

LAKE COUNTY, COLORADO

FINANCIAL STATEMENTS

Year Ended December 31, 2020

LAKE COUNTY, COLORADO

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INTRODUCTORY SECTION

LAKE COUNTY, COLORADO
COMMISSIONERS and ADMINISTRATION

Year Ended December 31, 2020

County Commissioners

Kayla Marcella – Commissioner
Jeff Fiedler – Commissioner
Sarah Mudge – Commissioner

Administration

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

Management's Discussion and Analysis

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

Lake County Government

P.O. Box 964

Leadville, Colorado 80461

* As of And For The Year Ended December 31, 2020

As the management of Lake County, Colorado (the County) we offer the readers of our County's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2020. Within this section of Lake County, we are pleased to provide this document to the public which discusses and analyzes the context of the accompanying financial statements and disclosures following this section.

SUMMARY OF LAKE COUNTY FINANCIAL STATUS * HIGHLIGHTS

At December 31, 2020:

- The County's assets were \$57,173,892
- Total County's net position was \$42,856,165
- The County's governmental funds had a fund balance of \$18,386,059
- The County's General fund had a fund balance of \$10,322,971

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

Management's Discussion and Analysis (Unaudited)

Lake County Government

As of And For the Year Ended December 31, 2020

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

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

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

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

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

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

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

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

Notes to the Basic Financial Statements

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

Required and Other Supplementary Information

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

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

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

Management's Discussion and Analysis (Unaudited)

Lake County Government

As of And For the Year Ended December 31, 2020

The County's net position at calendar year-end is \$42,856,165. The following table (TABLE # 1) provides a summary of the County's net position:

(TABLE # 1)	<u>2020</u>	<u>2019</u>
Assets:		
Current and other assets	\$ 29,776,737	\$ 27,411,001
Capital assets, net	27,397,155	24,171,234
Total Assets	<u>57,173,892</u>	<u>51,582,235</u>
Liabilities:		
Current Liabilities	2,930,581	2,531,525
Long-term liabilities	2,879,891	2,597,326
Total Liabilities	<u>5,810,472</u>	<u>5,128,851</u>
Deferred Inflows of Resources	<u>8,507,255</u>	<u>9,204,773</u>
Net Position:		
Net invested in capital assets	26,261,661	23,245,225
Restricted: Tabor	359,800	352,000
Restricted: Inventories	25,230	67,591
Unrestricted	16,209,474	13,583,795
Total Net Position	<u>\$ 42,856,165</u>	<u>\$ 37,248,611</u>

Traditionally, the largest portion of any government's investments is in its capital assets. Land, buildings, equipment, machinery, and specialized tools are necessary in order to deliver and/or provide services to the County's residents and visitors. The County's capital assets account for 47.9% of its total assets; these assets are not an available source for payment of future spending. Of the remaining \$29,776,737 in assets, \$385,030 is restricted for the following purposes:

<u>Lake County</u> <u>Restricted Reserves, December 31, 2020</u>	<u>Governmental</u> <u>Activities</u>
Emergency reserves (TABOR)	\$ 359,800
Inventories	\$ 25,230
Total Restricted	<u>\$ 385,030</u>

Management's Discussion and Analysis (Unaudited)

Lake County Government

As of And For the Year Ended December 31, 2020

The County's government – wide net position increased \$5,607,554 during the current fiscal year, primarily due to increases in capital assets and favorable revenue collections. The following table (TABLE #2) provides a summary of the County's changes in net position:

(TABLE #2)

	<u>2020</u>	<u>2019</u>
Revenues:		
Program revenues:		
Charges for services	\$ 2,557,151	\$ 1,899,380
Grants & contributions	7,238,252	7,908,953
General revenues:		
Taxes	12,176,521	10,430,865
Interest & other revenue	1,189,870	1,186,459
Total Revenues	<u>23,161,794</u>	<u>21,425,657</u>
Expenses:		
General government	5,932,487	4,945,384
Public safety	4,645,414	3,865,915
Public works	2,567,058	1,955,603
Public health and welfare	2,308,505	4,231,019
Culture and recreation	1,907,609	3,158,644
Economic development	193,167	189,008
Total Expenses	<u>17,554,240</u>	<u>18,345,573</u>
Change in net position	5,607,554	3,026,016
Net Position, January 1	37,248,611	34,222,595
Net Position, December 31	<u>\$ 42,856,165</u>	<u>\$ 37,248,611</u>

GOVERNMENTAL REVENUES

Program revenues cover 42.2% of governmental operating expenses. This means that the County's taxpayers and other general governmental revenues fund 58.7% of the governmental activities. Sales, user, and property taxes are used to support governmental operations and capital additions. Property taxes provided \$9.1 million or 40% of the County's total governmental revenues. The County also relies on Federal and State operating grants and funding to support health and welfare operating expenses which totaled \$5.8 million or 25% of total governmental revenue in 2020. Sales taxes are the third largest revenue source totaling \$2.6 million or 11% of the total governmental revenues.

GOVERNMENTAL FUNCTIONAL EXPENSES

The general government, public safety, and health and welfare functions make up approximately 77% of the total governmental activities' expenses. General government totals 46% of total governmental expenses with public health and welfare totaling 11%, public safety totaling 20%, and public works and recreation totaling 21%. General government includes administrative and airport functions. Public health and welfare includes landfill and human services as well as pass-through grants from the Colorado Department of Public Health and Environment.

Management's Discussion and Analysis (Unaudited)

Lake County Government

As of And For the Year Ended December 31, 2020

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

(TABLE #3)

	Total Cost of Services	% of Total	Net Cost of Services	% of Total
General government	\$ 6,125,654	34.9%	951,787	12.3%
Public Safety	4,645,414	26.5%	4,150,526	53.5%
Health and welfare	2,308,505	13.2%	(1,685,380)	-21.7%
Public works	2,567,058	14.6%	2,540,423	32.7%
Culture and recreation	1,907,609	10.9%	1,801,481	23.2%
Debt Service	-	0.0%	-	0.0%
Total	<u>\$ 17,554,240</u>	<u>100%</u>	<u>\$ 7,758,837</u>	<u>100%</u>

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Government Funds

As discussed, *Governmental Funds* are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$18,386,059.

The total ending balances of governmental funds show an increase of \$2,801,283 or a 55.9% increase over the prior year. This increase is primarily the result of the events and programs described in further detail within the analysis of the County's governmental activities that follows.

The General Fund

The *General Fund* is the County's primary operating fund and the largest sources of day-to-day service delivery. The General Fund's fund balance increased by \$2,396,261. The key contributing factors were increases in planned revenues for sales tax (\$113,790), clerk's fees (\$229,592), treasurer's fees (\$125,985), as well as conservative spending in general government (\$840,582), public safety (\$471,777), and culture and recreation (\$300,584).

Management's Discussion and Analysis (Unaudited)

Lake County Government

As of And For the Year Ended December 31, 2020

The Road & Bridge Fund

The *Road and Bridge Fund* is used to account for the motor fuel tax revenues and other sources of revenue legally restricted to the maintenance of County roads. The Road and Bridge fund balance decreased by \$266,025. Key contributing factors included decreased revenue collections in all categories of \$52,128, expenditures were less than budgeted at \$286,051.

The Human Services Fund

The *Human Services Fund* accounts for the operations of the County's welfare services. The Human Services fund balance increased by \$25,485 which resulted from a increase in other revenues (\$9,506) and lower than planned expenditures (\$196,090).

The Capital Acquisition Fund

The *Capital Acquisition Fund* accounts for the County's acquisition of machinery, equipment, and other capital assets. The Capital Acquisition fund balance increased by \$41,120, as a result of unspent planned acquisitions totaling \$489,712.

The Grants Fund

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

The Internal Service Fund

The County operates one internal service fund, for the purpose of funding health, dental, and worker's compensation insurance benefits for its employees as well as general and building liability insurance. Fund balance for the year decreased by \$96,207, primarily due to contributions being \$319,525 less than planned.

BUDGET HIGHLIGHTS

Budgetary Information

The General Fund revenue budget was not amended during the year. Realized revenues exceeded final budget estimates in total by \$776,036.

In total, the County realized 106% of the estimated revenues.

The expenditure side of the original budget for the General Fund was not amended during 2020. Actual expenditures were less than planned expenditures in general government activities of \$840,582, public safety activities were less than planned expenditures by \$471,777, as well as culture and recreation activities of \$300,584.

Management's Discussion and Analysis (Unaudited)

Lake County Government

As of And For the Year Ended December 31, 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2020, was \$27,386,028.

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

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

Debt Administration

At the end of the calendar year, the County had \$3,125,073 of recorded debt outstanding.

LAKE COUNTY, COLORADO

Outstanding Borrowings

	Governmental Activities		% Change
	2020	2019	
Capital leases	\$ 1,135,494	\$ 926,009	23%
Compensated absences	284,502	231,401	23%
Landfill closure and postclosure care	1,705,077	1,595,170	7%
Total	<u>\$ 3,125,073</u>	<u>\$ 2,752,580</u>	<u>14%</u>

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

FINANCIAL SECTION

HAMBLIN AND ASSOCIATES, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants

23720 Pondview Place
Golden, CO 80401

(303) 694-2727

Independent Auditor's Report

To the Board of Commissioners
Lake County
Leadville, Colorado

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Lake County, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules on pages 30 - 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The budgetary comparison schedules of the Internal Service Fund and the Emergency Telephone Services Authority component unit, the Agency Funds combining statement, the Local Highway Finance Report, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules of the Internal Service Fund and component unit, the Agency Funds combining statement, the Local Highway Finance Report, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 27, 2021, on our consideration of Lake County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Lake County's internal control over financial reporting and compliance.

Hamblin and Associates

September 27, 2021
Golden, Colorado

Basic Financial Statements

LAKE COUNTY, COLORADO
STATEMENT OF NET POSITION

December 31, 2020

	Primary Government	Component Unit	
	Governmental Activities	Lake County Emergency Telephone Services Authority	TOTAL
ASSETS			
Current Assets			
Cash and Investments	\$ 18,266,841	\$ 103,630	\$ 18,370,471
Property Tax Receivables	8,507,255	-	8,507,255
Other Receivables	2,193,608	9,347	2,202,955
Due from Other Governments	661,009	-	661,009
Prepaid Expenses	9,817	-	9,817
Inventories	25,230	-	25,230
Total Current Assets	29,663,760	112,977	29,776,737
Noncurrent Assets			
Non Depreciated Capital Assets	14,737,504	-	14,737,504
Capital Assets	26,417,684	11,125	26,428,809
Accumulated Depreciation	(13,769,158)	-	(13,769,158)
Total Other Assets	27,386,030	11,125	27,397,155
TOTAL ASSETS	57,049,790	124,102	57,173,892
LIABILITIES			
Current Liabilities			
Accounts Payable	1,447,283	-	1,447,283
Accrued Payroll Liability	265,758	-	265,758
Unearned Revenue	972,358	-	972,358
Current Portion of Long-Term Debt	245,182	-	245,182
Total Current Liabilities	2,930,581	-	2,930,581
Long-Term Liabilities			
Capital Leases	890,312	-	890,312
Post-Closure Costs	1,705,077	-	1,705,077
Compensated Absences	284,502	-	284,502
Total Long-Term Liabilities	2,879,891	-	2,879,891
TOTAL LIABILITIES	5,810,472	-	5,810,472
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	8,507,255	-	8,507,255
	8,507,255	-	8,507,255
NET POSITION			
Net Investment in Capital Assets	26,250,536	11,125	26,261,661
Restricted for TABOR	359,800	-	359,800
Restricted for Airport Inventories	25,230	-	25,230
Unrestricted	16,096,497	112,977	16,209,474
TOTAL NET POSITION	\$ 42,732,063	\$ 124,102	\$ 42,856,165

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

LAKE COUNTY, COLORADO

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	OPERATING		CAPITAL GRANTS	PRIMARY GOVERNMENT	COMPONENT UNIT	TOTAL
		CHARGES FOR SERVICES	GRANTS AND CONTRIBUTIONS		GOVERNMENTAL ACTIVITIES		
Governmental Activities							
Current:							
General Government	\$ 5,932,487	\$ 1,229,440	\$ 85,743	\$ 3,806,014	\$ (811,290)	\$ -	\$ (811,290)
Health and Welfare	2,308,505	648,430	3,345,455	-	1,685,380	-	1,685,380
Public Safety	4,620,257	437,290	-	-	(4,182,967)	-	(4,182,967)
Culture and Recreation	1,907,609	105,088	1,040	-	(1,801,481)	-	(1,801,481)
Public Works	2,567,058	26,635	-	-	(2,540,423)	-	(2,540,423)
Economic Development	193,167	52,670	-	-	(140,497)	-	(140,497)
TOTAL GOVERNMENTAL ACTIVITIES	<u>17,529,083</u>	<u>2,499,553</u>	<u>3,432,238</u>	<u>3,806,014</u>	<u>(7,791,278)</u>	<u>-</u>	<u>(7,791,278)</u>
Component Unit							
Lake County Emergency							
Emergency Telephone Services	25,157	57,598	-	-	-	32,441	32,441
TOTAL GOVERNMENT	<u>\$ 17,554,240</u>	<u>\$ 2,557,151</u>	<u>\$ 3,432,238</u>	<u>\$ 3,806,014</u>	<u>(7,791,278)</u>	<u>32,441</u>	<u>(7,758,837)</u>
GENERAL REVENUES							
Taxes Collected for General Operations					12,176,521	-	12,176,521
Licenses and Permits					312,582	-	312,582
Interest Income					399,623	16	399,639
Other Revenues					477,649	-	477,649
TOTAL GENERAL REVENUES					<u>13,366,375</u>	<u>16</u>	<u>13,366,391</u>
CHANGE IN NET POSITION					5,575,097	32,457	5,607,554
NET POSITION - Beginning of Year					37,156,966	91,645	37,248,611
NET POSITION- End of Year					<u>\$ 42,732,063</u>	<u>\$ 124,102</u>	<u>\$ 42,856,165</u>

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

LAKE COUNTY, COLORADO
BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2020

	GENERAL FUND	ROAD AND BRIDGE FUND	PUBLIC HEALTH AGENCY FUND	HUMAN SERVICES FUND	GRANTS FUND	AIRPORT FUND	BLOOD LEAD MONITORING FUND
ASSETS							
Cash and Equivalents	\$ 9,737,302	\$ 1,467,025	\$ 338,507	\$ 562,268	\$ (18,994)	\$ 259,703	\$ 37,627
Property Tax Receivables	6,582,475	-	-	288,238	-	-	-
Other Receivables	8,255	55,352	-	351,602	1,737,364	-	-
Due from Other Funds	1,020,858	5,553	2,501	-	-	33,647	12,013
Due from Other Governments	451,472	-	62,000	-	-	-	-
Inventories	-	-	-	-	-	25,230	-
TOTAL ASSETS	\$ 17,800,362	\$ 1,527,930	\$ 403,008	\$ 1,202,108	\$ 1,718,370	\$ 318,580	\$ 49,640
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 681,783	\$ 60,003	\$ 33,685	\$ 48,755	\$ 470,785	\$ 30,371	\$ 2,233
Accrued Payroll Liability	148,002	27,310	12,611	-	10	1,492	1,176
Unearned Revenue	64,000	-	17,898	604,909	285,551	-	-
Due to Other Funds	1,131	-	-	429	962,024	-	-
TOTAL LIABILITIES	894,916	87,313	64,194	654,093	1,718,370	31,863	3,409
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Property Taxes	6,582,475	-	-	288,238	-	-	-
FUND BALANCES							
Nonspendable:							
Inventory	-	-	-	-	-	25,230	-
Restricted For:							
Emergencies	359,800	-	-	-	-	-	-
Road and Bridge	-	1,440,617	-	-	-	-	-
Public Health	-	-	338,814	-	-	-	-
Human Services	-	-	-	259,777	-	-	-
Conservation Trust	-	-	-	-	-	-	-
Capital Acquisition	-	-	-	-	-	-	-
Committed To:							
Airport	-	-	-	-	-	261,487	-
Blood Lead Monitoring	-	-	-	-	-	-	46,231
Community Park Replacement	268,092	-	-	-	-	-	-
Landfill	-	-	-	-	-	-	-
Landfill Postclosure	-	-	-	-	-	-	-
Lodging Tax	-	-	-	-	-	-	-
Mineral Belt Trail	-	-	-	-	-	-	-
Sheriff Commissary	-	-	-	-	-	-	-
Mine Closure	-	-	-	-	-	-	-
Contingencies	300,000	-	-	-	-	-	-
Search and Rescue	11,379	-	-	-	-	-	-
Unassigned	9,383,700	-	-	-	-	-	-
TOTAL FUND BALANCES	10,322,971	1,440,617	338,814	259,777	-	286,717	46,231
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 17,800,362	\$ 1,527,930	\$ 403,008	\$ 1,202,108	\$ 1,718,370	\$ 318,580	\$ 49,640

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

LANDFILL FUND	CONSERVATION TRUST FUND	LODGING TAX FUND	SHERIFF COMMISSARY FUND	MINERAL BELT TRAIL FUND	CAPITAL ACQUISITION FUND	MINE CLOSURE FUND	AMBULANCE SERVICE FUND	TOTAL
\$ 1,805,869	\$ 315,065	\$ 203,849	\$ 5,873	\$ 59,774	\$ 780,104	\$ 2,579,490	\$ 3,093	\$ 18,136,555
-	-	-	-	-	222,750	307,395	749,998	8,150,856
-	-	41,035	-	-	-	-	-	2,193,608
-	3,286	-	-	133	11,522	-	-	1,089,513
-	-	-	-	-	-	-	-	513,472
-	-	-	-	-	-	-	-	25,230
<u>\$ 1,805,869</u>	<u>\$ 318,351</u>	<u>\$ 244,884</u>	<u>\$ 5,873</u>	<u>\$ 59,907</u>	<u>\$ 1,014,376</u>	<u>\$ 2,886,885</u>	<u>\$ 753,091</u>	<u>\$ 30,109,234</u>

\$ 25,073	\$ 20,857	\$ 4,114	\$ -	\$ -	\$ 53,384	\$ -	\$ -	\$ 1,431,043
9,167	-	-	-	-	-	-	-	199,768
-	-	-	-	-	-	-	-	972,358
2,623	-	2,932	11	-	-	-	-	969,150
<u>36,863</u>	<u>20,857</u>	<u>7,046</u>	<u>11</u>	<u>-</u>	<u>53,384</u>	<u>-</u>	<u>-</u>	<u>3,572,319</u>

-	-	-	-	-	222,750	307,395	749,998	8,150,856
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-	-	-	-	-	-	-	-	25,230
---	---	---	---	---	---	---	---	--------

-	-	-	-	-	-	-	-	359,800
---	---	---	---	---	---	---	---	---------

-	-	-	-	-	-	-	-	1,440,617
---	---	---	---	---	---	---	---	-----------

-	-	-	-	-	-	-	-	338,814
---	---	---	---	---	---	---	---	---------

-	-	-	-	-	-	-	-	259,777
---	---	---	---	---	---	---	---	---------

-	297,494	-	-	-	-	-	-	297,494
---	---------	---	---	---	---	---	---	---------

-	-	-	-	-	738,242	-	-	738,242
---	---	---	---	---	---------	---	---	---------

-	-	-	-	-	-	-	-	261,487
---	---	---	---	---	---	---	---	---------

-	-	-	-	-	-	-	-	46,231
---	---	---	---	---	---	---	---	--------

-	-	-	-	-	-	-	-	268,092
---	---	---	---	---	---	---	---	---------

527,057	-	-	-	-	-	-	-	527,057
---------	---	---	---	---	---	---	---	---------

1,241,949	-	-	-	-	-	-	-	1,241,949
-----------	---	---	---	---	---	---	---	-----------

-	-	237,838	-	-	-	-	-	237,838
---	---	---------	---	---	---	---	---	---------

-	-	-	-	59,907	-	-	-	59,907
---	---	---	---	--------	---	---	---	--------

-	-	-	5,862	-	-	-	-	5,862
---	---	---	-------	---	---	---	---	-------

-	-	-	-	-	-	2,579,490	-	2,579,490
---	---	---	---	---	---	-----------	---	-----------

-	-	-	-	-	-	-	-	300,000
---	---	---	---	---	---	---	---	---------

-	-	-	-	-	-	-	-	11,379
---	---	---	---	---	---	---	---	--------

-	-	-	-	-	-	-	3,093	9,386,793
---	---	---	---	---	---	---	-------	-----------

<u>1,769,006</u>	<u>297,494</u>	<u>237,838</u>	<u>5,862</u>	<u>59,907</u>	<u>738,242</u>	<u>2,579,490</u>	<u>3,093</u>	<u>18,386,059</u>
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<u>\$ 1,805,869</u>	<u>\$ 318,351</u>	<u>\$ 244,884</u>	<u>\$ 5,873</u>	<u>\$ 59,907</u>	<u>\$ 1,014,376</u>	<u>\$ 2,886,885</u>	<u>\$ 753,091</u>	<u>\$ 30,109,234</u>
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TOTAL FUND BALANCE - GOVERNMENTAL FUNDS \$ 18,386,059

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

Non Depreciated Capital Assets 14,737,504

Capital Assets 26,417,684

Accumulated Depreciation (13,769,158)

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

Accrued Payroll Liability (65,990)

Accrued Compensation (284,502)

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

Leases Payable (1,135,494)

Landfill Post-Closure (1,705,077)

Internal Service Funds are blended into governmental activities:

Net Position of Internal Service Fund 151,037

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 42,732,063

LAKE COUNTY, COLORADO

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

For the Year Ended December 31, 2020

	GENERAL FUND	ROAD AND BRIDGE FUND	PUBLIC HEALTH AGENCY FUND	HUMAN SERVICES FUND	GRANTS FUND	AIRPORT FUND	BLOOD LEAD MONITORING FUND
REVENUES							
Taxes	\$ 9,792,538	\$ 442,468	\$ -	\$ 192,012	\$ -	\$ -	\$ -
Licenses and Permits	312,582	-	-	-	-	-	-
Intergovernmental	268,141	1,131,110	-	-	5,736,285	20,000	-
Charges for Services	1,275,908	70,794	353,213	-	-	167,837	-
Interest	398,758	-	-	-	-	-	-
Other Revenues	166,355	-	490	9,506	126,903	52,950	92,127
TOTAL REVENUES	12,214,282	1,644,372	353,703	201,518	5,863,188	240,787	92,127
EXPENDITURES							
Current							
General Government	4,927,722	-	-	-	3,891,135	353,937	-
Health and Welfare	-	-	564,713	176,033	984,180	-	54,362
Public Safety	2,996,970	-	-	-	707,372	-	-
Culture and Recreation	1,026,122	-	-	-	602,222	-	-
Public Works	175,486	1,910,397	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	20,817	-
Debt Service	-	-	-	-	-	-	-
TOTAL EXPENDITURES	9,126,300	1,910,397	564,713	176,033	6,184,909	374,754	54,362
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,087,982	(266,025)	(211,010)	25,485	(321,721)	(133,967)	37,765
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	300,000	-	321,721	-	-
Transfers (Out)	(691,721)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(691,721)	-	300,000	-	321,721	-	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2,396,261	(266,025)	88,990	25,485	-	(133,967)	37,765
Fund Balances, Beginning	7,926,710	1,706,642	249,824	234,292	-	420,684	8,466
Fund Balances, Ending	\$ 10,322,971	\$ 1,440,617	\$ 338,814	\$ 259,777	\$ -	\$ 286,717	\$ 46,231

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

LANDFILL FUND	CONSERVATION TRUST FUND	LODGING TAX FUND	SHERIFF COMMISSARY FUND	MINERAL BELT TRAIL FUND	CAPITAL ACQUISITION FUND	MINE CLOSURE FUND	AMBULANCE SERVICE FUND	TOTAL 2020
\$ -	\$ -	\$ 215,894	\$ -	\$ -	\$ 450,263	\$ 333,099	\$ 750,247	\$ 12,176,521
-	-	-	-	-	-	-	-	312,582
-	50,716	-	-	-	-	-	-	7,206,252
631,801	-	-	-	-	-	-	-	2,499,553
-	865	-	-	-	-	-	-	399,623
-	-	-	66	29,252	-	-	-	477,649
<u>631,801</u>	<u>51,581</u>	<u>215,894</u>	<u>66</u>	<u>29,252</u>	<u>450,263</u>	<u>333,099</u>	<u>750,247</u>	<u>23,072,180</u>
-	-	-	-	-	-	-	-	9,172,794
472,581	-	-	-	-	-	-	-	2,251,869
-	-	-	-	-	-	-	746,649	4,450,991
-	52,170	-	-	6,631	-	-	-	1,687,145
-	-	-	-	-	-	-	-	2,085,883
-	-	192,255	-	-	-	-	-	192,255
-	-	-	-	-	205,181	-	-	225,998
-	-	-	-	-	203,962	-	-	203,962
<u>472,581</u>	<u>52,170</u>	<u>192,255</u>	<u>-</u>	<u>6,631</u>	<u>409,143</u>	<u>-</u>	<u>746,649</u>	<u>20,270,897</u>
<u>159,220</u>	<u>(589)</u>	<u>23,639</u>	<u>66</u>	<u>22,621</u>	<u>41,120</u>	<u>333,099</u>	<u>3,598</u>	<u>2,801,283</u>
70,000	-	-	-	-	-	-	-	691,721
-	-	-	-	-	-	-	-	(691,721)
<u>70,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
229,220	(589)	23,639	66	22,621	41,120	333,099	3,598	2,801,283
<u>1,539,786</u>	<u>298,083</u>	<u>214,199</u>	<u>5,796</u>	<u>37,286</u>	<u>697,122</u>	<u>2,246,391</u>	<u>(505)</u>	<u>15,584,776</u>
<u>\$ 1,769,006</u>	<u>\$ 297,494</u>	<u>\$ 237,838</u>	<u>\$ 5,862</u>	<u>\$ 59,907</u>	<u>\$ 738,242</u>	<u>\$ 2,579,490</u>	<u>\$ 3,093</u>	<u>\$ 18,386,059</u>

LAKE COUNTY, COLORADO

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

For the Year Ended December 31, 2020

	TOTAL
NET CHANGE IN FUND BALANCES - ALL GOVERNMENTAL FUNDS	\$ 2,801,283
Debt issuance proceeds are reported as revenue in the funds:	
Lease Proceeds	(364,739)
Principal payments on debt are reported as expenditures in the funds:	
Lease Payments	155,254
Liabilities not due and payable in the current period:	
Decrease in Landfill Post Closure	(109,907)
Other accrued liabilities	(26,530)
Inclusion of Component Entity; Fair Board Equity	
Change in Accrued Compensated Absences	(53,102)
Interest is reported on the cash basis in the funds:	
Change in Accrued Interest	32,000
Purchases of capital assets are expensed in governmental funds and depreciated on the statement of activities:	
Capitalized Assets	4,170,753
Depreciation Expense	(933,708)
Internal Service Funds are blended into governmental activities:	
Change in net assets of internal service funds	(96,207)
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	\$ 5,575,097

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

LAKE COUNTY, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2020

	<u>Internal Service Fund</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 130,286
Property Tax Receivables	356,399
Prepaid Expenses	9,817
Due from Other Governments	<u>147,537</u>
Total Current Assets	<u>644,039</u>
 LIABILITIES	
Current Liabilities	
Accounts Payable	16,240
Due to Other Funds	<u>120,363</u>
Total Current Liabilities	<u>136,603</u>
 DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Taxes	<u>356,399</u>
 NET POSITION	
Unrestricted	<u>151,037</u>
 TOTAL NET POSITION	<u><u>\$ 151,037</u></u>
 Reconciliation of Proprietary Net Position to Business-Type Activity Net Position:	
NET POSITION - Proprietary Funds	\$ 151,037
 Internal Service Funds are blended into governmental activities:	
Net position of internal service funds allocated to governmental activities	<u>(151,037)</u>
 NET POSITION - Business-type Activities	<u><u>\$ -</u></u>

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

LAKE COUNTY, COLORADO

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

For the Year Ended December 31, 2020

	Internal Service Fund
Revenues	
Taxes	
Property Taxes	\$ 345,154
Delinquent Taxes	15,042
Interest & Penalties	1,424
Total Taxes	361,620
Operating Revenues	
Contributions	1,303,596
Other Revenues	99,145
Total Operating Revenues	1,452,047
Total Revenues	1,813,667
Operating Expenses	
Insurance Premiums	1,823,700
Other - Leadville Sanitation District	86,174
Total Operating Expenses	1,909,874
Change in Net Position	(96,207)
Net Position, Beginning	247,244
Net Position, Ending	\$ 151,037
Reconciliation of Proprietary Fund Change in Net Position to Business-type Activity	
Change in Net Position - Proprietary Funds	\$ (96,207)
Internal Service Funds are blended into governmental activities:	
Change in net position of internal service funds allocated to governmental activities	96,207
Change in Net Position - Business-type Activities	\$ -

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

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

For the Year Ended December 31, 2020

Cash Flows From Operating Activities:	
Cash Received from Customers	\$ 1,331,684
Cash Received from Taxes	361,620
Cash Paid for Premiums	<u>(1,893,672)</u>
Net Cash Provided by Operating Activities	<u>(200,368)</u>
Net Increase (Decrease) in Cash	(200,368)
Cash - Beginning	<u>238,297</u>
Cash - Ending	<u><u>\$ 37,929</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	<u>\$ (96,207)</u>
Changes in Assets and Liabilities Related to Operations:	
(Increase) Decrease in:	
Property Tax Receivables	5,121
Other Receivables	-
Prepaid Expenses	-
Increase (Decrease) in:	
Unavailable Revenue - Property Taxes	(5,121)
Accounts Payable	<u>16,202</u>
Total Adjustments	<u>(104,161)</u>
Net Cash Provided by Operating Activities	<u><u>\$ (200,368)</u></u>

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

LAKE COUNTY, COLORADO

AGENCY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

December 31, 2020

	Treasurer	Clerk	Public Trustee	Sheriff - Jail Inmate Fund	Total
ASSETS					
Current Assets					
Cash and Investments	\$ 270,899	\$ 60,252	\$ 2,691	\$ 1,946	\$ 335,788
LIABILITIES					
Current Liabilities					
Taxes Paid in Advance	\$ -	\$ -	\$ -	\$ -	\$ -
Funds Held for Others	10,474	-	2,691	1,946	15,111
Funds Held for Other Governments	260,425	60,252	-	-	320,677
Total Liabilities	\$ 270,899	\$ 60,252	\$ 2,691	\$ 1,946	\$ 335,788

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

Notes to the Financial Statements

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. History and Function of Organization

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

B. Reporting Entity

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

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

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

C. Basis of Presentation

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

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation (Continued)

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

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

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

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

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

The County reports the following major governmental funds described below:

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

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation (Continued)

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

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

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

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

D. Measurement Focus and Basis of Accounting

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

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

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

E. Budgetary Data

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

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

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Assets, Liabilities and Fund Balance

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

Investments Fair value of Investments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The County categorizes its fair value measurements within the fair value hierarchy established by general accepted accounting principles (GAAP). The input levels are: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date. Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 3: Unobservable inputs for an asset or liability.

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

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

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

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

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

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Assets, Liabilities and Fund Balance (Continued)

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

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

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

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

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

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Revenues and Expenditures

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

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

NOTE 2: CASH AND INVESTMENTS

A summary of cash and investments is as follows:

Governmental Activities - Unrestricted	\$ 18,266,841
Fiduciary Funds	335,788
Component Unit	<u>103,630</u>
Grand Total - Cash and Investments	<u><u>\$ 18,706,259</u></u>

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

Cash	\$ 3,996,316
Investments	<u>14,606,313</u>
Total Cash and Investments - Primary Government	\$ 18,602,629
Cash Deposits - Component Unit	<u>103,630</u>
Grand Total - Cash and Investments	<u><u>\$ 18,706,259</u></u>

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

NOTE 2: CASH AND INVESTMENTS (Continued)

A. Deposits

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The County's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102 percent of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2020, all of the County's bank deposits as shown above were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

B. Investments

Credit Risk

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

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

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

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

NOTE 2: CASH AND INVESTMENTS (Continued)

As of December 31, 2020, the County's investments consisted of the following:

	<u>Fair Value</u>	<u>% of Portfolio</u>	<u>Rating (S&P)</u>	<u>FV Level</u>
U.S. instrumentalities	\$ 9,024,655	61.79%	AAA	1
Local government investment pools	4,136,658	28.32%	AAAm	1
Certificates of deposit	1,445,000	9.89% *		N/A
Total Investments	<u><u>\$ 14,606,313</u></u>	<u><u>100.00%</u></u>		

* - Rating not readily available

During the year ended December 31, 2020, the County invested funds in the Colorado Surplus Asset Fund (CSAFE) and COLOTRUST. As investment pools, they operate under the Colorado Revised Statutes (24-75-701) and are overseen by the Colorado Securities Commissioner. They invest in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pools operate similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. These funds are rated AAAM by the Standard and Poor's Corporation.

Interest Rate Risk

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

Concentration of Credit Risk

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

Custodial Credit Risk - Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2020, the County's U.S. Treasury and Instrumentality securities were held by third party trustees in the name of the County.

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2020

NOTE 3: CAPITAL ASSETS

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

<u>Governmental Activities</u>	Balance January 1, 2020	Additions	Disposals	Balance December 31, 2020
Capital assets not being depreciated:				
Land	\$ 4,915,896	\$ -	\$ -	\$ 4,915,896
Land improvements	3,288,072	-	-	3,288,072
Construction in progress	2,727,521	3,806,014	-	6,533,535
Total capital assets not being depreciated	<u>10,931,489</u>	<u>3,806,014</u>	<u>-</u>	<u>14,737,503</u>
Capital assets being depreciated:				
Buildings	7,686,157	-	-	7,686,157
Improvements	3,799,390	-	-	3,799,390
Infrastructure	3,657,776	-	-	3,657,776
Equipment	10,909,622	364,739	-	11,274,361
Total capital assets being depreciated	<u>26,052,945</u>	<u>364,739</u>	<u>-</u>	<u>26,417,684</u>
Less: accumulated depreciation:				
Buildings	(3,698,125)	(189,313)	-	(3,887,438)
Improvements	(1,800,977)	(106,310)	-	(1,907,286)
Infrastructure	(613,274)	(118,901)	-	(732,175)
Equipment	(6,723,077)	(519,184)	-	(7,242,261)
Total accumulated depreciation	<u>(12,835,451)</u>	<u>(933,708)</u>	<u>-</u>	<u>(13,769,159)</u>
Governmental activities capital assets, net	<u>\$ 24,148,983</u>	<u>\$ 3,237,045</u>	<u>\$ -</u>	<u>\$ 27,386,028</u>
<u>Component Unit</u>				
Capital assets being depreciated:				
Equipment	\$ 195,966	\$ 184,841	\$ -	\$ 380,807
Less: accumulated depreciation	<u>(173,715)</u>	<u>(11,125)</u>	<u>-</u>	<u>(184,841)</u>
Component unit capital assets, net	<u>\$ 22,251</u>	<u>\$ 173,715</u>	<u>\$ -</u>	<u>\$ 195,966</u>

Depreciation expense was charged to functions as follows:

General government	\$ 317,166
Health and welfare	30,895
Public safety	95,667
Culture and recreation	224,268
Public works	265,712
Total	<u>\$ 933,708</u>

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

NOTE 4: LONG-TERM DEBT

The following table summarizes the changes in the County's long-term liabilities for the year ended December 31, 2020:

Governmental Activities	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020	Due within One Year
Obligations under Capital Leases	\$ 926,009	\$ 364,739	\$ 155,254	\$ 1,135,494	\$ 245,182
Landfill Closure and Post-Closure Costs	1,595,170	109,907	-	1,705,077	-
Compensated Absences	231,401	79,025	25,924	284,502	-
Totals	<u>\$ 2,752,580</u>	<u>\$ 553,671</u>	<u>\$ 181,178</u>	<u>\$ 3,125,073</u>	<u>\$ 245,182</u>

A. Capital Leases

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 43,753	\$ 29,901	\$ 73,654
2022	46,373	27,281	73,654
2023	49,149	24,504	73,653
2024	52,093	21,561	73,654
2025	55,212	18,441	73,653
2026-2030	286,198	39,105	325,303
Total	<u>\$ 532,778</u>	<u>\$ 160,793</u>	<u>\$ 693,571</u>

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 117,294	\$ 6,877	\$ 124,171
2022	120,684	3,487	124,171
Total	<u>\$ 237,978</u>	<u>\$ 10,364</u>	<u>\$ 248,342</u>

In 2020, the County entered into a four-year capital lease purchase agreement with Ford Motor Credit for Sheriff vehicles. The \$364,739 lease has an interest rate of 5.39% with annual payments of \$103,794 through November 30, 2024. Future debt service requirements are:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 84,135	\$ 19,659	\$ 103,794
2022	88,670	15,124	103,794
2023	93,449	10,345	103,794
2024	98,485	5,309	103,794
Total	<u>\$ 364,739</u>	<u>\$ 50,437</u>	<u>\$ 415,176</u>

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

NOTE 4: LONG-TERM DEBT (Continued)

B. Operating Leases

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

C. Landfill Post-Closure Costs

The County is required by state and federal statutes to cover its landfill and perform certain maintenance and monitoring functions for no less than 30 years from the date the landfill is certified as covered. In addition to operating expenses related to current activities of the landfill, the County recognizes a liability for future closure and post-closure costs based on the proportion of the landfill that has been used. As of December 31, 2020, the estimated usage of the landfill was 60.1 percent.

The estimated liability for landfill closure and post-closure costs has a balance of \$1,705,077 as of December 31, 2020. It is estimated that an additional \$144,735 will be recognized between 2021 and 2022, when the landfill is expected to be filled to capacity. The estimated total closure costs of \$1,504,059 and post-closure costs of \$201,018 are based on the amounts that would be paid if all equipment, facilities, and services to close, monitor, and maintain the landfill were acquired as of December 31, 2020. However, the actual closure and post-closure costs may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. The portion of costs to be funded in future years may require new charges to landfill users, taxpayers, or both.

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

The County makes annual contributions to finance closure and post-closure care costs. At December 31, 2020, cash and investments of \$1,241,949 are held by the Landfill Fund for these purposes.

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

NOTE 5: INTERFUND BALANCES AND TRANSFERS

Interfund balances at December 31, 2020, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The County expects to repay all interfund balances within one year.

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 1,131	\$ 1,020,858
Road and Bridge Fund	-	5,553
Public Health Fund	-	2,501
Human Services Fund	429	-
Grants Fund	962,024	-
Airport Fund	-	33,647
Capital Acquisition Fund	-	11,522
Conservation Trust Fund	-	3,286
Lodging Tax Fund	2,932	-
Blood Lead Monitoring Fund	-	12,013
Mineral Belt Trail Fund	-	133
Landfill Fund	2,623	-
Ambulance Service Fund	-	-
Sheriff Commissary Fund	11	-
Subtotal - Governmental Funds	<u>\$ 969,150</u>	<u>\$ 1,089,513</u>
Insurance Fund	<u>120,363</u>	<u>-</u>
Total - All Funds	<u>\$ 1,089,513</u>	<u>\$ 1,089,513</u>

Interfund transfers for the year ended December 31, 2020, consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 691,721
Public Health Fund	300,000	-
Grants Fund	321,721	-
Landfill Fund	70,000	-
Total - All Funds	<u>\$ 691,721</u>	<u>\$ 691,721</u>

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

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

NOTE 6: FUND BALANCE

TABOR Amendment: The three (3) percent reserve of \$359,800, as required by the Colorado Tax Payers Bill of Rights (TABOR), has been reserved in the County's General Fund.

NOTE 7: RISK MANAGEMENT

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

A. Colorado Counties Casualty and Property Pool (CCCPP)

CCCPP was formed on July 1, 1986 by an intergovernmental agreement among member counties of Colorado Counties, Inc. The purpose of the pool is to provide a risk management fund for defined property and casualty coverage of the member counties. The County pays an annual contribution to CAPP for its property and casualty insurance coverage. The intergovernmental agreement of formation of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the Pool will purchase insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

B. County Workers' Compensation Pool (CWCP)

CWCP was formed on January 1, 1985 by an intergovernmental agreement among member counties of Colorado Counties, Inc. The purpose of the joint venture is to provide a joint workers' compensation pool for employees of the member counties. The County pays an annual contribution to CWCP for its workers' compensation insurance coverage. The intergovernmental agreement of formation of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and that the Pool will purchase insurance through commercial companies for members' claims in excess of specified self-insured retention, which is determined each policy year.

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

NOTE 8: EMPLOYEE BENEFITS

A. Deferred Compensation

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

B. Retirement Plan

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

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

Lake County's total payroll for the fiscal year ended December 31, 2020 was \$6,332,377. The total payroll of employees covered by the Plan was \$5,177,490. During 2020, the County's and employee's contribution to CRA was \$336,537 each. As of December 31, 2020, the Plan's assets did not include any Lake County securities or loans.

C. Vacation and Sick Leave

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

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

NOTE 9: CONTINGENCIES

A. Federal Grant Awards

The County receives financial assistance from federal and state government agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. In the County's opinion, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the County at December 31, 2020.

B. Tax Spending and Debt Limitations (TABOR Amendment)

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

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

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

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

In 1996 a majority of the County's electors authorized the County to collect, retain and spend all revenues and other funds collected from any source, notwithstanding the limitations of Article X, Section 20 of the Colorado Constitution.

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

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

NOTE 9: CONTINGENCIES (Continued)

C. Other Contingencies

Mount Massive Golf Course The County is a co-signer with Mount Massive Golf Course, a Colorado not-for-profit corporation which operates the golf course, on a \$407,000 loan. In the event that the golf course operator were to default on the loan, the County would become liable for any outstanding balance. At December 31, 2020, Mount Massive was current on its loan.

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

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

NOTE 10: CONTRABAND FORFEITURES

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

Budgetary Comparison Schedules

Required Supplementary Information

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE GENERAL FUND

For the Year Ended December 31, 2020

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Taxes:				
Property Taxes	\$ 7,119,111	\$ 7,119,111	\$ 6,799,432	\$ (319,679)
Delinquent Taxes	3,000	3,000	292,623	289,623
Interest & Penalties	10,000	10,000	24,374	14,374
Sales Taxes	2,553,500	2,553,500	2,667,290	113,790
Payments in Lieu of Tax	8,000	8,000	8,819	819
Total Taxes	<u>9,693,611</u>	<u>9,693,611</u>	<u>9,792,538</u>	<u>98,927</u>
Licenses and Permits:				
Drivers License Fees	30,000	30,000	31,556	1,556
Marriage License Fees	2,400	2,400	3,203	803
Permits	365,250	365,250	277,823	(87,427)
Total Licenses and Permits	<u>397,650</u>	<u>397,650</u>	<u>312,582</u>	<u>(85,068)</u>
Intergovernmental:				
Cigarette Taxes	3,000	3,000	4,707	1,707
Mineral Leases	140,000	140,000	263,434	123,434
Total Intergovernmental	<u>143,000</u>	<u>143,000</u>	<u>268,141</u>	<u>125,141</u>
Charges for Services:				
Election Fees	10,000	10,000	24,955	14,955
Clerk Fees	187,500	187,500	417,092	229,592
Treasurer's Fees	426,300	426,300	552,285	125,985
Land Use Fees	34,225	34,225	30,495	(3,730)
Public Trustee Fees	6,000	6,000	10,145	4,145
Assessors Fees	11,000	11,000	9,847	(1,153)
Sheriff's Fees	123,600	123,600	138,467	14,867
Library	11,400	11,400	15,010	3,610
Recreation	59,000	59,000	36,654	(22,346)
Traffic Code Fines	6,000	6,000	9,477	3,477
Ice Rink	22,000	22,000	31,476	9,476
Miscellaneous	-	-	5	5
Total Charges for Services	<u>897,025</u>	<u>897,025</u>	<u>1,275,908</u>	<u>378,883</u>
Interest Revenue:	<u>200,000</u>	<u>200,000</u>	<u>398,758</u>	<u>198,758</u>
Miscellaneous:				
Veterans Service Revenue	12,000	12,000	14,700	2,700
Expense Reimbursement	33,000	33,000	29,312	(3,688)
Senior Citizens	16,920	16,920	8,719	(8,201)
Other Revenues	30,000	45,040	113,624	68,584
Total Miscellaneous	<u>91,920</u>	<u>106,960</u>	<u>166,355</u>	<u>59,395</u>
TOTAL REVENUES	<u>11,423,206</u>	<u>11,438,246</u>	<u>12,214,282</u>	<u>776,036</u>

(Continued)

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE GENERAL FUND

For the Year Ended December 31, 2020

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
EXPENDITURES				
General Government:				
Board of Commissioners	1,819,548	1,819,548	1,299,076	520,472
Legal	140,000	140,000	178,807	(38,807)
Finance	258,724	258,724	287,131	(28,407)
Human Resources	133,838	133,838	118,944	14,894
Information Technology	361,479	361,479	228,185	133,294
Clerk and Recorder	628,636	628,636	505,658	122,978
Treasurer	478,234	478,234	508,806	(30,572)
Assessor	457,935	457,935	383,273	74,662
Building and Land Use	526,023	526,023	430,927	95,096
Office of the District Attorney	176,426	176,426	176,426	-
Coroner	87,067	87,067	48,766	38,301
Maintenance	700,394	700,394	732,742	(32,348)
GIS Mapping	-	-	28,981	(28,981)
Total General Government	<u>5,768,304</u>	<u>5,768,304</u>	<u>4,927,722</u>	<u>840,582</u>
Public Safety				
Sheriff's Department	2,619,407	2,619,407	2,234,937	384,470
Fire Control	820,000	820,000	735,599	84,401
Search and Rescue	14,300	29,340	26,434	2,906
Total Public Safety	<u>3,453,707</u>	<u>3,468,747</u>	<u>2,996,970</u>	<u>471,777</u>
Culture and Recreation				
Recreation	614,693	614,693	472,545	142,148
Library Board	552,517	552,517	440,621	111,896
Senior Citizens	151,074	151,074	106,148	44,926
Veterans	8,422	8,422	6,808	1,614
Total Culture and Recreation	<u>1,326,706</u>	<u>1,326,706</u>	<u>1,026,122</u>	<u>300,584</u>
Economic Development				
Economic Development	182,000	182,000	175,486	6,514
TOTAL EXPENDITURES	<u>10,730,717</u>	<u>10,745,757</u>	<u>9,126,300</u>	<u>1,619,457</u>
Excess of Revenues Over Expenditures	692,489	692,489	3,087,982	2,395,493
Other Financing Sources (Uses)				
Transfers (Out)	(743,133)	(743,133)	(691,721)	51,412
Excess of Revenues and Other Sources Over Expenditures and Other Sources	(50,644)	(50,644)	2,396,261	2,446,905
Fund Balances, Beginning	8,184,004	8,184,004	7,926,710	(257,294)
Fund Balances, Ending	<u>\$ 8,133,360</u>	<u>\$ 8,133,360</u>	<u>\$ 10,322,971</u>	<u>\$ 2,189,611</u>

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE ROAD AND BRIDGE FUND

For the Year Ended December 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Taxes				
Specific Ownership Taxes	\$ 475,000	\$ 475,000	\$ 442,468	\$ (32,532)
Intergovernmental:				
Highway Users Tax	750,000	750,000	684,905	(65,095)
PILT	450,000	450,000	446,205	(3,795)
Total Intergovernmental	1,200,000	1,200,000	1,131,110	(68,890)
Charges for Services:				
Sale of Assets	10,000	10,000	791	(9,209)
Expense Reimbursement	-	-	15,111	15,111
Other Revenues	11,500	11,500	54,892	43,392
Total Charges for Services	21,500	21,500	70,794	49,294
TOTAL REVENUES	1,696,500	1,696,500	1,644,372	(52,128)
EXPENDITURES				
Public Works:	2,196,448	2,196,448	1,910,397	286,051
Excess of Revenues Over Expenditures	(499,948)	(499,948)	(266,025)	233,923
Fund Balances, Beginning	1,682,235	1,682,235	1,706,642	24,407
Fund Balances, Ending	\$ 1,182,287	\$ 1,182,287	\$ 1,440,617	\$ 258,330

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE PUBLIC HEALTH AGENCY FUND

For the Year Ended December 31, 2020

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES:			
Intergovernmental			
Grants	\$ -	\$ -	\$ -
Charges for Services	196,995	353,213	156,218
Other Revenues	<u>-</u>	<u>490</u>	<u>490</u>
TOTAL REVENUES	<u>196,995</u>	<u>353,703</u>	<u>156,708</u>
HEALTH AND WELFARE EXPENDITURES	<u>573,874</u>	<u>564,713</u>	<u>9,161</u>
Excess of Revenues Over (Under) Expenditures	(376,879)	(211,010)	165,869
Other Financing Sources			
Transfers In	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Sources	(76,879)	88,990	165,869
Fund Balances, Beginning	<u>245,562</u>	<u>249,824</u>	<u>4,262</u>
Fund Balances, Ending	<u>\$ 168,683</u>	<u>\$ 338,814</u>	<u>\$ 170,131</u>

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE HUMAN SERVICES FUND

For the Year Ended December 31, 2020

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES:			
Taxes			
Property Tax	\$ 191,366	\$ 182,703	\$ (8,663)
Delinquent Property Tax	-	8,230	8,230
Interest On Taxes	-	1,079	1,079
Total Taxes	<u>191,366</u>	<u>192,012</u>	<u>646</u>
Other Revenues	<u>-</u>	<u>9,506</u>	<u>9,506</u>
TOTAL REVENUES	<u>191,366</u>	<u>201,518</u>	<u>10,152</u>
HEALTH AND WELFARE EXPENDITURES	<u>372,123</u>	<u>176,033</u>	<u>196,090</u>
Excess of Revenues Over (Under) Expenditures	(180,757)	25,485	206,242
Fund Balances, Beginning	<u>500,974</u>	<u>234,292</u>	<u>(266,682)</u>
Fund Balances, Ending	<u><u>\$ 320,217</u></u>	<u><u>\$ 259,777</u></u>	<u><u>\$ (60,440)</u></u>

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE GRANTS FUND

For the Year Ended December 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental	\$ 2,669,667	\$ 5,669,667	\$ 5,736,285	\$ 66,618
Other	-	-	126,903	126,903
TOTAL REVENUES	<u>2,669,667</u>	<u>5,669,667</u>	<u>5,863,188</u>	<u>193,521</u>
EXPENDITURES				
General Government	1,759,394	4,759,394	3,891,135	868,259
Public Safety	380,702	380,702	707,372	(326,670)
Public Health and Welfare	658,078	658,078	984,180	(326,102)
Culture and Recreation	201,826	201,826	602,222	(400,396)
TOTAL EXPENDITURES	<u>3,000,000</u>	<u>6,000,000</u>	<u>6,184,909</u>	<u>(184,909)</u>
Excess of Revenues Over (Under) Expenditures	(330,333)	(330,333)	(321,721)	8,612
Other Financing Sources				
Transfers In	<u>330,333</u>	<u>330,333</u>	<u>321,721</u>	<u>(8,612)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Sources	-	-	-	-
Fund Balances, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE AIRPORT FUND

For the Year Ended December 31, 2020

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Fuel Sales	\$ 335,000	\$ 163,949	\$ (171,051)
Fuel Taxes	12,000	3,888	(8,112)
Leases and Rentals	55,000	31,182	(23,818)
Grants	-	20,000	20,000
Other	96,000	21,768	(74,232)
Total Revenues	498,000	240,787	(257,213)
EXPENDITURES			
Operations	476,602	353,937	122,665
Capital Outlay	30,000	20,817	9,183
Total Expenditures	506,602	374,754	131,848
Excess Of Revenues Over (Under) Expenditures	(8,602)	(133,967)	(125,365)
Fund Balances, Beginning	354,496	420,684	66,188
Fund Balances, Ending	\$ 345,894	\$ 286,717	\$ (59,177)

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE BLOOD LEAD MONITORING FUND

For the Year Ended December 31, 2020

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Contributions	<u>\$ 96,250</u>	<u>\$ 92,127</u>	<u>\$ (4,123)</u>
EXPENDITURES			
Public Health and Welfare	<u>78,984</u>	<u>54,362</u>	<u>24,622</u>
Excess of Revenues Over (Under) Expenditures	17,266	37,765	20,499
Fund Balances, Beginning	<u>14,929</u>	<u>8,466</u>	<u>(6,463)</u>
Fund Balances, Ending	<u><u>\$ 32,195</u></u>	<u><u>\$ 46,231</u></u>	<u><u>\$ 14,036</u></u>

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE LANDFILL FUND

For the Year Ended December 31, 2020

	ORIGINAL BUDGET	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Charges for Services	\$ 618,850	\$ 618,850	\$ 631,801	\$ 12,951
Other Revenue	-	-	-	-
TOTAL REVENUES	618,850	618,850	631,801	12,951
EXPENDITURES				
Public Health and Welfare	663,776	663,776	472,581	191,195
Excess of Revenues Over (Under) Expenditures	(44,926)	(44,926)	159,220	204,146
Other Financing Sources (Uses)				
Transfers In	70,000	70,000	70,000	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Sources	25,074	25,074	229,220	204,146
Fund Balances, Beginning	1,611,141	1,611,141	1,539,786	(71,355)
Fund Balances, Ending	\$ 1,636,215	\$ 1,636,215	\$ 1,769,006	\$ 132,791

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE CONSERVATION TRUST FUND

For the Year Ended December 31, 2020

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Intergovernmental:			
Lottery Funds from State	\$ 47,000	\$ 50,716	\$ 3,716
EXPENDITURES			
Culture and Recreation	98,700	52,170	46,530
Excess of Revenues Over (Under) Expenditures	(51,500)	(589)	50,911
Fund Balances, Beginning	300,000	298,083	(1,917)
Fund Balances, Ending	<u>\$ 248,500</u>	<u>\$ 297,494</u>	<u>\$ 48,994</u>

See the accompanying Independent Auditor's Report.

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

For the Year Ended December 31, 2020

	<u>ORIGINAL BUDGET</u>	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES:				
Taxes				
Lodging	\$ 195,000	\$ 199,500	\$ 215,894	\$ 16,394
TOTAL REVENUES	<u>195,000</u>	<u>199,500</u>	<u>215,894</u>	<u>16,394</u>
EXPENDITURES				
Lodging Tax Marketing	<u>187,730</u>	<u>192,230</u>	<u>192,255</u>	<u>(25)</u>
Excess of Revenues Over (Under) Expenditures	7,270	7,270	23,639	16,369
Fund Balances, Beginning	<u>172,877</u>	<u>172,877</u>	<u>214,199</u>	<u>41,322</u>
Fund Balances, Ending	<u>\$ 180,147</u>	<u>\$ 180,147</u>	<u>\$ 237,838</u>	<u>\$ 57,691</u>

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE SHERIFF COMMISSARY FUND

For the Year Ended December 31, 2020

	<u>ORIGINAL & FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Inmate Revenues	<u>\$ 3,000</u>	<u>\$ 66</u>	<u>\$ (2,934)</u>
EXPENDITURES			
Jail Supplies and Expenses	<u>4,500</u>	<u>0</u>	<u>4,500</u>
Excess Of Revenues Over Expenditures	(1,500)	66	1,566
Fund Balance, Beginning	<u>6,104</u>	<u>5,796</u>	<u>(308)</u>
Fund Balance, Ending	<u><u>\$ 4,604</u></u>	<u><u>\$ 5,862</u></u>	<u><u>\$ 1,258</u></u>

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE MINERAL BELT TRAIL FUND

For the Year Ended December 31, 2020

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Contributions	<u>\$ 10,000</u>	<u>\$ 29,252</u>	<u>\$ 19,252</u>
EXPENDITURES			
Culture and Recreation	<u>19,000</u>	<u>6,631</u>	<u>12,369</u>
Excess of Revenues Over (Under) Expenditures	(9,000)	22,621	31,621
Fund Balances, Beginning	<u>41,663</u>	<u>37,286</u>	<u>(4,377)</u>
Fund Balances, Ending	<u><u>\$ 32,663</u></u>	<u><u>\$ 59,907</u></u>	<u><u>\$ 27,244</u></u>

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE CAPITAL ACQUISITION FUND

For the Year Ended December 31, 2020

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
TAXES:			
Property Taxes	\$ 450,699	\$ 430,206	\$ (20,493)
Delinquent Taxes	-	18,628	18,628
Interest & Penalties	<u>500</u>	<u>1,429</u>	<u>929</u>
TOTAL REVENUES	<u>451,199</u>	<u>450,263</u>	<u>(936)</u>
EXPENDITURES			
Debt Service	197,825	203,962	(6,137)
Capital Projects	<u>694,893</u>	<u>205,181</u>	<u>489,712</u>
TOTAL EXPENDITURES	<u>892,718</u>	<u>409,143</u>	<u>483,575</u>
Excess of Revenues Over (Under) Expenditures	(441,519)	41,120	482,639
Fund Balances, Beginning	<u>545,612</u>	<u>697,122</u>	<u>151,510</u>
Fund Balances, Ending	<u>\$ 104,093</u>	<u>\$ 738,242</u>	<u>\$ 634,149</u>

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
FOR THE MINE CLOSURE FUND

For the Year Ended December 31, 2020

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
TAXES:			
Property Taxes	\$ 332,601	\$ 317,540	\$ (15,061)
Delinquent Taxes	-	13,486	13,486
Specific Ownership Taxes	-	1,256	1,256
Interest & Penalties	-	817	817
	<u>332,601</u>	<u>333,099</u>	<u>498</u>
Total Revenues	<u>332,601</u>	<u>333,099</u>	<u>498</u>
Excess of Revenues and Other Sources Over Expenditures	332,601	333,099	498
Fund Balances, Beginning	\$ 2,246,533	2,246,391	\$ (142)
Fund Balances, Ending	<u>\$ 2,579,134</u>	<u>\$ 2,579,490</u>	<u>\$ 356</u>

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
COMPONENT UNIT - EMERGENCY TELEPHONE SERVICE AUTHORITY

For the Year Ended December 31, 2020

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Telecommunication Charges	\$ 75,000	\$ 57,598	\$ (17,402)
Interest	15	16	1
	<u>75,015</u>	<u>57,614</u>	<u>(17,401)</u>
TOTAL OPERATING REVENUES			
EXPENSES			
Telecommunication Network Fees	7,800	3,809	3,991
Dispatch Position	-	-	-
Telecommunication Collection Fees	-	1,024	(1,024)
Maintenance	62,097	-	62,097
Miscellaneous	39,369	9,199	30,170
	<u>109,266</u>	<u>14,032</u>	<u>95,234</u>
TOTAL OPERATING EXPENSES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES - Non-GAAP Basis	<u>\$ (34,251)</u>	43,582	<u>\$ 77,833</u>
Adjustment to GAAP Basis:			
Depreciation		<u>(11,125)</u>	
EXCESS OF REVENUES OVER EXPENDITURES - GAAP Basis		32,457	
Fund Balance, Beginning		<u>91,645</u>	
Fund Balance, Ending		<u>\$ 124,102</u>	

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO

BUDGETARY COMPARISON SCHEDULE
FOR THE AMBULANCE SERVICE FUND

For the Year Ended December 31, 2020

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
TAXES:			
Property Taxes	\$ 749,558	\$ 715,623	\$ (33,935)
Delinquent Taxes	-	30,149	30,149
Interest & Penalties	500	1,644	1,144
Specific Ownership Tax	-	2,831	2,831
Total Revenue	<u>750,058</u>	<u>750,247</u>	<u>189</u>
 EXPENDITURES			
Ambulance Service Payments	<u>750,500</u>	<u>746,649</u>	<u>3,851</u>
 Excess of Revenues Over Expenditures	(442)	3,598	4,040
 Fund Balances, Beginning	<u>(505)</u>	<u>(505)</u>	<u>-</u>
 Fund Balances, Ending	<u>\$ (947)</u>	<u>\$ 3,093</u>	<u>\$ 4,040</u>

See the accompanying Independent Auditor's Report.

Other Supplementary Information

LAKE COUNTY, COLORADO

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

For the Year Ended December 31, 2020

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES:			
Taxes			
Property Taxes	\$ 361,523	\$ 345,154	\$ (16,369)
Delinquent Taxes	-	15,042	15,042
Interest & Penalties	100	1,424	1,324
Total Taxes	<u>361,623</u>	<u>361,620</u>	<u>(3)</u>
Operating Revenues			
Contributions	1,659,480	1,303,596	(355,884)
Other Revenues	112,092	99,145	(12,947)
Total Operating Revenues	<u>1,771,572</u>	<u>1,452,047</u>	<u>(319,525)</u>
TOTAL REVENUES	<u>2,133,195</u>	<u>1,813,667</u>	<u>(319,528)</u>
EXPENDITURES			
Insurance Premiums	2,059,480	1,823,700	235,780
Other - Leadville Sanitation District	112,092	86,174	25,918
TOTAL EXPENDITURES	<u>2,171,572</u>	<u>1,909,874</u>	<u>261,698</u>
Excess of Revenues Over (Under) Expenditures	(38,377)	(96,207)	(57,830)
Fund Balances, Beginning	<u>347,778</u>	<u>247,244</u>	<u>(100,534)</u>
Fund Balances, Ending	<u>\$ 309,401</u>	<u>\$ 151,037</u>	<u>\$ (158,364)</u>

See the accompanying Independent Auditor's Report.

LAKE COUNTY, COLORADO

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Year Ended December 31, 2020

	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
<u>Treasurer</u>				
ASSETS				
Current Assets				
Cash and Investments	\$ 267,098	\$ 14,407,184	\$ 14,403,383	\$ 270,899
LIABILITIES				
Current Liabilities				
Taxes Paid in Advance	\$ 25,642	\$ (19,188)	\$ 6,454	\$ -
Funds Held for Others	17,838	131,008	138,372	10,474
Funds Held for Other Governments	223,618	14,288,910	14,252,103	260,425
Total Liabilities	\$ 267,098	\$ 14,400,730	\$ 14,396,929	\$ 270,899
<u>Clerk</u>				
ASSETS				
Current Assets				
Cash and Investments	\$ 18,325	\$ 1,979,560	\$ 1,937,633	\$ 60,252
LIABILITIES				
Current Liabilities				
Funds Held for Other Governments	\$ 18,325	\$ 1,979,560	\$ 1,937,633	\$ 60,252
<u>Public Trustee</u>				
ASSETS				
Current Assets				
Cash and Investments	\$ 17,300	\$ 64,081	\$ 78,690	\$ 2,691
Current Liabilities				
Funds Held for Others	\$ 17,300	\$ 64,081	\$ 78,690	\$ 2,691
<u>Sheriff - Jail Inmate Fund</u>				
ASSETS				
Current Assets				
Cash and Investments	\$ 2,449	\$ 15,897	\$ 16,400	\$ 1,946
Current Liabilities				
Funds Held for Others	\$ 2,449	\$ 15,897	\$ 16,400	\$ 1,946
<u>Total</u>				
ASSETS				
Current Assets				
Cash and Investments	\$ 305,172	\$ 16,466,722	\$ 16,436,106	\$ 335,788
LIABILITIES				
Current Liabilities				
Taxes Paid in Advance	\$ 25,642	\$ (19,188)	\$ 6,454	\$ -
Funds Held for Others	37,587	210,986	233,462	15,111
Funds Held for Other Governments	241,943	16,268,470	16,189,736	320,677
Total Liabilities	\$ 305,172	\$ 16,460,268	\$ 16,429,652	\$ 335,788

See the accompanying Independent Auditor's Report.

Supplemental Data for Oversight Agencies

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

LOCAL HIGHWAY FINANCE REPORT		City or County: LAKE
		YEAR ENDING : December 2020
This Information From The Records Of County of: LAKE	Prepared By: Phone:	KRISTOL HEWLETT 719-486-3338

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	168,343
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	996,200
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0
2. General fund appropriations		b. Snow and ice removal	604,145
3. Other local imposts (from page 2)	415,832	c. Other	0
4. Miscellaneous local receipts (from page 2)	70,249	d. Total (a. through c.)	604,145
5. Transfers from toll facilities		4. General administration & miscellaneous	134,201
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	7,360
a. Bonds - Original Issues		6. Total (1 through 5)	1,910,249
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	486,081	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	711,540	2. Notes:	
D. Receipts from Federal Government (from page 2)	446,204	a. Interest	
E. Total receipts (A.7 + B + C + D)	1,643,825	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	
			1,910,249

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,706,641	1,643,825	1,910,249	1,440,217	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		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	791
4. Licenses		f. Charges for Services	50,888
5. Specific Ownership &/or Other	415,832	g. Other Misc. Receipts	3,288
6. Total (1. through 5.)	415,832	h. Other	15,282
c. Total (a. + b.)	415,832	i. Total (a. through h.)	70,249
	(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	684,905	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	26,635	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	446,204
f. Total (a. through e.)	26,635	g. Total (a. through f.)	446,204
4. Total (1. + 2. + 3.f)	711,540	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		129,214	129,214
(4). System Enhancement & Operation		39,129	39,129
(5). Total Construction (1) + (2) + (3) + (4)	0	168,343	168,343
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	168,343	168,343
			(Carry forward to page 1)

Notes and Comments:

COMPLIANCE SECTION

Federal Financial Assistance Reports

Lake County
Schedule of Expenditures of Federal Awards By Grant
For the Year Ended December 31, 2020

Federal Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Grantor and Number	Name of Grant	Passed-through to Subrecipients	Federal Expenditures
477 Cluster-Cluster					
Department of Health and Human Services					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (477 Cluster)	93.596	Colorado Dept of Human Services			\$ 32,692
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (477 Cluster)	93.596	Colorado Dept of Human Services			46,831
Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund (477 Cluster)				0	79,523
Total Department of Health and Human Services					79,523
Total 477 Cluster-Cluster					
CCDF Cluster-Cluster					
Department of Health and Human Services					
Child Care and Development Block Grant	93.575	Colorado Dept of Human Services			21,644
Total Department of Health and Human Services					21,644
Total CCDF Cluster-Cluster					
Medicaid Cluster-Cluster					
Department of Health and Human Services					
Medical Assistance Program	93.778	Rio Grande County	EPSDT		4,133
Medical Assistance Program	93.778	Department of Health Care Policy and Financing (HCPF)	Title XIX Medicaid		168,945
Total Medical Assistance Program				0	173,078
Total Department of Health and Human Services					173,078
Total Medicaid Cluster-Cluster					
SNAP Cluster-Cluster					
United States Department of Agriculture					
Supplemental Nutrition Assistance Program	10.551	Colorado Dept of Human Services			2,831
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Colorado Dept of Human Services			124,995
Total United States Department of Agriculture					127,826
Total SNAP Cluster-Cluster					
TANF Cluster-Cluster					
Department of Health and Human Services					
Temporary Assistance for Needy Families	93.558	Colorado Dept of Human Services			326,352
Total Department of Health and Human Services					326,352
Total TANF Cluster-Cluster					
Other Programs					
Department of Homeland Security					
Emergency Management Performance Grants	97.042	Colorado Dept of Public Safety			42,000
Total Department of Homeland Security					42,000
United States Department of Justice					
Crime Victim Assistance	16.575	Colorado Department of Justice			102,004
Total United States Department of Justice					102,004
Department of Transportation					
Airport Improvement Program	20.106				3,806,014
Formula Grants for Rural Areas	20.509	Colorado Dept of Transportation			85,120
Total Formula Grants for Rural Areas				85,120	85,120
Total Department of Transportation					3,891,134
Department of Health and Human Services					
Public Health Emergency Preparedness	93.069	CDPHE			21,868
Guardianship Assistance					
Guardianship Assistance	93.090	Colorado Dept of Human Services			1,510
Childhood Lead Poisoning Prevention Projects_State and Local					
Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	CDPHE			8,141
Family Planning_Services	93.217	CDPHE			8,232
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	Colorado Dept of Human Services			42,794
Immunization Cooperative Agreements	93.268	CDPHE			9,590
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	CDPHE			61,299
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	CDPHE			8,524
Child Support Enforcement	93.563	Colorado Dept of Human Services			110,461
Low-Income Home Energy Assistance	93.568	Colorado Dept of Human Services			181
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Colorado Dept of Human Services			25
Foster Care_Title IV-E	93.658	Colorado Dept of Human Services			155,151
Adoption Assistance	93.659	Colorado Dept of Human Services			23,444
Social Services Block Grant	93.667	Colorado Dept of Human Services			48,955
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Colorado Dept of Human Services	Build a Generation		46,835
Maternal and Child Health Services Block Grant to the States	93.994	CDPHE			14,740
Total Department of Health and Human Services					561,750
Department of the Treasury					
Coronavirus Relief Fund	21.019	CDPHE			49,371
Coronavirus Relief Fund	21.019	Colorado Dept of Human Services			37,123
Total Department of the Treasury					86,494
Total Other Programs					
Total Expenditures of Federal Awards					
				\$ 85,120	\$ 5,411,805

The accompanying notes are an integral part of this schedule

LAKE COUNTY, COLORADO

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2020

Note A - Basis of Presentation

The schedule of expenditures of federal awards includes the federal award activity of Lake County under programs of the federal government for the year ended December 31, 2020, and is presented on the accrual basis. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

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

Note B - Summary of Significant Accounting Policies

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

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

HAMBLIN AND ASSOCIATES, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants

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Golden, CO 80401

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Lake County
Leadville, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Lake County (the County) as of and for the year ended December 31, 2020, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 27, 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Hamblin and Associates

Golden, Colorado
September 27, 2021

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

To the Board of Commissioners
Lake County
Leadville, Colorado

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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

Hamblin and Associates

Golden, Colorado
September 27, 2021

LAKE COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2020

I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weaknesses identified? no
- Significant deficiencies identified? none reported

Noncompliance material to financial statements noted? no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? no
- Significant deficiencies identified? none reported

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

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

Identification of programs tested as major programs:

- CFDA 20.106 Airport Improvement Program
- CFDA 16.575 Crime Victim Assistance Program

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

Auditee qualified as low-risk auditee? yes

LAKE COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2020

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

A. Reportable Conditions in Internal Control

The audit of the financial statements of Lake County as of and for the year ended December 31, 2020 did not disclose any reportable conditions in the internal control of Lake County that would be considered a material weakness.

B. Compliance Findings

The audit of the financial statements of Lake County as of and for the year ended December 31, 2020 did not disclose any instances of noncompliance with certain provisions of laws, regulations, and grants that were material to those financial statements.

III. Findings and Questioned Costs

A. Reportable Conditions in Internal Control

The audit of the federal awards of Lake County as of and for the year ended December 31, 2020, did not disclose any reportable conditions in the internal control of Lake County that would be considered a material weakness.

B. Compliance Findings

The audit of the federal awards of Lake County as of and for the year ended December 31, 2020 did not disclose any instances of noncompliance with certain provisions of laws, regulations, and grants that were material to those financial statements.

SECTION IV – SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

A. Reportable Conditions in Internal Control

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

B. Compliance Findings

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