

Saguache County, Colorado

Financial Statements
with Independent Auditors' Report

December 31, 2020



Saguache County, Colorado

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**HINKLE &
COMPANY**

Strategic ^{PC}
Business Advisors

Independent Auditors' Report

Board of County Commissioners
County of Saguache
Saguache, Colorado

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Saguache County, Colorado as of December 31, 2020, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the managements' discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents 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 information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements and schedules and the local highway finance report listed in the table of contents are presented for purposes of additional analysis 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administration Requirements, Costs Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.



Other Information (Continued)

The combining and individual fund statements and schedules and the local highway finance report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reports Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2021, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Hick & Company, PC

Greenwood Village, Colorado
October 15, 2021



Basic Financial Statements

Saguache County, Colorado
Statement of Net Position
December 31, 2020

	Governmental Activities	Business-Type Activities	Totals
Assets			
Cash and Investments	\$ 9,873,003	\$ 212,330	\$ 10,085,333
Accounts Receivable	2,960	1,153	4,113
Taxes Receivable	1,819,502	-	1,819,502
Due from Other Governments	452,211	-	452,211
Inventory	395,539	-	395,539
Capital Assets, <i>Not Being Depreciated</i>	293,693	52,000	345,693
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>5,661,936</u>	<u>181,022</u>	<u>5,842,958</u>
 Total Assets	 <u>18,498,844</u>	 <u>446,505</u>	 <u>18,945,349</u>
Liabilities			
Accounts Payable	134,993	4,350	139,343
Accrued Liabilities	-	-	-
Accrued Interest Payable	-	-	-
Unearned Revenue	395,342	-	395,342
Noncurrent Liabilities			
Due Within One Year	22,249	12,076	34,325
Due in More Than One Year	<u>744,262</u>	<u>296,034</u>	<u>1,040,296</u>
 Total Liabilities	 <u>1,296,846</u>	 <u>312,460</u>	 <u>1,609,306</u>
Deferred Inflows of Resources			
Property Taxes	<u>1,561,531</u>	<u>-</u>	<u>1,561,531</u>
Net Position			
Net Investment in Capital Assets	4,989,243	(75,088)	4,914,155
Restricted For			
Emergencies	295,000	-	295,000
Unrestricted	<u>10,356,224</u>	<u>209,133</u>	<u>10,565,357</u>
 Total Net Position	 <u>\$ 15,640,467</u>	 <u>\$ 134,045</u>	 <u>\$ 15,774,512</u>

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
Primary Government							
<i>Governmental Activities</i>							
General Government	\$ 4,154,219	\$ 1,460,608	\$ 1,360,482	\$ -	\$ (1,333,129)	\$ -	\$ (1,333,129)
Public Safety	1,600,900	-	-	-	(1,600,900)	-	(1,600,900)
Health and Welfare	3,916,499	210,851	2,698,384	-	(1,007,264)	-	(1,007,264)
Public Works	2,691,731	52,489	2,296,142	1,663,206	1,320,106	-	1,320,106
Culture and Recreation	236,858	-	-	-	(236,858)	-	(236,858)
Interest on Long-Term Debt	131,164	-	-	-	(131,164)	-	(131,164)
Total Government Activities	12,731,371	1,723,948	6,355,008	1,663,206	(2,989,209)	-	(2,989,209)
<i>Business-Type Activities</i>							
Housing Authority	229,364	235,652	-	-	-	6,288	6,288
Total Business-Type Activities	229,364	235,652	-	-	-	6,288	6,288
Total Primary Government	\$ 12,960,735	\$ 1,959,600	\$ 6,355,008	\$ 1,663,206	(2,989,209)	6,288	(2,982,921)
General Revenues							
					1,542,206	-	1,542,206
					266,619	-	266,619
					1,411,403	-	1,411,403
					371,074	-	371,074
					330,626	-	330,626
					40,487	-	40,487
					67,761	231	67,992
					(22,448)	-	(22,448)
					279,698	19,474	299,172
Total General Revenues					4,287,426	19,705	4,307,131
Change in Net Position							
					1,298,217	25,993	1,324,210
Net Position, Beginning of year							
					14,342,250	108,052	14,450,302
Net Position, End of year							
					\$ 15,640,467	\$ 134,045	\$ 15,774,512

See Notes to the Financial Statements.

Saguache County, Colorado
Balance Sheet
Governmental Funds
December 31, 2020

	General	Road and Bridge	Social Services	Nonmajor Governmental Funds	Totals
Assets					
Cash and Investments	\$ 4,150,025	\$ 3,359,231	\$ 422,457	\$ 1,941,290	\$ 9,873,003
Accounts Receivable	-	-	2,960	-	2,960
Grants Receivable	-	-	-	-	-
Taxes Receivable	1,521,223	-	257,971	40,308	1,819,502
Interfund Receivables	-	-	-	-	-
Due from Other Governments	201,521	203,210	47,480	-	452,211
Inventory	-	395,539	-	-	395,539
Total Assets	<u>5,872,769</u>	<u>3,957,980</u>	<u>730,868</u>	<u>1,981,598</u>	<u>12,543,215</u>
Liabilities					
Accounts Payable	88,027	43,984	774	2,208	134,993
Deferred Income	-	-	395,342	-	395,342
Total Liabilities	<u>88,027</u>	<u>43,984</u>	<u>396,116</u>	<u>2,208</u>	<u>530,335</u>
Deferred Inflows of Resources					
Property Taxes	<u>1,521,223</u>	<u>-</u>	<u>-</u>	<u>40,308</u>	<u>1,561,531</u>
Fund Balances					
Nonspendable					
Prepaid Items	-	395,539	-	-	395,539
Restricted for					
Emergencies	295,000	-	-	-	295,000
Committed to					
Highways and Streets	-	-	-	116,703	116,703
Health and Welfare	-	-	-	294,831	294,831
Culture and Recreation	-	-	-	157,328	157,328
Emergency Services	-	-	-	161,725	161,725
Renewable Energy	-	-	-	25,000	25,000
Sales Tax Contingency	-	-	-	1,183,495	1,183,495
Unrestricted, Unassigned	<u>3,968,519</u>	<u>3,518,457</u>	<u>334,752</u>	<u>-</u>	<u>7,821,728</u>
Total Fund Balances	<u>4,263,519</u>	<u>3,913,996</u>	<u>334,752</u>	<u>1,939,082</u>	<u>10,451,349</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,872,769</u>	<u>\$ 3,957,980</u>	<u>\$ 730,868</u>	<u>\$ 1,981,598</u>	<u>\$ 12,543,215</u>

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

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balances of Governmental Funds	\$ 10,451,349
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	5,955,629
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.	
Capital Lease Payable	-
Landfill Closure and Post-Closure Costs	(566,636)
Accrued Compensated Absences	<u>(199,875)</u>
Total Net Position of Governmental Activities	<u>\$ 15,640,467</u>

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

	General	Road and Bridges	Social Services	Nonmajor Governmental Funds	Totals
Revenues					
Taxes	\$ 2,139,854	\$ -	\$ 254,109	\$ 1,503,363	\$ 3,897,326
Licenses and Permits	219,475	38,069	-	-	257,544
Intergovernmental	2,744,041	2,640,390	2,296,142	320,134	8,000,707
Charges for Services	1,238,537	41,618	-	210,851	1,491,006
Investment Income	67,761	-	-	-	67,761
Other	279,488	-	57,190	1,013	337,691
Total Revenues	6,689,156	2,720,077	2,607,441	2,035,361	14,052,035
Expenditures					
Current					
General Government	4,066,394	121	-	-	4,066,515
Public Safety	1,322,487	-	-	224,623	1,547,110
Health and Welfare	579,064	-	2,817,818	494,031	3,890,913
Public Works	160	2,115,529	-	90,000	2,205,689
Culture and Recreation	-	-	-	220,868	220,868
Capital Outlay	135,755	375,115	-	27,742	538,612
Debt Service					
Principal	-	136,038	-	-	136,038
Interest and Fiscal Charges	-	1,207	-	-	1,207
Total Expenditures	6,103,860	2,628,010	2,817,818	1,057,264	12,606,952
Revenues Over (Under) Expenditures	585,296	92,067	(210,377)	978,097	1,445,083
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	585,296	92,067	(210,377)	978,097	1,445,083
Fund Balances, Beginning of year	3,678,223	3,821,929	545,129	960,985	9,006,266
Fund Balances, End of year	\$ 4,263,519	\$ 3,913,996	\$ 334,752	\$ 1,939,082	\$ 10,451,349

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

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances of Governmental Funds	\$ 1,445,083
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.	
Capital Outlay	570,711
Loss on Disposal of Assets	(22,448)
Depreciation Expense	(623,575)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Capital Lease Principal	6,081
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued Compensated Absences	3,313
Landfill Closure and Post-Closure Costs	(80,948)
Change in Net Position of Governmental Activities	<u>\$ 1,298,217</u>

Saguache County, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2019

	Housing Authorities
Assets	
<i>Current Assets</i>	
Cash and Investments	\$ 212,330
Accounts Receivable	<u>1,153</u>
Total Current Assets	<u>213,483</u>
<i>Noncurrent Assets</i>	
Capital Assets, <i>Not Being Depreciated</i>	52,000
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>181,022</u>
Total Noncurrent Assets	<u>233,022</u>
Total Assets	<u>446,505</u>
Liabilities	
<i>Current Liabilities</i>	
Accounts Payable	4,350
Accrued Expenses	-
Note Payable - Current Portion	<u>12,076</u>
Total Current Liabilities	<u>16,426</u>
<i>Noncurrent Liabilities</i>	
Note Payable	<u>296,034</u>
Total Noncurrent Liabilities	<u>296,034</u>
Total Liabilities	<u>312,460</u>
Net Position	
Net Investment in Capital Assets	(75,088)
Unrestricted	<u>209,133</u>
Total Net Position	<u>\$ 134,045</u>

Saguache County, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2020

	Housing Authorities
Operating Revenues	
Rent from Tenants	\$ 146,093
HUD Operating Subsidy	89,559
Other	<u>19,474</u>
Total Operating Revenues	<u>255,126</u>
Operating Expenses	
Administrative	107,442
Utilities	57,303
Operating and Maintenance	35,743
Insurance	6,030
Depreciation	<u>12,606</u>
Total Operating Expenses	<u>219,124</u>
Operating Income (Loss)	<u>36,002</u>
Nonoperating Revenues (Expenses)	
Investment Income	231
Interest Expense	<u>(10,240)</u>
Total Nonoperating Revenues (Expenses)	<u>(10,009)</u>
Change in Net Position	25,993
Net Position, <i>Beginning of year</i>	<u>108,052</u>
Net Position, <i>End of year</i>	<u><u>\$ 134,045</u></u>

Saguache County, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	Housing Authorities
Cash Flows From Operating Activities	
Cash Received from Tenants and Others	\$ 165,567
Cash Received from HUD Operating Subsidy	89,559
Cash Paid to Employees	(64,271)
Cash Paid to Vendors and Suppliers	<u>(141,908)</u>
Net Cash Provided (Used) by Operating Activities	<u>48,947</u>
Cash Flows From Capital and Related Financing Activities	
Debt Principal Payments	(11,850)
Debt Interest and Fiscal Charges	<u>(10,240)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(22,090)</u>
Cash Flows from Investing Activities	
Interest Received	<u>231</u>
Net Increase in Cash and Cash Equivalents	27,088
Cash and Cash Equivalents, <i>Beginning of Year</i>	<u>185,242</u>
Cash and Cash Equivalents, <i>End of Year</i>	<u><u>\$ 212,330</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ 36,002
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Depreciation	12,606
Changes in Asset and Liabilities	
Accounts Payable	<u>339</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 48,947</u></u>

Saguache County, Colorado
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
For the Year Ended December 31, 2020

	Public Trustee	County Treasurer	County Clerk	County Sheriff	Totals
Assets					
Cash and Cash Equivalents	\$ 5,740	\$ 1,096,052	\$ 18,435	\$ 2,926	\$ 1,123,153
Total Assets	<u>\$ 5,740</u>	<u>\$ 1,096,052</u>	<u>\$ 18,435</u>	<u>\$ 2,926</u>	<u>\$ 1,123,153</u>
Liabilities					
Due to Other Governments	\$ -	\$ 1,096,052	\$ -	\$ -	\$ 1,096,052
Deposits held for Others	<u>5,740</u>	<u>-</u>	<u>18,435</u>	<u>2,926</u>	<u>27,101</u>
Total Liabilities	<u>\$ 5,740</u>	<u>\$ 1,096,052</u>	<u>\$ 18,435</u>	<u>\$ 2,926</u>	<u>\$ 1,123,153</u>

Saguache County, Colorado

Notes to the Financial Statements

December 31, 2020

Note 1: Summary of Significant Accounting Policies

The financial statements of the Saguache County (the County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

Reporting Entity

Saguache County is a political subdivision organized under the statutes of the State of Colorado. The County is governed by a three-member Board of County Commissioners (the Board). Each commissioner is elected at-large by the voters of the County to represent one of the three separate districts and must reside in the district for which he or she is elected. There are also six other elected officials - assessor, clerk and recorder, coroner, sheriff, district attorney, and treasurer. The treasurer is also the County Public Trustee.

The County provides a wide range of services to its residents including general administration, public safety, highways and streets, health and social services, public improvements, planning, zoning, airport, predatory animal and weed control.

Component Units

The County's combined financial statements include the accounts of all County operations. The criteria for including organizations as component units within the County's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The County holds the corporate powers of the organization
- The County appoints a voting majority of the organization's board
- The County is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the County
- There is fiscal dependency by the organization on the County
- The organization is financially accountable to the County
- The organization receives or holds funds that are for the benefit of the County; and the County has access to majority of the funds held; and the funds that are accessible are also significant to the County.

The Saguache County Housing Authority (the Authority) is administered and governed by the Saguache county Commissioners. The Authority is blended into the County's financial statements as an Enterprise Fund.

Saguache County, Colorado

Notes to the Financial Statements

December 31, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the County and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the 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 and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered measurable and available only when cash is received by the County.

Saguache County, Colorado

Notes to the Financial Statements

December 31, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

(Continued)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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 fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The *General Fund* - Is the County's primary operating fund. It accounts for all financial resources of the County, except those accounted for in another fund.

The *Road and Bridge Fund* - Is used to account for the maintenance and improvements of streets and highways. The sources of funds include highway user fees and other revenue sources.

The *Social Services Fund* - Is used to account for the operations of social programs, i.e., Temporary Aid to Needy Families (TANF), Old Age Pension, Aid to the Blind, Aid to the Needy and Disabled, among others. Financing is provided by grants, allotments, and property tax revenues.

Additionally, the County reports the following major proprietary fund:

The *Housing Authority Fund* - Is reported as an enterprise fund. The principal operating revenue of the Housing Authority Fund are monthly unit rental fees charged to tenants.

Fiduciary fund financial statements consist of the Agency Fund established to record transactions relating to assets held by the County as an agent for individuals, governmental entities, and non-profit organizations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Assets, Liabilities and Net Position/Fund Balances

Cash Equivalents - For purposes of the statement of cash flows, cash equivalents are defined as investments with original maturities of three months or less. The County considers all pooled cash and investments to be cash equivalents.

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

Saguache County, Colorado

Notes to the Financial Statements

December 31, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Inventory - Inventory is valued at the lower of cost (last-in, first-out) or market. Inventory in the Road and Bridge Fund consists of expendable supplies held for use. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources", even though they are a component of net current assets. Inventory policy on government-wide statements is consistent with fund statements.

Interfund Receivables and Payables - During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified on the balance sheet as *interfund receivables* and *interfund payables*. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as *internal balances*.

Prepaid Expenses - Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid expenses using the consumption method.

Capital Assets - Capital assets, which include land, buildings, equipment, and all infrastructure owned by the County, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Capital assets of the County are depreciated using the straight-line method over the following estimated useful lives.

Buildings and Improvements	7 - 40 years
Infrastructure	25 - 50 years
Vehicles and Equipment	5 - 15 years

Compensated Absences - Employees of the County are allowed to accumulate unused vacation and sick time depending on length of employment. Upon termination of employment from the County, an employee will be compensated for all accrued vacation time at their current rate of pay. Accumulated, unpaid vacation time is accrued when earned in the government-wide financial statements and the proprietary funds in the fund financial statements. A liability is recorded in the governmental fund financial statements only when payment is due.

Saguache County, Colorado

Notes to the Financial Statements

December 31, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Long-Term Debt - In the government-wide financial statements and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refunding's are deferred and amortized over the life of the debt using the straight-line method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses.

Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Deferred Inflows of Resources - In addition to liabilities, the statement of net position and the governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and/or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items which arise both under the full accrual and modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the items, property taxes and unavailable grant revenue, are reported in both the governmental activities statement of net position and in the governmental funds balance sheet. The governmental funds report deferred inflows of resources from property taxes and unavailable grant revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow of resources is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow of resources is recognized as revenue and the receivable is reduced.

Fund Equity - In the fund financial statements, governmental funds report non-spendable amounts that are (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash such as inventories, prepaid items, long-term notes receivable and fund advances. Restrictions of fund balance represents amounts that are restricted for specific fund purposes stipulated by external resource providers constitutionally or through enabling legislation. Committed fund balances include amounts that can only be used for the specific purposes determined by the passage of a resolution by the Board of County Commissioners. Commitments may be modified or changed only by the Board of County Commissioners approving a new resolution. Assigned fund balance includes amounts intended to be used by the County for specific purposes that are neither restricted nor committed. Intent is expressed by the County Administrator. Unassigned fund balance includes amounts that do not meet any of the above criteria. The County may report positive unassigned fund balances only in the general fund and negative unassigned fund balances may be reported in all funds.

Saguache County, Colorado

Notes to the Financial Statements

December 31, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Net Position - The County's net position is classified in the following components:

- *Net Investment in Capital Assets* - This component consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- *Restricted* - This component consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets are assets which have restrictions placed on the use of the assets through external constraints imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
- *Unrestricted* - This component consists of the net amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and collected in the subsequent year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the County on a monthly basis. Since property tax revenues are collected in arrears during the succeeding fiscal year, receivables and corresponding deferred inflows of resources are reported at year end.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

The County has evaluated subsequent events for recognition or disclosure through October 15, 2021, the date of the Independent Auditors' Report, which is the date the financial statements were available for issuance.

Saguache County, Colorado
Notes to the Financial Statements
December 31, 2020

Note 2: Cash and Investments

A summary of cash and investments at December 31, 2020, follows:

Petty Cash	\$ 3,103
Cash Deposits	4,218,689
Investments	<u>6,986,694</u>
Total	<u>\$ 11,208,486</u>

Cash and investments are reported in the financial statements as follows:

Cash and Investments	\$ 10,085,333
Cash held in Agency Fund	<u>1,123,153</u>
Total	<u>\$ 11,208,486</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution 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 uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2020, the County had bank deposits of \$4,211,139 collateralized with securities held by the financial institutions' agents but not in the County's name.

Investments

The County is required to comply with State statutes which specify investments meeting defined rating, maturity, and concentration risk criteria in which the County may invest, which include the following. Custodial risk is not addressed by State statutes.

Saguache County, Colorado
Notes to the Financial Statements
December 31, 2020

Note 2: Cash and Investments (Continued)

Investments (Continued)

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

At December 31, 2020, the County had the following investments:

Investment Type	S&P Rating	Investment Maturities (in Years)		
		Less Than 1	1 - 5 Years	Total
Certificate of Deposit and Money Market Funds	N/A	\$ <u>779,922</u>	\$ <u>-</u>	\$ <u>779,922</u>
Total		\$ <u><u>779,922</u></u>	\$ <u><u>-</u></u>	\$ <u><u>779,922</u></u>

Fair Value Measurements - The County reports its investments using the fair value measurements established by generally accepted accounting principles. As such, a fair value hierarchy categorizes the inputs used to measure the fair value of the investments into three levels. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3 inputs are unobservable inputs. At December 31, 2020, the County's investments in U.S. Treasury and Agency securities were measured utilizing quoted prices in active markets for similar investments (Level 2 inputs).

Interest Rate Risk - State statutes generally limit the maturity of investment securities to five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

Saguache County, Colorado
Notes to the Financial Statements
December 31, 2020

Note 2: Cash and Investments (Continued)

Investments (Continued)

Local Government Investment Pools - At December 31, 2020, the County had \$3,571,351 and \$2,291,417 invested in the Colorado Local Government Liquid Asset Trust (ColoTrust) and the Colorado Surplus Asset Fund Trust (CSAFE), respectively. The pools are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The pools are measured at the net asset value per share, with each share valued at \$1. The pools are rated AAAM by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Note 3: Capital Assets

Capital asset activity for the year ended December 31, 2020, is summarized below:

	Balance 12/31/19	Additions	Deletions	Balance 12/31/20
Governmental Activities				
Capital Assets, <i>Not Being Depreciated</i> :				
Land	\$ 293,693	\$ -	\$ -	\$ 293,693
Total Capital Assets, <i>Not Being Depreciated</i>	293,693	-	-	293,693
Capital Assets, <i>Being Depreciated</i> :				
Buildings and Improvements	8,646,014	44,728	-	8,690,742
Infrastructure	1,681,536	469,778	-	2,151,314
Equipment	636,806	38,441	-	675,247
Vehicles and heavy equipment	9,112,662	17,764	(168,348)	8,962,078
Total Capital Assets, <i>Being Depreciated</i>	20,077,018	570,711	(168,348)	20,479,381
Less Accumulated Depreciation:				
Buildings and Improvements	(6,774,030)	(85,494)	-	(6,859,524)
Infrastructure	(258,678)	(42,483)	-	(301,161)
Equipment	(521,016)	(34,695)	-	(555,711)
Vehicles and heavy equipment	(6,786,046)	(460,903)	145,900	(7,101,049)
Total Accumulated Depreciation	(14,339,770)	(623,575)	145,900	(14,817,445)
Capital Assets, being depreciated, <i>net</i>	5,737,248	(52,864)	(22,448)	5,661,936
Governmental Activities Capital Assets, <i>net</i>	\$ 6,030,941	\$ (52,864)	\$ (22,448)	\$ 5,955,629

Saguache County, Colorado
Notes to the Financial Statements
December 31, 2020

Note 3: Capital Assets (Continued)

	Balance 12/31/19	Additions	Deletions	Balance 12/31/20
Business-Type Activities				
Capital Assets, <i>Not Being Depreciated</i> :				
Land	\$ 52,000	\$ -	\$ -	\$ 52,000
Total Capital Assets, <i>Not Being Depreciated</i>	52,000	-	-	52,000
Capital Assets, <i>Being Depreciated</i> :				
Buildings and Improvements	1,105,535	-	-	1,105,535
Furniture and Equipment	71,636	-	-	71,636
Total Capital Assets, <i>Being Depreciated</i>	1,177,171	-	-	1,177,171
Less Accumulated Depreciation				
Buildings and Improvements	(911,907)	(12,606)	-	(924,513)
Furniture and Equipment	(71,636)	-	-	(71,636)
Total Accumulated Depreciation	(983,543)	(12,606)	-	(996,149)
Capital Assets, <i>Being Depreciated net</i>	193,628	(12,606)	-	181,022
Business-Type Activities Capital Assets, <i>net</i>	\$ 245,628	\$ (12,606)	\$ -	\$ 233,022

Depreciation expense was charged to programs of the County as follows:

Governmental Activities	
General Government	\$ 52,241
Public Safety	52,490
Health and Welfare	25,586
Public Works	477,268
Culture and Recreation	15,990
Total	\$ 623,575

Note 4: Long-Term Debt

Governmental Activities

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2020:

	Balance 12/31/19	Additions	Payments	Balance 12/31/20	Due Within One Year
Governmental Activities					
Capital Leases	\$ 6,081	\$ -	\$ (6,081)	\$ -	\$ -
Landfill Closure and Post-Closure	485,688	80,948	-	566,636	-
Compensated Absences	203,188	-	(3,313)	199,875	22,249
Total Governmental Activities	\$ 694,957	\$ 80,948	\$ (9,394)	\$ 766,511	\$ 22,249

Saguache County, Colorado
Notes to the Financial Statements
December 31, 2020

Note 4: Long-Term Debt (Continued)

Capital Leases

The County entered into a capital lease agreement with Caterpillar Financial Services on August 8, 2014, in the amount of \$170,300, payable in 60 monthly installments of \$3,075, beginning September 2014 at 3.20% interest, with final payment due in August 2019 of the outstanding principal balance. This lease was entered into for the purchase of a Caterpillar 140M2 motor grader. These payments were made from the Road and Bridge Fund. This asset is recorded in capital assets of the government-wide financial statements for a total of \$286,220, less accumulated depreciation of \$114,487 at December 31, 2020.

The County entered into a capital lease agreement with Caterpillar Financial Services on February 4, 2015, in the amount of \$169,050, payable in 60 monthly installments of \$3,053, beginning March 2015, at 3.20% interest, with a final payment due in February 2018 of the outstanding principal balance. This lease was entered into for the purchase of a Caterpillar 12M3AWD motor grader. These payments were made from the Road and Bridge Fund. This asset is recorded in capital assets of the government-wide financial statements for a total of \$169,050, less accumulated depreciation of \$56,350 at December 31, 2020.

All capital leases were paid in full as of December 31, 2020.

Landfill Closure and Post-Closure Care Costs

State and Federal law require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County uses the "Local Government Finance Test" as its financial mechanism to assure full payment of all closure, post closure, and if applicable, corrective action estimated costs. The estimated liability for landfill closure and post closure care costs represents the County's total current estimate of such future costs, and is based on the estimated amount to be paid if all equipment, facilities, and services required to close, monitor and maintain the landfill were acquired as of December 31, 2020. As of December 31, 2020, the County estimated that existing landfill capacity was approximately 70% utilized (filled), and that the existing landfill was expected to be filled to capacity in fiscal year 2025. The \$566,636 reported as landfill closure and post-closure care liability at December 31, 2020 represents the cumulative amount reported to date based on the use of 60% of the estimated capacity of the landfill. The aggregate estimated liability of \$809,480 is comprised of \$123,700 of estimated closure costs and \$685,780 of estimated post closure costs. The County will recognize the remaining estimated cost of closure and post-closure care of \$323,792 as the remaining estimated capacity is filled. However, the actual costs of closure and post closure may be higher, due to inflation, changes in technology, or changes in the landfill laws and regulations.

Saguache County, Colorado
Notes to the Financial Statements
December 31, 2020

Note 4: Long-Term Debt (Continued)

Business-Type Activities

Following are the changes in long-term debt of the business-type activities for the year ended December 31, 2019:

Business-Type Activities	Balance 12/31/19	Additions	Payments	Balance 12/31/20	Due Within One Year
DOLA - Division of Housing	\$ 206,850	\$ -	\$ (11,089)	\$ 195,761	\$ 11,311
U.S. Department of Agriculture Blue Waters Hacienda Project, 2005	113,110	-	(761)	112,349	765
Total Business-Type Activities	\$ 319,960	\$ -	\$ (11,850)	\$ 308,110	\$ 12,076

Colorado Department of Local Affairs - Division of Housing

The Housing Authority has entered into a mortgage note payable with Colorado Department of Local Affairs - Division of Housing (DOH) to refinance the construction of two projects operated by the Housing Authority. The note has an original principal balance in the amount of \$341,000, maturing May 2033, payable in semi-annual blended payments of \$7,585 beginning November 30, 2003, and with a stated interest rate of 2% annum. The mortgage is secured by a deed of trust on the Housing Authority's Puerto del Norte Haciendas housing project, which is located in Saguache County.

The 2009 and 2010 payments were deferred due to cash flow shortages. Payments resumed in December 2011. The note maturity date was extended until December 2035.

United States Department of Agriculture

The Housing Authority has entered into a mortgage note payable with the United States Department of Agriculture (USDA), with an original principal amount of \$306,000, maturing September 2013, payable in blended monthly payments of \$1,077, and with a stated interest rate of 8%. The mortgage note was entered into to refinance the construction of two projects operated by the Housing Authority and is secured by a deed of trust on the Housing Authority's Blue Waters Haciendas housing project, which is located in Saguache County. This note was re-amortized in October 2004. Monthly payments began in January 2005 with a maturity date of 2017.

The Housing Authority has entered into a mortgage note payable with the United States Department of Agriculture (USDA), with an original principal amount of \$120,743, maturing December 2054, payable in blended monthly payments of \$528, and with a stated interest rate of 6.75% per annum. The mortgage note was entered into to refinance the construction of two projects operated by the Housing Authority and is secured by a deed of trust on the Housing Authority's Blue Waters Haciendas housing project, which is located in Saguache County.

Saguache County, Colorado
Notes to the Financial Statements
December 31, 2020

Note 4: Long-Term Debt (Continued)

United States Department of Agriculture (Continued)

Future debt service requirements are as follows.

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 14,536	\$ 6,968	\$ 21,504
2022	14,763	6,741	21,504
2023	14,995	6,509	21,504
2024	15,232	6,272	21,504
2025	15,474	6,030	21,504
2026-2030	81,159	26,361	107,520
2031-2035	87,963	19,557	107,520
2036-2040	16,140	15,545	31,685
2041-2045	16,125	15,545	31,670
2046-2050	16,125	15,545	31,670
2051-2055	15,598	15,039	30,637
Total	\$ <u>308,110</u>	\$ <u>140,112</u>	\$ <u>448,222</u>

Note 5: Employee Benefits

Pension Plans

The County provides a participatory salary deferral plan under Internal Revenue Code (IRC) section 401(k), a defined contribution plan, administered by Principal Financial Group, for all County employees over the age of 18 with more than six months of employment with the County. Participating employees may contribute, on a tax-deferred basis, any whole percentage 3% or more of their total pay each period to the Plan. Federal law limits the deferral amounts in any tax year. The County matches 100% of the first 5% contributed by each employee. The County's matching contributions vest with the employee over a 4-year period. Nonvested County contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses. Plan provisions and contribution requirements are established and may be amended by the Board of County Commissioners.

For the year ended December 31, 2020, total employee contributions to the Plan were \$112,347 and the County recognized pension expense of \$96,670.

Cafeteria Plan

The County also offers its employees a cafeteria compensation plan organized under Section 125 of the Internal Revenue Code, which includes the following benefits: medical, disability, accident and/or term life insurance, and health expense reimbursement. No cost to the County is recognized, as the plan is a salary reduction plan.

Saguache County, Colorado
Notes to the Financial Statements
December 31, 2020

Note 5: Employee Benefits (Continued)

Post-Employment Health Care Benefits

All County employees covered by COBRA insurance may continue their health insurance after a reduction in work hours or termination of employment. The County recognizes no cost for such coverage, as those electing to continue COBRA coverage must reimburse the County for 100% of their premium cost for the extended coverage period.

Note 6: Colorado Contraband Forfeiture Act

The County has reviewed financial activities in the Sheriff's Department for compliance with the above referenced act. There were no sales of contraband during the year ended December 31, 2020.

Note 7: TABOR Amendment Reserve

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

The initial base for local government spending and revenue limits is 1992 fiscal year spending. Future spending and revenue limits are determined based on the prior year's fiscal spending adjusted for inflation in the prior calendar year plus annual local growth. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions. Revenue, if any, in excess of fiscal year spending limits must be refunded in the next fiscal year unless voters approve retention of such revenue.

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

TABOR also required local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending for fiscal years ending after December 31, 1995. Fiscal year spending excludes enterprise spending. The County has reserved a portion of the December 31, 2020 year-end balances in the General Fund for this purpose in the aggregate amount of \$295,000, which is the approximate required emergency reserve.

Saguache County, Colorado
Notes to the Financial Statements
December 31, 2020

Note 7: TABOR Amendment Reserve (Continued)

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

The electorate of the County passed a referendum allowing the County to collect and expend the full revenues generated during 1997 and each subsequent year, from its existing tax rates, to receive and expand all sales and property revenues without regard to Article X, Section 20 of the Colorado Constitution of law. Approval of this question does not authorize any increase in property tax rates of any kind above the 1995 rates.

Note 8: Risk Management

Colorado Counties Casualty and Property Pool (CAPP)

The County is exposed to various risks of loss related to property and casualty losses. The County joined together with other counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CAPP for its property and casualty insurance coverage. The inter-governmental agreement of formation of CAPP provides that the Pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention that is determined each policy year. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded insurance coverage for the current year or the three prior years.

Colorado Workers' Compensation Pool (CWCP)

The County is exposed to various risks of loss related to injuries of employees while on the job. The County has joined together with other counties in the State of Colorado to form the Colorado Workers' Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CWCP for its workers' compensation insurance coverage. The intergovernmental agreement of formation of CWCP provides that the Pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention that is determined each policy year. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded insurance coverage for the current year or the three prior years.

Saguache County, Colorado

Notes to the Financial Statements

December 31, 2020

Note 9: Commitments and Contingencies

Grant Programs

The County participates in a number of federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount of expenditures, if any, which may be disallowed by the granting agencies cannot be determined at this time, although, the County expects any such amounts to be immaterial.

Litigation

The County is a party to various legal actions normally associated with governmental activities, the aggregate effect of which, in management's and legal counsel's opinion, would not be material to its financial statements.

Insurance Pools

The County is a member of the Colorado Counties Casualty and Property Pool (CAPP) and the Colorado Workers' Compensation Pool (CWCP). CAPP and CWCP have a legal obligation for claims against its members to the extent that funds are available in their annually established loss funds and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds are direct liabilities of the participating members. CAPP and CWCP have indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs. The ultimate liability to the County resulting from claims not covered by CAPP and CWCP is not presently determinable.

Required Supplementary Information

Saguache County, Colorado
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 2,798,807	\$ 2,798,807	\$ 2,139,854	\$ (658,953)
Intergovernmental Revenue	2,366,790	3,033,456	2,744,041	(289,415)
Licenses and Permits	171,100	171,100	219,475	48,375
Charges for Services	986,109	986,109	1,238,537	252,428
Interest Income	100,450	100,450	67,761	(32,689)
Miscellaneous	172,100	172,100	279,488	107,388
Total Revenues	<u>6,595,356</u>	<u>7,262,022</u>	<u>6,689,156</u>	<u>(572,866)</u>
Expenditures				
General Government	\$ 4,830,700	\$ 5,745,429	\$ 4,066,394	\$ 1,679,035
Public Safety	1,590,724	1,590,724	1,322,487	268,237
Health and Welfare	8,341	8,341	579,064	(570,723)
Public Works	-	-	160	(160)
Culture and Recreation	-	-	-	-
Capital Outlay	116,425	116,425	135,755	(19,330)
Total Expenditures	<u>6,546,190</u>	<u>7,460,919</u>	<u>6,103,860</u>	<u>1,357,059</u>
Revenues Over (Under) Expenditures	49,166	(198,897)	585,296	784,193
Other Financing Sources (Uses)				
Transfers Out	-	-	-	-
Net Change in Fund Balance	49,166	(198,897)	585,296	784,193
Fund Balance, Beginning of year	<u>3,678,223</u>	<u>3,678,223</u>	<u>3,678,223</u>	<u>-</u>
Fund Balance, End of year	<u>\$ 3,727,389</u>	<u>\$ 3,479,326</u>	<u>\$ 4,263,519</u>	<u>\$ 784,193</u>

Saguache County, Colorado
 Budgetary Comparison Schedule
 Road and Bridge Fund
 For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue	3,050,000	3,603,068	2,640,390	(962,678)
Licenses and Permits	51,000	51,000	38,069	(12,931)
Charges for Services	88,000	88,000	41,618	(46,382)
Total Revenues	<u>3,189,000</u>	<u>3,742,068</u>	<u>2,720,077</u>	<u>(1,021,991)</u>
Expenditures				
Public Works	2,934,741	2,754,378	2,115,650	638,728
Capital Outlay	115,000	295,363	375,115	(79,752)
Debt Service				
Principal	118,000	118,000	136,038	(18,038)
Interest	-	-	1,207	(1,207)
Total Expenditures	<u>3,167,741</u>	<u>3,167,741</u>	<u>2,628,010</u>	<u>539,731</u>
Net Change in Fund Balance	21,259	574,327	92,067	(482,260)
Fund Balance, Beginning of year	<u>3,821,929</u>	<u>3,821,929</u>	<u>3,821,929</u>	<u>-</u>
Fund Balance, End of year	<u>\$ 3,843,188</u>	<u>\$ 4,396,256</u>	<u>\$ 3,913,996</u>	<u>\$ (482,260)</u>

Saguache County, Colorado
 Budgetary Comparison Schedule
 Social Services Fund
 For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 248,538	\$ 248,538	\$ 254,109	\$ 5,571
Intergovernmental Revenue	<u>3,779,908</u>	<u>3,799,108</u>	<u>2,353,332</u>	<u>(1,445,776)</u>
Total Revenues	<u>4,028,446</u>	<u>4,047,646</u>	<u>2,607,441</u>	<u>(1,440,205)</u>
Expenditures				
Health and Welfare	<u>4,027,709</u>	<u>4,027,709</u>	<u>2,817,818</u>	<u>1,209,891</u>
Total Expenditures	<u>4,027,709</u>	<u>4,027,709</u>	<u>2,817,818</u>	<u>1,209,891</u>
Net Change in Fund Balance	737	19,937	(210,377)	(230,314)
Fund Balance, Beginning of year	<u>658,005</u>	<u>658,005</u>	<u>545,129</u>	<u>(112,876)</u>
Fund Balance, End of year	<u>\$ 658,742</u>	<u>\$ 677,942</u>	<u>\$ 334,752</u>	<u>\$ (343,190)</u>

Saguache County, Colorado
Notes to Required Supplementary Information
December 31, 2020

Note 1: Stewardship, Compliance, and Accountability

Budgets

Formal budgetary integration in all funds is employed as a management control device during the year. Budgets are adopted for all governmental fund types on a basis consistent with generally accepted accounting principles (GAAP) as applicable to governmental units. The County follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to October 15, the County Budget Officer submits to the Board of County Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The budget is prepared by fund and department, and includes actual data from the prior year, current year and budget year estimated revenues and expenditures.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 16, the budget is legally enacted, and the required mill levy is adopted through the passage of a resolution. This resolution authorizes an appropriation at each fund level and lapses at year end. The fund then becomes the level of control upon which expenditures cannot legally exceed appropriations.
- All appropriations lapse at the end of the year.
- Budgeted amounts in this report are as originally adopted or as amended by the Board of Commissioners during the year through supplemental appropriation.

Supplementary Information

Saguache County, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020

	Public Safety	Public Health	Conservation Trust	Tourism	Sales Tax Emergency Services	Sales Tax Youth and Seniors	Sales Tax Renewable Energy	Totals
Assets								
Cash and Investments	\$ 1,183,495	\$ 118,832	\$ 77,920	\$ 66,670	\$ 157,328	\$ 175,320	\$ 161,725	\$ 1,941,290
Taxes Receivable	-	40,308	-	-	-	-	-	40,308
Due from Other Governments	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 1,183,495</u>	<u>\$ 159,140</u>	<u>\$ 77,920</u>	<u>\$ 66,670</u>	<u>\$ 157,328</u>	<u>\$ 175,320</u>	<u>\$ 161,725</u>	<u>\$ 1,981,598</u>
Liabilities								
Accounts Payable	\$ -	\$ 2,129	\$ -	\$ 79	\$ -	\$ -	\$ -	\$ 2,208
Total Liabilities	-	2,129	-	79	-	-	-	2,208
Deferred Inflows of Resources								
Property Taxes	-	40,308	-	-	-	-	-	40,308
Fund Balances								
Committed to								
Health and Welfare	-	116,703	-	-	-	-	-	116,703
Culture and Recreation	-	-	77,920	66,591	-	150,320	-	294,831
Emergency Services	-	-	-	-	157,328	-	-	157,328
Renewable Energy	-	-	-	-	-	-	161,725	161,725
Sales Tax Contingency	-	-	-	-	-	25,000	-	25,000
Unrestricted, Unassigned	1,183,495	-	-	-	-	-	-	1,183,495
Total Fund Balances	1,183,495	116,703	77,920	66,591	157,328	175,320	161,725	1,939,082
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,183,495</u>	<u>\$ 159,140</u>	<u>\$ 77,920</u>	<u>\$ 66,670</u>	<u>\$ 157,328</u>	<u>\$ 175,320</u>	<u>\$ 161,725</u>	<u>\$ 1,981,598</u>

See the accompanying Independent Auditors' Report.

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

	Public Safety	Public Health	Conservation Trust	Tourism	Sales Tax Emergency Services	Sales Tax Youth and Seniors	Sales Tax Renewable Energy	Totals
Revenues								
Taxes	\$ 840,109	\$ 52,971	\$ -	\$ 51,915	\$ 167,571	\$ 223,227	\$ 167,570	\$ 1,503,363
Intergovernmental	-	279,647	40,487	-	-	-	-	320,134
Charges for Services	-	210,851	-	-	-	-	-	210,851
Other	-	1,013	-	-	-	-	-	1,013
Total Revenues	840,109	544,482	40,487	51,915	167,571	223,227	167,570	2,035,361
Expenditures								
Current								
Public Safety	134,623	-	-	-	90,000	-	-	224,623
Health and Welfare	-	494,031	-	-	-	-	-	494,031
Public Works	-	-	-	-	-	-	90,000	90,000
Culture and Recreation	-	-	18,395	40,260	-	162,213	-	220,868
Capital Outlay	1,300	8,774	-	17,668	-	-	-	27,742
Total Expenditures	135,923	502,805	18,395	57,928	90,000	162,213	90,000	1,057,264
Revenues Over (Under) Expenditures	704,186	41,677	22,092	(6,013)	77,571	61,014	77,570	978,097
Other Financing Sources (Uses)								
Transfers In	-	-	-	-	-	-	-	-
Net Change in Fund Balances	704,186	41,677	22,092	(6,013)	77,571	61,014	77,570	978,097
Fund Balances, Beginning of year	479,309	75,026	55,828	72,604	79,757	114,306	84,155	960,985
Fund Balances, End of year	\$ 1,183,495	\$ 116,703	\$ 77,920	\$ 66,591	\$ 157,328	\$ 175,320	\$ 161,725	\$ 1,939,082

See the accompanying Independent Auditors' Report.

Saguache County, Colorado
Combining Schedule of Net Position
Enterprise Funds
December 31, 2020

	Saguache Housing Authority	Blue Waters	Puerto del Norte Haciendas	Totals
Assets				
<i>Current Assets</i>				
Cash and Investments	\$ 10,653	\$ 102,170	\$ 99,507	\$ 212,330
Accounts Receivable	-	664	489	1,153
Total Current Assets	10,653	102,834	99,996	213,483
<i>Noncurrent Assets</i>				
Capital Assets, <i>Not Being Depreciated</i>	-	36,000	16,000	52,000
Capital Assets, <i>Net of Accumulated Depreciation</i>	-	49	180,973	181,022
Total Noncurrent Assets	-	36,049	196,973	233,022
Total Assets	10,653	138,883	296,969	446,505
Liabilities				
<i>Current Liabilities</i>				
Accounts Payable	-	626	3,724	4,350
Accrued Expenses	-	-	-	-
Note Payable - Current Portion	-	765	11,311	12,076
Total Current Liabilities	-	1,391	15,035	16,426
<i>Noncurrent Liabilities</i>				
Note Payable	-	111,585	184,449	296,034
Total Noncurrent Liabilities	-	111,585	184,449	296,034
Total Liabilities	-	112,976	199,484	312,460
Net Position				
Net Investment in Capital Assets	-	(76,301)	1,213	(75,088)
Unrestricted	10,653	102,208	96,272	209,133
Total Net Position	\$ 10,653	\$ 25,907	\$ 97,485	\$ 134,045

Saguache County, Colorado
Combining Schedules of Revenues, Expenses and Changes in Net Position
Enterprise Funds
For the Year Ended December 31, 2020

	Saguache Housing Authority	Blue Waters	Puerto del Norte Haciendas	Total
Operating Revenues				
Rent from Tenants	\$ -	\$ 44,051	\$ 102,042	\$ 146,093
HUD Operating Subsidy	-	81,422	8,137	89,559
Other	10,653	5,228	3,593	19,474
Total Operating Revenues	10,653	130,701	113,772	255,126
Operating Expenses				
Administrative	-	65,062	42,380	107,442
Utilities	-	28,119	29,184	57,303
Operating and Maintenance	-	26,772	8,971	35,743
Insurance	-	2,593	3,437	6,030
Depreciation	-	1,944	10,662	12,606
Total Operating Expenses	-	124,490	94,634	219,124
Operating Income (Loss)	10,653	6,211	19,138	36,002
Nonoperating Revenues (Expenses)				
Investment Income	-	124	107	231
Interest Expense	-	(6,158)	(4,082)	(10,240)
Total Nonoperating Revenues (Expenses)	-	(6,034)	(3,975)	(10,009)
Change in Net Position	10,653	177	15,163	25,993
Net Position, Beginning of year	-	25,730	82,322	108,052
Net Position, End of year	\$ 10,653	\$ 25,907	\$ 97,485	\$ 134,045

Saguache County, Colorado
Combining Schedule of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2020

	Saguache Housing Authority	Blue Waters	Puerto del Norte Haciendas	Totals
Cash Flows From Operating Activities				
Cash Received from Tenants and Other	\$ 10,653	\$ 49,279	\$ 105,635	\$ 165,567
Cash Received from HUD Operating Subsidiary	-	81,422	8,137	89,559
Cash Paid to Employees	-	(41,134)	(23,137)	(64,271)
Cash Paid to Vendors and Suppliers	-	(81,172)	(60,736)	(141,908)
Net Cash Provided (Used) by Operating Activities	10,653	8,395	29,899	48,947
Cash Flows From Capital and Related Financing Activities				
Debt Principal Payments	-	(761)	(11,089)	(11,850)
Debt Interest and Fiscal Charges	-	(6,158)	(4,082)	(10,240)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(6,919)	(15,171)	(22,090)
Cash Flows from Investing Activities				
Interest Received	-	124	107	231
Net Increase in Cash and Cash Equivalents	10,653	1,600	14,835	27,088
Cash and Cash Equivalents, Beginning of Year	-	100,570	84,672	185,242
Cash and Cash Equivalents, End of Year	<u>\$ 10,653</u>	<u>\$ 102,170</u>	<u>\$ 99,507</u>	<u>\$ 212,330</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 10,653	\$ 6,211	\$ 19,138	\$ 36,002
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Depreciation	-	1,944	10,662	12,606
Changes in Asset and Liabilities				
Accounts Payable	-	240	99	339
Net Cash Provided (Used) by Operating Activities	<u>\$ 10,653</u>	<u>\$ 8,395</u>	<u>\$ 29,899</u>	<u>\$ 48,947</u>

See the accompanying Independent Auditors' Report.

Saguache County, Colorado
 Budgetary Comparison Schedule
 Public Health Fund
 For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 61,605	\$ 61,605	\$ 52,971	\$ (8,634)
Intergovernmental	537,463	573,177	279,647	(293,530)
Charges for Services	-	-	210,851	210,851
Other	-	-	1,013	1,013
Total Revenues	<u>599,068</u>	<u>634,782</u>	<u>544,482</u>	<u>(90,300)</u>
Expenditures				
Current				
Health and Welfare	<u>597,095</u>	<u>632,809</u>	<u>502,805</u>	<u>130,004</u>
Total Expenditures	<u>597,095</u>	<u>632,809</u>	<u>502,805</u>	<u>130,004</u>
Revenues Over (Under) Expenditures	1,973	1,973	41,677	39,704
Other Financing Sources (Uses)				
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	1,973	1,973	41,677	39,704
Fund Balance, Beginning of year	<u>75,026</u>	<u>75,026</u>	<u>75,026</u>	<u>-</u>
Fund Balance, End of year	<u>\$ 76,999</u>	<u>\$ 76,999</u>	<u>\$ 116,703</u>	<u>\$ 39,704</u>

Saguache County, Colorado
 Budgetary Comparison Schedule
 Conservation Trust Fund
 For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Intergovernmental	\$ 35,000	\$ 40,487	\$ 5,487
Total Revenues	<u>35,000</u>	<u>40,487</u>	<u>5,487</u>
Expenditures			
Current			
Culture and Recreation	35,000	18,395	16,605
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>35,000</u>	<u>18,395</u>	<u>16,605</u>
Net Change in Fund Balance, GAAP Basis	-	22,092	22,092
Fund Balance, Beginning of year	<u>55,828</u>	<u>55,828</u>	<u>-</u>
Fund Balance, End of year	<u>\$ 55,828</u>	<u>\$ 77,920</u>	<u>\$ 22,092</u>

Saguache County, Colorado
 Budgetary Comparison Schedule
 Tourism Fund
 For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ 80,000	\$ 51,915	\$ (28,085)
Intergovernmental	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
Total Revenues	<u>110,000</u>	<u>51,915</u>	<u>(58,085)</u>
Expenditures			
Current			
Culture and Recreation	<u>110,000</u>	<u>57,928</u>	<u>52,072</u>
Total Expenditures	<u>110,000</u>	<u>57,928</u>	<u>52,072</u>
Net Change in Fund Balance	-	(6,013)	(6,013)
Fund Balance, <i>Beginning of year</i>	<u>72,604</u>	<u>72,604</u>	<u>-</u>
Fund Balance, <i>End of year</i>	<u><u>\$ 72,604</u></u>	<u><u>\$ 66,591</u></u>	<u><u>\$ (6,013)</u></u>

Saguache County, Colorado
 Budgetary Comparison Schedule
 Sales Tax - Emergency Services Fund
 For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes	\$ 110,000	\$ 167,571	\$ 57,571
Total Revenues	<u>110,000</u>	<u>167,571</u>	<u>57,571</u>
Expenditures			
Current			
Public Safety	<u>90,000</u>	<u>90,000</u>	<u>-</u>
Total Expenditures	<u>90,000</u>	<u>90,000</u>	<u>-</u>
Net Change in Fund Balance	20,000	77,571	57,571
Fund Balance, Beginning of year	<u>79,757</u>	<u>79,757</u>	<u>-</u>
Fund Balance, End of year	<u>\$ 99,757</u>	<u>\$ 157,328</u>	<u>\$ 57,571</u>

Saguache County, Colorado
 Budgetary Comparison Schedule
 Sales Tax - Youth and Seniors Fund
 For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ 90,000	\$ 223,227	\$ 133,227
Total Revenues	<u>90,000</u>	<u>223,227</u>	<u>133,227</u>
Expenditures			
Current			
Culture and Recreation	<u>90,000</u>	<u>162,213</u>	<u>(72,213)</u>
Total Expenditures	<u>90,000</u>	<u>162,213</u>	<u>(72,213)</u>
Net Change in Fund Balance	-	61,014	61,014
Fund Balance, <i>Beginning of year</i>	<u>114,306</u>	<u>114,306</u>	<u>-</u>
Fund Balance, <i>End of year</i>	<u>\$ 114,306</u>	<u>\$ 175,320</u>	<u>\$ 61,014</u>

Saguache County, Colorado
 Budgetary Comparison Schedule
 Public Safety Fund
 For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ 450,000	\$ 840,109	\$ 390,109
Total Revenues	<u>450,000</u>	<u>840,109</u>	<u>390,109</u>
Expenditures			
Current			
Public Safety	<u>450,000</u>	<u>135,923</u>	<u>314,077</u>
Total Expenditures	<u>450,000</u>	<u>135,923</u>	<u>314,077</u>
Net Change in Fund Balance	-	704,186	704,186
Fund Balance, <i>Beginning of year</i>	<u>479,309</u>	<u>479,309</u>	<u>-</u>
Fund Balance, <i>End of year</i>	<u>\$ 479,309</u>	<u>\$ 1,183,495</u>	<u>\$ 704,186</u>

Saguache County, Colorado
 Budgetary Comparison Schedule
 Sales Tax - Renewable Energy Fund
 For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ 90,000	\$ 167,570	\$ 77,570
Total Revenues	<u>90,000</u>	<u>167,570</u>	<u>77,570</u>
Expenditures			
Current			
Public Works	<u>90,000</u>	<u>90,000</u>	<u>-</u>
Total Expenditures	<u>90,000</u>	<u>90,000</u>	<u>-</u>
Net Change in Fund Balance	-	77,570	77,570
Fund Balance, <i>Beginning of year</i>	<u>84,155</u>	<u>84,155</u>	<u>-</u>
Fund Balance, <i>End of year</i>	<u>\$ 84,155</u>	<u>\$ 161,725</u>	<u>\$ 77,570</u>

Saguache County, Colorado
 Budgetary Comparison Schedule
 Blue Waters Housing Authority Fund
 For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Rent from Tenants	\$ 43,259	\$ 44,051	\$ 792
HUD Operating Subsidy	86,101	81,422	(4,679)
Other	500	5,228	4,728
	<u>129,860</u>	<u>130,701</u>	<u>841</u>
Total Revenues			
	<u>129,860</u>	<u>130,701</u>	<u>841</u>
Expenditures			
Administrative	53,259	65,062	(11,803)
Utilities	31,092	28,119	2,973
Operating and Maintenance	32,246	26,772	5,474
Insurance	3,000	2,593	407
Debt Service			
Principal Payment	1,460	761	699
Interest Expense	4,875	6,158	(1,283)
	<u>125,932</u>	<u>129,465</u>	<u>(3,533)</u>
Total Expenditures			
	<u>125,932</u>	<u>129,465</u>	<u>(3,533)</u>
Revenues Over (Under) Expenditures	3,928	1,236	(2,692)
Other Financing Sources			
Investment Income	200	124	(76)
	<u>200</u>	<u>124</u>	<u>(76)</u>
Net Change in Fund Balance, Budgetary Basis	\$ <u>4,128</u>	1,360	\$ <u>(2,768)</u>
Adjustments to GAAP Basis			
Depreciation		(1,944)	
Principal Payments		761	
		<u>761</u>	
Net Change in Fund Balance, GAAP Basis		177	
Fund Balance, Beginning of year		<u>25,730</u>	
Fund Balance, End of year		\$ <u>25,907</u>	

See the accompanying Independent Auditors' Report.

Saguache County, Colorado
 Budgetary Comparison Schedule
 Puerto del Norte Haciendas Housing Authority Fund
 For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Rent from Tenants	\$ 92,039	\$ 102,042	\$ 10,003
HUD Operating Subsidy	10,000	8,137	(1,863)
Other	2,000	3,593	1,593
	<u>104,039</u>	<u>113,772</u>	<u>9,733</u>
Total Revenues			
	<u>104,039</u>	<u>113,772</u>	<u>9,733</u>
Expenditures			
Administrative	32,647	42,380	(9,733)
Utilities	33,856	29,184	4,672
Operating and Maintenance	16,624	6,482	10,142
Insurance	3,791	3,437	354
Debt Service			
Principal Payment	11,089	11,089	-
Interest Expense	4,082	4,082	-
	<u>102,089</u>	<u>96,654</u>	<u>5,435</u>
Total Expenditures			
	<u>102,089</u>	<u>96,654</u>	<u>5,435</u>
Revenues Over (Under) Expenditures	1,950	17,118	15,168
Other Financing Sources			
Investment Income	3,000	107	(2,893)
	<u>3,000</u>	<u>107</u>	<u>(2,893)</u>
Net Change in Fund Balance, Budgetary Basis	\$ <u>4,950</u>	17,225	\$ <u>12,275</u>
Adjustments to GAAP Basis			
Capital Outlays		(2,489)	
Depreciation		(10,662)	
Principal Payments		<u>11,089</u>	
Net Change in Fund Balance, GAAP Basis		15,163	
Fund Balance, Beginning of year		<u>82,322</u>	
Fund Balance, End of year		\$ <u>97,485</u>	

See the accompanying Independent Auditors' Report.

Compliance Section



**Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of the Financial
Statements Performed in Accordance with
Government Auditing Standards**

Board of County Commissioners
Saguache County, Colorado
Saguache, 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 Saguache County, Colorado (the County), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 15, 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Saguache 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 purpose.

Hick & Company, PC

Greenwood Village, Colorado
October 15, 2021





**Independent Auditors' Report on Compliance for Each
Major Federal Program; Report on Internal Control over Compliance
and Report on Schedule of Expenditures of Federal Awards Required
by the *Uniform Guidance***

Board of County Commissioners
Saguache County, Colorado
Saguache, Colorado

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 considered to be material weaknesses. However, material weaknesses may exist that have not been identified. The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Saguache County as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated October 15, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Hick & Company, PC

Greenwood Village, Colorado
October 15, 2021



Saguache County, Colorado
Schedule of Expenditures of Federal Awards
December 31, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Identify Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services				
<i>TANF Cluster</i>				
<i>Colorado Department of Human Services</i>				
Temporary Assistance for Needy Families (TANF) State Program	93.558		\$ 310,866	\$ -
Total TANF Cluster			<u>310,866</u>	<u>-</u>
Medicaid Cluster				
<i>Colorado Department of Human Services</i>				
Medical Assistance Program	93.778		115,128	-
Total Medicaid Cluster			<u>115,128</u>	<u>-</u>
CCDF Cluster				
<i>Colorado Department of Human Services</i>				
Child Care and Development Block Grant	93.575		2,109	-
Child Care Mandatory and Matching Funds of the Child Care Dev Fund	93.596		2,311	-
Guardianship Assistance	93.090		1,142	-
Social Services Block Grant	93.667		52,208	-
Stephanie Tubbs Jones Child Welfare Svs Prgrm	93.645		11,904	-
Total CCDF Cluster			<u>69,674</u>	<u>-</u>
Other Programs				
<i>Colorado Department of Human Services</i>				
Child Enforcement	93.563		85,384	-
Low-Income Home Energy Assistance	93.568		20	-
Foster Care Title IV-E	93.658		116,628	-
Adoption Assistance	93.659		37,578	-
<i>Colorado Department of Public Health and Environment</i>				
Public Health Emergency Preparedness (PHEP)	93.069		17,615	-
Immunization and Vaccines for Children Program	93.268		6,785	-
Domestic Ebola Supplement to Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		59,954	-
Cooperative Agreement for Emergency Response:				
Public Health Crisis Response	93.354		15,357	-
Maternal and Child Health Services Block Grant to the States	93.994		10,653	-
Total Other Programs			<u>349,974</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>\$ 845,642</u>	<u>\$ -</u>

(Continued)

Saguache County, Colorado
Schedule of Expenditures of Federal Awards
December 31, 2020
(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Identify Number	Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Treasury				
<i>Colorado Department of Local Affairs</i>				
COVID-19 Relief Fund	21.019		\$ 277,323	-
<i>Colorado Public Health and Environment</i>				
COVID-19 Relief Fund	21.019		48,543	-
<i>Colorado Department of Human Services</i>				
COVID-19 Relief Fund	21.019		14,184	-
Total U.S. Department of Treasury			<u>\$ 340,050</u>	<u>\$ -</u>
U.S. Department of Agriculture				
<i>Colorado Department of Treasury</i>				
Schools and Roads - Grants to States	10.665		919,975	919,975
<i>No Pass-through</i>				
Rural Rental Housing loans	10.415		58,644	-
Total U.S. Department of Agriculture			<u>\$ 978,619</u>	<u>\$ 919,975</u>
U.S. Department of Housing and Urban Development				
<i>Colorado Housing and Finance Authority</i>				
Section 8 Housing Assistance Payment Program	14.195		\$ 86,101	\$ -
<i>Center Housing Authority</i>				
Section 8 Housing Choice Vouchers	14.871		8,076	-
Total U.S. Department of Housing and Urban Development			<u>\$ 94,177</u>	<u>\$ -</u>
U.S. Department of Homeland Security				
<i>Colorado Department of Local Affairs</i>				
Emergency Management Performance Grants	97.042		\$ 25,000	\$ -
Total U.S. Department of Homeland Security			<u>\$ 25,000</u>	<u>\$ -</u>
Total Expenditures of Federal Awards			<u>\$ 2,283,488</u>	<u>\$ 919,975</u>

Saguache County, Colorado
Notes to the Schedule of Expenditures of Federal Awards
December 31, 2020

Note 1: Basis of Presentation

The accompanying schedule of expenditures of Saguache, County under programs for the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Saguache County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Saguache County.

Note 2: Summary of Significant Accounting Policies

- Expenditures reported on the 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.
- The County has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Food distribution

Nonmonetary assistance is reported in the Schedule of Expenditures of Federal Awards at the fair market value of commodities received and disbursed.

Note 4: Rural Rental Housing Loan

The Rural Rental Housing Loans are administered by Rural Development payable by the County. The outstanding loan balance at December 31, 2020, is included in the financial statements. The detail of the loan outstanding at the beginning and end of the year is included in the footnotes to the Basic Financial Statements.

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

Section I: Summary of Auditors' Results

1. The opinion expressed in the independent accountants' report was:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimed

2. The independent accountants' report on internal control over financial reporting described:

Significant deficiencies ☐ Yes ☒ None reported

Material weaknesses? ☒ Yes ☐ No

3. Noncompliance considered material to the financial statements was disclosed by the audit?

☐ Yes ☒ No

4. The independent auditors' report on internal control over compliance for major federal awards programs disclosed:

Significant deficiencies? ☐ Yes ☒ None reported

Material weaknesses? ☐ Yes ☒ No

5. The opinion expressed in the independent auditors' report on compliance for major federal awards was:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimed

6. The audit disclosed findings required to be reported by the Uniform Guidance?

☒ Yes ☐ No

7. The County's major program was:

Cluster/Program	CFDA Number
Schools and Roads – Grants to States	10.665

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in the Uniform Guidance was \$750,000.

9. The County qualified as a low-risk auditee as that term is defined in Uniform Guidance.

☐ Yes ☒ No

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

Section II: Financial Statement Findings

Findings Required to be Reported by Government Auditing Standards

Finding 2020-001: Internal Control over Financial Reporting.

(Repeat of Finding 2009-01, 2010-01, 2011-01, 2012-01, 2013-01, 2014-01, 2015-01, 2016-01, 2017-01, 2018-01, 2019-01).

Type of Finding: Internal Control over Financial Reporting.

Criteria: A system of internal controls includes the design, documentation, and monitoring of control activities over the application of accounting principles, antifraud programs, non-routine transactions, financial statement preparation and safeguarding of assets.

Condition: The County does not have a complete system of internal control to prevent and detect financial misstatements.

Cause and Effect: The County does not have an individual whose responsibility is to oversee the overall accounting and financial reporting functions. As a result, the individual departments are not brought together and coordinated, with proper monthly reconciliations being performed and financial reporting prepared.

Recommendation: We recommend continue its search for personnel who can provide the county with a Finance Director duties and functions.

Management's Response: Department of Social Services hired an outside Consultant to assist with financial operations back in 2015, but the Administrator will ensure that Audit adjustments are posted in a timely manner, Grants will be clearly identified in the General Ledger, and the annual Management Discussion and Analysis will also be prepared.

Section III: Federal Award Findings and Questioned Costs

Saguache County, Colorado
Summary Schedule of Prior Year Audit Findings
December 31, 2020

Financial Statement Findings

Finding 2019-001: This finding is repeated for year ended December 31, 2020.

Finding 2019-002: Low-Income Home Energy Assistance, CFDA No. 93.568.

Federal Program: CFDA #93.568 - Low-Income Home Energy Assistance.

Criteria: A system of internal controls over compliance includes the design, documentation, and ongoing monitoring of control activities to provide reasonable assurance that the County is in compliance with all Federal award compliance requirements.

Condition: The County's Department of Social Services did not have institutional control over the administration of the program that would allow full compliance with Federal Award compliance requirements. Additionally, several LEAP applications were missing critical information.

Questioned Costs: None.

Cause and Effect: The State Department of Social Services performed a 100% audit of the program during the year ended December 31, 2018. As a result, the administration of the program as moved to an unrelated third party. The County Department of Social Services did not ensure that information input into the eligibility and benefit calculation system is accurate and consistent. Four of the forty cases reviewed had discrepancies. LEAP applications need to be complete and accurate before acceptance into the Program.

Recommendation: None since the administration of the program was moved to an unrelated third party. Saguache County should ensure that all LEAP applications contain required information.

Management's Response: The county agrees with moving the administration of the program to an unrelated third party, which was accomplished in 2019. The County will ensure that the third-party administrator reviews all applications for completeness before approval.

Resolution in following year: The County no longer administers this program.

State Compliance

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

LOCAL HIGHWAY FINANCE REPORT	City or County: <u>Saguache County</u> YEAR ENDING : <u>December 2020</u>
This Information From The Records Of (example - City of _ or County of _) County of Saguache	
Prepared By: Michelle Hashbarger Phone: 719-655-2554	

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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	0
3. Other local imposts (from page 2)	12,925
4. Miscellaneous local receipts (from page 2)	673,079
5. Transfers from toll facilities	0
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	0
b. Bonds - Refunding Issues	0
c. Notes	0
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	686,004
B. Private Contributions	0
C. Receipts from State government (from page 2)	2,671,404
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	3,357,408

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	0
2. Maintenance:	2,893,010
3. Road and street services:	
a. Traffic control operations	25,199
b. Snow and ice removal	13,123
c. Other	35,953
d. Total (a. through c.)	74,275
4. General administration & miscellaneous	325,180
5. Highway law enforcement and safety	
6. Total (1 through 5)	3,292,466
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
2. Notes:	
a. Interest	25
b. Redemption	6,081
c. Total (a. + b.)	6,106
3. Total (1.c + 2.c)	6,106
C. Payments to State for highways	0
D. Payments to toll facilities	0
E. Total disbursements (A.6 + B.3 + C + D)	3,298,572

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	3,103,108	3,357,408	3,298,572	3,162,021	(77)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		State: Colorado YEAR ENDING: 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	0	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	0	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	12,925	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	11,723
4. Licenses	0	f. Charges for Services	617,816
5. Specific Ownership &/or Other	0	g. Other Misc. Receipts	43,540
6. Total (1. through 5.)	12,925	h. Other	0
c. Total (a. + b.)	12,925	i. Total (a. through h.)	673,079
(Carry forward to page 1)		(Carry forward to page 1)	
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,646,802	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	24,602	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	24,602	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	2,671,404	3. Total (1. + 2.g)	
		(Carry forward to page 1)	
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	0	0	0
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	0	0
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
		(Carry forward to page 1)	
Notes and Comments:			