-</u>	<u>-</u>	<u>206,580</u>
Capital assets, being depreciated:				
Buildings	9,696,332	\$ 777,473		10,473,805
Equipment	5,049,401	241,621		5,291,022
Total capital assets being depreciated	<u>14,745,733</u>	<u>1,019,094</u>	<u>-</u>	<u>15,764,827</u>
Less accumulated depreciation for:				
Buildings	(1,070,053)	(198,923)		(1,268,976)
Equipment	(3,935,275)	(253,028)		(4,188,303)
Total accumulated depreciation	<u>(5,005,328)</u>	<u>(451,951)</u>	<u>-</u>	<u>(5,457,279)</u>
Total capital assets, being depreciated, net	9,740,405	567,143	-	10,307,548
Governmental Activities Capital Assets, net	<u><u>\$ 9,946,985</u></u>	<u><u>\$ 567,143</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,514,128</u></u>
Business Type Activities				
Equipment and facilities	\$ 340,343	\$ 4,019		\$ 344,362
Less accumulated depreciation	(209,448)	(15,528)		(224,976)
Business Type Activities Capital Assets net	<u><u>\$ 130,895</u></u>	<u><u>\$ (11,509)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 119,386</u></u>

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

Depreciation expense is charged to the various governmental programs as follows:

General government	\$	22,823
Public safety		62,876
Public works		209,197
Public health and welfare		121,770
Culture and recreation		8,278
Unallocated		27,007
Total depreciation government activities	\$	<u>451,951</u>

Schedule of Social Services Costs Due To/From State of Colorado –

	<u>Due (To) From</u>
Colorado works	\$ 1,989
Child care	1,154
Child welfare	10,795
Administration	15,781
Child enforcement	2
Home care allowance	(202)
County cost allocation	1,389
Adult protective services	1,024
Aid to needy and disabled	(87)
Old age pension	172
Net Amount Due From State	<u>\$ 32,017</u>

All Electronic Benefit transfers paid by the State of Colorado for Dolores County are included in the financial statements.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

Operating Leases –

In 2019, the County leased 2 blades with semi-annual payments of \$28,094

In 2020, the County leased 4 blades with semi-annual payments of \$54,860, 2 blades with semi-annual payments of \$22,389 and one blade with semi-annual payments of \$26,906.

The future minimum payments for these leases are as follows:

<u>Year</u>	<u>Payments</u>
2021	\$ 181,404
2022	77,249
	\$ 258,653

Long-Term Debt-

Capital Leases Payable-

In 2012, the County entered into a lease agreement for a John Deere Loader. The lease is payable in 14 semi- annual installments of \$17,640 beginning in 2013. The loader is included in the capital assets at a cost of \$264,586, with accumulated depreciation of \$158,752. The lease is serviced by the Road and Bridge Fund and the equipment serves as collateral.

In 2019, the County entered into a lease agreement for a John Deere Backhoe. The lease is payable in monthly installments of \$1,329 beginning in 2019. The backhoe is included in the capital assets at a cost of \$108,745, with accumulated depreciation of \$14,499. The lease is serviced by the Road and Bridge Fund and the equipment serves as collateral.

Changes in General Long-Term Debt- A summary of changes in general long-term debt follows:

	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
Accrued compensation	\$ 202,565	\$ 22,716		\$ 225,281
Lease obligations	63,209		\$ 31,639	31,570
Total	\$ 265,774	\$ -	\$ 31,639	\$ 256,851

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

Annual requirements to amortize the lease purchase are as follows:

Year Ending December 31,	Lease Purchase
2021	\$ 15,948
2022	15,948
2023	1,329
 Total	 33,225
Less Interest	(1,655)
 Outstanding principal	 \$ 31,570

Interfund Operating Transfers- consist of the following:

	Transfer In	Transfer out
General Fund	\$ 50,318	\$ 75,000
Special Revenue Funds		
Conservaton Trust Fund		50,318
Senior Services Fund	25,000	
Ormiston Fund		4,000
Social Services Fund	54,000	
	\$ 129,318	\$ 129,318

Fund Balance Restrictions and Assignments – Nonspendable indicates amounts that cannot be spent, either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. Restricted indicates that a portion of the fund balance can only be spent for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors. Assigned indicates amounts that are designated for a specific purpose by the Board of County Commissioners but are not spendable until appropriated. The County uses the following restrictions and assignments:

Nonspendable

Inventory- indicates that the portion of fund balance represented by inventories is not available for appropriation and expenditure at the balance sheet date. Nonspendable fund balance related to inventory consists of \$385,780 in the Road and Bridge Fund.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

Restricted

TABOR- indicates that a portion of the fund balance has been segregated for expenditures for declared emergencies only. Fund balance restricted for TABOR consists of \$150,000 in the General Fund.

Cancer treatments- indicates that the fund balance within the Ormiston Fund is restricted for the payment of cancer treatment costs of qualified county residents.

Public Health and Welfare-indicates that the fund balances within the Social Services Fund and Public Health Funds are restricted for the purpose of public health and welfare.

Public Works-indicates that the fund balance within the Road and Bridge Fund is restricted for construction and maintenance of County roads and bridges.

Parks and Recreation-indicates that the fund balance within the Conservation Trust Fund is restricted for certain parks and recreation expenditures as defined by Greater Outdoors Colorado.

Contingencies-indicates that the fund balance within the Contingency Fund are restricted for certain unforeseen expenditures as determined by state law.

Assigned for future year's expenditures- indicates anticipated fund balance available for appropriation in the next budget year. Fund balance assigned for future year's expenditures consists \$8,997,508 in the General Fund.

Public Trustee – The County Treasurer holds the office of the County Public Trustee. Public Trustees are named as trustees for Deeds of Trust and perform all the functions and exercise all the powers conferred upon them by the Deeds of Trust. These functions include releasing Deeds of Trust when indebtedness is paid in full, making sales whenever default occurs, issuing Certificates of Purchase and Certificates of Redemption of Trustee's Deeds. Fees for such services are used to cover related expenses and pay the Trustee an annual salary.

The accounts of the County Public Trustee consist of the following as of and for the year ended December 31, 2020

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

Cash at January 1, 2020	\$	337
Revenues		
Interest and fees		9,516
Expenditures		(9,598)
Cash at December 31, 2020	<u>\$</u>	<u>255</u>

Commitments and Contingent Liabilities – There appear to be no commitments or contingencies that would pose a threat of significant liability to the County.

Tax Spending, Revenue and Debt Limitations- Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (TABOR), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

TABOR requires that revenue received in excess of the “revenue limit” be refunded unless the voters approve the retention of such revenue.

On November 7, 2000 the people of the County voted to authorize the spending of all monies in existing funds and to collect, retain, and expend the full revenues, including state grants and taxes, generated during 2001 and for each subsequent year, regardless of any limitation contained in Article X, Section 20, of the Colorado Constitution. The amendment is complex and subject to judicial interpretation. The County believes it is in compliance with all other requirements of the amendment. However, the County has made certain interpretations of the amendment’s language in order to determine compliance.

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 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 formation agreement 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.

DOLORES COUNTY, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

Colorado Counties Casualty and Property Pool – The County is exposed to various risks of loss related to property and casualty losses. The County joined 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 formation agreement 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.

Colorado Immunity Act – Under Colorado statutes, the County has immunity from liability in excess of \$150,000 per individual and \$600,000 per occurrence.

Highway Report – The supplemental Highway Finance Report on the form provided by the Colorado Department of Highways is included in the audited financial statements. The following is a reconciliation between the highway report and the audited financial statements:

	<u>Highway Report</u>	<u>Difference</u>	<u>Financial Statements</u>
Receipts	\$2,426,487		\$2,426,487
Expenditures	\$2,568,539 (A)	\$ 25,508	\$2,594,047

Difference in current year:

(A) Expenditures

Increase in inventory

\$ 25,508

DOLORES COUNTY, COLORADO
Required Supplementary Information

December 31, 2020

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements.

Such information includes:

Budgetary Comparison Schedules

General Fund

Road and Bridge Fund

Social Services Fund

DOLORES COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balances- Budget and Actual
General Fund

For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
General property taxes	\$ 2,042,692	\$ 2,042,692	\$ 2,050,275	\$ 7,583
Delinquent tax and interest	500	500	2,963	2,463
Property taxes-Quality of Life	291,518	291,518	290,500	(1,018)
Specific ownership taxes	85,000	85,000	111,681	26,681
Specific ownership taxes-Quality of Life		-	15,380	15,380
Severance taxes	30,000	30,000	30,912	912
Total taxes	2,449,710	2,449,710	2,501,711	52,001
Intergovernmental revenues				
Payment in lieu of taxes	160,000	160,000	167,029	7,029
Mineral leasing	250,000	250,000	326,671	76,671
Forest service	20,000	20,000	26,551	6,551
Impact assistance	2,000	2,000	3,660	1,660
Grants				
Other grants	224,260	379,880	261,700	(118,180)
Total intergovernmental revenues	656,260	811,880	785,611	(26,269)
Charges for services				
General government	18,870	18,870	13,117	(5,753)
Public safety	107,606	107,606	91,708	(15,898)
Culture and recreation	23,500	23,500	33,549	10,049
Total charges for services	149,976	149,976	138,374	(11,602)

(continued)

DOLORES COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balances- Budget and Actual
General Fund

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Interest	\$ 226,300	\$ 226,300	\$ 111,892	\$ (114,408)
Miscellaneous revenues				
Reimbursements	41,200	41,200	69,797	28,597
Other	67,696	67,696	41,857	(25,839)
Total miscellaneous revenues	108,896	108,896	111,654	2,758
Fee accounts				
Sheriff fees	4,000	4,000	1,731	(2,269)
Clerk fees	45,000	45,000	53,525	8,525
Treasurers fees	131,150	131,150	127,620	(3,530)
Total fee accounts	180,150	180,150	182,876	2,726
Total revenues	3,771,292	3,926,912	3,832,118	(94,794)
Expenditures				
General government				
Board of county commissioners	499,959	499,959	471,438	28,521
Other administration	388,970	388,970	404,794	(15,824)
Clerk	246,974	352,141	259,186	92,955
Treasurer	183,931	183,931	167,503	16,428
Assessor	317,269	317,269	292,849	24,420
Attorney	83,614	83,614	75,490	8,124
Grounds and buildings	166,154	166,154	118,269	47,885
Transfer station	10,000	10,000	11,648	(1,648)
Elections	57,100	57,100	80,310	(23,210)
Veteran's office	26,930	26,930	20,665	6,265
Payments-Quality of Life	291,518	291,518	292,021	(503)
Total general government	2,272,419	2,377,586	2,194,173	183,413

(continued)

DOLORES COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balances- Budget and Actual
General Fund

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Expenditures (continued)				
Public safety				
Sheriff administration	\$ 860,072	\$ 860,072	\$ 825,963	\$ 34,109
Coroner	48,361	48,361	31,237	17,124
Prisoner maintenance	50,000	50,000	30,300	19,700
District attorney	74,233	74,233	72,846	1,387
Emergency management	142,863	188,896	143,236	45,660
GIS addressing		-	51,096	(51,096)
Total public safety	1,175,529	1,221,562	1,154,678	66,884
Public health and welfare				
Senior center construction	10,000	10,000	12,750	(2,750)
Culture and recreation				
Extension office	139,205	139,205	114,991	24,214
DCTV	50,898	50,898	53,281	(2,383)
Fairgrounds	40,710	40,710	23,081	17,629
Total culture and recreation	230,813	230,813	191,353	39,460
Total expenditures	3,688,761	3,839,961	3,552,954	287,007
Excess (deficit) of revenues over (under) expenditures	82,531	86,951	279,164	192,213
Other financing sources (uses)				
Operating transfers in	38,000	38,000	50,318	12,318
Operating transfers out	(90,750)	(140,750)	(75,000)	65,750
Total other financing sources (uses)	(52,750)	(102,750)	(24,682)	78,068
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	29,781	(15,799)	254,482	270,281
Fund balance, beginning	8,256,624	8,256,624	8,919,006	662,382
Fund balance, ending	\$ 8,286,405	\$ 8,240,825	\$ 9,173,488	\$ 932,663

DOLORES COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balance- Budget and Actual
Road and Bridge Fund

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 485,864	\$ 485,864	\$ 483,470	\$ (2,394)
Delinquent tax and interest	700	700	699	(1)
Specific ownership taxes	20,000	20,000	25,602	5,602
Total taxes	<u>506,564</u>	<u>506,564</u>	<u>509,771</u>	<u>3,207</u>
Intergovernmental revenues				
Federal shared revenues				
Forest Service		-	161,203	161,203
State shared revenues				
Highway user's tax	1,900,169	1,900,169	1,576,063	(324,106)
Additional motor vehicle registration fee	22,000	22,000	9,441	(12,559)
Grants	83,045	83,045		(83,045)
Total intergovernmental revenues	<u>2,005,214</u>	<u>2,005,214</u>	<u>1,746,707</u>	<u>(258,507)</u>
Miscellaneous revenues				
Permits	10,000	10,000	1,275	(8,725)
Reimbursements	12,000	12,000	8,235	(3,765)
Charges for services	150,000	150,000	145,750	(4,250)
Other	225,750	225,750	14,749	(211,001)
Total miscellaneous revenues	<u>397,750</u>	<u>397,750</u>	<u>170,009</u>	<u>(227,741)</u>
Total revenues	<u>2,909,528</u>	<u>2,909,528</u>	<u>2,426,487</u>	<u>(483,041)</u>
Expenditures				
Current operating				
Public Works				
Administration	290,500	290,500	214,521	75,979
Maintenance and construction	2,216,228	2,216,228	1,905,952	310,276
Traffic	35,000	35,000	28,764	6,236
Payments to cities	20,000	20,000	19,557	443
Capital outlay	44,000	44,000	182,171	(138,171)
Payments on operating leases	292,000	292,000	209,498	82,502
Debt Service				
Principal		-	31,639	(31,639)
Interest		-	1,945	(1,945)
Total public works	<u>2,897,728</u>	<u>2,897,728</u>	<u>2,594,047</u>	<u>303,681</u>
Total expenditures	<u>2,897,728</u>	<u>2,897,728</u>	<u>2,594,047</u>	<u>303,681</u>
Excess (deficit) of revenues over (under) expenditures	<u>11,800</u>	<u>11,800</u>	<u>(167,560)</u>	<u>(179,360)</u>
Fund balance, beginning	3,697,901	3,697,901	4,448,330	750,429
Increase in inventory		-	25,508	25,508
Fund balance, ending	<u>\$ 3,709,701</u>	<u>\$ 3,709,701</u>	<u>\$ 4,306,278</u>	<u>\$ 596,577</u>

DOLORES COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Social Service Fund
For the Year Ended December 31, 2020

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Taxes				
General property taxes	\$ 224,992	\$ 224,992	\$ 223,928	\$ (1,064)
Specific ownership taxes	10,000	10,000	11,855	1,855
Total taxes	<u>234,992</u>	<u>234,992</u>	<u>235,783</u>	<u>791</u>
Intergovernmental revenues				
Programs Settled by CFMS				
Colorado Works	66,180	66,180	53,125	(13,055)
Child Care	44,992	44,992	12,978	(32,014)
Child Welfare	256,434	256,434	153,960	(102,474)
County Administration	145,715	145,715	172,295	26,580
Core Services	25,000	25,000	-	(25,000)
Child Support Enforcement	5,000	5,000	674	(4,326)
LEAP	66,720	66,720	92,406	25,686
Adult Protective Services	19,125	19,125	12,301	(6,824)
Aid to Needy Disabled	12,000	12,000	25,751	13,751
Home Care Allowance	12,000	12,000	24,267	12,267
Old Age Pension	34,000	34,000	47,542	13,542
Food Assistance	270,000	270,000	449,284	179,284
Federal and State Incentives	110,056	110,056	72,156	(37,900)
Other	15,800	15,800	(2,702)	(18,502)
Total programs settled by CFMS	<u>1,083,022</u>	<u>1,083,022</u>	<u>1,160,946</u>	<u>77,924</u>
Other				
Medicaid Transport	43,630	43,630	9,773	(33,857)
Other	10,000	153,195	7,803	(145,392)
Total Other	<u>53,630</u>	<u>196,825</u>	<u>17,576</u>	<u>(179,249)</u>
Total intergovernmental revenues	<u>1,136,652</u>	<u>1,279,847</u>	<u>1,178,522</u>	<u>(101,325)</u>
Total revenues	<u>1,371,644</u>	<u>1,514,839</u>	<u>1,414,305</u>	<u>(100,534)</u>
Expenditures				
Public health and welfare				
Programs Settled by CFMS				
Colorado Works	66,180	66,180	61,441	4,739
Child Care	44,992	44,992	17,161	27,831
Child Welfare	256,434	256,434	180,030	76,404
County Administration	145,715	145,715	209,589	(63,874)
Core Services	25,000	25,000	-	25,000
Child Support Enforcement	5,000	5,000	75	4,925
LEAP	66,720	66,720	92,406	(25,686)
Adult Protective Services	19,125	19,125	15,376	3,749
Aid to Needy Disabled	12,000	12,000	27,133	(15,133)
Home Care Allowance	12,000	12,000	25,544	(13,544)
Old Age Pension	34,000	34,000	47,542	(13,542)
Food Assistance	270,000	270,000	449,284	(179,284)
Prevention Intervention	-	46,909	46,909	-
Other	25,800	25,800	(2,422)	28,222
Total programs settled by CFMS	<u>982,966</u>	<u>1,029,875</u>	<u>1,170,068</u>	<u>(140,193)</u>
Other				
Medicaid Transport	43,630	43,630	9,773	33,857
HB 1451	110,056	110,056	51,145	58,911
Capital Outlay	1,835,000	1,835,000	756,090	1,078,910
Other	10,000	17,483	4,000	13,483
Total other	<u>1,998,686</u>	<u>2,006,169</u>	<u>821,008</u>	<u>1,185,161</u>
Total expenditures	<u>2,981,652</u>	<u>3,036,044</u>	<u>1,991,076</u>	<u>1,044,968</u>
Excess (deficit) of revenues over (under) expenditures	<u>(1,610,008)</u>	<u>(1,521,205)</u>	<u>(576,771)</u>	<u>944,434</u>
Other financing sources (uses)				
Transfers in	10,000	60,000	54,000	(6,000)
Total other financing sources (uses)	<u>10,000</u>	<u>60,000</u>	<u>54,000</u>	<u>(6,000)</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(1,600,008)</u>	<u>(1,461,205)</u>	<u>(522,771)</u>	<u>938,434</u>
Fund balance, beginning	<u>1,655,803</u>	<u>1,655,803</u>	<u>1,636,075</u>	<u>(19,728)</u>
Fund balance, ending	<u>\$ 55,795</u>	<u>\$ 194,598</u>	<u>\$ 1,113,304</u>	<u>\$ 918,706</u>

DOLORES COUNTY, COLORADO

Other Supplementary Information

December 31, 2020

Other supplementary information includes financial statements and schedules not required by the GASB, or a part of the basic financial statements, but are presented for purposes of additional analysis.

These statements and schedules include:

Combining Statements- Non-major governmental funds
Budgetary Comparison Schedule-Senior Services Fund
Budgetary Comparison Schedule-Conservation Trust Fund
Budgetary Comparison Schedule-Ormiston Fund
Budgetary Comparison Schedule-Contigency Fund
Budgetary Comparison Schedule-Public Health Fund
Budgetary Comparison Schedule-Enterprise fund

DOLORRES COUNTY, COLORADO

Non-major Governmental Funds

December 31, 2020

Special Revenue Funds

Special revenue funds are used to account for taxes and other designated revenues of the County which are used for a specified purpose as required by law or administrative action.

Senior Services Fund

This fund accounts for the activities related to the Senior service activities of the County.

Conservation Trust Fund

This fund accounts for the County's share of lottery proceeds from the state to pay for local conservation efforts.

Clara Ormiston Fund

This fund accounts for money received from the Clara Ormiston Trust to help residents of the County with health care costs for the treatment of cancer.

Contingent Fund

This fund is required by state law. This fund accounts for expenditures not reasonably foreseen at the time the budget is adopted.

Public Health Fund

This fund was formed in 2009 and accounts for the public health department activities of the County.

DOLORES COUNTY
Combining Balance Sheet
Non Major Governmental Funds

December 31, 2020

Special Revenue Funds

	Senior Services Fund	Conservation Trust Fund	Clara Ormiston Fund	Contingency Fund	Public Health Fund	Total
Assets						
Cash	\$ 263,811	\$ 30,597	\$ 25,733	\$ 1,337,493	\$ 76,792	\$ 1,734,426
Property tax receivable	136,809					136,809
Due from other governments					18,117	18,117
Total Assets	\$ 400,620	\$ 30,597	\$ 25,733	\$ 1,337,493	\$ 94,909	\$ 1,889,352
Liabilities						
Accounts payable	\$ 9,688				\$ 1,663	\$ 11,351
Total Liabilities	9,688	-	-	-	1,663	11,351
Deferred Inflows of Resources						
Deferred property tax revenue	136,809					136,809
Fund Balances						
Restricted						
Cancer treatments			\$ 25,733			25,733
Senior services	254,123					254,123
Parks and recreation		\$ 30,597				30,597
Contingencies				\$ 1,337,493		1,337,493
Public health					93,246	93,246
Total Fund Balances	254,123	30,597	25,733	1,337,493	93,246	1,741,192
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 400,620	\$ 30,597	\$ 25,733	\$ 1,337,493	\$ 94,909	\$ 1,889,352

DOLORES COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non Major Governmental Funds

For the Year Ended December 31, 2020

	Special Revenue Funds					Total
	Senior Services Fund	Conservation Trust Fund	Clara Ormiston Fund	Contingency Fund	Public Health Fund	
Revenues						
Taxes	\$ 152,940			\$ 76,470		\$ 229,410
Intergovernmental	278,003	\$ 10,968		113	\$ 262,284	551,368
Charges for services						
Public health	57,345				4,327	61,672
Earnings on investments			\$ 1,985			1,985
Miscellaneous	5,159				140	5,299
Total Revenues	<u>493,447</u>	<u>10,968</u>	<u>1,985</u>	<u>76,583</u>	<u>266,751</u>	<u>849,734</u>
Expenditures						
General government				3,638		3,638
Health and welfare	533,534				223,362	756,896
Total expenditures	<u>533,534</u>	<u>-</u>	<u>-</u>	<u>3,638</u>	<u>223,362</u>	<u>760,534</u>
Excess revenues over (under) expenditures	<u>(40,087)</u>	<u>10,968</u>	<u>1,985</u>	<u>72,945</u>	<u>43,389</u>	<u>89,200</u>
Other financing sources (uses)						
Operating transfers in	25,000					25,000
Operating transfers out		(50,318)	(4,000)			(54,318)
Total other financing sources (uses)	<u>25,000</u>	<u>(50,318)</u>	<u>(4,000)</u>	<u>-</u>	<u>-</u>	<u>(29,318)</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(15,087)</u>	<u>(39,350)</u>	<u>(2,015)</u>	<u>72,945</u>	<u>43,389</u>	<u>59,882</u>
Fund Balances beginning of the year	269,210	69,947	27,748	1,264,548	49,857	1,681,310
Fund Balances end of the year	<u>\$ 254,123</u>	<u>\$ 30,597</u>	<u>\$ 25,733</u>	<u>\$ 1,337,493</u>	<u>\$ 93,246</u>	<u>\$ 1,741,192</u>

DOLORES COUNTY, COLORADO

Schedule of Revenues, Expenditures and Changes in
Fund Balances- Budget and Actual
Senior Services Fund

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 145,759	\$ 145,759	\$ 145,041	\$ (718)
Delinquent tax and interest	180	180	209	29
Specific ownership taxes	7,000	7,000	7,690	690
Total taxes	<u>152,939</u>	<u>152,939</u>	<u>152,940</u>	<u>1</u>
Intergovernmental revenues				
Grants				
OAA grant	184,011	184,011	180,346	(3,665)
CDOT grant	44,424	44,424	69,181	24,757
Other grants and donations	102,100	102,100	28,476	(73,624)
Total intergovernmental revenues	<u>330,535</u>	<u>330,535</u>	<u>278,003</u>	<u>(52,532)</u>
Charges for services				
Public health	82,600	82,600	57,345	(25,255)
Total charges for services	<u>82,600</u>	<u>82,600</u>	<u>57,345</u>	<u>(25,255)</u>
Miscellaneous revenues				
Reimbursements	1,000	1,000	4,933	3,933
Other	-	-	226	226
Total miscellaneous revenues	<u>1,000</u>	<u>1,000</u>	<u>5,159</u>	<u>4,159</u>
Total revenues	<u>567,074</u>	<u>567,074</u>	<u>493,447</u>	<u>(73,627)</u>
Expenditures				
Health and welfare	592,074	592,074	533,534	58,540
Total expenditures	<u>592,074</u>	<u>592,074</u>	<u>533,534</u>	<u>58,540</u>
Excess (deficit) of revenues over (under) expenditures	<u>(25,000)</u>	<u>(25,000)</u>	<u>(40,087)</u>	<u>(15,087)</u>
Other financing sources (uses)				
Operating transfers in	25,000	25,000	25,000	-
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>-</u>	<u>-</u>	<u>(15,087)</u>	<u>(15,087)</u>
Fund balance, beginning	197,670	197,670	269,210	71,540
Fund balance, ending	<u>\$ 197,670</u>	<u>\$ 197,670</u>	<u>\$ 254,123</u>	<u>\$ 56,453</u>

DOLORES COUNTY
Schedule of Revenues, Expenditures, and Changes in
Fund Balances-Budget and Actual
Conservation Trust Fund

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Intergovernmental				
Lottery funds	\$ 10,000	\$ 10,000	\$ 10,968	\$ 968
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>10,968</u>	<u>968</u>
Other financing sources (uses)				
Operating transfers out	(22,000)	(64,668)	(50,318)	14,350
Total other financing sources (uses)	<u>(22,000)</u>	<u>(64,668)</u>	<u>(50,318)</u>	<u>14,350</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(12,000)</u>	<u>(54,668)</u>	<u>(39,350)</u>	<u>15,318</u>
Fund Balances beginning of the year	64,160	64,160	69,947	5,787
Fund Balances end of the year	<u>\$ 52,160</u>	<u>\$ 9,492</u>	<u>\$ 30,597</u>	<u>\$ 21,105</u>

DOLORES COUNTY
Schedule of Revenues, Expenditures, and Changes in
Fund Balances-Budget and Actual
Clara Ormiston Fund

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Earnings on investments	\$ 500	\$ 500	\$ 1,985	\$ 1,485
Total Revenues	<u>500</u>	<u>500</u>	<u>1,985</u>	<u>1,485</u>
Other financing sources (uses)				
Operating transfers out	(10,000)	(10,000)	(4,000)	6,000
Total other financing sources (uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>(4,000)</u>	<u>6,000</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(9,500)</u>	<u>(9,500)</u>	<u>(2,015)</u>	<u>7,485</u>
Fund Balances beginning of the year	33,768	33,768	27,748	(6,020)
Fund Balances end of the year	<u>\$ 24,268</u>	<u>\$ 24,268</u>	<u>\$ 25,733</u>	<u>\$ 1,465</u>

DOLORES COUNTY
Schedule of Revenues, Expenditures, and Changes
in Fund Balances-Budget and Actual
Contingency Fund

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 72,879	\$ 72,879	\$ 72,520	\$ (359)
Specific ownership taxes	3,000	3,000	3,845	845
Delinquent tax and interest	100	100	105	5
Total taxes	<u>75,979</u>	<u>75,979</u>	<u>76,470</u>	<u>491</u>
Intergovernmental revenues				
Impact assistance	50	50	113	63
Total intergovernmental revenues	<u>50</u>	<u>50</u>	<u>113</u>	<u>63</u>
Total Revenues	<u>76,029</u>	<u>76,029</u>	<u>76,583</u>	<u>554</u>
Expenditures				
General government	5,000	5,000	3,638	1,362
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>3,638</u>	<u>1,362</u>
Excess revenues over (under) expenditures	<u>71,029</u>	<u>71,029</u>	<u>72,945</u>	<u>1,916</u>
Fund Balances beginning of the year	1,261,930	1,261,930	1,264,548	2,618
Fund Balances end of the year	<u>\$ 1,332,959</u>	<u>\$ 1,332,959</u>	<u>\$ 1,337,493</u>	<u>\$ 4,534</u>

DOLORS COUNTY
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Public Health Fund

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental				
Grants				
COVID grants	\$ -	\$ 77,637	\$ 96,046	\$ 18,409
Other grants	110,850	175,064	166,238	(8,826)
Total intergovernmental revenues	<u>110,850</u>	<u>252,701</u>	<u>262,284</u>	<u>9,583</u>
Charges for services				
Public health	3,200	3,200	4,327	1,127
Total charges for services	<u>3,200</u>	<u>3,200</u>	<u>4,327</u>	<u>1,127</u>
Miscellaneous	<u>2,000</u>	<u>2,000</u>	<u>140</u>	<u>(1,860)</u>
Total revenues	<u>116,050</u>	<u>257,901</u>	<u>266,751</u>	<u>8,850</u>
Expenditures				
Health and welfare	202,588	274,952	223,362	51,590
Total expenditures	<u>202,588</u>	<u>274,952</u>	<u>223,362</u>	<u>51,590</u>
Excess (deficit) of revenues over (under) expenditures	<u>(86,538)</u>	<u>(17,051)</u>	<u>43,389</u>	<u>60,440</u>
Other financing sources (uses)				
Operating transfers in	65,750	65,750		(65,750)
Total other financing sources (uses)	<u>65,750</u>	<u>65,750</u>	<u>-</u>	<u>(65,750)</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(20,788)</u>	<u>48,699</u>	<u>43,389</u>	<u>(5,310)</u>
Fund Balances beginning of the year	47,267	47,267	49,857	2,590
Fund Balances end of the year	<u>\$ 26,479</u>	<u>\$ 95,966</u>	<u>\$ 93,246</u>	<u>\$ (2,720)</u>

DOLORES COUNTY, COLORADO

Statement of Revenues, Expenditures, and Changes in Net Position - Budget and Actual

Proprietary Fund

Dove Creek Mandatory Pest Control District

For the Year Ended December 31, 2020

	Budgeted Amounts		(Non GAAP Basis)	Variance
	Original	Final	Actual Amounts	Favorable (Unfavorable)
Operating Revenues				
Weed control revenue	\$ 80,300	\$ 80,300	\$ 52,734	\$ (27,566)
Total local sources	80,300	80,300	52,734	(27,566)
Operating Expenses				
Chemicals	38,000	38,000	33,768	4,232
Salaries and benefits	121,660	121,660	114,153	7,507
Supplies	3,500	3,500	2,236	1,264
Professional fees	3,000	3,000	1,000	2,000
Telephone and utilities	8,400	8,400	5,627	2,773
Insurance	3,000	3,000		3,000
Travel	3,000	3,000	1,079	1,921
Office	400	400	337	63
Dues and meetings	2,000	2,000	1,141	859
Repairs	9,000	9,000	2,977	6,023
Treasurer's fees	10,200	10,200	6,946	3,254
Miscellaneous	2,400	2,400	2,537	(137)
Capital outlay	11,500	11,500	4,019	7,481
Total Operating Expenses	216,060	216,060	175,820	40,240
Operating income (loss)	(135,760)	(135,760)	(123,086)	12,674
Non-Operating Revenue				
Property tax	130,200	130,200	129,475	(725)
Specific ownership tax	6,200	6,200	6,861	661
Delinquent tax and interest		-	57	57
Impact aid			97	97
Total Non-Operating Revenue	136,400	136,400	136,490	90
Change in net position non GAAP basis	640	640	13,404	12,764
Add capital outlay			4,019	4,019
Less depreciation expense			(15,528)	(15,528)
Change in net position	640	640	1,895	1,255
Net position beginning of the year	927,934	927,934	1,115,432	187,498
Net position end of the year	\$ 928,574	\$ 928,574	\$ 1,117,327	\$ 188,753

INFORMATION REQUIRED BY OVERSIGHT AUTHORITIES

Majors and Haley, P.C.
Certified Public Accountants

P.O. Box 1478
Cortez, CO 81321
(970) 565-9521
Fax: (970) 565-9441

Chris L. Majors, CPA, MT

Lori Hasty Haley, CPA

INDEPENDENT AUDITORS' 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 County Commissioners
Dolores County, Colorado
Dove Creek, Colorado 81324

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 *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dolores County, Colorado as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the Dolores County, Colorado's basic financial statements and have issued our report thereon dated August 11, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Dolores County, Colorado'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 Dolores County, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of the Dolores County, Colorado'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 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 charges with governance.

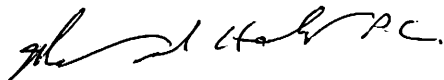
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during 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 Dolores County, Colorado's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 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 controls 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.



Majors and Haley, P.C.
August 11, 2021

Majors and Haley, P.C.
Certified Public Accountants

P.O. Box 1478
Cortez, CO 81321
(970) 565-9521
Fax: (970) 565-9441

Chris L. Majors, CPA, MT

Lori Hasty Haley, CPA

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

To the Board of County Commissioners
Dolores County, Colorado
Dove Creek, Colorado 81324

Report on Compliance for Each Major Federal Program

We have audited the Dolores County, Colorado'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 Dolores County, Colorado's major federal programs for the year ended December 31, 2020. The Dolores County, Colorado'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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Dolores County, Colorado's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Dolores County, Colorado'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 Dolores County, Colorado's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of the Dolores County, Colorado 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 Dolores County, Colorado'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 our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Dolores County, Colorado'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 control 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, detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or 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 charges with governance.

Our consideration of internal control over compliance was for 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.



Majors and Haley, P.C.
August 11, 2021

DOLORES COUNTY
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor</i>	<i>Federal Expenditures(\$)</i>
477 Cluster-Cluster			
<i>Department of Health and Human Services</i>			
Temporary Assistance for Needy Families (477 Cluster)	93.558	Colorado Department of Human Services	57,218
Child Care and Development Block Grant (477 Cluster)	93.575	Colorado Department of Human Services	4,530
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (477 Cluster)	93.596	Colorado Department of Human Services	7,188
<i>Total Department of Health and Human Services</i>			<u>68,936</u>
Total 477 Cluster-Cluster			<u>68,936</u>
Forest Service Schools and Roads Cluster-Cluster			
<i>United States Department of Agriculture</i>			
Schools and Roads - Grants to Counties	10.666	Direct Program	322,406
<i>Total United States Department of Agriculture</i>			<u>322,406</u>
Total Forest Service Schools and Roads Cluster-Cluster			<u>322,406</u>
Medicaid Cluster-Cluster			
<i>Department of Health and Human Services</i>			
<i>Medical Assistance Program</i>			
Medical Assistance Program	93.778	Colorado Department of Human Services	59,730
<i>Total Department of Health and Human Services</i>			<u>59,730</u>
Total Medicaid Cluster-Cluster			<u>59,730</u>
SNAP Cluster-Cluster			
<i>United States Department of Agriculture</i>			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Colorado Department of Human Services	44,660
<i>Total United States Department of Agriculture</i>			<u>44,660</u>
Total SNAP Cluster-Cluster			<u>44,660</u>
Other Programs			
<i>Department of Homeland Security</i>			
Emergency Management Performance Grants	97.042	Colorado Department of Public Safety	21,707
<i>Total Department of Homeland Security</i>			<u>21,707</u>
<i>United States Department of Justice</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Colorado Department of Public Safety	61,408
<i>Total United States Department of Justice</i>			<u>61,408</u>
<i>Department of Transportation</i>			
Formula Grants for Rural Areas and Tribal Transit Program	20.509	Colorado Department of Transportation	69,181
<i>Total Department of Transportation</i>			<u>69,181</u>

The accompanying notes are an integral part of this schedule

DOLORES COUNTY
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended December 31, 2020

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor</i>	<i>Federal Expenditures(\$)</i>
<i>Department of Health and Human Services</i>			
Public Health Emergency Preparedness	93.069	Colorado Department of Public Health and Environment	15,265
Guardianship Assistance	93.090	Colorado Department of Human Services	323
Immunization Cooperative Agreements	93.268	Colorado Department of Public Health and Environment	5,094
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Colorado Department of Public Health and Environment	12,002
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	Colorado Department of Public Health and Environment	9,578
Child Support Enforcement	93.563	Colorado Department of Human Services	8,371
Low-Income Home Energy Assistance	93.568	Colorado Department of Human Services	73,953
Foster Care Title IV-E	93.658	Colorado Department of Human Services	20,230
Adoption Assistance	93.659	Colorado Department of Human Services	8,751
Social Services Block Grant	93.667	Colorado Department of Human Services	8,873
Maternal and Child Health Services Block Grant to the States	93.994	Colorado Department of Public Health and Environment	2,562
<i>Total Department of Health and Human Services</i>			<u>165,002</u>
<i>Department of the Treasury</i>			
Coronavirus Relief Fund	21.019	Colorado Department of Local Affairs	48,985
Coronavirus Relief Fund	21.019	Colorado Department of Human Services	3,223
Coronavirus Relief Fund	21.019	Colorado Department of Public Health and Environment	38,565
<i>Total Coronavirus Relief Fund</i>			<u>90,773</u>
<i>Total Department of the Treasury</i>			<u>90,773</u>
<i>United States Department of Agriculture</i>			
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Colorado Department of Health and Environment	13,930
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Colorado Department of Public Health and Environment	11,310
<i>Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children</i>			<u>25,240</u>
<i>Total United States Department of Agriculture</i>			<u>25,240</u>
Total Other Programs			<u>433,311</u>
Total Expenditures of Federal Awards			<u><u>\$ 929,043</u></u>

The accompanying notes are an integral part of this schedule

DOLORES COUNTY, COLORADO

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2020

Organization

The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs of Dolores County, Colorado for the year ended December 31, 2020. All federal awards received directly from federal agencies as well as federal awards passed through other governmental agencies, are included on the schedule.

Basis Of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County and is presented on the modified accrual basis of accounting. 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*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

Indirect Costs

The County has not elected to use the 10% *de minimis* indirect cost rate as allowed in the Uniform Guidance, Section 414.

Food Distribution

Non-monetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed.

Sub-recipients

Dolores County had no sub-recipients of federal funds for the year ended December 31, 2020.

DOLORES COUNTY, COLORADO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended December 31, 2020

Section 1- Summary of Auditors' Results

Financial Statements

Type of auditors' report issued		Unmodified Opinion
Internal control over financial reporting:		
Material weakness(es) identified?	_____ yes	_____ X _____ no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ yes	_____ X _____ no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	_____ yes	_____ X _____ no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ yes	_____ X _____ no

Type of auditors' report issued on compliance for major programs:		Unmodified Opinion
--	--	--------------------

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance	_____ yes	_____ X _____ no
---	-----------	------------------

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
10.666	Schools and Roads-Grants to Counties
16.738	Edward Byrne Memorial Justice Assistance Grant Program

Dollar threshold to distinguish between Type A and Type B programs:	\$750,000
--	-----------

Auditee qualified as low-risk auditee (Single audit not required in prior year)	_____ yes	_____ X _____ no
--	-----------	------------------

Section 2- Findings under Generally Accepted Government Auditing Standards

There were no findings required to be reported under Generally Accepted Government Auditing Standards

Section 3- Findings and Questioned Costs Under Uniform Guidance

There were no findings or questioned cost for federal awards as defined in the Uniform Guidance.

DOLORES COUNTY, COLORADO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2020

There were no prior year findings or questioned costs noted that were reportable under the Uniform Guidance criteria.

DOLORES COUNTY, COLORADO

SCHEDULE OF CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2020

There were no audit findings to be included in the current audit report; therefore, a corrective action plan is not necessary.

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

LOCAL HIGHWAY FINANCE REPORT

City or County:
County
YEAR ENDING :
December 31, 2020

This Information From The Records Of (example - City of _ or County of _)
Dolores County, Colorado Prepared By: Majors and Haley P.C.
Phone: 970-565-9521

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)	184,817
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,027,285
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	28,764
2. General fund appropriations	0	b. Snow and ice removal	138,659
3. Other local imposts (from page 2)	509,771	c. Other	
4. Miscellaneous local receipts (from page 2)	170,009	d. Total (a. through c.)	167,423
5. Transfers from toll facilities		4. General administration & miscellaneous	189,014
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	2,568,539
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes Capital Leases		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	679,780	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	1,585,504	2. Notes:	
D. Receipts from Federal Government (from page 2)	161,203	a. Interest	
E. Total receipts (A.7 + B + C + D)	2,426,487	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	2,568,539

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
	4,448,330	2,426,487	2,568,539	4,306,278	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 31, 2020	
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	484,169	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		f. Charges for Services	145,750
5. Specific Ownership &/or Other	25,602	g. Other Misc. Receipts	
6. Total (1. through 5.)	25,602	h. Other	24,259
c. Total (a. + b.)	509,771	i. Total (a. through h.)	170,009
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	1,576,063	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	161,203
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	9,441	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	9,441	g. Total (a. through f.)	161,203
4. Total (1. + 2. + 3.f)	1,585,504	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		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		184,817	184,817
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)		0	184,817
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	184,817
			(Carry forward to page 1)
Notes and Comments:			