



ELBERT COUNTY GOVERNMENT

Annual Financial Report

For the year ended December 31, 2020



ELBERT COUNTY, COLORADO

FINANCIAL STATEMENTS

December 31, 2020

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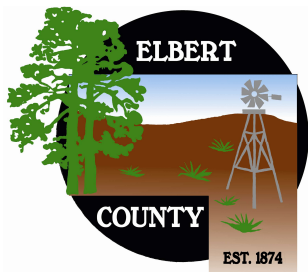
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INTRODUCTORY SECTION



ELBERT COUNTY GOVERNMENT

215 Comanche St.
P.O. Box 7
Kiowa, CO 80117

June 28, 2021

To the Board of County Commissioners and the Citizens of Elbert County:

The Comprehensive Annual Financial Report of Elbert County, Colorado for the fiscal year ended December 31, 2020 is hereby submitted.

This report consists of management's representations concerning the finances of Elbert County. Consequently, management assumes full responsibility for both the accuracy of the presented data, and for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of Elbert County has established internal controls that are designed both to protect the taxpayers' assets from loss, theft or misuse and to compile sufficient reliable information of the preparation of the Elbert County financial statements in conformity with Generally Accepted Accounting Principles in the United States of America (US GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). Since the cost of internal controls should not outweigh their benefits, Elbert County's internal controls have been designed to provide reasonable assurance the financial statements will be free from material misstatement.

To the best of our knowledge and belief, this financial report is accurate in all material aspects and reported in a manner which fairly represents the financial position and results of operations of Elbert County as measured by the financial activity of its various funds. Further, we believe all disclosures that are necessary to enable the reader to gain the maximum understanding of Elbert County's financial activities have been included.

Colorado Revised Statute (CRS) 29-1-603 requires local governments to have an annual audit of their financial statements, performed in accordance with generally accepted auditing standards, by a firm of licensed certified public accountants. CRS 29-6-605 requires the financial statements be presented in conformity with US GAAP.

The County's financial statements have been audited by RubinBrown, LLP. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County, for the fiscal year ended December 31, 2020, are free of material misstatement. The independent audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements, assessing the accounting policies used as well as the reasonableness of estimates made by management, and evaluating the overall financial statement presentation. The independent auditor, based upon their audit, rendered an unmodified opinion, concluding that these financial statements are fairly presented in conformity with US GAAP. The independent auditor's report is presented in the financial section of this report. In addition to meeting the requirements set forth in state statutes, the audit included a federally mandated "Single Audit" designed to meet the needs of federal grantor agencies (Single Audit Act

Amendments of 1996) and related Title 2 U.S. Code of Federal Regulation (CFR) Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirement for Federal Awards (Uniform Guidance). The standards governing Single Audit engagements require the independent auditor to report not only on the fair representation of the financial statements, but also on the government's internal controls and compliance with legal requirements involved in the administration of federal awards. The reports issued by the independent auditors are presented in a separately issued Single Audit Report. GASB requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

Profile of Elbert County

Elbert County was formed in 1874. The County covers 1,851 square miles. The county is very diverse in population density ranging from rural to suburban. According to the Colorado State Demography Office, the County has a population of 26,686.

The County provides a wide range of services that include law enforcement and public safety, planning and zoning, public works, public health and human services, elections, motor vehicle and general administrative services.

The three-member Board of County Commissioners (BOCC) serves as the legislative, policy-making and administrative body governing the unincorporated area of the County. The commissioners are elected from one of three geographical districts and serve staggered four-year terms (term-limited to two terms).

The County is one of four counties, along with Arapahoe, Douglas and Lincoln counties, in the Eighteenth Judicial District served by the District Attorney, an elected official responsible for prosecuting all criminal case filings.

The Board is directly supported by the County Manager and County Attorney. Department Heads manage the remainder of the County's functions, including Public Works, County Administration, Human Services, Public Health, Community & Development Services, Information Technology, Office of Emergency Management, CSU Extension, and Facilities.

The Board is charged with the responsibility of providing adequate budget appropriations to fund statutory functions, as well as responding to the service needs of the citizens. In turn, the other elected and appointed officials are charged with managing their authorized budgets in order to meet their statutory obligations and service demands as cost-effectively as possible. The Board is required to adopt a final budget no later than the end of the fiscal year. The adopted budget becomes the County's annual financial plan and mechanism to control spending.

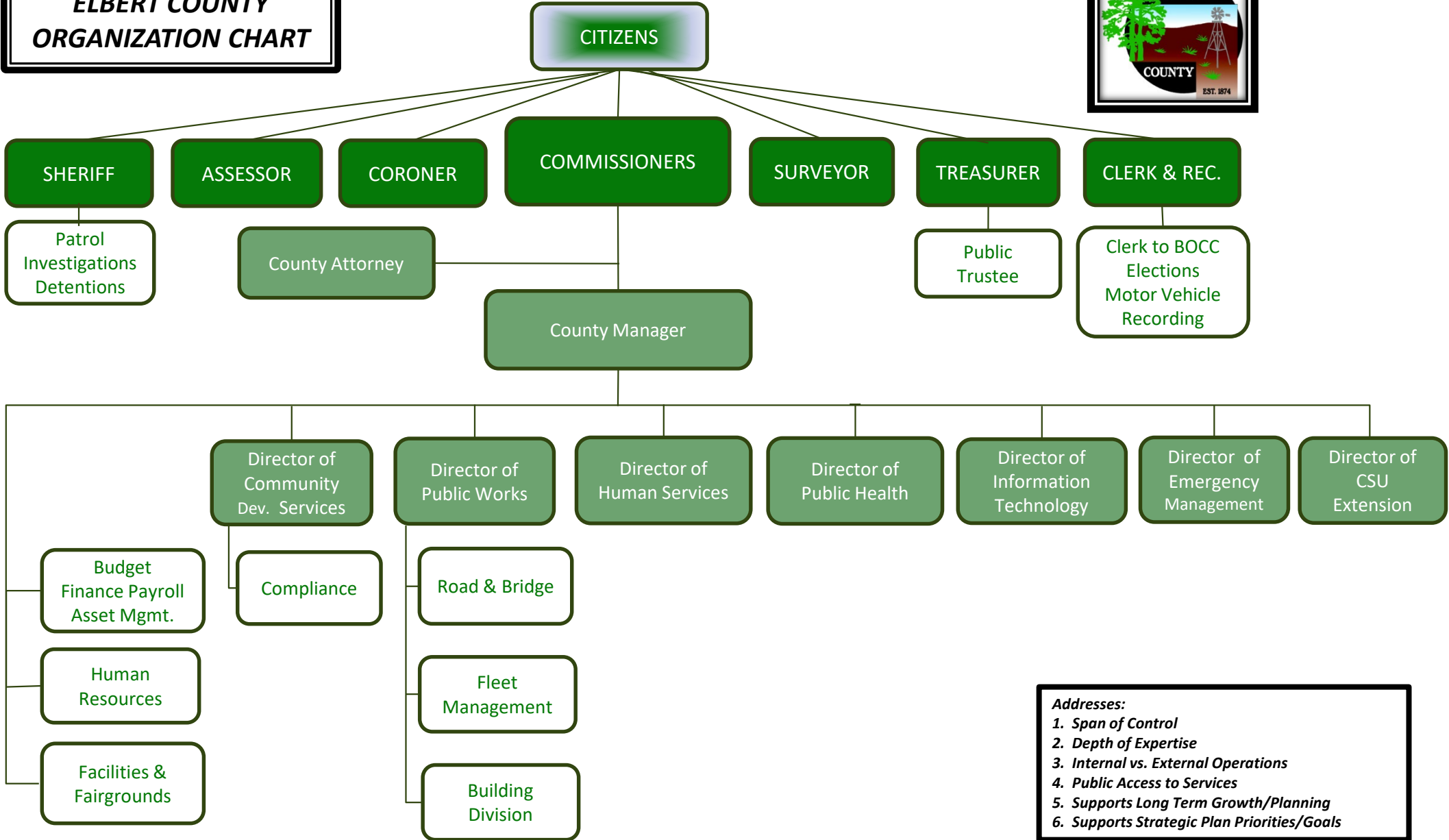
In closing, we wish to acknowledge the interest, leadership and support of the Board of County Commissioners, the Elected Officials and the cooperation of each of Elbert County's Departments as we work together to conduct Elbert County's financial operations. Each person involved demonstrates prudent fiscal management and stewardship with regards to the actual and ongoing financial conditions of Elbert County. We aim to provide basic sustainable foundations that result in a high quality of life for our citizens, taxpayers and communities.

Respectfully submitted,

Sam Albrecht
County Manager

Tony McCormick, CPA
Finance Manager

ELBERT COUNTY ORGANIZATION CHART



- Addresses:**
1. *Span of Control*
 2. *Depth of Expertise*
 3. *Internal vs. External Operations*
 4. *Public Access to Services*
 5. *Supports Long Term Growth/Planning*
 6. *Supports Strategic Plan Priorities/Goals*

ELBERT COUNTY LIST OF OFFICIALS

Board of County Commissioners (BOCC)

Chris Richardson District 1, Chair
Rick Pettitt..... District 2
Grant Thayer.....District 3, Vice Chair

Elected Officials Other Than BOCC

Susan Murphy.....Assessor
Dallas Schroeder..... Clerk & Recorder
Sandy Graeff..... Coroner
Timothy Norton..... Sheriff
Keith Westfall..... Surveyor
Sheryl Hewlett..... Treasurer, Public Trustee

Appointed Officials

Sam Albrecht..... County Manager
Bart Greer County Attorney



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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

Board of County Commissioners
Elbert County, Colorado
Kiowa, Colorado

Report On The Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Elbert County, Colorado (the County), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility For The Financial Statements

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

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 from material misstatement.

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

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

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the County as of December 31, 2020 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages C1 through C10 and F1 through F8, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 County's basic financial statements. The introductory section, combining and individual fund statements and schedules and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules and the Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules and the Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2021 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

RubinBrown LLP

June 28, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

ELBERT COUNTY, COLORADO MANAGEMENT'S DISCUSSION AND ANALYSIS

The Board of County Commissioners offers this narrative overview and analysis of Elbert County's financial activities for the fiscal year ended December 31, 2020.

Financial Highlights

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$89,566,530 (net position) at the close of the fiscal year. Of this amount, \$22,118,001 in unrestricted net position is available to meet ongoing and future obligations of Elbert County (the County).
- The net increase in capital assets for the year was \$13,615. The increase was due to capital additions of \$7,397,355 exceeding depreciation of \$7,324,864. The net increase was increased by a gain on disposed assets of \$1,037,509. A significant portion of the capital outlay additions in 2020 were related to Road & Bridge equipment purchases within the Road & Bridge Fund and Sales & Use Tax Fund of \$2.3 million and road rebuild projects of \$2.7 million.
- As of the close of the 2020 fiscal year, the County's governmental funds reported combined ending fund balances of \$23,773,847.
- Total net position increased by \$4,953,607. This is largely the result of increased tax revenues in the amount of \$2.3 million and a gain on disposal of assets in the amount of \$1,037,509. In addition, intergovernmental revenues increased by \$2.8 million during the year ended December 31, 2020.
- Total long-term debt increased by \$107,929 during the 2020 fiscal year. In 2020, the County entered into additional lease commitments totaling \$1,603,481. The increase was reduced by payment of obligations totaling \$1,506,185. In 2020 this includes additional bond principal payments made on the Meadow Station Public Improvement District General Obligation Bonds and the Foxwood Estates and Foxwood Ranches General Obligation Bonds in the amounts of \$20,000 and \$10,000, respectively. During 2020, the County also refunded the Lease revenue refunding bonds.
- Tax revenues increased \$2,332,222. Most of this increase was from property tax and specific ownership taxes, which increased approximately \$1.5 million while sales and use taxes increase by approximately \$819,000. Property tax revenue increased due to a 17% increase in assessed value. The sales tax base of the County is compromised of the type of retail outlets which increases in sales during the pandemic such as Safeway and Walmart.
- General Fund revenues increased by \$1,303,084. The increase in revenue is attributable to increases across all General Fund revenue categories except miscellaneous revenue, which decreased \$98,000. The most significant increase was for property taxes and specific ownership tax of approximately \$992,000. General Fund expenditures decreased \$742,000 as compared to the prior year. The decrease in expenditures is attributable to public safety. The net change in fund balance of the General Fund was \$1,755,753. This continues the trend of increasing unrestricted fund balance and compares very favorably to the fiscal year ended December 31, 2009 when unrestricted fund balance was a negative \$1 million.

Overview of the Financial Statements

This discussion and analysis is an introduction to the County's basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report contains supplementary information and schedules in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The government-wide financial statements use an economic resource measurement focus and the full accrual basis of accounting to present the Statement of Net Position

and the Statement of Activities. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Fiduciary fund assets held by the County for other parties are not included in the government-wide financial statements because resources of these funds are not available to support the County's own programs.

The Statement of Net Position presents information on all County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Both government-wide financial statements identify functions of the County that are principally to be supported by taxes and intergovernmental revenue (governmental activities). The governmental activities of the County include general government, public safety, public works, public health and welfare, culture and recreation, auxiliary services, and debt service.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the County include both governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 16 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the General Fund, the Road and Bridge special revenue fund, Human Services special revenue fund, Sales and Use Tax special revenue fund, and Grants special revenue fund, all of which are considered major funds. Data for the other 11 governmental funds are combined into a single aggregated presentation. Individual fund data for these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its major and nonmajor governmental funds. All funds are adopted on the GAAP basis of accounting except for the General, Road and Bridge, Law Enforcement Assistance Funds, and the Bond Redemption Debt Service Fund. Amounts expended as the result of capital leases, provisions for buy back guarantees on capital assets, and the refunding of debt are not included in the budgeted revenues or expenditures. Budgetary comparison statements have been provided to demonstrate compliance with these budgets.

Fiduciary funds. Fiduciary funds are used to account for assets held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County’s own programs. The County uses eight fiduciary funds, which include activities associated with property tax collections, The Custodial Treasurer’s Fund which includes Clerk & Recorder collections, the Office of the Public Trustee, CSU Extension, Sheriff’s Office evidence, County inmates, and two Sheriff’s Office foundations. All the County’s fiduciary funds are classified as custodial funds.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report presents required supplementary information and budgetary comparison statements for the major governmental funds.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

This report also contains a local highway finance report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. The County’s assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$89,566,530.

	Net Position	
	2020	2019
Current assets	\$ 37,535,141	\$ 32,112,834
Capital assets	75,018,558	75,004,943
Total assets	112,553,699	107,117,777
Deferred outflows of resources	69,129	86,062
Current liabilities	1,078,137	1,351,473
Long-term liabilities	9,265,988	9,158,059
Total liabilities	10,344,125	10,509,532
Deferred inflows of resources	12,712,173	1,208,184
Net investment in capital assets	66,221,920	66,405,419
Restricted net position	1,226,609	1,340,439
Unrestricted net position	22,118,001	16,866,965
Total net position	\$ 89,566,530	\$ 84,612,823

The largest portion of the County’s net position (74%) reflects its investment in capital assets. This compares to the December 31, 2019 percentage of 78%. The County’s liquid net assets increased dramatically in the past few years. The County uses its capital assets to provide services to citizens;

consequently, the assets are not available for future spending.

An additional portion of the County's net position (1.5%) represents resources that are subject to restrictions on how they can be used and/or are not currently available for the County's ongoing obligations. The remaining balance of unrestricted net position \$22,118,001 may be used to meet the government's future expenditures. Unrestricted net position increased \$5,251,036 during 2020.

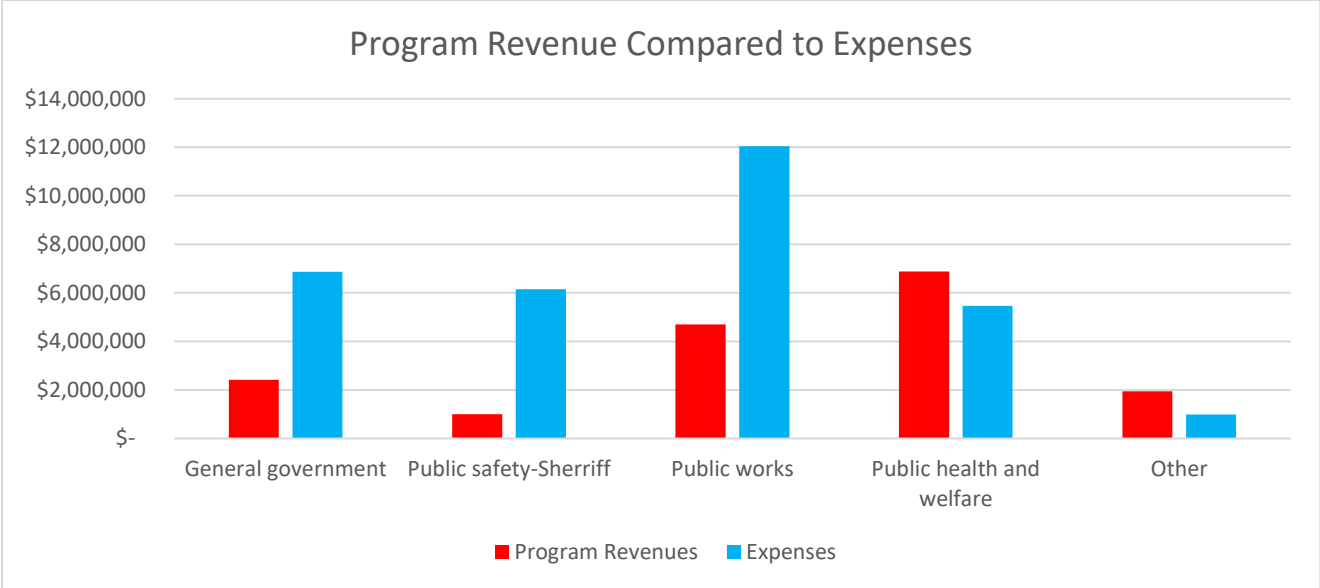
At the end of the 2020, the County reported positive balances in all three categories of net position.

The County's net position increased by \$4,953,607 during the 2020 fiscal year. This is a result of revenues increasing at a greater rate than expenditures between 2019 and 2020. Total revenues increased \$5,519,263. The increase in revenues is largely attributable to the gain on disposal of assets in the amount of \$1,037,509, as well as notable increases in operating grants and contributions, which increased \$2,797,047, and taxes, which increased \$2,332,222. Of the gain on disposal of assets in 2020, \$1,000,000 was related to buy-back guarantees on Road and Bridge equipment, which was replaced with new equipment during the year. The majority of the increase of operating grants and contributions between 2019 and 2020 is attributable to COVID 19 funding provided by Federal and State Agencies.

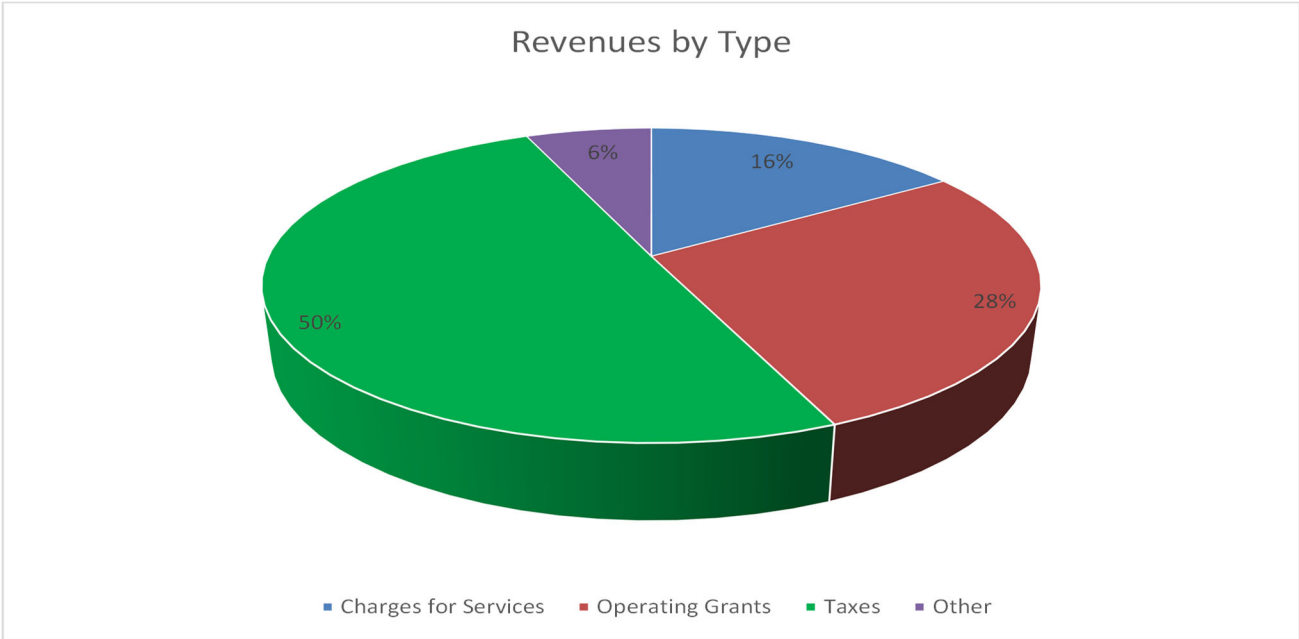
Change in Net Position

	2020	2019
Revenues		
Program revenues		
Charges for services	\$ 5,859,871	\$ 5,470,857
Operating grants and contributions	10,214,576	7,439,599
Capital grants and contributions	855,107	699,025
General revenues		
Taxes	18,574,203	16,241,981
Grants not restricted to a specific program	31,221	9,151
Investment and interest income	158,002	228,095
Other	217,374	283,219
Gain on sale of capital assets	1,037,509	1,056,673
Total revenues	36,947,863	31,428,600
Expenses		
General government	6,873,299	6,139,575
Public safety	6,880,005	6,192,694
Public works	12,044,617	12,112,579
Public health and welfare	5,453,130	4,016,907
Culture and recreation	245,275	270,409
Auxiliary services	158,340	167,841
Interfund charges for services	39,725	34,910
Interest on long-term debt	299,865	327,236
Total expenses	31,994,256	29,262,151
Change in net position	4,953,607	2,166,449
Net position - Beginning	84,612,923	82,446,474
Net position - Ending	\$ 89,566,530	\$ 84,612,923

The following graph shows program revenues compared to expenses. As the graph shows, only two programs generated enough revenues to pay for their expenses. These were Public health and welfare and other which includes Community Development Services, Building and Culture and recreation.



A County government is not expected to generate enough revenues to pay for most programs. The graph below shows the revenue types for the County. Approximately 54% of revenues are general revenues which are used to offset the costs not covered by charges for services and specific intergovernmental revenues.



Financial Analysis of the Government’s Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

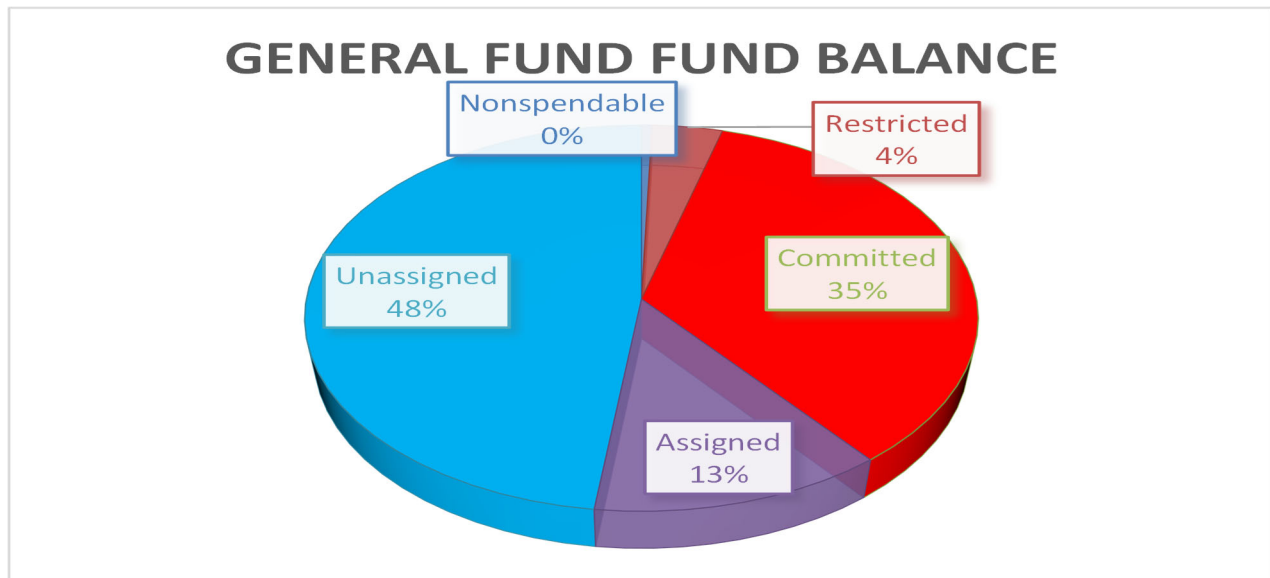
Governmental funds

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

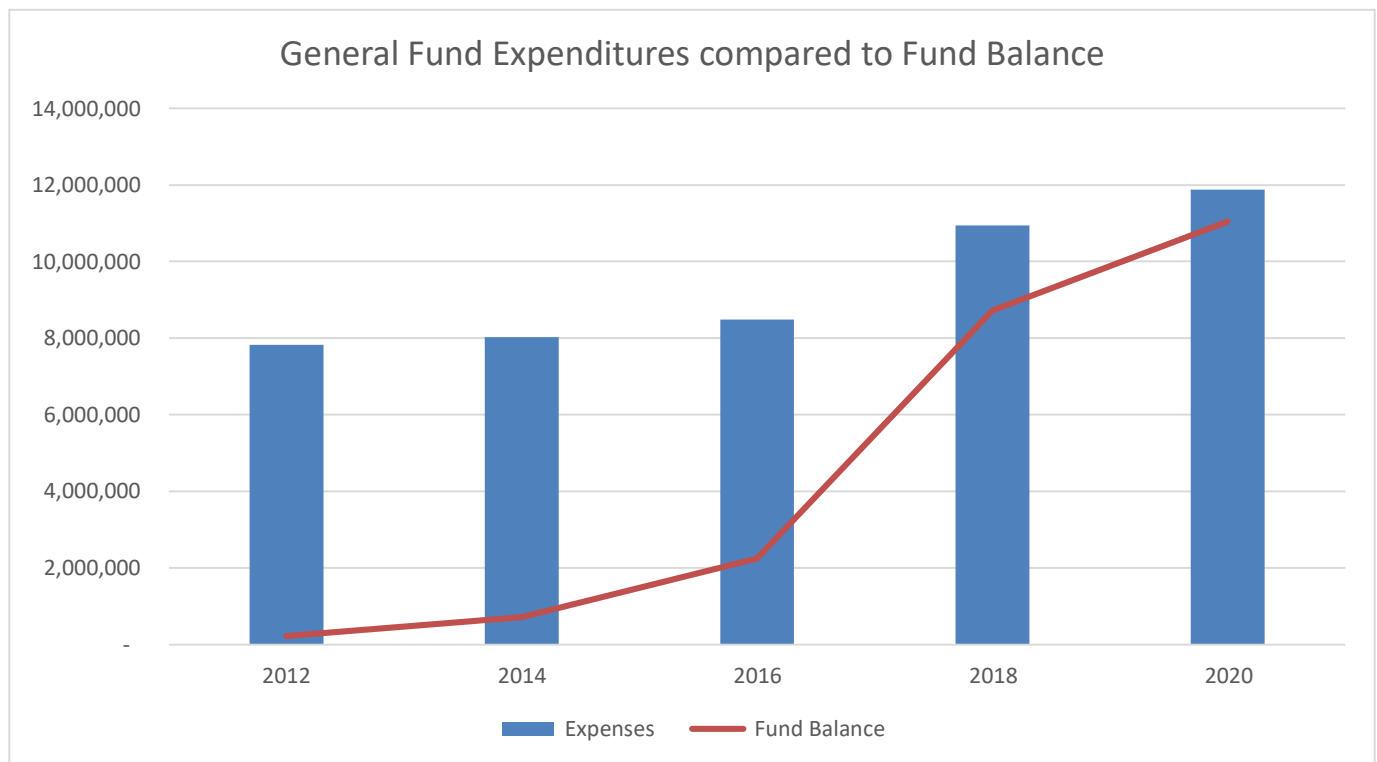
At the end of the 2020 fiscal year, the County's governmental funds reported combined ending fund balances of \$23,773,847, of which \$20,317,738 or 85%, is attributed to the major funds.

The General Fund is the chief operating fund of the County. At the end of the 2020 fiscal year, the General Fund had a fund balance of \$11,040,331. This is an increase of \$1,755,753 from the prior year. Fiscal year 2020 marks the seventh consecutive year that the County's General Fund has had positive unassigned fund balance.

The graph below shows the categories of General Fund Fund Balance. More than 96% of the fund balance is unrestricted and spendable. General Fund Fund Balance also includes stabilization funds of \$3,850,000 and \$500,000 for contingencies included in the committed category.



The County's equity has increased substantially since 2012. The strength of this fund balance can be seen when compared to expenditures.



General Fund revenues increased \$1,303,084 in the current year. Significant General Fund revenue increases included \$968,100 in taxes, \$435,377 in licenses and permits. General Fund expenditures decreased a total of \$741,802. Much of this decrease is attributable to Public Safety expenditures of \$619,109, Community Development Services of \$122,444 and capital outlay of \$180,661. In addition, General Government expenditures increased by approximately \$200,000.

Fund balance of the Road and Bridge Special Revenue Fund was \$3,327,761 as of December 31, 2020. The Road and Bridge Special Revenue Fund's fund balance decreased by \$131,735 from the previous year. In the current year, Road and Bridge Fund revenues decreased \$340,404. The Road and Bridge Special Revenue Fund had an increase in tax revenues of \$393,822, and a decrease in highway revenues of \$680,911. Road and Bridge Special Revenue Fund expenditures increased \$1,154,859. Debt service expenditures increased \$142,467, while capital outlay expenditures increased by \$1,224,292.

Fund balance of the Human Services Special Revenue Fund was \$1,044,014 as of December 31, 2020. The Human Services Special Revenue Fund's fund balance increased \$178,386 from the previous year. Human Services Fund revenues increased \$1,347,687 and expenditures increased \$1,272,927 from the prior year. This is largely attributable to pass-through electronic benefit transfer (EBT) revenues and expenses increasing \$1,229,786 from 2019 to 2020.

The Sales and Use Tax Special Revenue Fund balance was \$4,846,733 at the end of the 2020 fiscal year. The Sales and Use Tax Special Revenue Fund balance increased \$1,922,245 from the previous year. Sales and use taxes increased approximately \$818,000 from the prior year. Capital outlay expenditures increased \$1,785,374.

The Grant Special Revenue Fund balance was \$58,899 at the end of the 2020 fiscal year. The fund was created in 2020 and therefore this was the first year of operations. The majority of the \$2.1 million in revenues related to the Federal and State funding related to the COVID 19 epidemic. Many of the expenditures were spent in relation to the jail activities which accounted for approximately \$1.3 million of the expenditures.

Original Budget Compared to Final Budget

The Board of County Commissioners adopted supplemental appropriations to increase expenditures as follows:

Human Services Special Revenue Fund	\$ 1,125,404
Grant Special Revenue Fund	2,215,818
Meadow Station Debt Service Fund	2,000
Growth and Development Fund	141,174
Bond Debt Service Fund	64,000
	<u>\$ 3,548,396</u>

These additional funds were used for capital outlay costs, to pay the remaining lease balances for certain vehicles and additional bond principal payments.

Capital Assets

The County invested \$6,599,173 in capital assets, not including donated assets, for its governmental-type activities for the year ended December 31, 2020. This investment in capital assets consists primarily of infrastructure, equipment, and vehicles. A detail of capital assets at December 31, 2020 and 2019 is as follows:

	Balance at December 31, 2020	Balance at December 31, 2019
Water rights	\$ 4,100,445	\$ 4,100,445
Land	2,030,633	2,030,633
Construction in progress	453,649	-
Buildings	7,077,791	6,674,626
Equipment	8,367,448	6,497,579
Infrastructure	52,988,592	55,701,660
	<u>\$ 75,018,558</u>	<u>\$ 75,004,943</u>

Additional information on the County’s capital assets can be found in Note 4 on page E-11 of this report.

Long-Term Debt

As of December 31, 2020, the County had total long-term debt of \$9,265,888. Long-term debt includes the Jail Lease Revenue Refunding Bonds Series 2020, capital leases used to finance equipment and vehicles, compensated absences, and the General Obligation Bonds of the following public improvement districts: Meadow Station Subdivision Public Improvement

District, Foxwood Estates and Foxwood Ranches Public Improvement District, and Sun County Meadows Public Improvement District. To save interest costs, during 2015 and 2016 the Chaparral Valley Debt Service Fund borrowed funds from the Road and Bridge Fund and called its bonds early. The County continues to find innovative approaches to save money. A detail of long-term debt at December 31, 2020 and 2019 is as follows:

Long Term Debt

	Balance at December 31, 2020	Balance at December 31, 2019
General obligation debt	\$ 110,000	\$ 195,000
Limited tax general obligation bond	1,589,695	1,652,975
Lease revenue refunding bonds series 2016	-	4,660,388
Lease revenue refunding bonds series 2020	4,387,943	-
Capital lease obligations	2,778,129	2,260,108
Compensated absences	400,221	389,588
	\$ 9,265,988	\$ 9,158,059

Additional information on the County’s long-term debt can be found in Note 5 beginning on page E-12 of this report.

Economic Factors and Next Year’s Budgets

The County has appropriated \$36,913,554 for spending in the 2021 fiscal year budget. Budgeted 2020 revenue of \$32,175,189 and the use of accumulated fund balances is sufficient to cover the appropriated expenditures in 2020. For the 2021 fiscal year, the fund balances of all County funds are expected to decrease about \$2,883,681. The expected decrease in fund balance is primarily a result of a decrease in intergovernmental revenues of \$1,427,212 and projected increases in Capital Outlay of \$3.8 million.

During the spring of 2020, the economic fallout of the COVID-19 pandemic crisis was still largely unknown. Elbert County’s staff and elected officials have reviewed early information about federal economic stimulus and recovery funds and are developing response plans based on emerging epidemiological data. Property tax impacts, if any, are anticipated to be delayed to future years based on the statutory assessment cycle. Operational changes in various County departments in response to the pandemic may affect expenditure trends for some time.

Requests for Information

This financial report is designed to provide a general overview of Elbert County’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Elbert County, P.O. Box 7, Kiowa, Colorado 80117.

BASIC FINANCIAL STATEMENTS

ELBERT COUNTY, COLORADO
STATEMENT OF NET POSITION
December 31, 2020

	Governmental Activities
ASSETS	
Cash and investments	21,112,355
Receivables	3,017,674
Due from other governments	95,445
Property taxes receivable	12,695,871
Assessments receivable	16,302
Inventory of supplies	500,496
Prepaid expenses	60,207
Cash and investments - Restricted	36,791
Capital assets, not being depreciated	
Land, water rights and construction in progress	6,584,727
Capital assets, net of accumulated depreciation	
Buildings, equipment and infrastructure	68,433,831
Total assets	112,553,699
Deferred charge on debt refunding	69,129
LIABILITIES	
Accounts payable and accrued liabilities	935,867
Accrued interest payable	29,016
Unearned revenues	113,254
Noncurrent liabilities	
Due within one year	1,881,279
Due in more than one year	7,384,709
Total liabilities	10,344,125
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue-property taxes and assessments	12,712,173
NET POSITION	
Net investment in capital assets	66,221,920
Restricted	
Emergency reserves	518,743
Other purposes	92,557
Debt service	14,299
Clerk and Recorder's technology fee	45,412
Capital asset purchases	15,489
Conservation trust	540,109
Unrestricted	22,118,001
Total net position	89,566,530

These financial statements should be read only in connection with
the accompanying notes to financial statements.

ELBERT COUNTY, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			Net (Expense) Revenue and Changes in Net Position
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Primary government:					
Governmental activities:					
General government	\$ 6,873,299	\$ 2,349,253	\$ 68,002	\$ -	\$ (4,456,044)
Public safety-Sherriff	6,145,345	513,544	477,990	-	(5,153,811)
Public safety-Community Development Services	393,177	414,125			20,948
Public safety-Building	341,483	1,185,101			843,618
Public works	12,044,617	1,007,375	2,839,327	855,107	(7,342,808)
Public health and welfare	5,453,130	223,830	6,657,873	-	1,428,573
Culture and recreation	245,275	166,643	171,384	-	92,752
Auxiliary services	158,340	-	-	-	(158,340)
Pooled vehicles	39,725	-	-	-	(39,725)
Interest on long-term debt	299,865	-	-	-	(299,865)
Total primary government	<u>\$ 31,994,256</u>	<u>\$ 5,859,871</u>	<u>\$ 10,214,576</u>	<u>\$ 855,107</u>	<u>(15,064,702)</u>
General revenues:					
Taxes					
Property and Specific Ownership taxes					14,138,562
Sales tax					2,649,898
Use tax					1,772,155
Other taxes					13,588
Grants not restricted to a specific program					31,221
Investment earnings					158,002
Other					217,374
Gain on disposal of assets					1,037,509
Total general revenues					<u>20,018,309</u>
Change in net position					4,953,607
Net position - Beginning					<u>84,612,923</u>
Net position - Ending					<u>\$ 89,566,530</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

ELBERT COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2020

	Special Revenue Funds				
	General	Road and Bridge	Human Services	Sales and Use Tax	Grants
ASSETS					
Cash and investments with Treasurer	\$ 9,357,863	\$ 2,823,473	\$ 997,713	\$ 3,907,582	\$ 262,931
Cash and investments with Treasurer - Restricted	21,787	-	-	-	-
Accounts receivable	373,381	231,869	-	742,294	1,574,053
Assessments receivable	-	-	-	-	-
Due from other funds	1,722,938	15,846	16,266	-	10,037
Advances to other funds	-	42,332	-	109,811	-
Due from other governments	-	-	95,445	-	-
Property taxes receivable	7,247,167	4,220,184	666,345	-	-
Prepaid expenses	58,715	-	-	-	-
Inventory of supplies	2,617	407,507	-	90,372	-
Total assets	\$ 18,784,468	\$ 7,741,211	\$ 1,775,769	\$ 4,850,059	\$ 1,847,021
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	\$ 490,220	\$ 189,978	\$ 38,882	\$ 3,326	\$ 35,794
Due to other funds	-	1,412	10,054	-	1,752,328
Unearned revenue	6,750	1,876	16,474	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	496,970	193,266	65,410	3,326	1,788,122
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes and assessments	7,247,167	4,220,184	666,345	-	-
FUND BALANCES					
Nonspendable					
Prepaid expenses	58,715	-	-	-	-
Inventory	2,617	407,507	-	90,372	-
Restricted					
Emergency reserves	342,859	130,457	18,892	-	-
Other purposes	18,202	-	74,355	-	-
Debt service	-	-	-	-	-
Capital asset purchases	3,585	-	-	-	-
Clerk and Recorder's technology fee	45,412	-	-	-	-
Conservation trust	-	-	-	-	-
Committed					
Stabilization	3,850,000	-	-	-	-
Assigned					
Contingency	500,000	1,000,000	-	-	-
Public works	-	1,789,797	-	-	58,899
Public health and welfare	-	-	950,767	-	-
Public safety	-	-	-	-	-
Capital projects	-	-	-	4,756,361	-
Debt service	-	-	-	-	-
Retirement	-	-	-	-	-
Subsequent year's budget: appropriation of fund balance	923,103	-	-	-	-
Unassigned	5,295,838	-	-	-	-
Total fund balances	11,040,331	3,327,761	1,044,014	4,846,733	58,899
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$18,784,468	\$ 7,741,211	\$ 1,775,769	\$ 4,850,059	\$ 1,847,021

Nonmajor Governmental Funds	Total Governmental Funds
\$ 3,762,793	\$ 21,112,355
15,004	36,791
96,077	3,017,674
16,302	16,302
25,744	1,790,831
-	152,143
-	95,445
562,175	12,695,871
1,492	60,207
-	500,496
<u>\$ 4,479,587</u>	<u>\$ 39,478,115</u>

\$ 177,667	\$ 935,867
27,037	1,790,831
88,154	113,254
152,143	152,143
<u>445,001</u>	<u>2,992,095</u>

<u>578,477</u>	<u>12,712,173</u>
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1,492	60,207
-	500,496
26,535	518,743
-	92,557
14,299	14,299
11,904	15,489
-	45,412
540,109	540,109
-	3,850,000
-	1,500,000
-	1,848,696
580,970	1,531,737
159,069	159,069
1,939,905	6,696,266
4,107	4,107
222,156	222,156
-	923,103
(44,437)	5,251,401
<u>3,456,109</u>	<u>23,773,847</u>
<u>\$ 4,479,587</u>	<u>\$ 39,478,115</u>

The financial statements should be read only in connection
with the accompanying notes to financial statements

ELBERT COUNTY, COLORADO
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2020

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - Total governmental funds	\$ 23,773,847
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	75,018,558
Deferred charge on debt refunding, net of accumulated amortization, are not financial resources and, therefore, are not reported in the funds.	69,129
Accrued interest payable is not included in the funds.	(29,016)
Noncurrent liabilities, including capital leases and bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(9,265,988)</u>
Net position of governmental activities	<u><u>\$ 89,566,530</u></u>

These financials statements should be read only in connection with
the accompanying notes to financial statements.

ELBERT COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2020

	<u>Special Revenue Funds</u>			
	<u>General</u>	<u>Road and Bridge</u>	<u>Human Services</u>	<u>Sales and Use Tax</u>
REVENUES				
Taxes	\$ 8,851,914	\$ 3,980,131	628,442	\$ 4,422,053
Special assessments	-	-	-	-
Licenses and permits	1,563,900	-	-	-
Intergovernmental	294,751	2,806,272	4,666,973	-
Charges for services	2,209,626	204,592	-	-
Net investment income	126,389	8,297	1,297	-
Miscellaneous	496,285	4,824	17,184	58,705
Total revenues	<u>13,542,865</u>	<u>7,004,116</u>	<u>5,313,896</u>	<u>4,480,758</u>
EXPENDITURES				
Current				
General government	5,362,376	416,875	-	127,327
Public safety-Sherriff	4,140,860	-	-	-
Public safety - Community				
Development Services	393,871	-	-	-
Public safety-Building	335,850	-	-	-
Public works	-	5,407,280	-	77,043
Public health and welfare	-	-	5,108,869	-
Culture and recreation	165,506	-	-	-
Auxiliary services	166,266	-	-	-
Pool vehicles	23,549	-	-	-
Debt service				
Principal and interest	25,610	887,443	-	-
Debt issuance costs	-	-	-	-
Capital outlay	115,579	2,971,308	26,641	2,059,143
Total expenditures	<u>10,729,467</u>	<u>9,682,906</u>	<u>5,135,510</u>	<u>2,263,513</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,813,398</u>	<u>(2,678,790)</u>	<u>178,386</u>	<u>2,217,245</u>
OTHER FINANCING SOURCES (USES)				
Debt proceeds	-	1,299,234	-	-
Insurance recoveries	38,593	47,821	-	-
Sale of general capital assets	6,000	1,000,000	-	-
Refunding escrow payment	-	-	-	-
Transfers in	48,734	200,000	-	-
Transfers (out)	(1,150,972)	-	-	(295,000)
Total other financing sources (uses)	<u>(1,057,645)</u>	<u>2,547,055</u>	<u>-</u>	<u>(295,000)</u>
NET CHANGE IN FUND BALANCES	1,755,753	(131,735)	178,386	1,922,245
FUND BALANCES - BEGINNING OF YEAR	<u>9,284,578</u>	<u>3,459,496</u>	<u>865,628</u>	<u>2,924,488</u>
FUND BALANCES - END OF YEAR	<u>\$ 11,040,331</u>	<u>\$ 3,327,761</u>	<u>\$ 1,044,014</u>	<u>\$ 4,846,733</u>

Grants	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 679,579	\$ 18,562,119
-	14,110	14,110
-	-	1,563,900
2,102,229	375,572	10,245,797
-	1,453,674	3,867,892
-	19,993	155,976
-	38,966	615,964
2,102,229	2,581,894	35,025,758
518,436	365,869	6,790,883
1,275,859	-	5,416,719
-	-	393,871
-	-	335,850
71,620	1,566	5,557,509
16,092	298,943	5,423,904
11,357	9,480	186,343
-	-	166,266
-	-	23,549
-	964,173	1,877,226
-	64,000	64,000
272,966	1,153,536	6,599,173
2,166,330	2,857,567	32,835,293
(64,101)	(275,673)	2,190,465
-	4,692,190	5,991,424
-	46,985	133,399
-	43,400	1,049,400
-	(4,323,943)	(4,323,943)
123,000	1,122,972	1,494,706
-	(48,734)	(1,494,706)
123,000	1,532,870	2,850,280
58,899	1,257,197	5,040,745
-	2,198,912	18,733,102
\$ 58,899	\$ 3,456,109	\$ 23,773,847

These financial statements should be read only in connection with the accompanying notes to financial statements.

ELBERT COUNTY, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
Year Ended December 31, 2020

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

Net change in fund balances - Total governmental funds \$ 5,040,745

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported net of depreciation expense. This is the amount by which depreciation and donated assets exceeded capital outlay and loss on the disposal of assets in the current period.

Capital outlay	6,599,173
Proceeds from disposal of assets	(1,096,385)
Gain on disposal of assets	1,037,509
Donation of assets	798,182
Depreciation	(7,324,864)

The issuance of long-term debt (e.g. capital leases and bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt proceeds	(5,991,424)
Principal and refunding escrow payments made	5,894,128
Deferred loss on refunding	15,929

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

Change in compensated absences	(10,633)
Change in accrued interest	24,109
Amortization of deferred loss on refunding	(32,862)

Change in net position of governmental activities \$ 4,953,607

These financials statements should be read only in connection with
the accompanying notes to financial statements.

ELBERT COUNTY, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2020

	Custodial Funds			Total
	Property Tax Fund	Custodial Treasurer's Fund	Other Custodial Funds	
ASSETS				
Cash and investments	\$ 485,589	\$ 731,402	\$ 178,277	\$ 1,395,268
Accounts receivable	-	-	-	-
Accrued interest receivable	-	3,972	-	3,972
Property taxes receivable	24,845,961	-	-	24,845,961
Total assets	<u>25,331,550</u>	<u>735,374</u>	<u>178,277</u>	<u>26,245,201</u>
LIABILITIES				
Accounts payable	-	-	25,071	25,071
Due to other governments	413,226	684,371	4,667	1,102,264
Other liabilities	72,363	-	-	72,363
Total liabilities	<u>485,589</u>	<u>684,371</u>	<u>29,738</u>	<u>1,199,698</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	24,845,961	-	-	24,845,961
NET POSITION				
Restricted for individuals, organizations and other governments	<u>\$ -</u>	<u>\$ 51,003</u>	<u>\$ 148,539</u>	<u>\$ 199,542</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

ELBERT COUNTY, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2020

	Custodial Funds			
	Property Tax Fund	Custodial Treasurer's Fund	Other Custodial Funds	Total
ADDITIONS				
Tax collections for other governments	\$ 27,959,535	\$ -	\$ -	27,959,535
County Clerk and Recorder collections	-	5,067,910	-	5,067,910
County Extension collections	-	-	35,617	35,617
Deposits from inmates	-	-	109,700	109,700
Sherriff's Office Community Foundation collections	-	-	22,157	22,157
Sherriff's Office Foundation collections	-	-	38,953	38,953
Office of the Public Trustee receipts	-	-	366,364	366,364
Miscellaneous collections	-	22,371	-	22,371
Interest	-	-	22	22
Total additions	<u>27,959,535</u>	<u>5,090,281</u>	<u>572,813</u>	<u>33,622,629</u>
DEDUCTIONS				
Payments of taxes to other governments	27,959,535	-	-	27,959,535
County Clerk and Recorder payments to other governments	-	5,067,910	-	5,067,910
County Extension disbursements	-	-	49,037	49,037
Payments on behalf of inmates	-	-	109,676	109,676
Sherriff's Office Community Foundation disbursements	-	-	13,052	13,052
Sherriff's Office Foundation disbursements	-	-	17,334	17,334
Office of the Public Trustee disbursements	-	-	365,853	365,853
Other	-	24,075	-	24,075
Total deductions	<u>27,959,535</u>	<u>5,091,985</u>	<u>554,952</u>	<u>33,606,472</u>
Net increase (decrease) in fiduciary net position	-	(1,704)	17,861	16,157
Net position-beginning	-	52,707	130,678	183,385
Net position-ending	<u>\$ -</u>	<u>\$ 51,003</u>	<u>\$ 148,539</u>	<u>199,542</u>

These financials statements should be read only in connection with
the accompanying notes to financial statements.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - DEFINITION OF REPORTING ENTITY

Elbert County, Colorado (County) is a political subdivision organized under the statutes of the State of Colorado. The County is governed by a three-member elected Board of County Commissioners (Board), responsible for setting policy, appointing administrative personnel, and the adoption of an annual budget in accordance with State statutes. The County provides the following services: public safety, health and welfare, fairground facilities construction and maintenance, construction and maintenance of roads and bridges, and general administrative services.

The County follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

Based on the application of these criteria, the County is financially accountable for the Elbert County Building Authority (Building Authority), Foxwood Estates and Foxwood Ranches Public Improvement District (Foxwood Estates), Meadow Station Subdivision Public Improvement District (Meadow Station) and Sun Country Meadows Public Improvement District (Sun Country Meadows). These entities are reported as blended component units within the debt service and capital project funds of the County. The Building Authority's capital assets are reflected in the County's capital assets and its debt is recorded in the County's long-term debt. The Building Authority was registered with the State of Colorado as a nonprofit corporation on November 11, 2005. The Building Authority is governed by a Board of Directors that consist of three members. The initial Board was established by the County Commissioners. Any future changes to Board members will be decided by a majority vote of the existing members. For Foxwood Estates, Meadow Station, and Sun Country Meadows, the County Commissioners are the Board of the Districts. In addition, the County is obligated in some manner for the debt of these Districts. The financial statements of the component units are found only in this document. Chaparral Valley Subdivision 2 does not have separate corporate powers and is also reported as part of the County's legal entity, as a debt service fund.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County conform to generally accepted accounting principles (GAAP) as applicable to government units. The following is a summary of the more significant policies.

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all activities of the primary government except for the fiduciary activities. During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due to/from other funds and advances to/from other funds.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets, and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. The County has determined that expenditure-driven grants should be recognized as soon as all eligibility criteria have been met. For this purpose, the County considers grant revenues to be susceptible to accrual if they are anticipated to be collected within a year after the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes, sales taxes, and grant funding. All other revenue items are considered measurable and available only when cash is received by the County. Expenditures, other than interest on long-term obligations, interest on capital leases, and certain compensated absences, are recorded when the liability is incurred, or the long-term obligation is due.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Major Funds - In the fund financial statements, the County reports the following major governmental funds:

- The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.
- The *Road and Bridge Fund* accounts for the proceeds of restricted revenue to be used for maintaining road and bridge operations.
- The *Human Services Fund* accounts for federal and state resources received by the County for various social programs as well as a portion of the County property taxes designated for this purpose.
- The *Sales and Use Tax Fund* accounts for the revenue generated by the 1% sales and use tax on applicable sales and purchases within the County.
- The *Grants Fund* is used to account for grant activities of all funds except those related to Human Services and the Public Health and Administration Funds.

Nonmajor Funds - The County reports four nonmajor governmental funds that account for debt service requirements of the following special improvement districts: 1) Chaparral Valley, 2) Meadows Station, 3) Foxwood Estates and 4) Sun Country Meadows. The County also reports one other debt service fund for the lease mortgage revenue bond. The County reports five nonmajor special revenue funds: 1) Law Enforcement Assistance, 2) Growth and Development, 3) Public Health and Administration, 4) Retirement, and 5) Conservation Trust. The County also reports one nonmajor capital projects funds, the Capital Improvement fund.

The Custodial Funds are fiduciary in nature and present changes in fiduciary net position. Custodial Funds are accounted for using the *economic resources measurement focus* and the *accrual basis of accounting*. These funds are used to account for assets that the County holds for others in a fiduciary capacity (e.g., taxes collected by the Treasurer, fees and taxes collected by the Clerk and Recorder for the benefit of other governments, amounts held by the Sheriff's Office and the County Extension and Public Trustee activities).

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets

In accordance with the State Budget Law, the County Commissioners hold public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level, which includes other financing uses, and lapses at year end. The County Commissioners can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. The General, Road and Bridge and Law Enforcement Assistance Funds do not budget or appropriate amounts related to entering into capital lease transactions or provisions related to buy back guarantees as entering into a capital lease does not provide for or use financial resources. The payments required under capital lease agreements are budgeted. In addition, amounts are not budgeted for the proceeds or uses of debt related to refundings.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets (Continued)

After consultation with the State of Colorado and GASB, management believes that there is no requirement for the custodial funds to adopt a budget.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances

Cash and Investments - Except for cash held by third parties (cash and investments with trustee and lessor), all cash is deposited with the County Treasurer. When funds are received, the accounts of the fund receiving the money are credited. When expenditures are made, the cash with Treasurer is reduced and the expenditures recorded. The Treasurer invests the funds to achieve the best possible return on the investment while ensuring the principal is maintained. All funds record cash and investments as cash and investments with County Treasurer. Net investment income is allocated to the General, Conservation Trust and Growth and Development Funds, in accordance with statutory requirements. Cash equivalents are defined as investments with original maturities of three months or less. Investments are stated at fair value, with the exception of the local government investment pool and the Fidelity Govt MMKT Daily Money Class investments, which are stated at the net asset value of the shares owned.

Accounts Receivable – Accounts receivable relate to amounts collected in 2021 which the County earned or were entitled to during the 2020 fiscal year. The County believes all amounts recorded are fully collectible.

Inventories - Inventories of supplies held for consumption by the General and Road and Bridge Funds are valued at average cost. The cost of inventory is recorded as an expenditure at the time individual inventory items are used. Reported inventories are equally offset by a fund balance reserve which indicates they do not constitute available spendable resources even though they are a component of assets.

Capital Assets - Capital assets, which include property, equipment, and infrastructure (e.g. roads and similar items), and intangibles (e.g. water rights), are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Capital assets of the County are depreciated using the straight-line method over the estimated economic useful lives:

Buildings	20 - 40 years
Equipment	3 - 15 years
Infrastructure	10 - 30 years

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances (Continued)

Unearned Revenues – Unearned revenues consist of advances received on grants and fees received in advance of performing services that are recognized as revenue when the terms of the grant are fulfilled or the services are performed.

Compensated Absences - The County has a policy that allows employees to accumulate unused vacation benefits up to certain maximum hours. Compensated absences are accrued when earned in the government-wide financial statements. A liability is reported in the governmental funds when payment is due.

Long-Term Debt – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities financial statements. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Loss on Refunding - In the government-wide financial statements, the deferred amount of refunding which is the difference between the reacquisition price and the carrying amount of the old debt, is being amortized using the effective interest method over the life of the defeased Certificates of Participation. The amortization amount is a component of interest expense and the unamortized deferred amount is reflected as a deferred outflow of resources in the government wide financial statements.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. For the year ended December 31, 2020, the County includes \$69,129 of deferred outflows of resources related to the loss on refunding of debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and special assessments earned but levied for a subsequent period totaling \$12,712,173.

Fund Balances – The nonmajor debt service fund, the Chaparral Valley Fund, has negative fund balance of \$39,232. As more fully described in Note 10, this is the result of an advance from the Road and Bridge Fund. As special assessments and support from the General Fund have been received, this advance has been repaid and Chaparral Valley's fund balance has increased. The nonmajor debt service fund, Sun Country Meadows also has negative fund balance of \$5,205. This is the result of an advance from the Sales and Use Tax Fund. County management anticipates there will be adequate property and specific ownership taxes to repay this advance.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances (Continued)

In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed. In the fund financial statements, governmental funds report fund balance in five different classifications:

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form (i.e. inventories or prepaid items) or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the Board, as the Board is the highest level of decision-making body for the County. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

The General Fund's committed fund balance is comprised of a stabilization fund totaling \$3,850,000, which can only be used when the decrease in General Fund revenues is more than 5%, the assigned contingency fund, discussed below, is extinguished, or the ending fund balance of the General Fund is less than \$400,000.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Only the Board may assign fund balances for specific purposes. Included in assigned fund balance is a contingency fund of \$500,000 to be used if there is a catastrophic event to County owned equipment or vehicles or if the County is directly involved in an emergency situation.

Unassigned – All other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of County Commissioners has provided otherwise in its commitment or assignment actions.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances (Continued)

Property Taxes

Property taxes are levied by the Board. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to put a tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the County's taxes and taxes for other entities within the County during the ensuing calendar year. The collection and remittance of taxes for other entities is accounted for in a custodial fund. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November. Property taxes, net of estimated uncollectible taxes, are recorded initially as unearned revenue in the year they are levied and measurable.

Property taxes levied in the previous year, but collected in subsequent year, are recorded as taxes receivable and a deferred inflow of resources in the year there is an enforceable lien and the amount is measurable. Amounts deferred are subsequently recorded as revenue in the year they are available or collected.

Prior Year Amounts

Certain prior year amounts have been reclassified to conform to the current year presentation.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2020 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 21,112,355
Cash and investments – Restricted	<u>36,791</u>
Total cash and investments - Statement of net position	21,149,146
Statement of fiduciary net position	<u>1,395,268</u>
	<u>\$ 22,544,414</u>

Cash and investments as of December 31, 2020 consist of the following:

Cash on hand	\$ 86,410
Deposits with financial institutions	13,257,361
Investments	<u>9,200,643</u>
Total cash and investments	<u>\$ 22,544,414</u>

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions

Custodial credit risk-deposits. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Bank Commissioner is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2020, the County's cash deposits had a bank balance of \$13,643,952 and a carrying balance of \$13,257,361. As of December 31, 2020, of the County's deposits \$3,182,873 was covered by the Federal Deposit Insurance Corporation (FDIC), \$10,461,079 was covered by the PDPA. In addition, lessors are holding unexpended lease proceeds totaling \$15,486. This amount is covered by FDIC insurance.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

The County adopted an investment policy during 2017. Prior to that time the County followed State statutes regarding investments.

Concentration of credit risk. While the County's policy does not prescribe percentages of investments that maybe held, the County generally limits its concentration of investments to certain money market funds and local government investment pools, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the County is not subject to concentration of custodial risk disclosure requirements or subject to investment custodial risk for investments that are in the possession of another party.

Interest rate risk. The County's policy for the investment of operating funds limits maturities to five years or less unless approved by the Commissioners in a separate action. Such actions are generally associated with a debt service reserve or sinking fund requirements.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2020, the County had the following investments:

	Weighted Average Maturity	Net Asset Value
COLOTRUST Plus+	51 days to reset 80 days to maturity	\$ 8,922,258
Fidelity Govt MMKT Daily Money Class	Weighted average Maturity-422 days Weighted average life- 87 days	278,385 <u>\$ 9,200,643</u>

The above COLOTRUST Plus information is as of December 31, 2020 and the Fidelity Govt MMKT Daily Money Class information is as of March 31, 2021.

In addition, the maturities of the certificate of deposits, which are reported as part of deposits are as follows:

Certificates of Deposit	Due within one year	\$ 490,000
	Due within three years	245,000
	Due within four years	1,570,000

Of the certificates of deposit which mature in four years, \$245,000 are callable in one year.

The County invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standards & Poor's. COLOTRUST does not have any unfunded commitments, redemption restrictions or redemption notice periods.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

The County through an investment manager has invested in Fidelity Govt MMT Daily Money Class (the Fund), a money market fund which is valued at a Net Asset Value (NAV) of \$1. The goals of the fund are a stable \$1 share price, maintenance of liquidity, and income. The Fund invests in short-term U.S. government securities and repurchase agreements secured by U.S. government securities. As of April 26, 2021, the latest information available, the Fund had 35.19% of its portfolio in U.S. Government Repurchase Agreements, 34.89% of its portfolio in U.S. Treasury bills, and 14.37% in Agency Fixed Rate Securities. This Fund has no investment rating. The Fund does not have any unfunded commitments, redemption restrictions or redemption notice periods.

Fair Value Hierarchy. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The County has no investments required to be reported under the fair value hierarchy.

Restricted Cash and Investments

The County considers cash related to contingencies to be restricted by the State of Colorado statutes. Those amounts total \$18,202 as of December 31, 2020. The County also considers cash held for special assessment debt to be restricted to payment of debt service. As of December 31, 2020, restricted cash related to special assessments totaled \$3,100. The County has unexpended lease proceeds which are held by the lessor and are to be used to either purchase capital assets or for debt service. As of December 31, 2020, unexpended lease proceeds totaled \$15,486. Restricted cash and investments as of December 31, 2019 totaled \$36,791.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CAPITAL ASSETS

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

	Balance at December 31, 2019	Increases	Decreases	Balance at December 31, 2020
Primary Government				
Capital assets, not being depreciated:				
Water rights	\$ 4,100,445	\$ -	\$ -	\$ 4,100,445
Land	2,030,633	-	-	2,030,633
Construction in progress	-	453,649	-	453,649
Total capital assets, not being depreciated	<u>6,131,078</u>	<u>453,649</u>	<u>-</u>	<u>6,584,727</u>
Capital assets, being depreciated:				
Buildings	12,676,368	734,467	-	13,410,835
Equipment	15,970,777	4,014,716	(923,860)	19,061,633
Infrastructure	180,656,297	2,194,523	-	182,850,820
Total capital assets, being depreciated	<u>209,303,442</u>	<u>6,943,706</u>	<u>(923,860)</u>	<u>215,323,288</u>
Less accumulated depreciation for:				
Buildings	(6,001,742)	(331,302)	-	(6,333,044)
Equipment	(9,473,198)	(2,085,971)	864,984	(10,694,185)
Infrastructure	(124,954,637)	(4,907,591)	-	(129,862,228)
Total accumulated depreciation	<u>(140,429,577)</u>	<u>(7,324,864)</u>	<u>864,984</u>	<u>(146,889,457)</u>
Total capital assets, being depreciated, net	<u>68,873,865</u>	<u>(381,158)</u>	<u>(58,876)</u>	<u>68,433,831</u>
Capital assets, net	<u>\$ 75,004,943</u>	<u>\$ 72,491</u>	<u>\$ (58,876)</u>	<u>\$ 75,018,558</u>

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

General government	\$ 72,495
Public safety - sheriff	649,583
Public safety - building	5,464
Public health and welfare	22,802
Public works	6,499,812
Culture and recreation	58,532
Pooled vehicles	16,176
Total depreciation expense	<u>\$ 7,324,864</u>

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the County's long-term obligations for the year ended December 31, 2020.

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020	Due Within One Year
Governmental Activities:					
General obligation debt	\$ 195,000	\$ -	\$ 85,000	\$ 110,000	\$ 15,000
Debt from direct borrowings and direct placements:					
Limited tax general obligation bond	1,652,975	-	63,280	1,589,695	65,938
Lease revenue refunding bonds series 2016	4,660,388	-	4,660,388	-	-
Lease revenue refunding bonds series 2020	-	4,387,943	-	4,387,943	392,060
Capital lease obligations	2,260,108	1,603,481	1,085,460	2,778,129	1,048,281
Compensated absences	389,588	419,064	408,431	400,221	360,000
	<u>\$ 9,158,059</u>	<u>\$6,410,488</u>	<u>\$6,302,559</u>	<u>\$ 9,265,988</u>	<u>\$ 1,881,279</u>

The activity of the County's long-term obligations is as follows:

General Obligation Bonds

The Meadows Station Subdivision Public Improvement District General Obligation Bonds, dated December 23, 2004 were issued in the principal amount of \$625,000. Principal and interest, computed at a variable rate of 3.15% - 5.25% per annum, is payable semi-annually on June 1 and December 1, and maturing December 1, 2024, except if redeemed prior thereof. The bonds are subject to prepayment prior to maturity by the County on December 1, 2006, and each December 1 thereafter. The principal amount outstanding as of December 31, 2020 was \$0.

The Foxwood Estates and Foxwood Ranches Public Improvement District General Obligation Bonds, dated January 27, 2005 were issued in the principal amount of \$345,000. Principal and interest are computed at a variable rate of 3.25% - 5.50% per annum maturing December 1, 2029. The principal amount outstanding at December 31, 2020 was \$110,000.

Sun Country Public Improvement District General Obligation Bonds, dated April 20, 2018 were issued in the principal amount of \$1,800,000. Interest only payments are due on June 1. Principal and interest are due each December 1. Annual payments of principal and interest, at an annual interest rate of 4.200%, total \$132,705. The bonds mature on December 1, 2037. Property and Specific Ownership taxes are pledged as revenues to repay the bonds. The property tax revenues are capped at the lower of 16.85 mills or property tax revenues of \$189,252. The bonds contain a prepayment premium of 4% of the principal amount prepaid on or before November 30, 2020 reduced by 1% per year. However, no prepayment may reduce the aggregate outstanding principal to less than \$100,000. The bond issue was sold to one investor, a financial institution. The principal amount outstanding as of December 31, 2020 was \$1,589,695.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Lease Revenue Refunding Bonds

On March 1, 2016, the Building Authority issued the Elbert County Building Authority Lease Revenue Refunding Bonds Series 2016 in the amount of \$5,825,000 to refinance the Elbert County, Colorado Lease Mortgage Revenue Bonds, Series 2009. The purpose of this refunding was to reduce total debt service payments \$1,951,487, attain a decreased interest rate, the removal of certain bond covenants and requirements including the requirement to maintain \$500,000 of reserve cash, and the elimination of a balloon payment in 2028. Principal and interest payments, including an annual rate of 2.610%, total \$235,863 and are due on March 1 and September 1 each year with a maturity date of March 1, 2031. Any unpaid principal on the bonds may be prepaid in whole or in part by the County on any payment date on or after September 1, 2021 at an amount equal to 100% of the principal amount being prepaid, plus accrued interest to the prepayment date. The bonds are secured by the real property of the Justice Center. In the event that the County is unable to make a payment all outstanding amounts of principal and interest are due immediately. The lender also has the right to foreclose on the mortgage. The outstanding bonds were refunded on October 22, 2020. At December 31, 2020, the amount of defeased outstanding debt totals \$4,308,014.

The County issued the Lease Revenue Refunding Bonds Series 2020 in the amount of \$4,387,943 on October 22, 2020 to refund the Lease Revenue Refunding Bonds Series 2016. The issue is a single purpose issue with a private placement and resulted in a net present value benefit of \$93,792. Principal and interest payments, including an annual rate of 1.90%, total \$230,855 and are due on March 1 and September 1 each year with a maturity date of March 1, 2031. The issue is secured by the real property of the Justice Center. In the event that the County is unable to make a payment all outstanding amounts of principal and interest are due immediately. The lender also has the right to foreclose on the debt. The principal amount outstanding as of December 31, 2020 was \$4,387,943.

The following is a schedule of the debt service requirements to maturity as of December 31, 2020.

<u>Year Ending</u> <u>December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 472,998	\$ 142,295	\$ 615,293
2022	471,330	143,199	614,529
2023	486,614	132,142	618,756
2024	477,162	120,554	597,716
2025	487,982	109,734	597,716
2026-2030	2,672,216	373,064	3,045,280
2031-2035	769,756	124,626	894,382
2036-2038	249,580	15,831	265,411
	<u>\$ 6,087,638</u>	<u>\$ 1,161,445</u>	<u>\$ 7,249,083</u>

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Capital Leases

The County has entered into lease agreements as lessee for financing the acquisition of certain equipment and software as described below. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. In addition, the lease purchase agreements do not constitute general obligation debts of the County as defined by Colorado Revised Statutes as there are annual appropriation clauses in the lease agreements.

Following is a summary of terms relating to the various capital lease agreements:

Equipment	Date Issued	Original Balance	Interest Rate	Outstanding Balance
Radios	4/29/2016	69,669	3.96%	\$ 15,040
544 K Loader SN 1DW544KHHGF676038	6/29/2016	167,602	3.25%	8,970
772 GP Motor Grader SN 1DW772GPJGF678207	12/28/2016	129,410	3.25%	20,608
772 GP Motor Grader SN 1DW772GPHGF678215	12/28/2016	129,410	3.25%	20,608
6 Dodge Vehicles SO - 3351102	2/15/2017	332,410	3.82%	87,594
2017 Chevy Silverado 1500 Coroner 3351103	2/15/2017	45,200	3.82%	12,118
Compactor/Excavator - 077-0020352-001	6/1/2017	354,005	2.83%	111,489
Backhoe/Water Tanker/Roller - 077-0020352-002	6/1/2017	215,775	2.83%	67,956
INTL Road Truck - 077-0020352-003	6/1/2017	119,950	2.83%	37,777
INTL Tow Truck - 077-0020352-004	6/1/2017	215,096	2.83%	67,742
2 JD Motor Graders - 077-0020352-005	6/1/2017	239,215	2.83%	75,338
2 Motor Graders -077-0020352-006	11/13/2017	198,170	2.95%	82,778
4 Dodge Ram Trucks SO - 077-0020352-007	11/13/2017	220,996	2.95%	92,313
3 Dodge Vehicles SO - 077-0020352-008	11/20/2017	161,414	2.95%	67,425
4 2018 Motor Graders	3/29/2018	387,148	2.95%	182,702
2019 Caterpillar Motor Graders	2/26/2019	385,404	3.89%	258,910
4 Chevy Tahoe's	9/12/2019	117,544	2.95%	82,285
5 Chevy Tahoe's	9/12/2019	146,365	2.95%	102,460
5 JD Motor Graders with Snow Plow Schdule 004	2/27/2020	688,375.00	2.89%	591,330
2 2020 Ram 2500 Crew Cab Schedule 005	2/27/2020	70,082.00	2.89%	60,202
2 2020 International Plow Trucks Schedule 006	2/27/2020	540,777.00	2.89%	464,540
3 Chevy Tahoe's Schedule 007	6/2/2020	161,815.00	2.64%	142,507
2 Chevy Tahoe's & 1 Traverse Schedule 008	5/28/2020	142,432.00	2.64%	125,437
				<u>2,778,129</u>

The assets acquired through capital leases as of December 31, 2020 are as follows:

	<u>Governmental Activities</u>
Equipment and software	\$ 7,477,852
Less accumulated depreciation	<u>(2,788,336)</u>
Total	<u>\$ 4,689,516</u>

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2020, were as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Governmental</u> <u>Activities</u>
2021	\$ 1,121,883
2022	870,958
2023	519,240
2024	341,509
2025	70,002
Total minimum lease payments	<u>2,923,592</u>
Less amounts representing interest	<u>(145,463)</u>
Present value of minimum lease payments	<u>\$ 2,778,129</u>

Compensated Absences

According to the County's Compensated Absences Policy, the County limits the amount of unused compensated absences to a maximum of 200 hours.

Payment of Obligations

The long-term obligations of the County have been and will continue to be liquidated by various County funds. The fund which pays an employee is used to liquidate compensated absences of the governmental activities. These funds include the General, Road and Bridge, and Human Services Funds. In addition, the General, Road and Bridge and Law Enforcement Assistance funds service the capital leases. The special Assessment Debt, the General Obligation Debt and the 2020 Jail Refunding Issue are serviced by the specific funds that were established with the sole purpose of liquidating the debt obligations.

NOTE 6 - NET POSITION

As also described in Note 2, net position in the Government-wide Statement of Net Position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulators of other governments. The County has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of capital leases and bonds that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2019, the County had a net investment in capital assets of \$66,221,920 calculated as follows:

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - NET POSITION (CONTINUED)

	Governmental Activities
Net investment in capital assets:	
Capital assets, net	\$ 75,018,558
Loss on refunding (net of accumulated amortization)	69,129
Long-term obligations	(8,865,767)
Net investment in capital assets	\$ 66,221,920

Restricted assets include restrictions for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The County had restricted net position of \$1,226,609 as of December 31, 2020. The County's unrestricted net position as of December 31, 2020 is \$22,118,001.

NOTE 7 - PENSION PLAN

The County has adopted a multiple employer defined contribution pension plan administered by Colorado Retirement Association (CRA) which covers substantially all employees meeting the minimum eligibility requirements of 30 or more hours of work per week and one full year of continuous service. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees must match the employer contributions which are 5%.

Employees vest 100% in personal contributions and 25% for each year of employment in employer contributions. Unvested employer contributions forfeited at termination revert to the County. The County applied participant forfeitures of \$18,862 to reduce the County share of contributions. As of December 31, 2020, the County had \$3,838 in unapplied forfeitures.

Both the County and the employees contributed 5% of eligible gross wages to the Plan during 2020. Information regarding the pension plan contributions for 2020, 2019, and 2018 are as follows:

	2020	2019	2018
Total payroll	\$9,132,200	\$8,362,969	\$6,918,901
Base salary - eligible	7,628,260	7,549,240	5,948,668
County contribution	381,413	377,462	297,433
Employee contribution	381,413	377,462	297,433

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 8 - DEFERRED COMPENSATION PLAN

The County has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is also administered by CRA. Participation in the plan is optional for all employees. The plan allows the employees to defer a portion of their salary until future years in accordance with Internal Revenue Service guidelines.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Operating Leases

The County leases equipment and software under operating leases that expire 2023. Total rental expense for the year ended December 31, 2020 was \$46,397 The future minimum annual rental commitments under these leases are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Lease</u> <u>Payments</u>
2020	\$ 15,592
2021	15,414
2022	15,414
2023	3,835
Total	<u>\$ 69,328</u>

Litigation

The County has been named in various pending or threatened litigation, claims or assessments. The ultimate outcome/resolution of these matters is not known at this time. The County is monitoring the progress of these matters and has referred various matters to the County's insurance carrier for consultation and representation. Insurance could participate in defense, settlement and claims costs subject to the terms and conditions of the insuring agreements. As of December 31, 2020, the County does not believe the resolution of these matters will have a material adverse effect on the financial condition of the government.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 9 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Grants

The government participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

Coronavirus Pandemic

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. At the current time, the ultimate economic fallout of the COVID-19 pandemic crisis is still largely unknown. Elbert County's staff and elected officials have reviewed information about federal economic stimulus and recovery funds and are developing response plans based on emerging epidemiological data. Operational changes in various County departments in response to the pandemic may affect expenditure trends for some time.

Employment

The County has contracts with certain exempt employees. These contracts provide that upon termination, these employees will receive severance payments of one month as the result of being terminated for cause or six months severance if not terminated for cause.

NOTE 10 - TRANSFERS/INTERFUND RECEIVABLES & PAYABLES

Interfund transfers for the year ended December 31, 2020 are as follows:

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total</u>
	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Nonmajor Governmental Funds</u>	
General Fund	\$ -	\$ -	\$ 1,150,972	\$ 1,150,972
Sales and Use Tax	-	200,000	95,000	295,000
Nonmajor Governmental Funds	48,734	-	-	48,734
	<u>\$ 48,734</u>	<u>\$ 200,000</u>	<u>\$ 1,245,972</u>	<u>\$ 1,494,706</u>

The transfer from the General Fund to the Nonmajor Governmental Funds is for the per capita health payments mandated by statute, and for debt service payments. The transfer from the Nonmajor Governmental Funds to the General Fund was for Conservation Trust Fund Projects. The payment from the Sales and Use Tax Fund to the Road and Bridge Fund was for road improvement projects and to the Nonmajor governmental fund related to a transportation study.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 10 - TRANSFERS/INTERFUND RECEIVABLES & PAYABLES (CONTINUED)

Interfund receivables/payables are as follows as of December 31, 2020:

	Interfund Receivables	Interfund Payables
General	\$ 1,722,938	\$ -
Road and Bridge	15,846	1,412
Human Services	16,266	10,054
Grants	10,037	1,752,328
Nonmajor Governmental Funds	25,744	27,037
	<u>\$ 1,790,831</u>	<u>\$ 1,790,831</u>

The County reports interfund balances that are representative of lending/borrowing arrangements between funds in the fund financial statements as due to/from other funds. The amounts in the Nonmajor governmental funds are to allocate Cash with the Country Treasurer between the debt service and capital projects funds. The Grant Fund owes the General Fund for amounts expended during the year ended December 31, 2020 and expected to be reimbursed during 2021. The interfund balances have been eliminated in the government-wide statements. Amounts are expected to be repaid in the next fiscal year.

The nonmajor debt service fund, the Chaparral Valley Fund, owes the Road and Bridge Fund \$42,332. The County undertook this loan in order to call the special assessment bond principal early, thus saving a substantial amount of interest. This loan will be repaid as Chaparral Valley collects special assessments or receives transfers from the General Fund. It is anticipated that the loan will be repaid in the fiscal year 2029. The loan bears no interest.

The Sun Country Meadows, nonmajor debt service fund, owes the Sales and Use Tax Fund \$109,811. This amount was advanced to pay additional construction costs related to infrastructure. This loan will be repaid as property and specific ownership taxes collected in excess of amounts to pay principal and interest on the bonds are received. The loan bears no interest.

NOTE 11 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of, assets; errors or omissions; injuries to employees, or acts of God. The County is one of several counties which are members of the Colorado Counties Casualty and Property Pool and the County Workers' Compensation Pool (Pools). The Pools are organizations created by intergovernmental agreement. The Colorado Counties Casualty and Property Pool provides general liability, automobile liability, property and auto physical damage to its members. The County Workers' Compensation Pool provides workers' compensation coverage to its members. The County pays annual contributions to the Pools for its property, casualty and workers' compensation insurance. The County has a \$500 deductible per claim for its property insurance.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 11 - RISK MANAGEMENT (CONTINUED)

The intergovernmental agreements which formed the Pools provides that the Pools will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pools will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year. Each pool is managed by an independent risk manager/claims administrator who reports to the Pool Board of Directors.

Each member's contribution to the respective pool is determined on factors including, but not limited to, the Pool's claim experience, premium costs, cost of administration and other operating expenses, the number of participants, the adequacy of both operating and reserve funds and other factors effecting the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner. The County's contributions as a percentage of pool revenue are less than 3%.

The Pools provide the following types of coverage:

	Self-Insured Retentions (Per Occurrence)	Excess Insurance Limits (Per Occurrence)
Liability	\$ 250,000	\$ 10,000,000
Property	\$ 150,000	\$ 100,000,000
Workers' compensation	\$ 500,000 to statutory limit	

Settled claims have not exceeded coverage provided by the Pools in any of the past three fiscal years. Historically, the County has shared in the cost of certain settlements.

NOTE 12 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments. Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue. TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The County's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation. Accordingly, the possibility exists that the County's interpretation of certain TABOR provisions may subsequently be determined to be incorrect. This could result in a potential refund of revenue unless voters approve retention of such revenue. The ultimate outcome of these matters cannot presently be determined and no provision for any liability for a refund of revenue has been made in the financial statements.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 12 - TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

On November 5, 1996, a majority of the County's electors authorized the County to retain or expend all revenue derived from building and other development related fees, exactions and permits; and revenues, cost reimbursements and grants from other governments during 1996 and each subsequent year.

The County is authorized to spend all such revenues on road improvements, growth management, public safety and such other costs as may be directly related to growth unless otherwise provided by law, agreement, or grant, without regard to any limitation contained in Article X, Section 20 of the Colorado constitution and without limiting in any year the amount of other revenues that may be collected and spent by the County under Article X, Section 20 of the Colorado constitution or any other law; provided, however, that no property tax mill levy shall be increased at any time, nor shall any new tax be imposed, without consent of the voters approving any such increase or new tax.

NOTE 13 – IMPACT FEE ABATEMENT

In exchange for certain infrastructure improvements, the County has entered into an agreement with the developer of Independence to remit all of the Elbert County Growth Impact Fees, all Traffic Analysis Zone Fees and all use tax generated by the County in connection with the development. The abatement will be used first to reimburse the developer for costs of constructing certain road improvements. Any remaining funds will be released to the Overlay Metropolitan District.

NOTE 14 – NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued several pronouncements prior to December 31, 2020 that have effective dates that may impact future financial presentations. Management is currently determining the effects of the implementation of these statements on the County's financial records.

Governmental Accounting Standards Board Statement No. 87 *Leases*. In June of 2017 the GASB issued Statement No. 87. The objective of this Statement is to better meet the needs of financial statement users by improving accounting and financial reporting for leases by governments by establishing a single model for lease accounting. Under this guidance, the County will be required to recognize a right-to-use lease asset and a lease liability for leases that were previously reported as operating leases. For 2020 those leases are reported in Note 9. The requirements of this Statement are effective for the reporting period ending December 31, 2022.

NOTE 15 – SUBSEQUENT EVENT

American Rescue Plan Act of 2021

During March, 2021, the American Rescue Plan Act of 2021 (ARPA) was signed into law. The Act has several components including the State and Local Fiscal Recovery Fund to assist local governments. The U.S. Department of Treasury awarded Elbert County \$5,191,795 in ARPA funds.

REQUIRED SUPPLEMENTARY INFORMATION

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 8,570,820	\$ 8,570,820	\$ 8,851,914	\$ 281,094
Licenses and permits	1,310,200	1,310,200	1,563,900	253,700
Intergovernmental	82,753	82,753	294,751	211,998
Charges for service	1,995,878	1,995,878	2,209,626	213,748
Net investment income	103,000	103,000	126,389	23,389
Miscellaneous	469,493	469,493	496,285	26,792
Total revenues	<u>12,532,144</u>	<u>12,532,144</u>	<u>13,542,865</u>	<u>1,010,721</u>
EXPENDITURES				
General government	5,441,814	5,441,814	5,362,376	79,438
Public safety-Sherriff	5,195,407	5,195,407	4,140,860	1,054,547
Public safety-Community Development Services	548,754	548,754	393,871	154,883
Public safety-Building	338,607	338,607	335,850	2,757
Culture and recreation	172,013	172,013	165,506	6,507
Auxiliary services	167,541	167,541	166,266	1,275
Pool vehicles	27,000	27,000	23,549	3,451
Debt service	25,674	25,674	25,610	64
Capital outlay	-	-	115,579	(115,579)
Total expenditures	<u>11,916,810</u>	<u>11,916,810</u>	<u>10,729,467</u>	<u>1,187,343</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>615,334</u>	<u>615,334</u>	<u>2,813,398</u>	<u>2,198,064</u>
OTHER FINANCING SOURCES (USES)				
Sale of assets	-	-	6,000	6,000
Insurance recoveries	-	-	38,593	38,593
Transfers in	-	-	48,734	48,734
Transfers (out)	(1,022,000)	(1,022,000)	(1,150,972)	(128,972)
Total other financing sources (uses)	<u>(1,022,000)</u>	<u>(1,022,000)</u>	<u>(1,057,645)</u>	<u>(35,645)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (406,666)</u>	<u>\$ (406,666)</u>	1,755,753	<u>\$ 2,162,419</u>
FUND BALANCE - BEGINNING OF YEAR			<u>9,284,578</u>	
FUND BALANCE - END OF YEAR			<u>\$11,040,331</u>	

See accompanying notes to required supplementary information.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes				
Property taxes	\$ 6,862,320	\$ 6,862,320	\$ 6,836,174	\$ (26,146)
Specific ownership taxes	1,700,000	1,700,000	2,002,152	302,152
Cigarette taxes	8,500	8,500	13,588	5,088
Total taxes	<u>8,570,820</u>	<u>8,570,820</u>	<u>8,851,914</u>	<u>281,094</u>
Licenses and permits				
Building and zoning fees	1,223,400	1,223,400	1,561,140	337,740
Hemp application fees	83,000	83,000	-	(83,000)
Liquor and other licenses	3,800	3,800	2,760	(1,040)
Total licenses and permits	<u>1,310,200</u>	<u>1,310,200</u>	<u>1,563,900</u>	<u>253,700</u>
Intergovernmental revenues				
Other intergovernmental revenues	82,753	82,753	294,751	211,998
Total intergovernmental revenues	<u>82,753</u>	<u>82,753</u>	<u>294,751</u>	<u>211,998</u>
Charges for services				
Sheriff	191,500	191,500	128,671	(62,829)
Clerk	1,000,000	1,000,000	1,109,306	109,306
Treasurer	738,600	738,600	852,503	113,903
Public trustee fees	60,778	60,778	47,871	(12,907)
Other	5,000	5,000	71,275	66,275
Total charges for services	<u>1,995,878</u>	<u>1,995,878</u>	<u>2,209,626</u>	<u>213,748</u>
Interest income	<u>103,000</u>	<u>103,000</u>	<u>126,389</u>	<u>23,389</u>
Miscellaneous revenues				
Fair receipts	68,350	68,350	61,283	(7,067)
Administrative cost allocation	333,643	333,643	323,643	(10,000)
Other	67,500	67,500	111,359	43,859
Total miscellaneous revenues	<u>469,493</u>	<u>469,493</u>	<u>496,285</u>	<u>26,792</u>
Other financing sources				
Sale of assets	-	-	6,000	6,000
Insurance recoveries	-	-	38,593	38,593
Transfers in	-	-	48,734	48,734
Total other financing sources	<u>-</u>	<u>-</u>	<u>93,327</u>	<u>93,327</u>
Total revenues	<u>\$ 12,532,144</u>	<u>\$ 12,532,144</u>	<u>\$ 13,636,192</u>	<u>\$ 1,104,048</u>

See accompanying notes to required supplementary information.

ELBERT COUNTY, COLORADO
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
NON GAAP BUDGET BASIS
GENERAL FUND
Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
EXPENDITURES				
General government				
Office of commissioners	\$ 280,609	\$ 280,609	\$ 271,667	\$ 8,942
County attorney	256,270	256,270	221,691	34,579
Clerk and recorder	634,389	634,389	605,677	28,712
Clerk and recorder - Elections	321,925	321,925	293,837	28,088
County treasurer	241,230	241,230	220,768	20,462
County assessor	528,215	528,215	450,261	77,954
Maintenance of grounds and buildings	383,133	383,133	335,901	47,232
Central data processing	998,243	998,243	1,026,849	(28,606)
Human resources	187,178	187,178	183,756	3,422
Other administration	613,614	613,614	800,160	(186,546)
Budget/payroll	349,075	349,075	314,046	35,029
District attorney	647,933	647,933	637,763	10,170
Total general government	<u>5,441,814</u>	<u>5,441,814</u>	<u>5,362,376</u>	<u>79,438</u>
Public safety-Sherriff				
County sheriff	3,159,893	3,159,893	3,092,979	66,914
County jail	1,677,182	1,677,182	731,405	945,777
County coroner	167,304	167,304	159,880	7,424
Judicial center	121,900	121,900	121,014	886
Emergency communications and operations	69,128	69,128	35,582	33,546
Total public safety	<u>5,195,407</u>	<u>5,195,407</u>	<u>4,140,860</u>	<u>1,054,547</u>
Public safety-Community Development Services	<u>548,754</u>	<u>548,754</u>	<u>393,871</u>	<u>154,883</u>
Public safety-Building	<u>338,607</u>	<u>338,607</u>	<u>335,850</u>	<u>2,757</u>
Culture and recreation	172,013	172,013	165,506	6,507
Auxiliary services	167,541	167,541	166,266	1,275
Pool vehicles	27,000	27,000	23,549	3,451
Debt service	25,674	25,674	25,610	64
Capital outlay	-	-	115,579	(115,579)
Transfers out	1,022,000	1,022,000	1,150,972	(128,972)
Total expenditures	<u>\$ 12,938,810</u>	<u>\$ 12,938,810</u>	<u>\$ 11,880,439</u>	<u>\$ 1,058,371</u>

See accompanying notes to required supplementary information.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
NON GAAP BUDGET BASIS
ROAD AND BRIDGE SPECIAL REVENUE FUND
Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 3,997,948	\$ 3,997,948	\$ 3,980,131	\$ (17,817)
Intergovernmental	3,537,000	3,537,000	2,806,272	(730,728)
Charges for services	240,000	240,000	204,592	(35,408)
Net investment income	7,000	7,000	8,297	1,297
Miscellaneous	2,000	2,000	4,824	2,824
Total revenues	7,783,948	7,783,948	7,004,116	(779,832)
EXPENDITURES				
General government	860,638	860,638	416,875	443,763
Public works	6,208,646	6,208,646	5,407,280	801,366
Debt service	906,000	906,000	887,443	18,557
Capital outlay	-	-	672,074	(672,074)
Total expenditures	7,975,284	7,975,284	7,383,672	591,612
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(191,336)	(191,336)	(379,556)	(188,220)
OTHER FINANCING SOURCES				
Sale of general capital assets	20,000	20,000	-	(20,000)
Insurance proceeds	5,000	5,000	47,821	42,821
Transfers in	200,000	200,000	200,000	-
Total other financing sources	225,000	225,000	247,821	22,821
NET CHANGE IN FUND BALANCE-NON GAAP	\$ 33,664	\$ 33,664	(131,735)	\$ (165,399)
PERSPECTIVE DIFFERENCES				
Capital lease transactions				
Proceeds from capital leases			1,299,234	
Proceeds from lease buy back guarantees			1,000,000	
Capital outlay related to capital leases			(2,299,234)	
NET CHANGE IN FUND BALANCE-GAAP BASIS			(131,735)	
FUND BALANCE - BEGINNING OF YEAR			3,459,496	
FUND BALANCE - END OF YEAR			\$ 3,327,761	

See accompanying notes to required supplementary information.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
HUMAN SERVICES SPECIAL REVENUE FUND
Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 630,086	\$ 630,086	\$ 628,442	\$ (1,644)
Intergovernmental	4,050,611	5,176,015	4,666,973	(509,042)
Other	81,000	81,000	17,184	(63,816)
Net investment income	-	-	1,297	1,297
Total revenues	4,761,697	5,887,101	5,313,896	(573,205)
EXPENDITURES				
Public health and welfare	4,509,628	5,635,032	5,108,869	526,163
Capital outlay	200,000	200,000	26,641	173,359
Total expenditures	4,709,628	5,835,032	5,135,510	699,522
NET CHANGE IN FUND BALANCE	\$ 52,069	\$ 52,069	178,386	\$ 126,317
FUND BALANCE - BEGINNING OF YEAR			865,628	
FUND BALANCE - END OF YEAR			\$ 1,044,014	

See accompanying notes to required supplementary information.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
SALES AND USE TAX SPECIAL REVENUE FUND
Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Sales tax	\$ 1,408,500	\$ 1,408,500	\$ 2,649,898	\$ 1,241,398
Use tax	1,721,500	1,721,500	1,772,155	50,655
Miscellaneous	-	-	58,705	58,705
Total revenues	3,130,000	3,130,000	4,480,758	1,350,758
EXPENDITURES				
General government	93,000	93,000	127,327	(34,327)
Public Works	370,000	370,000	77,043	292,957
Capital outlay	2,355,700	2,355,700	2,059,143	296,557
Total expenditures	2,818,700	2,818,700	2,263,513	555,187
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	311,300	311,300	2,217,245	1,905,945
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(200,000)	(200,000)	(295,000)	(95,000)
Total other financing sources (uses)	(200,000)	(200,000)	(295,000)	(95,000)
NET CHANGE IN FUND BALANCE				
	\$ 111,300	\$ 111,300	1,922,245	\$ 1,810,945
FUND BALANCE - BEGINNING OF YEAR				
			2,924,488	
FUND BALANCE - END OF YEAR				
			\$ 4,846,733	

See accompanying notes to required supplementary information.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GRANT SPECIAL REVENUE FUND
Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 423,755	\$ 2,639,573	\$ 2,102,229	\$ (537,344)
Total revenues	<u>423,755</u>	<u>2,639,573</u>	<u>2,102,229</u>	<u>(537,344)</u>
EXPENDITURES				
General government	-	500,000	518,436	(18,436)
Public safety	260,195	1,776,013	1,275,859	500,154
Public works	380,000	380,000	71,620	308,380
Health and welfare	5,000	5,000	16,092	(11,092)
Culture and recreation	-	-	11,357	(11,357)
Capital outlay	-	200,000	272,966	(72,966)
Total expenditures	<u>645,195</u>	<u>2,861,013</u>	<u>2,166,330</u>	<u>694,683</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(221,440)</u>	<u>(221,440)</u>	<u>(64,101)</u>	<u>157,339</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	221,440	221,440	123,000	(98,440)
Total other financing sources (uses)	<u>221,440</u>	<u>221,440</u>	<u>123,000</u>	<u>(98,440)</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	58,899	<u>\$ 58,899</u>
FUND BALANCES - BEGINNING OF YEAR			<u>-</u>	
FUND BALANCES - END OF YEAR			<u>\$ 58,899</u>	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

In accordance with the State Budget Law, the County Commissioners hold public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level, which includes other financing uses, and lapses at year end. The County Commissioners can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

SUPPLEMENTARY INFORMATION

ELBERT COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2020

	Special Revenue Funds	Debt Service Funds	Capital Improvement Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments with Treasurer	\$ 3,345,901	\$ 119,469	\$ 297,423	\$ 3,762,793
Cash and investments with Treasurer - Restricted	11,904	3,100	-	15,004
Accounts receivable	92,534	3,543	-	96,077
Assessments receivable	-	16,302	-	16,302
Due from other funds	25,744	-	-	25,744
Property taxes receivable	347,388	214,787	-	562,175
Prepaid expenses	1,492	-	-	1,492
TOTAL ASSETS	<u>\$ 3,824,963</u>	<u>\$ 357,201</u>	<u>\$ 297,423</u>	<u>\$ 4,479,587</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 177,313	\$ -	\$ 354	\$ 177,667
Unearned revenues	88,154	-	-	88,154
Due to other funds	27,037	-	-	27,037
Advances from other funds	-	152,143	-	152,143
Total liabilities	<u>292,504</u>	<u>152,143</u>	<u>354</u>	<u>445,001</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes and assessments	<u>347,388</u>	<u>231,089</u>	<u>-</u>	<u>578,477</u>
FUND BALANCES				
Nonspendable				
Prepaid expenses	1,492	-	-	1,492
Restricted				
Emergency reserves	26,535	-	-	26,535
Debt service	-	14,299	-	14,299
Capital asset purchases	11,904	-	-	11,904
Conservation trust	540,109	-	-	540,109
Assigned				
Public safety	159,069	-	-	159,069
Public health and welfare	580,970	-	-	580,970
Capital projects	1,642,836	-	297,069	1,939,905
Debt service	-	4,107	-	4,107
Retirement	222,156	-	-	222,156
Unassigned				
Public safety	-	-	-	-
Debt service	-	(44,437)	-	(44,437)
Total fund balances	<u>3,185,071</u>	<u>(26,031)</u>	<u>297,069</u>	<u>3,456,109</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 3,824,963</u>	<u>\$ 357,201</u>	<u>\$ 297,423</u>	<u>\$ 4,479,587</u>

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2020

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Improvement Fund</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES				
Taxes	\$ 364,276	\$ 315,303	\$ -	\$ 679,579
Special assessments	-	14,110	-	14,110
Intergovernmental	375,572	-	-	375,572
Charges for services	1,453,674	-	-	1,453,674
Net investment income	19,857	136	-	19,993
Miscellaneous	38,966	-	-	38,966
Total revenues	<u>2,252,345</u>	<u>329,549</u>	<u>-</u>	<u>2,581,894</u>
EXPENDITURES				
General government	344,012	8,421	13,436	365,869
Public safety	-	-	-	-
Public works	1,566	-	-	1,566
Public health and welfare	298,943	-	-	298,943
Culture and recreation	9,480	-	-	9,480
Debt service				
Principal and interest	264,517	699,656	-	964,173
Debt issuance costs	-	64,000	-	64,000
Capital outlay	960,104	-	193,432	1,153,536
Total expenditures	<u>1,878,622</u>	<u>772,077</u>	<u>206,868</u>	<u>2,857,567</u>
EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES	<u>373,723</u>	<u>(442,528)</u>	<u>(206,868)</u>	<u>(275,673)</u>
OTHER FINANCING SOURCES (USES)				
Debt proceeds	304,247	4,387,943	-	4,692,190
Insurance recoveries	46,985	-	-	46,985
Sale of general capital assets	43,400	-	-	43,400
Refunding escrow payment	-	(4,323,943)	-	(4,323,943)
Transfers in	140,972	482,000	500,000	1,122,972
Transfers (out)	(48,734)	-	-	(48,734)
Total other financing sources (uses)	<u>486,870</u>	<u>546,000</u>	<u>500,000</u>	<u>1,532,870</u>
NET CHANGE IN FUND BALANCES	860,593	103,472	293,132	1,257,197
FUND BALANCES - BEGINNING OF YEAR	<u>2,324,478</u>	<u>(129,503)</u>	<u>3,937</u>	<u>2,198,912</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,185,071</u>	<u>\$ (26,031)</u>	<u>\$ 297,069</u>	<u>\$ 3,456,109</u>

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
December 31, 2020

	<u>Law Enforcement Assistance</u>	<u>Growth and Development</u>	<u>Public Health and Administration</u>
ASSETS			
Cash and investments with Treasurer	\$ 193,604	\$ 1,726,640	\$ 645,203
Cash and investments with Treasurer - Restricted	11,904	-	-
Accounts receivable	46,697	-	41,405
Due from other funds	-	-	143
Property taxes receivable	-	-	-
Prepaid expenses	-	-	1,492
TOTAL ASSETS	<u>\$ 252,205</u>	<u>\$ 1,726,640</u>	<u>\$ 688,243</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 72,162	\$ 83,804	\$ 11,675
Unearned revenues	-	-	88,154
Due to other funds	-	-	-
Total liabilities	<u>72,162</u>	<u>83,804</u>	<u>99,829</u>
 DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>
 FUND BALANCES			
Nonspendable			
Prepaid expenses	-	-	1,492
Restricted			
Emergency reserves	9,070	-	5,952
Capital asset purchases	11,904	-	-
Conservation trust	-	-	-
Assigned			
Public safety	159,069	-	-
Public health	-	-	580,970
Capital projects	-	1,642,836	-
Retirement	-	-	-
Total fund balances	<u>180,043</u>	<u>1,642,836</u>	<u>588,414</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 252,205</u>	<u>\$ 1,726,640</u>	<u>\$ 688,243</u>

<u>Retirement</u>	<u>Conservation Trust</u>	<u>Total</u>
\$ 209,206	\$ 571,248	\$ 3,345,901
-	-	11,904
4,432	-	92,534
25,601	-	25,744
347,388	-	347,388
-	-	1,492
<u>\$ 586,627</u>	<u>\$ 571,248</u>	<u>\$ 3,824,963</u>
\$ 5,570	\$ 4,102	\$ 177,313
-	-	88,154
-	27,037	27,037
<u>5,570</u>	<u>31,139</u>	<u>292,504</u>
<u>347,388</u>	<u>-</u>	<u>347,388</u>
-	-	1,492
11,513	-	26,535
-	-	11,904
-	540,109	540,109
-	-	159,069
-	-	580,970
-	-	1,642,836
222,156	-	222,156
<u>233,669</u>	<u>540,109</u>	<u>3,185,071</u>
<u>\$ 586,627</u>	<u>\$ 571,248</u>	<u>\$ 3,824,963</u>

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year Ended December 31, 2020

	Law Enforcement Assistance	Growth and Development	Public Health and Administration	Retirement
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 364,276
Intergovernmental	-	-	204,188	-
Charges for services	302,249	964,145	187,280	-
Net investment income	-	14,802	-	-
Miscellaneous income	98	-	19,366	19,502
Total revenues	<u>302,347</u>	<u>978,947</u>	<u>410,834</u>	<u>383,778</u>
EXPENDITURES				
General government	3,604	9,452	-	330,956
Public safety	-	-	-	-
Public works	-	1,566	-	-
Public health and welfare	-	-	298,943	-
Culture and recreation	-	-	-	-
Debt service	264,517	-	-	-
Capital outlay	408,364	456,114	29,285	-
Total expenditures	<u>676,485</u>	<u>467,132</u>	<u>328,228</u>	<u>330,956</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(374,138)</u>	<u>511,815</u>	<u>82,606</u>	<u>52,822</u>
OTHER FINANCING SOURCES				
Capital lease proceeds	304,247	-	-	-
Insurance recoveries	46,985	-	-	-
Sale of general capital assets	43,400	-	-	-
Transfers in	100,000	-	40,972	-
Transfers (out)	-	-	-	-
Total other financing sources	<u>494,632</u>	<u>-</u>	<u>40,972</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	120,494	511,815	123,578	52,822
FUND BALANCES - BEGINNING OF YEAR	<u>59,549</u>	<u>1,131,021</u>	<u>464,836</u>	<u>180,847</u>
FUND BALANCES - END OF YEAR	<u>\$ 180,043</u>	<u>\$ 1,642,836</u>	<u>\$ 588,414</u>	<u>\$ 233,669</u>

Conservation Trust	Total
\$ -	\$ 364,276
171,384	375,572
-	1,453,674
5,055	19,857
-	38,966
176,439	2,252,345
-	344,012
-	-
-	1,566
-	298,943
9,480	9,480
-	264,517
66,341	960,104
75,821	1,878,622
100,618	373,723
-	304,247
-	46,985
-	43,400
-	140,972
(48,734)	(48,734)
(48,734)	486,870
51,884	860,593
488,225	2,324,478
\$ 540,109	\$ 3,185,071

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (NON GAAP BUDGET BASIS)
LAW ENFORCEMENT ASSISTANCE FUND
Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 375,000	\$ 375,000	\$ 302,249	\$ (72,751)
Miscellaneous income	-	-	98	98
Total revenues	375,000	375,000	302,347	(72,653)
EXPENDITURES				
General government	-	-	3,604	(3,604)
Public safety	2,542	2,542	-	2,542
Debt service	324,317	324,317	264,517	59,800
Capital outlay	-	-	40,962	(40,962)
Total expenditures	326,859	326,859	309,083	17,776
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES				
	48,141	48,141	(6,736)	(54,877)
OTHER FINANCING SOURCES				
Insurance recoveries	-	-	46,985	46,985
Sale of general capital assets	25,000	25,000	43,400	18,400
Transfers in	-	-	100,000	100,000
Total other financing sources	25,000	25,000	190,385	165,385
NET CHANGE IN FUND BALANCES- NON GAAP				
	\$ 73,141	\$ 73,141	183,649	\$ 110,508
PRESPPECTIVE DIFFERENCES				
Capital lease transactions				
Proceeds			304,247	
Capital outlay related to capital leases			(367,402)	
NET CHANGE IN FUND BALANCE-GAAP BASIS				
			120,494	
FUND BALANCES - BEGINNING OF YEAR				
			59,549	
FUND BALANCES - END OF YEAR				
			\$ 180,043	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GROWTH AND DEVELOPMENT FUND
Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 416,000	\$ 416,000	\$ 964,145	\$ 548,145
Interest income	9,400	9,400	14,802	5,402
Total revenues	425,400	425,400	978,947	553,547
EXPENDITURES				
General government	-	-	9,452	(9,452)
Public works	35,000	35,000	1,566	33,434
Capital outlay	549,000	549,000	456,114	92,886
Total expenditures	584,000	584,000	467,132	116,868
NET CHANGE IN FUND BALANCES	\$ (158,600)	\$ (158,600)	511,815	\$ 670,415
FUND BALANCES - BEGINNING OF YEAR			1,131,021	
FUND BALANCES - END OF YEAR			\$ 1,642,836	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
PUBLIC HEALTH AND ADMINISTRATION FUND
Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 92,810	\$ 92,810	\$ 204,188	\$ 111,378
Charges for services	255,000	255,000	187,280	(67,720)
Miscellaneous income	7,000	7,000	19,366	12,366
Total revenues	<u>354,810</u>	<u>354,810</u>	<u>410,834</u>	<u>56,024</u>
EXPENDITURES				
Public health and welfare	342,449	342,449	298,943	43,506
Capital outlay	50,000	50,000	29,285	20,715
Total expenditures	<u>392,449</u>	<u>392,449</u>	<u>328,228</u>	<u>64,221</u>
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES				
	<u>(37,639)</u>	<u>(37,639)</u>	<u>82,606</u>	<u>120,245</u>
OTHER FINANCING SOURCES				
Transfers in	43,169	43,169	40,972	(2,197)
Total other financing sources	<u>43,169</u>	<u>43,169</u>	<u>40,972</u>	<u>(2,197)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 5,530</u>	<u>\$ 5,530</u>	123,578	<u>\$ 118,048</u>
FUND BALANCES - BEGINNING OF YEAR			<u>464,836</u>	
FUND BALANCES - END OF YEAR			<u>\$ 588,414</u>	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
RETIREMENT FUND
Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 360,843	\$ 360,843	\$ 364,276	\$ 3,433
Miscellaneous income	20,000	20,000	19,502	(498)
Total revenues	<u>380,843</u>	<u>380,843</u>	<u>383,778</u>	<u>2,935</u>
EXPENDITURES				
General government	398,229	398,229	330,956	67,273
Total expenditures	<u>398,229</u>	<u>398,229</u>	<u>330,956</u>	<u>67,273</u>
NET CHANGE IN FUND BALANCES	<u>\$ (17,386)</u>	<u>\$ (17,386)</u>	52,822	<u>\$ 70,208</u>
FUND BALANCES - BEGINNING OF YEAR			<u>180,847</u>	
FUND BALANCES - END OF YEAR			<u>\$ 233,669</u>	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
CONSERVATION TRUST FUND
Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	157,900	\$ 157,900	\$ 171,384	\$ 13,484
Interest income	6,800	6,800	5,055	(1,745)
Total revenues	<u>164,700</u>	<u>164,700</u>	<u>176,439</u>	<u>11,739</u>
EXPENDITURES				
Culture and recreation	45,000	45,000	9,480	35,520
Capital outlay	200,000	200,000	66,341	133,659
Total expenditures	<u>245,000</u>	<u>245,000</u>	<u>75,821</u>	<u>169,179</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(80,300)</u>	<u>(80,300)</u>	<u>100,618</u>	<u>180,918</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(55,000)	(55,000)	(48,734)	6,266
Total other financing sources (uses)	<u>(55,000)</u>	<u>(55,000)</u>	<u>(48,734)</u>	<u>6,266</u>
NET CHANGE IN FUND BALANCES	<u>\$ (135,300)</u>	<u>\$ (135,300)</u>	51,884	<u>\$ 187,184</u>
FUND BALANCES - BEGINNING OF YEAR			<u>488,225</u>	
FUND BALANCES - END OF YEAR			<u>\$ 540,109</u>	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
December 31, 2020

	<u>Bond Redemption</u>	<u>Chaparral Valley</u>	<u>Meadows Station</u>	<u>Sun Country Meadows</u>	<u>Foxwood Estates</u>	<u>Total</u>
ASSETS						
Cash and investments with Treasurer	\$ 4,107	\$ -	\$ 1,972	\$ 102,196	\$ 11,194	\$ 119,469
Cash and investments with Treasurer - Restricted	-	3,100	-	-	-	3,100
Accounts receivable	-	-	769	2,410	364	3,543
Assessments receivable	-	16,302	-	-	-	16,302
Property tax receivable	-	-	-	189,245	25,542	214,787
TOTAL ASSETS	<u>\$ 4,107</u>	<u>\$ 19,402</u>	<u>\$ 2,741</u>	<u>\$ 293,851</u>	<u>\$ 37,100</u>	<u>\$ 357,201</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Advances from other funds	\$ -	\$ 42,332	\$ -	\$ 109,811	\$ -	\$ 152,143
Total liabilities	<u>-</u>	<u>42,332</u>	<u>-</u>	<u>109,811</u>	<u>-</u>	<u>152,143</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes and assessments	-	16,302	-	189,245	25,542	231,089
Total deferred inflows of resources	<u>-</u>	<u>16,302</u>	<u>-</u>	<u>189,245</u>	<u>25,542</u>	<u>231,089</u>
FUND BALANCES						
Restricted for debt service	-	-	2,741	-	11,558	14,299
Assigned for debt service	4,107	-	-	-	-	4,107
Unassigned	-	(39,232)	-	(5,205)	-	(44,437)
Total fund balance	<u>4,107</u>	<u>(39,232)</u>	<u>2,741</u>	<u>(5,205)</u>	<u>11,558</u>	<u>(26,031)</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 4,107</u>	<u>\$ 19,402</u>	<u>\$ 2,741</u>	<u>\$ 293,851</u>	<u>\$ 37,100</u>	<u>\$ 357,201</u>

ELBERT COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
Year Ended December 31, 2020

	<u>Bond Redemption</u>	<u>Chaparral Valley</u>	<u>Meadows Station</u>	<u>Sun Country Meadows</u>	<u>Foxwood Estates</u>	<u>Total</u>
REVENUES						
Taxes	\$ -	\$ -	\$ 63,324	\$ 221,980	\$ 29,999	\$ 315,303
Special assessments	-	14,110	-	-	-	14,110
Net investment income	-	-	10	108	18	136
Total revenues	<u>-</u>	<u>14,110</u>	<u>63,334</u>	<u>222,088</u>	<u>30,017</u>	<u>329,549</u>
EXPENDITURES						
General government	-	423	1,699	5,532	767	8,421
Debt service						
Principal and interest	471,726	-	63,040	132,705	32,185	699,656
Debt issuance costs	64,000	-	-	-	-	64,000
Total expenditures	<u>535,726</u>	<u>423</u>	<u>64,739</u>	<u>138,237</u>	<u>32,952</u>	<u>772,077</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(535,726)</u>	<u>13,687</u>	<u>(1,405)</u>	<u>83,851</u>	<u>(2,935)</u>	<u>(442,528)</u>
OTHER FINANCING SOURCES (USES)						
Debt proceeds	4,387,943	-	-	-	-	4,387,943
Refunding escrow payment	(4,323,943)	-	-	-	-	(4,323,943)
Transfers in	472,000	10,000	-	-	-	482,000
Total other financing sources (uses)	<u>536,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>546,000</u>
NET CHANGE IN FUND BALANCES	274	23,687	(1,405)	83,851	(2,935)	103,472
FUND BALANCES - BEGINNING OF YEAR	<u>3,833</u>	<u>(62,919)</u>	<u>4,146</u>	<u>(89,056)</u>	<u>14,493</u>	<u>(129,503)</u>
FUND BALANCES - END OF YEAR	<u>\$ 4,107</u>	<u>\$ (39,232)</u>	<u>\$ 2,741</u>	<u>\$ (5,205)</u>	<u>11,558</u>	<u>\$ (26,031)</u>

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
BOND REDEMPTION DEBT SERVICE FUND
Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Special assessments	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Debt service				
Principal and interest	471,727	471,727	471,726	1
Debt issuance costs	-	64,000	64,000	-
Total expenditures	<u>471,727</u>	<u>535,727</u>	<u>535,726</u>	<u>1</u>
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES				
	<u>(471,727)</u>	<u>(535,727)</u>	<u>(535,726)</u>	<u>1</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	472,000	472,000	472,000	-
Total other financing sources (uses)	<u>472,000</u>	<u>472,000</u>	<u>472,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE - NON GAAP BASIS				
	<u>\$ 273</u>	<u>\$ (63,727)</u>	<u>(63,726)</u>	<u>\$ 1</u>
PROSPECTIVE DIFFERENCES				
Bond refunding transactions				
Refunding debt proceeds			4,387,943	
Refunding escrow payment			<u>(4,323,943)</u>	
NET CHANGE IN FUND BALANCE - GAAP BASIS				
			274	
FUND BALANCES - BEGINNING OF YEAR				
			<u>3,833</u>	
FUND BALANCES - END OF YEAR				
			<u>\$ 4,107</u>	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
CHAPARRAL VALLEY DEBT SERVICE FUND
Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Special assessments	\$ 13,000	\$ 13,000	\$ 14,110	\$ 1,110
Total revenues	13,000	13,000	14,110	1,110
EXPENDITURES				
General government	500	500	423	77
Total expenditures	500	500	423	77
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES	12,500	12,500	13,687	1,187
OTHER FINANCING SOURCES (USES)				
Transfers in	10,000	10,000	10,000	-
Total other financing sources (uses)	10,000	10,000	10,000	-
NET CHANGE IN FUND BALANCE	\$ 22,500	\$ 22,500	23,687	\$ 1,187
FUND BALANCES - BEGINNING OF YEAR			(62,919)	
FUND BALANCES - END OF YEAR			\$ (39,232)	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
MEADOW STATION DEBT SERVICE FUND
Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 62,915	64,915	\$ 63,324	\$ (1,591)
Net investment income	10	10	10	-
Total revenues	62,925	64,925	63,334	(1,591)
EXPENDITURES				
General government	2,648	2,648	1,699	949
Debt service				
Principal and interest	64,318	66,318	63,040	3,278
Total expenditures	66,966	68,966	64,739	4,227
NET CHANGE IN FUND BALANCES	\$ (4,041)	\$ (4,041)	(1,405)	\$ 2,636
FUND BALANCES - BEGINNING OF YEAR			4,146	
FUND BALANCES - END OF YEAR			\$ 2,741	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
SUN COUNTY MEADOWS DEBT SERVICE FUND
Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 219,245	\$ 219,245	\$ 221,980	\$ 2,735
Net investment income	100	100	108	8
Total revenues	<u>219,345</u>	<u>219,345</u>	<u>222,088</u>	<u>2,743</u>
EXPENDITURES				
General government	5,677	5,677	5,532	145
Debt service				
Principal and interest	<u>159,705</u>	<u>159,705</u>	<u>132,705</u>	<u>27,000</u>
Total expenditures	<u>165,382</u>	<u>165,382</u>	<u>138,237</u>	<u>27,145</u>
NET CHANGE IN FUND BALANCES	<u><u>\$ 53,963</u></u>	<u><u>\$ 53,963</u></u>	83,851	<u><u>\$ 29,888</u></u>
FUND BALANCES - BEGINNING OF YEAR			<u>(89,056)</u>	
FUND BALANCES - END OF YEAR			<u><u>\$ (5,205)</u></u>	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOXWOOD ESTATES DEBT SERVICE FUND
Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 30,342	\$ 30,342	\$ 29,999	\$ (343)
Net investment income	50	50	18	(32)
Total revenues	<u>30,392</u>	<u>30,392</u>	<u>30,017</u>	<u>(375)</u>
EXPENDITURES				
General government	1,172	1,172	767	405
Debt service				
Principal and interest	<u>32,735</u>	<u>32,735</u>	<u>32,185</u>	<u>550</u>
Total expenditures	<u>33,907</u>	<u>33,907</u>	<u>32,952</u>	<u>955</u>
NET CHANGE IN FUND BALANCES	<u>\$ (3,515)</u>	<u>\$ (3,515)</u>	(2,935)	<u>\$ 580</u>
FUND BALANCES - BEGINNING OF YEAR			<u>14,493</u>	
FUND BALANCES - END OF YEAR			<u>\$ 11,558</u>	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
General government	-	-	13,436	(13,436)
Capital outlay	503,937	503,937	193,432	310,505
Total expenditures	<u>503,937</u>	<u>503,937</u>	<u>206,868</u>	<u>297,069</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(503,937)</u>	<u>(503,937)</u>	<u>(206,868)</u>	<u>297,069</u>
OTHER FINANCING SOURCES				
Transfers in	500,000	500,000	500,000	-
Total other financing sources	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (3,937)</u>	<u>\$ (3,937)</u>	293,132	<u>\$ 297,069</u>
FUND BALANCE - BEGINNING OF YEAR			<u>3,937</u>	
FUND BALANCE - END OF YEAR			<u>\$ 297,069</u>	

See accompanying independent auditors' report.

OTHER SCHEDULES

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Elbert County
	YEAR ENDING : December 2020

This Information From The Records Of (example - City of _ or County of County of Elbert County, Colorado) Prepared By: _____
Phone: _____

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)	2,480,474
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	7,770,278
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	312,686
2. General fund appropriations		b. Snow and ice removal	552,285
3. Other local imposts (from page 2)	9,362,543	c. Other	887,443
4. Miscellaneous local receipts (from page 2)	2,503,827	d. Total (a. through c.)	1,752,414
5. Transfers from toll facilities		4. General administration & miscellaneous	1,272,558
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	13,275,724
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	69,425
7. Total (1 through 6)	11,866,370	b. Redemption	63,280
B. Private Contributions	892,487	c. Total (a. + b.)	132,705
C. Receipts from State government (from page 2)	2,791,449	2. Notes:	
D. Receipts from Federal Government (from page 2)	3,824	a. Interest	
E. Total receipts (A.7 + B + C + D)	15,554,130	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	132,705
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	
			13,408,429

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	1,652,975		63,280	1,589,695
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
	6,781,996	15,554,130	13,408,429	8,927,697	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	4,169,484	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	4,422,054	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	738,270	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	1,000,000
4. Licenses		f. Charges for Services	204,593
5. Specific Ownership &/or Other	32,735	g. Other Misc. Receipts	
6. Total (1. through 5.)	5,193,059	h. Other Capital Lease proceeds	1,299,234
c. Total (a. + b.)	9,362,543	i. Total (a. through h.)	2,503,827
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,538,789	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	163,659	d. Federal Transit Admin	
d. Other (Specify) DOLA Trans Gran	32,076	e. U.S. Corps of Engineers	
e. Other (Specify) CDOT Materials	56,925	f. Other Federal - Mineral Lease	3,824
f. Total (a. through e.)	252,660	g. Total (a. through f.)	3,824
4. Total (1. + 2. + 3.f)	2,791,449	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	0	0	0
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	2,480,474	2,480,474
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	2,480,474	2,480,474
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	2,480,474	2,480,474
			(Carry forward to page 1)

Notes and Comments:

ELBERT COUNTY, COLORADO
SINGLE AUDIT REPORT
DECEMBER 31, 2020

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**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***

Board of County Commissioners
Elbert County, Colorado
Kiowa, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Elbert County, Colorado (the County), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 28, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance And Other Matters

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

Purpose Of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RubinBrown LLP

June 28, 2021

**Independent Auditors' Report On Compliance
For Each Major Federal Program, Report
On Internal Control Over Compliance
And Report On The Schedule Of Expenditures
Of Federal Awards Required By The Uniform Guidance**

Board of County Commissioners
Elbert County, Colorado
Kiowa, Colorado

Report On Compliance For Each Major Federal Program

We have audited Elbert County, Colorado's (the County) compliance with the types of compliance requirements described in the Office of Management and Budget's *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2020. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion On Each Major Federal Program

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

Report On Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report On Schedule Of Expenditures Of Federal Awards Required By The Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the County as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated June 28, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

RubinBrown LLP

June 28, 2021

ELBERT COUNTY, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2020

Page 1 Of 3

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Pass-through Entity Identifying Number	Federal Expenditures	Amounts Passed Through To Subrecipients
U.S. Department Of Agriculture				
Passed through Colorado Department of Human Services				
Supplemental Nutrition Assistant Program	10.551	*	\$ 15	\$ —
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	*	79,597	—
Total SNAP Cluster			79,612	—
Total U.S. Department Of Agriculture			79,612	—
U.S. Department Of Justice				
Direct programs				
Bureau of Justice Assistance				
Bulletproof Vest Partnership Program	16.607	*	1,052	—
Total Direct Programs			1,052	—
Passed through the Colorado Division of Criminal Justice				
Crime Victim Assistance	16.575	2018-VA-19-102-18	6,878	—
Edward Byrne Memorial Justice Assistance Grant Program	16.738	*	24,300	—
Total Passed Through Colorado Division Of Criminal Justice			31,178	—
Total U.S. Department Of Justice			32,230	—
U.S. Department Of Treasury				
Passed through the Colorado Department of Human Services				
Coronavirus Relief Fund	21.019	*	22,828	—
Total Passed Through Colorado Department Of Human Services			22,828	—
Passed through the Colorado Department of Public Health and Environment				
Coronavirus Relief Fund	21.019	*	55,697	—
Total Passed Through Colorado Department Of Public Health and Environment			55,697	—
Passed through the Colorado Department of Local Affairs				
Coronavirus Relief Fund	21.019	CM-191	1,711,135	—
Total Passed Through Colorado Department Of Local Affairs			1,711,135	—
Total U.S. Department Of Treasury			1,789,660	—
U.S. Election Assistance Commission				
Passed through the Colorado Department of State				
HAVA Election Security Grants	90.404	CO20101CARES	75,578	—
Total Passed Through Colorado Department Of State			75,578	—
Total U.S. Elections Assistance Commission			\$ 75,578	—

ELBERT COUNTY, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2020

Page 2 Of 3

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Pass-through Entity Identifying Number	Federal Expenditures	Amounts Passed Through To Subrecipients
U.S. Department Of Health And Human Services				
Passed through Colorado Department of Human Services				
Temporary Assistance for Needy Families	93.558	*	277,711	—
Child Support Enforcement	93.563	*	106,188	—
Low Income Home Energy Assistance	93.568	*	7,959	—
MaryLee Allen Promoting Safe and Stable Families Program	93.556	*	2,451	—
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	*	78	—
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	*	43,361	—
Child Care and Development Block Grant	93.575	*	140,441	—
Total Child Care And Development Fund Cluster			183,802	—
Stephanie Tubbs Jones Child Welfare Services Program	93.645	*	22,898	—
Foster Care - Title IV-E	93.658	*	224,665	—
Social Services Block Grant	93.667	*	79,954	—
Adoption Assistance	93.659	*	36,446	—
Guardianship Assistance	93.090	*	1,716	—
Total Passed Through Colorado Department Of Human Services			943,868	—
Passed through Colorado Department of Health Care Policy and Financing				
Medical Assistance Program (Medicaid Cluster)	93.778	*	146,303	—
Total Passed Through Colorado Department Of Health Care Policy And Financing			146,303	—
Passed through Colorado Department of Public Health and Environment				
Maternal and Child Health Services Block Grant to the States	93.994	*	27,876	—
Cooperative Agreement for Emergency Response: Public Health Crisis	93.354	*	21,519	—
Total Passed Through Colorado Departement Of Public Health And Environment			49,395	—
Total U.S. Department Of Health And Human Services			\$ 1,139,566	—

ELBERT COUNTY, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2020

Page 3 Of 3

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Pass-through Entity Identifying Number	Federal Expenditures	Through To Subrecipients
U.S. Department Of Homeland Security				
Passed through the Colorado Department of Public Safety				
Division of Homeland Security and Emergency Management				
Emergency Management Performance Grant	97.042	*	\$ 11,954	\$ —
Total Passed Through Colorado Department Of Public Safety			11,954	
Passed through the Colorado Division of Homeland Security and Emergency Management				
Emergency Management Performance Grant	97.042	POGG1, RFAA, 202100002234	1,848	—
Emergency Management Performance Grant	97.042	*	28,000	—
Total Passed Through Colorado Department Of Homeland Security and Emergency Management			29,848	—
Total U.S. Department Of Homeland Security			41,802	—
Total Federal Financial Assistance			\$ 3,158,448	\$ —

* Unavailable

ELBERT COUNTY, COLORADO

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

1. Basis Of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal award programs of the Elbert County, Colorado (the County), for the year ended December 31, 2020. 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* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets or cash flows of the County.

2. Summary Of Significant Accounting

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

3. Indirect Costs

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

ELBERT COUNTY, COLORADO

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2020**

Section I - Summary Of Auditors' Results

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles in the United States of America Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes x no
- Significant deficiency(ies) identified? ___ yes x none reported

Noncompliance material to financial statements noted? ___ yes x no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ___ yes x no
- Significant deficiency(ies) identified? ___ yes x none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ___ yes x no

Identification of major federal programs:

CFDA Number	Name Of Federal Program Or Cluster
21.019	Coronavirus Relief Fund

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

Auditee qualified as low-risk auditee? x yes ___ no

ELBERT COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*
For The Year Ended December 31, 2020

Section II - Financial Statement Findings

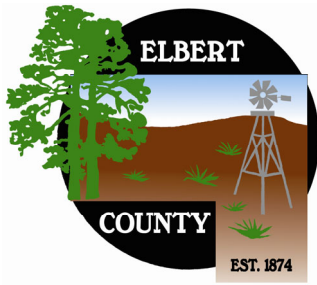
None

ELBERT COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*
For The Year Ended December 31, 2020

Section III - Federal Award Findings And Questioned Costs

None



ELBERT COUNTY GOVERNMENT

Finance Department
Office 303-621-3133 or 303-621-3138 Fax 303-621-2343
PO Box 7, 215 Comanche St, Kiowa, CO, 80117

ELBERT COUNTY, COLORADO

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

Finding 2019-001: Significant Deficiency in Internal Control over Foster Care - Title IV-E (Foster Care) Eligibility and Special Tests and Provisions

CFDA# 93.658

Federal Award Identification Number: Unavailable

Federal Agency: Department of Health and Human Services

Pass-Through Entity: Colorado Department of Human Services

Summary of Prior Audit Finding: The County did not have effective internal controls over Foster Care eligibility and rate determinations.

Initial Finding Report Year: 2017

Status: 2019-001 Partial Correction Action Taken. Controls over the Trails system were not fully implemented consistent with the prior year Corrective Action Plan. Key positions and personnel have changed, and control procedures are being corrected.