

CUSTER COUNTY, COLORADO
WESTCLIFFE, COLORADO
BASIC FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
AND CERTAIN SUPPLEMENTAL INFORMATION

December 31, 2021

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Independent Auditor's Report

September 22, 2022

Board of Commissioners
Custer County, Colorado
Westcliffe, Colorado

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Custer County, Colorado as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages i - vii and 31-34 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2022, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's 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.

Darren, Ross & DeMarco, Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CUSTER COUNTY, COLORADO
December 31, 2021 and 2020**

This section of the report provides readers with a narrative overview and analysis of the financial activities of Custer County for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

Custer County's assets exceeded liabilities by \$11,068,084 at the end of 2021. Of this amount, \$2,677,059 may be used to meet the government's ongoing obligations to citizens and creditors. The remaining \$8,391,025 is invested in capital assets or restricted.

The County's General Fund balance was \$3,434,802 as of December 31, 2021. Of this amount, \$140,000 is reserved for emergencies.

The 2021 General Fund balance is \$743,491 more than the previous year. The total fund balance is 68% of 2021 General Fund operating expenditures plus net operating transfers. The County Commissioners' goal is to keep fund balance at no less than 5%.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The basic financial statements contain three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic statements, this report also contains other supplementary information including combining statements for non-major funds.

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

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

The statement of activities presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes.)

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). Custer County's governmental activities include general government, public safety, roads and bridges, auxiliary, and health and human services.

MANAGEMENT'S DISCUSSION AND ANALYSIS
CUSTER COUNTY, COLORADO
December 31, 2021 and 2020

Overview of the Financial Statements (Continued)

The government-wide financial statements include not only Custer County itself (known as the primary government), but also legally separate entities which have a significant operational or financial relationship with the County. These entities, if any, are known as component units. The discreetly presented component unit is the E-911 Emergency Telephone Authority. In 2007, for the first time, the County began accounting for all transactions of the Custer County Airport Authority (now an advisory board) on its behalf, and, as such, it is now treated as a blended component unit for financial reporting purposes. More information on the functions of these activities can be found in Note 1 to the financial statements.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Custer County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Custer County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

Custer County maintains seven individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Road & Bridge Fund, Human Services Fund, Capital Improvements Fund, Emergency Services Fund, Conservation Trust Fund and the Lodging and Tourism Fund. The Custer County Airport Authority is also included as a blended component unit. The General Fund, Road & Bridge Fund, Capital Improvement Fund, and the Human Services Fund are the only funds that are considered major. Data from the other funds are combined into a single aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 6 through 9 of this report.

Proprietary Funds. There are two common types of Proprietary Funds commonly used in governmental activities. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements and Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. During the fiscal year 2021, Custer County utilized one internal service fund, the Insurance Fund, for governmental activities.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CUSTER COUNTY, COLORADO
December 31, 2021 and 2020**

Overview of the Financial Statements (Continued)

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not included in the government-wide financial statements because the resources of these funds are not available to support Custer County's own operations. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund statement of net position can be found on page 13.

Budgetary Comparisons. Custer County adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for all major funds on pages 31 to 34 of this report. Budget to actual comparisons for each of the non-major funds are provided in other schedules elsewhere in this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14 through 30 of this report.

Other Information. The combining statements referred to earlier in connection with the internal service fund and the non-major governmental funds can be found on pages 10 through 12 and 35 through 43, respectively.

County-Wide Financial Analysis

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2021, assets exceeded liabilities by \$11,068,084.

The following table provides a summary of the County's governmental and business-type net position for 2021 and 2020.

	<u>Assets</u>	<u>2021</u>	<u>2020</u>
Current assets		\$ 9,146,378	\$ 8,460,244
Non-current assets		6,273,512	6,095,621
	Total Assets	15,419,890	14,555,865
	<u>Liabilities</u>		
Current liabilities		641,962	902,392
Non-current liabilities		1,408,844	1,442,952
	Total Liabilities	2,050,806	2,345,344
Deferred Inflow – property taxes		2,301,000	2,110,000
	<u>Net Position</u>		
Invested in capital assets, net of related debt		5,775,767	5,456,836
Restricted for emergency / grants		2,615,258	2,815,394
Unrestricted		2,677,059	1,828,291
	Total Net Position	\$11,068,084	\$ 10,100,521

The portion of Custer County's net position (24%) represents unrestricted net position of \$2,677,059, which may be used to meet the County's ongoing obligations to citizens and creditors.

MANAGEMENT'S DISCUSSION AND ANALYSIS
CUSTER COUNTY, COLORADO
December 31, 2021 and 2020

County-Wide Financial Analysis (Continued)

A significant portion of Custer County's net position (52%) reflects its investment in capital assets. These assets include land, buildings, machinery, equipment and infrastructure. These capital assets are used to provide services to citizens; consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional \$2,615,258 of the County's net position (24%) represents resources that are subject to external restriction on how they may be used. The amount reserved for TABOR is \$246,600, \$109,787 is grant restricted and the remaining \$2,258,871 is restricted for use in special revenue funds.

At the end of 2021, Custer County had positive balances in all net position categories.

Changes in Net Position. Governmental activities increased the County's net position by \$967,563 in 2021 and \$909,432 in 2020. The following table summarizes the changes in Custer County's net position for governmental activities for the years ended December 31, 2021 and 2020.

Revenue	2021	2020
Program Revenue		
Charges for services	\$ 1,211,869	\$ 1,227,785
Operating grants and contributions	1,941,083	2,211,514
Capital grants and contributions	431,868	399,290
General Revenue		
Taxes	5,967,554	5,069,439
Gain (Loss) on sale of assets	87,892	-
Investment earnings	4,961	41,810
Total Revenue	<u>9,645,227</u>	<u>8,949,838</u>
Program Expenses		
General government	2,564,055	2,494,506
Public safety	1,956,127	1,578,794
Streets and highways	2,361,110	1,876,103
Health and welfare	1,199,809	1,423,349
Auxiliary	581,515	648,409
Miscellaneous	-	-
Interest expense, unallocated	15,048	19,245
Total Expenses	<u>8,677,664</u>	<u>8,040,406</u>
Change in Net Position	967,563	909,432
Net position beginning of year	<u>10,100,521</u>	<u>9,191,089</u>
Net position end of year	<u>\$ 11,068,084</u>	<u>\$ 10,100,521</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS
CUSTER COUNTY, COLORADO
December 31, 2021 and 2020

Financial Analysis of the County's Funds

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

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

As of the end of 2021, the combined ending fund balances of County governmental funds were \$6,022,941. Approximately 52% of this consists of unassigned fund balance which is available as working capital, and 4% is assigned fund balance, which is available for current spending in accordance with the purposes of the specific funds. The remainder of fund balance is reserved to indicate that it is not available for new spending because it is committed for the following purposes: 1) a state constitution mandated emergency reserve (\$240,000); 2) grant requirements (\$109,787); 3) restricted for use in special revenue funds (\$2,256,472) and 4) inventory (\$178,840).

The County has eight governmental funds. They are 1) General Fund; 2) Road & Bridge Fund; 3) Human Services Fund; 4) Capital Improvements Fund; 5) Emergency Service Fund; 6) Conservation Trust Fund; 7) Lodging and Tourism Fund and 8) Contingent Fund.

1. **General Fund.** This is the primary operating fund of the Custer County Government. It accounts for many of the County's core services, such as law enforcement, County General Fund activities, personnel costs, planning, and elections. The General Fund balance was \$3,434,802 as of December 31, 2021. Of this amount, \$140,000 was reserved for emergencies. The 2021 fund balance is \$743,491 more than the previous year. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents about 63% of total 2021 expenditures, while total fund balance is 68% of the same amount. 2021 expenditures and transfers for general fund activities were less than budgeted by \$17,684.
2. **Road & Bridge Fund.** The Road & Bridge fund is also state mandated. The fund records costs related to County road and bridge construction and maintenance. The Road & Bridge fund had \$1,431,970 in fund balance at the end of 2021. This amount is \$268,647 less than the previous year. 2021 expenditures for road projects were less than budgeted by \$23,910.
3. **Human Services Fund.** The Human Services Fund is mandated by state statute. This fund accounts for the local share of many federal and state public welfare programs, plus various federal and state human services grants. The fund carried a negative fund balance of (\$52,593) at the end of 2021, which was \$15,599 less than the previous year. State and federal grant funding was \$66,455 less than the previous year.
4. **Capital Improvements Fund.** The Capital Improvements Fund accounts for the acquisition of major capital facilities and equipment. These are the purchases of the Sheriff's vehicles, office and jail facility and several heavy equipment purchases for the Road and Bridge Department and the Landfill Operation.
5. **Emergency Service Fund.** The primary function of the Emergency Service Fund is to account for expenditures relating to auxiliary rural and County-wide health and medical services. This fund receives property tax revenues which help finance these services. This fund also accounts for monies received as grant funds through the Colorado Regional Trauma Advisory Council for the support of rural emergency medical services.
6. **Conservation Trust Fund.** Accounts for the receipt and expenditure of Colorado Lottery funds from the State of Colorado.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CUSTER COUNTY, COLORADO
December 31, 2021 and 2020**

Financial Analysis of the County's Funds (Continued)

7. Lodging and Tourism Fund. The function of this fund is to account for lodging tourism tax revenue collected. The residents of Custer County approved a ballot issue in 2008 to implement a 2% tourism lodging tax assessed on persons renting a motel/hotel room or a campground space. The revenues from this tax will be used exclusively for advertising and marketing of local tourism.
8. Custer County Airport Advisory Board. The primary function of the Airport Advisory Board is to account for expenditures of the airport and related operating and grant revenues. It is a separate government included in the County's financial statements as a blended component unit due to its financial dependence.
9. Insurance Fund. (An internal service fund) This fund was established to account for County funds dedicated to general property loss and liability insurance, County official's errors and omissions insurance, and workers compensation insurance coverage.

General Fund Budgetary Highlights

The County's budget is prepared according to Colorado statutes. The most significant budgeted fund is the General Fund.

For 2021, the Board of County Commissioners appropriated \$5,080,325 for general fund expenditures and other financing uses. The budget was amended.

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues	\$ 4,115,518	\$ 4,627,718	\$ 5,806,132
Expenditures and transfers	\$ 4,520,760	\$ 5,080,325	\$ 5,062,641

Actual expenditures were more than the anticipated budget and less than revenues, which caused the ending fund balance to increase \$743,491, over the prior year.

Capital Asset and Debt Administration

Capital Assets. Custer County's investment in capital assets for its governmental activities as of December 31, 2021 totals \$6,273,512 (net of accumulated depreciation). This investment includes all land, buildings, machinery, equipment, and infrastructure. The total increase in net capital assets for the current fiscal year was \$177,891.

- Additional information on the County's capital assets can be found in Note 6 of this report.

Long-term Debt. At December 31, 2021, Custer County had no bonded debt. There are capital leases outstanding of \$497,745 and other noncurrent liabilities for post disclosure landfill costs and compensated absences. Additional information can be found in Note 10.

Other Matters. The following factors are expected to have a significant effect on the County's financial position or results of operations and were taken into account in developing the 2022 budgets.

- Continued growth in Custer County caused increased demand in all service areas of the County, especially in public safety and road and bridge infrastructure.

MANAGEMENT'S DISCUSSION AND ANALYSIS
CUSTER COUNTY, COLORADO
December 31, 2021 and 2020

Other Matters (Continued)

- Population growth has impacted the County's ability to provide public safety within our judicial system. The County courthouse combined courts system needs more physical space and a more secure facility for our citizens, victims, courthouse personnel and those accused of wrong doing. New State funds are being accessed to provide better courthouse security. The County needs a better designed, more functional jail that would complement the court facilities. The County is presently working with a planning grant from the Colorado Department of Local Affairs (DOLA) to improve the jail and justice facilities as well as other grant sources for the funding of a new justice center
- Airport runway and fuel projects and improvements are underway.
- The American Rescue Plan Act will be fully granted to the County in 2022. A committee has been formed to review applications and award monies to government entities, businesses and individuals within the County.

Requests for Information

This financial report is designed to provide a general overview of Custer County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in the report or for additional financial information should be addressed to the County HR/Finance Director, 205 South Sixth Street, Westcliffe, CO 81252.

BASIC FINANCIAL STATEMENTS

GOVERNMENT WIDE FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
CUSTER COUNTY, COLORADO
December 31, 2021

	Primary Government Governmental Activities	Component Unit E-911 Authority
<u>Assets</u>		
<u>Current Assets</u>		
Cash and investments held by County Treasurer	\$ 5,896,148	\$ -
Cash held by County Clerk	200	-
Cash held by County Assessor	100	-
Cash held by Extension Office	27,758	-
Cash in bank	-	342,476
Accounts receivable	590,115	15,520
Taxes receivable	2,408,103	-
Prepaid expenses	15,688	-
Accrued state revenue	16,650	-
Accrued federal revenue	12,776	-
Inventories	178,840	-
Total Current Assets	9,146,378	357,996
<u>Non-current Assets</u>		
Capital assets, net of depreciation	6,273,512	122,614
Total Assets	15,419,890	480,610
<u>Liabilities</u>		
<u>Current Liabilities</u>		
Accounts payable	57,233	-
Accrued interest	5,169	-
Due to State of Colorado	29,258	-
Unearned revenue	458,080	-
Current maturities - capital leases	92,222	-
Total Current Liabilities	641,962	-
<u>Non-current Liabilities</u>		
Landfill closure costs	757,887	-
Capital leases non-current	405,523	-
Compensated absences	245,434	-
Total Non-Current Liabilities	1,408,844	-
Total Liabilities	2,050,806	-
Deferred Inflow - property taxes	2,301,000	-
<u>Net Position</u>		
Investment in capital assets, net of related debt	5,775,767	122,614
Temporarily restricted	2,368,658	354,596
Restricted for emergency	246,600	3,400
Unrestricted	2,677,059	-
Total Net Position	\$ 11,068,084	\$ 480,610

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

STATEMENT OF ACTIVITIES
CUSTER COUNTY, COLORADO
For the year ended December 31, 2021

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Governmental Activities	E-911 Authority
Governmental Activities						
General government	\$ 2,564,055	\$ 1,050,995	\$ 570,559	\$ 92,644	\$ (849,857)	\$ -
Public safety	1,956,127	64,166	465,921	238,582	(1,187,458)	-
Streets and highways	2,361,110	56,219	37,892	-	(2,266,999)	-
Health and welfare	1,199,809	-	824,328	-	(375,481)	-
Auxiliary	581,515	40,489	42,383	100,642	(398,001)	-
Interest expense, unallocated	15,048	-	-	-	(15,048)	-
Total Governmental Activities	\$ 8,677,664	\$ 1,211,869	\$ 1,941,083	\$ 431,868	(5,092,844)	-
Component Unit						
E-911 Authority	\$ 105,299	\$ 112,358	\$ -	\$ -		7,059
General Revenues						
Property taxes					2,209,786	-
Specific Ownership					282,654	-
Sales and use taxes					2,049,087	-
Highway users taxes					1,335,312	-
Lodging and tourism taxes					90,715	-
Gain on sale of assets					87,892	-
Earnings on investments					4,961	306
Total General Revenues and Transfers					6,060,407	306
Changes in Net Position					967,563	7,365
Net Position - January 1					10,100,521	473,245
Net Position - December 31					\$ 11,068,084	\$ 480,610

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

BALANCE SHEET
GOVERNMENTAL FUNDS
CUSTER COUNTY, COLORADO
December 31, 2021

<u>Assets</u>	<u>General Fund</u>	<u>Road & Bridge Fund</u>	<u>Human Services Fund</u>	<u>Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and investments held by County Treasurer	\$ 3,594,745	\$ 1,174,769	\$ (30,772)	\$ 675,871	\$ 344,295	\$ 5,758,908
Cash held by County Clerk	200	-	-	-	-	200
Cash held by County Assessor	100	-	-	-	-	100
Cash held by Extension Office	27,758	-	-	-	-	27,758
Accounts receivable	118,108	175	1,926	61,862	247,534	429,605
Taxes receivable	1,447,876	712,860	185,400	61,559	8	2,407,703
Due from County funds	-	-	3,872	14,224	54,782	72,878
Accrued state revenue	-	-	16,650	-	-	16,650
Accrued federal revenue	-	-	12,776	-	-	12,776
Inventories	-	173,030	-	-	5,810	178,840
Total Assets	5,188,787	2,060,834	189,852	813,516	652,429	8,905,418
 <u>Liabilities</u>						
Accounts payable	33,298	9,864	438	-	8,183	51,783
Due to County funds	72,878	-	-	-	-	72,878
Due to State of Colorado	-	-	29,258	-	-	29,258
Unearned revenue	397,809	-	27,749	-	2,000	427,558
Total Liabilities	503,985	9,864	57,445	-	10,183	581,477
Deferred Inflow - property taxes	1,250,000	619,000	185,000	-	247,000	2,301,000
 <u>Fund Balances</u>						
Nonspendable	-	173,030	-	-	5,810	178,840
Restricted	249,787	1,258,940	11,000	813,516	273,016	2,606,259
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	118,334	118,334
Unassigned	3,185,015	-	(63,593)	-	(1,914)	3,119,508
Total Fund Balances	\$ 3,434,802	\$ 1,431,970	\$ (52,593)	\$ 813,516	\$ 395,246	\$ 6,022,941

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

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
CUSTER COUNTY, COLORADO
December 31, 2021

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 6,022,941
Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported in the governmental funds.	6,273,512
Revenue receivable that does not provide current financial resources is not recorded in the governmental funds.	160,510
Expenditures for services which benefit future periods are treated as prepaid expenses and included in current assets in the government wide financial statements.	15,688
Certain revenue is earned over a period years, the portion of unearned income is reported as unearned revenue in the statement of net position.	(30,522)
Long-term liabilities for capital leases (\$497,745), compensated absences (\$245,434), and landfill closure costs (\$757,887) are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(1,501,066)
Interest payable on capital leases is not recorded on the fund statements because it is not a current use of cash. Interest is accrued on the government-wide statements since the liability is to be paid in the near term.	(5,169)
Internal service fund is used by management to account for health insurance and workers' compensation activities. The net activity of the internal service fund is reported with governmental activities.	<u>132,190</u>
Total Net Position - Governmental Activities	\$ <u>11,068,084</u>

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
CUSTER COUNTY, COLORADO
December 31, 2021

	<u>General Fund</u>	<u>Road & Bridge Fund</u>	<u>Human Services Fund</u>	<u>Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues						
Taxes	\$ 3,019,145	\$ 1,976,179	\$ 129,096	\$ 489,147	\$ 348,640	\$ 5,962,207
Penalties	2,786	1,601	320	-	640	5,347
Federal Sources	924,243	18,196	166,793	-	59,310	1,168,542
State Sources	438,212	-	211,029	53,663	46,979	749,883
Local Sources	162,058	-	7,033	-	-	169,091
Licenses permits	384,800	-	-	-	-	384,800
Charges for services	730,861	56,219	-	-	38,113	825,193
Other income	106,949	88,951	340	4,650	4,147	205,037
Reimbursed expenses	37,078	19,225	-	-	-	56,303
Total Revenues	<u>5,806,132</u>	<u>2,160,371</u>	<u>514,611</u>	<u>547,460</u>	<u>497,829</u>	<u>9,526,403</u>
Expenditures						
General Government	2,282,842	161,357	-	21,628	-	2,465,827
Public Safety	1,626,208	7,715	-	-	151,500	1,785,423
Streets and Highways	-	2,099,168	-	-	-	2,099,168
Health and welfare	644,234	-	534,169	-	-	1,178,403
Auxiliary services	228,304	-	-	-	269,014	497,318
Capital outlay	248,053	61,457	4,041	463,740	10,641	787,932
Debt service - principal	-	95,469	-	90,530	-	185,999
Debt service - interest	-	3,852	-	14,972	-	18,824
Total Expenditures	<u>5,029,641</u>	<u>2,429,018</u>	<u>538,210</u>	<u>590,870</u>	<u>431,155</u>	<u>9,018,894</u>
Excess of Revenues Over (Under) Expenditures	<u>776,491</u>	<u>(268,647)</u>	<u>(23,599)</u>	<u>(43,410)</u>	<u>66,674</u>	<u>507,509</u>
Other Financing Sources (Uses)						
Transfers from (to) other funds	(33,000)	-	8,000	-	25,000	-
Proceeds from capital leases	-	-	-	44,959	-	44,959
Total Other Financing Sources (Uses)	<u>(33,000)</u>	<u>-</u>	<u>8,000</u>	<u>44,959</u>	<u>25,000</u>	<u>44,959</u>
Net Change in Fund Balance	743,491	(268,647)	(15,599)	1,549	91,674	552,468
Fund Balances - January 1	<u>2,691,311</u>	<u>1,700,617</u>	<u>(36,994)</u>	<u>811,967</u>	<u>303,572</u>	<u>5,470,473</u>
Fund Balances - December 31	<u>\$ 3,434,802</u>	<u>\$ 1,431,970</u>	<u>\$ (52,593)</u>	<u>\$ 813,516</u>	<u>\$ 395,246</u>	<u>\$ 6,022,941</u>

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

RECONCILIATION OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

CUSTER COUNTY, COLORADO
For the year ended December 31, 2021

Total Change in Fund Balances - Governmental Funds	\$ 552,468
Change in receivable - revenues in the Statement of Activities that do not provide current financial resources are not reported in the governmental funds.	122,186
Expenditures for services which benefit a future period are reported as prepaid expenses and included in current assets in the government wide statement of net position. In the governmental funds financial statements they are treated as expenditures when paid.	4,459
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$787,932) exceeds depreciation (\$604,803).	183,129
In the government-wide statements, basis in capital assets that have been sold reduces income. In governmental funds the basis is not recognized.	(5,238)
Principle retirements - Retirements of principle outstanding on the County's debt result in a reduction of accumulated resources on the fund financial statement. The government wide statements show these reductions against the long-term liabilities.	185,999
The change in revenues that are allocated for future periods are not recognized in the Statement of Activities, but are recognized in the governmental funds.	1,876
Internal service fund is used by management to account for health insurance and workers' compensation activities. The net activity of the internal service fund is reported with governmental activities.	(16,058)
Interest payable on capital leases is not recorded on the fund statements because it is not a current use of cash. Interest is accrued on the government-wide statements, and the change in the liability is recognized.	3,776
In the government-wide statements, accrued compensated absences are measured by the amount earned and unused. In the governmental funds, the expenditures for compensated absences are measured by the amount of financial resources used (essentially, the amounts actually paid). Therefore, the change in the accrued compensated absences is recognized.	3,126
In the government-wide statements, estimated landfill closure debt is recognized as long-term debt. In the government funds, the estimated cost nor the change in the estimate are included. Therefore, the change in the estimate is recognized.	(23,201)
Current lease proceeds provide current financial resources to the governmental funds but in the Statement of Net Position the lease is reported as long term debt.	(44,959)
Total Change in Net Position - Governmental Activities	<u>\$ 967,563</u>

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

INTERNAL SERVICE FUND FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
CUSTER COUNTY, COLORADO
December 31, 2021

		<u>Internal Service Insurance Fund</u>
	<u>Assets</u>	
Current Assets		
Cash held by County Treasurer		\$ 137,240
Taxes receivable		185,400
	Total Current Assets	<u>322,640</u>
	<u>Liabilities</u>	
Current Liabilities		
Warrants payable		-
Accounts payable		5,450
	Total Current Liabilities	<u>5,450</u>
Deferred Inflow - property taxes		<u>185,000</u>
	<u>Net Position</u>	
Reserved for emergency		6,600
Unrestricted		<u>125,590</u>
	Total Net Position	<u>\$ 132,190</u>

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUND
CUSTER COUNTY, COLORADO
December 31, 2021

	<u>Internal Service Insurance Fund</u>
Operating Revenues	
Charges for services	\$ -
Reimbursed expenses	<u>22,882</u>
Total Operating Revenues	<u>22,882</u>
Operating Expenses	
General government	146,479
Streets and Highways	<u>86,384</u>
Total Expenditures	<u>232,863</u>
Operating Income (Loss)	(209,981)
Nonoperating Revenues (Expenses)	
Property taxes	166,938
Specific ownership taxes	26,505
Penalties and Interest	<u>480</u>
Net Income (Loss) Before Other Financing Sources (Uses)	(16,058)
Operating transfers in (out)	<u>-</u>
Change in Net Position	(16,058)
Net Position - January 1	<u>148,248</u>
Net Position - December 31	<u><u>\$ 132,190</u></u>

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

STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
CUSTER COUNTY, COLORADO
For the year ended December 31, 2021

	<u>Internal Service Insurance Fund</u>
Cash Flows From Operating Activities	
Cash received for reimbursed expenses	\$ 22,882
Payments for services	<u>(230,294)</u>
Net Cash Used for Operating Activities	<u>(207,412)</u>
 Cash Flows From Noncapital Financing Activities	
Cash received for property taxes	194,011
Transfers from other funds	<u>-</u>
Net Cash Provided by Noncapital Financing Activities	<u>194,011</u>
Net Increase (Decrease) in Cash	(13,401)
 Cash - January 1	<u>150,641</u>
 Cash - December 31	<u>\$ 137,240</u>
 Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (209,981)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) decrease in accounts receivable	-
Increase (decrease) in warrants / accounts payable	<u>2,569</u>
 Net Cash Provided (Used) by Operating Activities	<u>\$ (207,412)</u>

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

FIDUCIARY FUND FINANCIAL STATEMENTS

STATEMENT OF FIDUCIARY NET POSITION
CUSTER COUNTY, COLORADO
December 31, 2021

	<u>Agency Funds</u>
<u>Assets</u>	
Cash in bank and on hand	\$ <u>269,765</u>
Total Assets	\$ <u>269,765</u>
 <u>Liabilities</u>	
Due to other taxing units	\$ -
Due to other agencies and departments	<u>269,765</u>
Total Liabilities	\$ <u>269,765</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

CUSTER COUNTY, COLORADO

December 31, 2021

Note 1 - Summary of Significant Accounting Policies

Custer County, Colorado (“County”) was established in 1877 and operates under an elected commissioner form of government. The County provides a full range of services which include general government functions, public protection and safety, health, social services, public improvements, road and bridge operations, planning and zoning, and general administrative services.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governments. The following summary of significant accounting policies is presented to assist the reader in evaluating the County’s financial statements.

A. Financial Reporting Entity

Custer County is a political subdivision of the State of Colorado, governed by an elected three-member Board of County Commissioners. There are also four other elected officials of Custer County (Assessor, Clerk and Recorder, Sheriff, and Treasurer).

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Discretely presented component units:

The E911 Emergency Telephone Service Authority Board was created by intergovernmental agreements under Colorado statutes that authorizes the County, municipalities within the County, and special districts within the County to enter into an agreement for the purpose of providing 911 emergency telephone services. According to Colorado statute the agreement creates a separate legal entity which is responsible for administering the operations of the 911 emergency telephone service program in Custer County.

Blended component units:

The Airport Authority was dissolved and replaced by an advisory board appointed by the County Commissioners. The activities of the Airport are reported in a special revenue fund.

Other related organizations

The following organizations are excluded from the accompanying financial statements because the County’s accountability for these organizations does not extend beyond various appointments:

Custer County Library District - The County Commissioners appoint the seven-member Library District Board. The Library District Board has total autonomy under the State Library Act to incur debt, establish budgets, and levy property taxes to support the District’s library system.

NOTES TO FINANCIAL STATEMENTS (Continued)

CUSTER COUNTY, COLORADO

December 31, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

Other related organizations (Continued)

Colorado Counties Casualty and Property Pool (hereinafter referred to as "CAPP") - CAPP was formed by intergovernmental agreement by member counties as a separate and independent governmental and legal entity pursuant to provisions of the Colorado Constitution and Colorado Revised Statutes. Each member county in this governmental agreement has the power under Colorado law to make provision for the property and casualty coverage which constitute the functions and services jointly provided by means of the CAPP. The Insurance Commissioner of the State of Colorado has such authority with respect to the CAPP as is provided by applicable Colorado statutes.

The purposes of the CAPP are to provide a risk management fund for defined property and casualty coverage and to assist members in controlling costs by providing specialized governmental risk management services and systems. It is the intent of the members to use member contributions to defend and indemnify, in accordance with its bylaws, any member against states liability or loss to the limit of the financial resources of the risk management fund. It is also the intent of the members to have CAPP provide needed coverage at reasonable costs. All income and assets of CAPP shall be at all times dedicated to the exclusive benefit of its members. Custer County, through its Insurance Internal Service Fund, recognizes an expense for any amounts paid to CAPP annually for these coverages.

Custer County is a member of CAPP.

B. Government-wide Financial Statements

The County's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information. The government-wide focus is more on the sustainability of the County as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

The statement of net position and the statement of activities display information about the County as a whole. In the government-wide statement of net position, the governmental activities are presented on a consolidated basis. These statements include the activities of the primary government, except for fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The government-wide statement of activities reflect both the direct expenses and net cost of each function of the County's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods and services offered by the program. Grants and contributions that are restricted to meeting the operational and capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program are included in operating grants and contributions, or capital grants and contributions. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the County.

Fund Financial Statements

The financial transactions of the County are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Separate statements for each fund category - governmental and fiduciary are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and presented as non-major funds.

NOTES TO FINANCIAL STATEMENTS (Continued)

CUSTER COUNTY, COLORADO

December 31, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

C. Measurement Focus

Government-wide and Fiduciary Fund Financial Statements

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are reported when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. Revenues from property taxes are recognized in the fiscal year for the which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there may be both restricted and unrestricted resources available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants if any, and then general revenues.

The County reports the following major government funds:

The General Fund is the general operating fund of the County which accounts for all financial resources that are not accounted for in other funds. Operations of the County such as public safety, planning and zoning, property valuation, tax collection and distribution, vehicle licensing, County administration and other activities financed from taxes and general revenues are reflected in this fund.

The Road and Bridge Fund records costs related to County road and bridge construction and maintenance. By State law, Colorado counties are required to maintain a Road and Bridge Fund and a portion of road and bridge taxes is allocated to cities and towns for use in their road and street activities.

The Human Services Fund is used to administer human services programs under state and federal regulations. Programs include, but are not limited to, Medicaid, food stamps, foster care programs, senior service programs, and temporary assistance to needy families (TANF). Financing sources are from federal, state and local grants together with dedicated property taxes and specific ownership taxes. Colorado counties are required by state law to maintain a human services fund.

The Capital Improvement Fund is used to account for and report financial resources that are restricted, committed, or assigned funds expended for the purpose of improving, equipping and furnishing the County's buildings and other property. Financing sources are from sales tax revenue and grants.

The County also reports the following fund types:

The Internal Service Funds account for the financing of goods or services provided by one department or agency to departments or agencies of the County on a cost reimbursement basis. The County's internal service fund report on self-insurance programs for employee health, risk management, unemployment, and other insurance used by County departments.

The Agency Fund accounts for assets held by the County as an agent for individuals, private organizations and other governments. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

NOTES TO FINANCIAL STATEMENTS (Continued)

CUSTER COUNTY, COLORADO

December 31, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

D. Assets and Liabilities

1. Deposits and Investments

The Custer County Treasurer maintains a cash and investment pool that is available for use by all County funds except for some agency funds. Each fund's portion of this pool is displayed as "cash and cash equivalents". Accrued interest receivable is displayed separately. The amount of interest gained through secured investments is credited to the County's general fund per Colorado State Statutes, with the exception of the Conservation Trust and the E-911 Authority. Cash and cash equivalents are stated at fair value.

The County considers cash and cash equivalents to be cash on hand and demand deposits. In addition, because the treasury pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

Cash equivalents are short term, liquid investments that are quickly converted to known cash amounts and that have maturities of three months or less so as to minimize the risk of value changes.

2. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes were levied on December 15 and are payable either in two installments due on February 28 and June 15, or in full on April 30. Delinquent taxes may be assessed penalties and interest by the County. The County, through the Custer County Treasurer, bills and collects its own property taxes, as well as property taxes for all other taxing authorities within the County.

3. Interfund Transactions

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the County are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expenses in the fund that is reimbursed. At year end, outstanding balances between funds are reported as "due to/from other funds". Interfund balances are generally expected to be repaid within one year of the financial statement date. Any residual balances outstanding between the governmental funds are eliminated in the government-wide statement of net position.

4. Inventories and Prepaid Items

Inventories of governmental funds, which consist of expendable materials held for consumption, are stated at cost using weighted average cost method. Quantities on hand are determined by physical count.

Expendable supplies are charged directly to expenditures or expenses when purchased.

Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in the government-wide financial statements if significant, and are charged directly to expenditures or expenses when paid in the fund financial statements.

5. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges and similar items), are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$1,000 and a useful life of more than one year.

NOTES TO FINANCIAL STATEMENTS (Continued)

CUSTER COUNTY, COLORADO

December 31, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

5. Capital Assets (Continued)

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of the donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. All reported capital assets are depreciated, except for land and land improvements. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20 - 50 years
Improvements	20 years
Infrastructure - bridges	50 years
Infrastructure - roads	20 years
Equipment	3 - 5 years
Heavy equipment	10 - 20 years

GASB Statement 34 allows small governments to begin reporting infrastructure assets in the year of implementation. The County has not elected to retroactively report infrastructure assets as permitted by GASB Statement 34.

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The County does not have an item that qualifies for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one item, property taxes. This item is deferred and recognized as an inflow of resources in the period that the amounts become available.

7. Compensated Absences

County employees are entitled to certain compensated absences based on their length of employment. Full time employees earn five days vacation during their first year of employment, twelve days vacation beginning with their second year of employment, and seventeen days vacation beginning with their sixth year of employment. The maximum vacation accrual shall be one year carry over which must be taken by the employee's anniversary date of the following year or it will be forfeited. Employees will be permitted to accrue vacation leave until they reach the annual accrual cap of 272 hours. Once an employee reaches the annual cap, no additional leave will be accrued.

Sick leave is earned at the rate of one day per month (or 8 hours) for each month of employment. A maximum of sixty working days (or 480 hours) may be accumulated for actual illness. Once an employee reaches the accrual cap, no additional leave will be accrued. Accruals will start again once the employee's accrued leave falls below the maximum accrual cap.

A maximum of twenty days sick leave (or 160 hours) and days of vacation, depending on the length of employment, are paid to terminated employees.

NOTES TO FINANCIAL STATEMENTS (Continued)

CUSTER COUNTY, COLORADO

December 31, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

7. Compensated Absences (Continued)

Ultimate payment of these benefits, or liability of the County to the employee, if any, is payable only in conjunction with the employee's termination. Any such payments of vested benefits are made in a lump sum at termination.

The unpaid sick leave, vacation pay and related benefits at the end of the period will generally not be paid with expendable and available resources and, as such, the liability is generally not reflected in the governmental fund financial statements. The entire liability for compensated absences is reported on the government-wide financial statements.

8. Long-term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

9. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2 - Stewardship, Compliance, and Accountability

A. Budgetary Information

An annual budget and appropriation ordinance is adopted by the Board of County Commissioners in accordance with Colorado State Budget Act. The budget is prepared on a basis consistent with generally accepted accounting principles.

Budgets are established for all governmental funds and internal service funds. Formal budgetary accounting is employed as a management control device during the year to monitor the individual departments. The fund level is the level of classification at which expenditures may not legally exceed appropriations. During the year, several supplemental appropriations were necessary. All annual appropriations lapse at year end. The County does not recognize encumbrances.

B. Expenditures in Excess of Budget Amounts

During 2021 two funds and the component unit had expenditures which exceeded budgeted amounts, which may be a violation of Colorado Local Government Budget Law.

	<u>Actual</u>		<u>Budget</u>		<u>Excess</u>
Tourism Fund	\$ 59,978	\$	52,665	\$	(7,313)
Insurance Fund	\$ 232,863	\$	221,500	\$	(11,363)
E-911	\$ 55,855	\$	52,200	\$	(3,655)

C. Tax, Spending, and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The County believes it is in compliance with the Amendment. However, the County has made certain interpretations of the Amendment's language in order to determine its compliance.

NOTES TO FINANCIAL STATEMENTS (Continued)

CUSTER COUNTY, COLORADO

December 31, 2021

Note 2 - Stewardship Compliance, and Accountability (Continued)

D. Deficit Fund Equity

As of December 31, 2021, the County had one fund with a deficit fund balance. Human Services Fund had a deficit fund balance of \$52,593.

E. Grant Funding

The County receives funding from Federal, State and foundation grants which may be subject to regulatory or other oversight by granting agencies. Such oversight may include audit or other compliance procedures. Any adjustments made by a granting agency would become a liability to the County. There are no such proceedings presently in progress.

Note 3 - Cash Deposits and Investments

Deposits

The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized.

The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be equal to 102% of the aggregate uninsured deposits. As of December 31, 2021, the County had deposits over \$250,000 in the amount of \$81,442. These deposits are required to be collateralized under State statutes.

Custodial Credit Risk. There is a risk that, in the event of a bank failure, the County's deposits may not be returned. The County's policy for custodial credit risk parallels Colorado statutes.

A summary of cash and deposits held at year-end follows:

<u>Cash and Deposits</u>	<u>Carrying Amounts</u>	<u>Less Than One Year</u>	<u>Less Than Five Years</u>
Deposits:			
Cash on hand	\$ 5,694	\$ 5,694	\$ -
Checking	30,419	30,419	-
Savings	331,442	331,442	-
Investments:			
Certificate of deposit	11,714	11,714	-
State investment pool (Colo Trust)	6,157,178	6,157,178	-
Total	<u>\$ 6,536,447</u>	<u>\$ 6,536,447</u>	<u>\$ -</u>
Governmental Activities	\$ 5,924,206		
Component Unit	342,476		
Fiduciary Fund	269,765		
	<u>\$ 6,536,447</u>		

NOTES TO FINANCIAL STATEMENTS (Continued)

CUSTER COUNTY, COLORADO

December 31, 2021

Note 3 - Cash Deposits and Investments (Continued)

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. The law outlines the types of securities that public entities in Colorado may acquire and hold as investments. These include U.S. government agency securities, certain bonds of political subdivisions, bankers' acceptances, commercial paper, local government investment pools, repurchase agreements, money market funds, negotiable certificates of deposit fully covered by FDIC Insurance and guaranteed insurance contracts. The statute also includes a provision limiting any investment to a five year maturity unless the governing body authorizes a longer period.

The County has invested \$6,157,178 in the Colorado Government Liquid Asset Trust (ColoTrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. ColoTrust operates similarly to a money market fund and each share is equal in value to \$1. Investments of ColoTrust consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to ColoTrust in connection with the direct investment and withdrawal functions of ColoTrust. Substantially all securities owned by ColoTrust are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by ColoTrust.

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The County has the following recurring fair value measurements as of December 31, 2021:

- Certificates of deposit are valued using a matrix pricing model (Level 2 inputs).
- The County's investment in ColoTrust are reported at fair value. However, this investment is not subject to the fair value hierarchy.

Interest Rate Risk - The County's policy of limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates parallels Colorado statutes. Specifically all securities are limited to a maximum maturity of five years from date of purchase unless the governing body authorizes a longer period.

Credit Risk - The County does not have a policy which would further limit its investment choices beyond the requirements of Colorado statutes. As of December 31, 2021 the County's investment in Colo Trust rates AAAM by Standard and Poor's and Aaa by Moody's.

Note 4 - Property Tax Accrual

Property taxes which have been levied for 2021 which will not be collected until 2022 have been accrued as a receivable at December 31, 2021. An offsetting liability for deferred inflows of resources - unearned property tax revenue has been recorded on the statement of net position.

NOTES TO FINANCIAL STATEMENTS (Continued)

CUSTER COUNTY, COLORADO

December 31, 2021

Note 5 - Interfund Transactions

Due to/from Other funds:

The County reports interfund balances between some of its funds. Balances result from the time lag between the dates when interfund goods or services are provided, transactions are recorded in the accounting system and the payments between funds are made. Interfund balances are generally expected to be repaid within one year of the financial statement date.

Transfers Between Funds:

Transfers between funds are generally indicative of funding for capital projects or subsidies of various County operations and re-allocation of special revenues.

The following schedule briefly summarizes the County's transfer activity:

Transfers from	Transfers to		
	Major Funds	Other Funds	Total
Major funds	\$ -	\$ 33,000	\$ 33,000

Note 6 - Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

Governmental Activities	Balances January 1	Additions	Deletions	Balances December 31
Non Depreciable Assets				
Land	\$ 929,687	\$ -	\$ -	\$ 929,687
Assets in progress	536,854	272,287	334,964	474,177
Total Non Depreciable Assets	<u>1,466,541</u>	<u>272,287</u>	<u>334,964</u>	<u>1,403,864</u>
Depreciable Assets				
Buildings and improvements	4,836,338	303,916	-	5,140,254
Vehicles and heavy equipment	8,406,455	337,036	396,615	8,346,876
Office equipment	1,088,914	209,658	-	1,298,572
Infrastructure	356,198	-	-	356,198
Total Depreciable Assets	<u>14,687,905</u>	<u>850,610</u>	<u>396,615</u>	<u>15,141,900</u>
Less Accumulated Depreciation				
Buildings and improvements	2,385,440	160,317	-	2,545,757
Vehicles and heavy equipment	6,444,842	390,596	391,376	6,444,062
Office equipment	1,032,997	39,439	-	1,072,436
Infrastructure	195,546	14,451	-	209,997
Total Accumulated Depreciation	<u>10,058,825</u>	<u>604,803</u>	<u>391,376</u>	<u>10,272,252</u>
Total Capital Assets, Net	<u>\$ 6,095,621</u>	<u>\$ 518,094</u>	<u>\$ 340,203</u>	<u>\$ 6,273,512</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

CUSTER COUNTY, COLORADO

December 31, 2021

Note 6 - Capital Assets (Continued)

Component Unit E 911	Balances January 1	Additions	Deletions	Balances December 31
Non Depreciable Assets				
Assets in progress	\$ -	\$ -	\$ -	\$ -
Depreciable Assets				
Equipment	645,495	14,457	-	659,952
Less Accumulated Depreciation				
Equipment	473,437	63,901	-	537,338
Total Capital Assets, Net	\$ 172,058	\$ (49,444)	\$ -	\$ 122,614

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

General government	\$ 79,681
Public safety	161,727
Streets and highways	256,990
Health and welfare	12,602
Auxiliary	93,803
Total - Governmental Activities	604,803
Component Unit - E 911	63,901
Total Depreciation Expense	\$ 668,704

Note 7 - Risk Management

County Worker's Compensation Pool - The County is exposed to various risks of loss related to injuries of employees while on the job. The County participates, with other counties in the State of Colorado, in a County Workers' Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties.

The County pays an annual contribution to CWCP for its worker's 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 specified self-insurance retention, which is determined each policy year.

Colorado Counties Casualty and Property Pool - The County is exposed to various risks of loss to property and casualty losses. The County participates, with other counties in the State of Colorado, in a 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 Colorado Counties, Inc. for its property and casualty insurance coverage. The intergovernmental agreement of formation of CAPP provides that the Pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

Note 8 - Defined Contribution Plan

The County provides pension benefits for all of its officials and employees through a defined contribution plan administered by the Colorado County Officials and Employees Retirement Association. Benefit terms, including contribution requirements, for the Plan are established and may be amended by the Board of Commissioners.

NOTES TO FINANCIAL STATEMENTS (Continued)

CUSTER COUNTY, COLORADO

December 31, 2021

Note 8 - Defined Contribution Plan (Continued)

The County provides pension benefits for all of its officials and employees through a defined contribution plan administered by the Colorado County Officials and Employees Retirement Association. Benefit terms, including contribution requirements, for the Plan are established and may be amended by the Board of Commissioners.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings and forfeitures, if any. Officials are eligible to participate immediately upon taking office. Employees are eligible to participate upon the completion of six months of service and attaining age twenty-one (21). As required by the terms of the plan, the County must contribute 4% of compensation to the plan and officials and employees must match employer contributions. In addition, officials and employees may make additional voluntary contributions not to exceed 10% of compensation. Officials are immediately vested 100% in employer contributions and earnings. Employees are vested at 20% per year, becoming fully vested after five years, in employer contributions and earnings. Employer contributions forfeited by an employee before becoming fully vested are returned to the County.

The County's total payroll for the year ended December 31, 2021 was \$3,809,425. The County's contributions were calculated using the base earnings of eligible, participating employees of \$3,335,857. The County's required 4% contribution for 2021 was \$133,434, officials and employees required 4% contribution was \$133,434, for a total of \$266,868.

The plan held no securities of the County or other related parties during the year or as of the end of the year.

Note 9 - Deferred Compensation Plan

The County offers its officials and employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457.

The plan, available to all County officials and employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to officials and employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan are deposited with the Colorado County Officials and Employees Retirement Association. During 2021 there were seventeen participants in the plan. Deferred compensation for the year ended December 31, 2021 was \$35,838.

Note 10 - Long-Term Debt

The following is a summary of the County's long-term debt transactions for the year ended December 31, 2021:

	Debt Outstanding January 1	Additions of New Debt	Retirements and Repayments	Debt Outstanding December 31	Due Within One Year
Capital lease obligations	\$ 638,785	\$ 44,959	\$ 185,999	\$ 497,745	\$ 92,222
Compensated absences	248,560	908	4,033	245,435	-
Other obligations	<u>734,686</u>	<u>23,201</u>	-	<u>757,887</u>	-
Totals	<u>\$ 1,622,031</u>	<u>\$ 69,068</u>	<u>\$ 190,032</u>	<u>\$ 1,501,067</u>	<u>\$ 92,222</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

CUSTER COUNTY, COLORADO

December 31, 2021

Note 10 - Long-Term Debt (Continued)

Debt outstanding as of December 31, 2021, consisted of the following:

GM Financial

2019 GMC 2500 Truck, \$7,765.62 per year or five years, dated May 6, 2019, with an effective interest rate of 5.66%. \$ 14,305

First State Bank of Colorado

Two 2017 Dodge Durangos, \$14,871.79 per year for six years, dated April 12, 2017, with an effective interest rate of 3.95%. 14,299

2020 Dodge Durango, \$8,381.03 per year for six years dated November 12, 2020, with an effective interest rate of 3.25% 38,039

2018 Dodge Durango, \$7,646.06 per year for seven years dated December 31, 2018, with an effective interest rate of 4.3%. 27,520

United Business Bank

2020 Dodge Durango, \$8,198.50 per year for four years, one final payment of \$6,837.30. Lease dated June 2, 2020 with an effective interest rate of 3.75%. 21,620

Chet Haga Trust

Vacant land, 6.68 acres, \$50,000 per year plus interest at 2% for ten years with a final payment of \$31,962 plus interest. 381,962

Compensated Absences

Accumulated vacation and sick leave benefits for eligible employees. 245,434

Other Obligations

Estimated closure and postclosure costs of solid waste landfill 757,887

Total General Long Term Debt \$ 1,501,066

The assets acquired through capital leases total \$826,233 less accumulated depreciation of \$96,713. These assets are used in governmental activities.

Future minimum lease payments for all leases are as follows:

Year Ending December 31

2022	\$ 104,502
2023	88,631
2024	78,504
2025	70,666
2026	61,936
2027 - 2029	<u>136,881</u>
Minimum lease payments for all capital leases	541,120
Less: imputed interest	<u>43,375</u>
Present Value of Minimum Lease Payments	<u><u>\$ 497,745</u></u>

NOTES TO FINANCIAL STATEMENTS (Continued)

CUSTER COUNTY, COLORADO

December 31, 2021

Note 10 - Long-Term Debt (Continued)

The annual requirements to retire all general long-term debt as of December 31, 2021 are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 92,222	\$ 12,280	\$ 104,502
2023	79,111	9,520	88,631
2024	71,224	7,280	78,504
2025	65,190	5,476	70,666
2026	58,036	3,900	61,936
2027 - 2029	<u>131,962</u>	<u>4,919</u>	<u>136,881</u>
	497,745	43,375	541,120
Compensated absences	245,434	-	245,434
Closure and postclosure costs	<u>757,887</u>	<u>-</u>	<u>757,887</u>
Total	<u>\$ 1,501,066</u>	<u>\$ 43,375</u>	<u>\$ 1,544,441</u>

Note 11 - Operating Leases

The County is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore the results of the lease agreements are not reflected in the County's account groups.

The following is a schedule, by years, of future minimum rental payments required under operating leases that have initial or remaining noncancellable lease terms in excess of one year as of December 31, 2021:

<u>Year Ending December 31</u>	<u>Amounts</u>
2022	\$ 7,084
2023	3,793
2024	<u>1,109</u>
Total Minimum Payments Required	<u>\$ 11,986</u>

The following schedule shows the composition of current and future rental expenditures for all operating leases except those with terms of one year or less that were not renewed:

	<u>2021</u>	<u>Future Years</u>
Minimum rentals	\$ 7,084	\$ 11,986
Contingent rentals	-	-
Less: Sublease rentals	-	-
Total Rental Expenditures	<u>\$ 7,084</u>	<u>\$ 11,986</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

CUSTER COUNTY, COLORADO

December 31, 2021

Note 12 - Closure and Postclosure Care Cost

The County began operating a solid waste landfill in April of 1994. State and federal laws and regulations 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. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs in its financial statements in each year based on landfill capacity used as of each balance sheet date. These costs are measured on the accrual basis and reported in the general long-term debt account group until they become current liabilities expected to be liquidated with expendable available resources of the County.

The most recent engineering report available was completed in February 2021. Estimates of closure costs were \$211,166 and thirty year postclosure maintenance costs of \$562,188 for a total of \$773,354. The \$757,887 reported as landfill closure and postclosure liability at December 31, 2021 in the government-wide financial statements represents the cumulative amount reported to date based on the use of approximately 98% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$23,201 as the remaining estimated capacity is filled. The estimated remaining landfill life is approximately 2 years based on current use estimates. The estimated dollar amounts are based on what it would cost to perform all closure and postclosure care in 2021. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

At December 31, 2021, there are no assets restricted for payment of closure and postclosure care costs. The County paid \$0 of costs in 2021. Current regulations permit local governments to meet financial assurance requirements by satisfying certain financial tests as defined in the Regulations. The County believes it is in compliance with and satisfies these tests as of December 31, 2021.

Note 13 - Fund Balances

Government-wide Net Position:

Government-wide net position is divided into three components:

- Invested in capital assets, net of related debt - consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position - consists of net position that is restricted by the County's creditors (for example, through debt covenants), by state enabling legislation (through restricts on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted - all other net position is reported in this category.

The County presents fund balances in clearly defined categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. In the fund financial statements the following classifications describe the relative strength of the spending constraints.

- *Non-spendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory) or is legally or contractually required to be maintained intact.

NOTES TO FINANCIAL STATEMENTS (Continued)

CUSTER COUNTY, COLORADO

December 31, 2021

Note 13 - Fund Balances (Continued)

- *Restricted fund balance* - The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.
- *Committed fund balance* - The portion of fund balance constrained for a specific purpose according to limitations imposed by the County's highest level of decision making authority, Board of Commissioners, prior to the end of the current year. The constraint may be removed or changed only through formal action of the Board of Commissioners.
- *Assigned fund balance* - The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the Board of Commissioners or other individuals authorized to assign funds to be used for a specific purpose. Assigned fund balances in special revenue funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of the particular fund.
- *Unassigned fund balance* - The residual portion of fund balance that does not meet any of the above criteria. The County will only report a positive unassigned fund balance in the General Fund.

If both restricted and unrestricted amounts of fund balance are available for use when an expenditure is incurred, it is County policy to use restricted amounts first. Unrestricted fund balance will be used in the following order; committed, assigned and unassigned.

The specific purposes for each fund balance classification on the balance sheet are detailed in the table below:

<u>Funds</u>	<u>Fund Balances</u>					
	<u>Nonspendable Inventory</u>	<u>Restricted Tabor</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Totals</u>
General	\$ -	\$ 140,000	\$ 109,787	\$ -	\$ 3,185,015	\$3,434,802
Road & Bridge	173,030	60,000	1,198,940	-	-	1,431,970
Human Services	-	11,000	-	-	(63,593)	(52,593)
Cap. Improve.	-	16,300	797,216	-	-	813,516
Other Governmental	5,810	12,700	260,316	118,334	(1,914)	395,246
	<u>\$ 178,840</u>	<u>\$ 240,000</u>	<u>\$ 2,366,259</u>	<u>\$ 118,334</u>	<u>\$ 3,119,508</u>	<u>\$ 6,022,941</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

CUSTER COUNTY, COLORADO

December 31, 2021

Note 14 - EBT Authorizations, Warrant Expenditures and Total Expenditures

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
	County EBT	County Share of	Expenditures By County	County EBT Authorizations Plus Expenditures by County	Total
<u>Program</u>	<u>Authorizations</u>	<u>Authorizations</u>	<u>Warrant</u>	<u>Warrant</u>	<u>Expenditures</u>
Old Age Pension	\$ 54,873	\$ -	\$ -	\$ 54,873	\$ -
Low-Income Energy Assistance Program	165,554	-	-	165,554	-
Colorado Works	30,756	14,709	-	30,756	14,709
Regular Administration	10,638	813	407,345	417,983	408,158
Child Welfare	(19,325)	54,018	-	(19,325)	54,018
IV-E and parental fees	-	-	-	-	-
Aid to the Needy					
Disabled	7,719	1,929	-	7,719	1,929
Child Care	1,620	9,962	-	1,620	9,962
Core Services	7,205	1,035	-	7,205	1,035
Home Care Allowance	11,682	615	-	11,682	615
Medicaid Transportation	-	-	13,277	13,277	13,277
General Assistance	-	-	34,507	34,507	34,507
Subtotal	<u>270,722</u>	<u>83,081</u>	<u>455,129</u>	<u>725,851</u>	<u>538,210</u>
Food Assistance	1,292,957	-	-	1,292,957	-
Grand Total	<u>\$ 1,563,679</u>	<u>\$ 83,081</u>	<u>\$ 455,129</u>	<u>\$ 2,018,808</u>	<u>\$ 538,210</u>

- A. Welfare payments authorized by the Custer County Department of Human Services. These County authorizations are paid by the Colorado Department of Human Services by QUEST debit cards or by electronic funds transfer (EFT).
- B. County share of EBT authorizations. These amounts are settled monthly by a reduction of State cash advances to the County.
- C. Expenditures made by County warrants or other County payment methods.
- D. This represents the total cost of the welfare programs that are administered by Custer County.
- E. This total matches the expenditures on the Human Services Fund - Statement of Revenues, Expenditures and Changes in Fund Balance.

Note 15 - Net Change in Agency Funds

Funds Held - December 31, 2020	\$ 227,162
Receipts	9,333,850
Disbursements	<u>9,291,247</u>
Funds Held - December 31, 2021	<u>\$ 269,765</u>

The assets and liabilities as of December 31, 2021 are reported in the Statement of Fiduciary Net Position.

NOTES TO FINANCIAL STATEMENTS (Continued)

CUSTER COUNTY, COLORADO

December 31, 2021

Note 16 - Subsequent Event

In March 2020, the COVID-19 virus was declared a global pandemic as it continued to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, was severely impacted for months and may continue to impact the economy. Management has been carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

REQUIRED SUPPLEMENTARY INFORMATION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

GENERAL FUND

CUSTER COUNTY, COLORADO

For the year ended December 31, 2021

	<u>Budgeted Amount</u>			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ 2,066,308	\$ 2,066,308	\$ 3,019,145	\$ 952,837
Penalties	3,800	3,800	2,786	(1,014)
Federal Sources	567,415	1,068,215	924,243	(143,972)
State Sources	292,824	298,424	438,212	139,788
Local Sources	112,622	118,422	162,058	43,636
Licenses and permits	237,450	237,450	384,800	147,350
Charges for services	729,779	729,779	730,861	1,082
Reimbursed expenses	20,000	20,000	37,078	17,078
Miscellaneous	85,320	85,320	106,949	21,629
Total Revenues	<u>4,115,518</u>	<u>4,627,718</u>	<u>5,806,132</u>	<u>1,178,414</u>
Expenditures				
General Government	2,160,543	2,155,544	2,282,842	(127,298)
Public Safety	1,648,373	1,648,373	1,626,208	22,165
Health and welfare	437,429	949,629	644,234	305,395
Auxiliary services	221,615	268,979	228,304	40,675
Capital outlay	19,800	19,800	248,053	(228,253)
Total Expenditures	<u>4,487,760</u>	<u>5,042,325</u>	<u>5,029,641</u>	<u>12,684</u>
Excess of Revenues Over (Under) Expenditures	(372,242)	(414,607)	776,491	1,191,098
Other Financing Sources (Uses)				
Transfers to other funds	<u>(33,000)</u>	<u>(38,000)</u>	<u>(33,000)</u>	<u>5,000</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(405,242)	(452,607)	743,491	1,196,098
Fund Balances - January 1	<u>1,819,361</u>	<u>1,819,361</u>	<u>2,691,311</u>	<u>871,950</u>
Fund Balances - December 31	<u>\$ 1,414,119</u>	<u>\$ 1,366,754</u>	<u>\$ 3,434,802</u>	<u>\$ 2,068,048</u>

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ROAD AND BRIDGE FUND
CUSTER COUNTY, COLORADO
For the year ended December 31, 2021

	Budgeted Amount			Variance With Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Taxes	\$ 1,852,842	\$ 1,852,842	\$ 1,976,179	\$ 123,337
Penalties	1,800	1,800	1,601	(199)
Federal sources	17,000	17,000	18,196	1,196
State sources	-	-	-	-
Charges for services	43,000	43,000	56,219	13,219
Miscellaneous	1,650	1,650	88,951	87,301
Reimbursed expenses	3,000	3,000	19,225	16,225
Total Revenues	1,919,292	1,919,292	2,160,371	241,079
Expenditures				
General Government	105,900	105,900	161,357	(55,457)
Public Safety	5,000	5,000	7,715	(2,715)
Streets and Highways	2,232,028	2,232,028	2,099,168	132,860
Capital outlay	110,000	110,000	61,457	48,543
Debt service - principal	-	-	95,469	(95,469)
Debt service - interest	-	-	3,852	(3,852)
Total Expenditures	2,452,928	2,452,928	2,429,018	23,910
Excess of Revenues Over (Under) Expenditures	(533,636)	(533,636)	(268,647)	264,989
Fund Balances - January 1	1,800,250	1,800,250	1,700,617	(99,633)
Fund Balances - December 31	\$ 1,266,614	\$ 1,266,614	\$ 1,431,970	\$ 165,356

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

**BUDGET AND ACTUAL
HUMAN SERVICES FUND**

CUSTER COUNTY, COLORADO

For the year ended December 31, 2021

	Budgeted Amount		Actual	Variance With
	Original	Final		Final Budget Favorable (Unfavorable)
Revenues				
Taxes	\$ 126,662	\$ 126,662	\$ 129,096	\$ 2,434
Penalties	400	400	320	(80)
Federal Sources	231,704	231,704	166,793	(64,911)
State Sources	375,996	375,996	211,029	(164,967)
Local Sources	-	-	7,033	7,033
Miscellaneous	10,000	10,000	340	(9,660)
Total Revenues	<u>744,762</u>	<u>744,762</u>	<u>514,611</u>	<u>(230,151)</u>
Expenditures				
Health and welfare	735,470	735,470	534,169	201,301
Capital outlay	2,000	2,000	4,041	(2,041)
Total Expenditures	<u>737,470</u>	<u>737,470</u>	<u>538,210</u>	<u>199,260</u>
Excess of Revenues Over (Under) Expenditures	7,292	7,292	(23,599)	(30,891)
Other Financing Sources (Uses)				
Operating transfers in (out)	-	-	8,000	8,000
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	7,292	7,292	(15,599)	(22,891)
Fund Balance - January 1	<u>10,858</u>	<u>-</u>	<u>(36,994)</u>	<u>(36,994)</u>
Fund Balance - December 31	<u>\$ 18,150</u>	<u>\$ 7,292</u>	<u>\$ (52,593)</u>	<u>\$ (59,885)</u>

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL IMPROVEMENT FUND
CUSTER COUNTY, COLORADO
For the year ended December 31, 2021

	<u>Budgeted Amount</u>			Variance With Final budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Taxes	\$ 220,000	\$ 220,000	\$ 489,147	\$ 269,147
Federal sources	-	-	-	-
State sources	40,000	40,000	53,663	13,663
Miscellaneous	-	-	4,650	4,650
Total Revenues	<u>260,000</u>	<u>260,000</u>	<u>547,460</u>	<u>287,460</u>
Expenditures				
General government	-	-	21,628	(21,628)
Public Safety	-	-	-	-
Capital outlay	501,967	681,967	463,740	218,227
Debt service - principal	-	-	90,530	(90,530)
Debt service - interest	-	-	14,972	(14,972)
Total Expenditures	<u>501,967</u>	<u>681,967</u>	<u>590,870</u>	<u>91,097</u>
Excess of Revenues Over (Under) Expenditures	(241,967)	(421,967)	(43,410)	378,557
Other Financing Sources (Uses)				
Operating transfers in (out)	-	5,000	-	(5,000)
Proceeds from capital lease	-	-	44,959	44,959
Total Other Financing Sources (Uses)	<u>-</u>	<u>5,000</u>	<u>44,959</u>	<u>39,959</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(241,967)	(416,967)	1,549	418,516
Fund Balance - January 1	<u>705,986</u>	<u>705,986</u>	<u>811,967</u>	<u>105,981</u>
Fund Balance - December 31	<u>\$ 464,019</u>	<u>\$ 289,019</u>	<u>\$ 813,516</u>	<u>\$ 524,497</u>

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

OTHER SUPPLEMENTARY INFORMATION

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 CUSTER COUNTY, COLORADO
 December 31, 2021

	<u>Contingent Fund</u>	<u>Conservation Trust Fund</u>	<u>Emergency Services Fund</u>	<u>Airport Fund</u>	<u>Custer County Lodging and Tourism</u>	<u>Totals</u>
Assets						
Cash held by County Treasurer	\$ 118,334	\$ 68,503	\$ 60,484	\$ 3,523	\$ 93,451	\$ 344,295
Accounts receivable	-	-	247,534	-	-	247,534
Taxes receivable	-	-	-	-	8	8
Due from other County funds	-	-	54,782	-	-	54,782
Inventories	-	-	-	5,810	-	5,810
Total Assets	<u>118,334</u>	<u>68,503</u>	<u>362,800</u>	<u>9,333</u>	<u>93,459</u>	<u>652,429</u>
Liabilities						
Liabilities						
Accounts payable	-	-	3,696	3,437	1,050	8,183
Unearned revenue	-	-	-	-	2,000	2,000
Total Liabilities	<u>-</u>	<u>-</u>	<u>3,696</u>	<u>3,437</u>	<u>3,050</u>	<u>10,183</u>
Deferred Inflow - property taxes	-	-	247,000	-	-	247,000
Fund Balances						
Nonspendable	-	-	-	5,810	-	5,810
Restricted	-	68,503	112,104	2,000	90,409	273,016
Assigned	118,334	-	-	-	-	118,334
Unassigned	-	-	-	(1,914)	-	(1,914)
Total Fund Balances	<u>\$ 118,334</u>	<u>\$ 68,503</u>	<u>\$ 112,104</u>	<u>\$ 5,896</u>	<u>\$ 90,409</u>	<u>\$ 395,246</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
CUSTER COUNTY, COLORADO
December 31, 2021

	<u>Contingent Fund</u>	<u>Conservation Trust Fund</u>	<u>Emergency Services Fund</u>	<u>Airport Fund</u>	<u>Custer County Lodging and Tourism</u>	<u>Totals</u>
Revenues						
Taxes	\$ -	\$ -	\$ 257,925	\$ -	\$ 90,715	\$ 348,640
Penalties and interest	-	-	640	-	-	640
Federal sources	-	-	59,310	-	-	59,310
State sources	-	46,979	-	-	-	46,979
Local sources	-	-	-	-	-	-
Charges for services	-	-	-	38,113	-	38,113
Other income	-	346	2,233	1,568	-	4,147
Total Revenues	<u>-</u>	<u>47,325</u>	<u>320,108</u>	<u>39,681</u>	<u>90,715</u>	<u>497,829</u>
Expenditures						
Public safety	-	-	151,500	-	-	151,500
Auxiliary	-	37,000	103,138	68,898	59,978	269,014
Capital outlay	-	-	10,641	-	-	10,641
Total Expenditures	<u>-</u>	<u>37,000</u>	<u>265,279</u>	<u>68,898</u>	<u>59,978</u>	<u>431,155</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>10,325</u>	<u>54,829</u>	<u>(29,217)</u>	<u>30,737</u>	<u>66,674</u>
Other Financing Sources (Uses)						
Operating transfers in (out)	-	-	-	25,000	-	25,000
Proceeds from capital lease	-	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Net Change in Fund Balance	<u>-</u>	<u>10,325</u>	<u>54,829</u>	<u>(4,217)</u>	<u>30,737</u>	<u>91,674</u>
Fund Balance - January 1	<u>118,334</u>	<u>58,178</u>	<u>57,275</u>	<u>10,113</u>	<u>59,672</u>	<u>303,572</u>
Fund Balance - December 31	<u>\$ 118,334</u>	<u>\$ 68,503</u>	<u>\$ 112,104</u>	<u>\$ 5,896</u>	<u>\$ 90,409</u>	<u>\$ 395,246</u>

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

CONTINGENT FUND

CUSTER COUNTY, COLORADO

For the year ended December 31, 2021

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Penalties	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
General government	-	-	-	-
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
Operating transfers in (out)	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - January 1	<u>118,334</u>	<u>118,334</u>	<u>118,334</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 118,334</u>	<u>\$ 118,334</u>	<u>\$ 118,334</u>	<u>\$ -</u>

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CONSERVATION TRUST FUND
CUSTER COUNTY, COLORADO
For the year ended December 31, 2021

	Budgeted Amount			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final budget
				Favorable
				(Unfavorable)
Revenues				
State sources	\$ 34,000	\$ 34,000	\$ 46,979	\$ 12,979
Miscellaneous	-	-	346	346
Total Revenues	34,000	34,000	47,325	13,325
Expenditures				
Auxiliary services	37,000	37,000	37,000	-
Excess of Revenues Over (Under) Expenditures	(3,000)	(3,000)	10,325	13,325
Other Financing Sources (Uses)				
Operating transfers in (out)	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(3,000)	(3,000)	10,325	13,325
Fund Balance - January 1	39,818	39,818	58,178	18,360
Fund Balance - December 31	\$ 36,818	\$ 36,818	\$ 68,503	\$ 31,685

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EMERGENCY SERVICES FUND
CUSTER COUNTY, COLORADO
For the year ended December 31, 2021

	<u>Budgeted Amount</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final budget
				Favorable
				(Unfavorable)
Revenues				
Taxes	\$ 253,125	\$ 253,125	\$ 257,925	\$ 4,800
Penalties and interest	700	700	640	(60)
Federal sources	104,544	104,544	59,310	(45,234)
State sources	-	-	-	-
Reimbursed expenses	100	100	2,233	2,133
Total Revenues	<u>358,469</u>	<u>358,469</u>	<u>320,108</u>	<u>(38,361)</u>
Expenditures				
Public Safety	160,000	160,000	151,500	8,500
Auxiliary services	124,714	161,714	103,138	58,576
Capital outlay	-	-	10,641	(10,641)
Total Expenditures	<u>284,714</u>	<u>321,714</u>	<u>265,279</u>	<u>56,435</u>
Excess of Revenues Over				
(Under) Expenditures	73,755	36,755	54,829	18,074
Fund Balance - January 1	<u>77,339</u>	<u>77,339</u>	<u>57,275</u>	<u>(20,064)</u>
Fund Balance - December 31	<u>\$ 151,094</u>	<u>\$ 114,094</u>	<u>\$ 112,104</u>	<u>\$ (1,990)</u>

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CUSTER COUNTY AIRPORT
CUSTER COUNTY, COLORADO
For the year ended December 31, 2021

	Budgeted Amount		Actual	Variance With Final budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Charges for services	\$ 31,081	\$ 31,081	\$ 38,113	\$ 7,032
Reimbursed expenses	-	-	-	-
Miscellaneous	-	-	1,568	1,568
Total Revenues	31,081	31,081	39,681	8,600
Expenditures				
Auxiliary services	72,850	72,850	68,898	3,952
Capital outlay	-	-	-	-
Total Expenditures	72,850	72,850	68,898	3,952
Excess of Revenues Over (Under) Expenditures	(41,769)	(41,769)	(29,217)	12,552
Other Financing Sources (Uses)				
Operating transfers in (out)	33,000	33,000	25,000	(8,000)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(8,769)	(8,769)	(4,217)	4,552
Fund Balance - January 1	11,478	11,478	10,113	(1,365)
Fund Balance - December 31	\$ 2,709	\$ 2,709	\$ 5,896	\$ 3,187

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CUSTER COUNTY LODGING AND TOURISM FUND
CUSTER COUNTY, COLORADO
For the year ended December 31, 2021

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance With Final budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 50,000	\$ 50,000	\$ 90,715	\$ 40,715
State sources	-	-	-	-
Reimbursed expenses	-	-	-	-
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>90,715</u>	<u>40,715</u>
Expenditures				
Auxiliary services	52,665	52,665	59,978	(7,313)
Capital outlay	-	-	-	-
Total Expenditures	<u>52,665</u>	<u>52,665</u>	<u>59,978</u>	<u>(7,313)</u>
Excess of Revenues Over (Under) Expenditures	(2,665)	(2,665)	30,737	33,402
Fund Balance - January 1	<u>34,466</u>	<u>34,466</u>	<u>59,672</u>	<u>25,206</u>
Fund Balance - December 31	<u>\$ 31,801</u>	<u>\$ 31,801</u>	<u>\$ 90,409</u>	<u>\$ 58,608</u>

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

INSURANCE FUND

CUSTER COUNTY, COLORADO

For the year ended December 31, 2021

	Budgeted Amount		Actual	Variance With
	Original	Final		Final budget Favorable (Unfavorable)
Operating Revenues				
Charges for services	\$ -	\$ -	\$ -	\$ -
Reimbursed Expenses	2,000	2,000	22,882	20,882
Total Operating Revenues	<u>2,000</u>	<u>2,000</u>	<u>22,882</u>	<u>20,882</u>
Operating Expenditures				
General government	131,500	131,500	146,479	(14,979)
Streets and Highways	90,000	90,000	86,384	3,616
Total Expenditures	<u>221,500</u>	<u>221,500</u>	<u>232,863</u>	<u>(11,363)</u>
Operating Income (Loss)	<u>(219,500)</u>	<u>(219,500)</u>	<u>(209,981)</u>	<u>9,519</u>
Nonoperating Revenues (Expenses)				
Property taxes	168,994	168,994	166,938	(2,056)
Specific ownership taxes	20,800	20,800	26,505	5,705
Penalties and interest	500	500	480	(20)
Total Nonoperating Revenues (Expenses)	<u>190,294</u>	<u>190,294</u>	<u>193,923</u>	<u>3,629</u>
Net Income (Loss) Before Other Financing Sources (Uses)	(29,206)	(29,206)	(16,058)	13,148
Other Financing Sources (Uses)				
Operating transfers in (out)	-	-	-	-
Change in Net Assets	(29,206)	(29,206)	(16,058)	13,148
Fund Balance - January 1	126,839	-	148,248	148,248
Fund Balance - December 31	<u>\$ 97,633</u>	<u>\$ (29,206)</u>	<u>\$ 132,190</u>	<u>\$ 161,396</u>

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
E-911 AUTHORITY BOARD
CUSTER COUNTY, COLORADO
For the year ended December 31, 2021

	Budgeted Amount		Actual	Variance With Final budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Charges for services	\$ 104,000	\$ 104,000	\$ 112,358	\$ 8,358
Other	200	200	306	106
Total Operating Revenues	104,200	104,200	112,664	8,464
Expenditures				
Public Safety	11,000	30,200	41,398	(11,198)
Capital outlay	41,200	22,000	14,457	7,543
Total Expenditures	52,200	52,200	55,855	(3,655)
Excess of Revenues Over (Under) Expenditures	52,000	52,000	56,809	4,809
Fund Balance - January 1	-	-	301,187	301,187
Fund Balance - December 31	\$ 52,000	\$ 52,000	\$ 357,996	\$ 305,996

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

ADDITIONAL REPORTS AND SCHEDULES

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

CUSTER COUNTY, COLORADO
For the year ended December 31, 2021

	<u>Federal CFDA</u>	<u>Federal</u>
	<u>Number</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture</u>		
Passed through State Department of Human Services:		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	\$ 27,279
Passed through Care and Share, Inc.:		
Emergency Food Assistance Program (Food Commodities)	10.569	<u>15,358</u>
Total Department of Agriculture		\$ 42,637
<u>U.S. Department of Health and Human Services</u>		
Passed through State Department of Human Services		
Guardianship Assistance	93.090	\$ 323
Temporary Assistance for Needy Families	93.558	53,396
Child Support Enforcement	93.563	28,165
Low-Income Home Energy Assistance	93.568	140,001
Child Care and Development Block Grant	93.575	36,081
Child Care Mandatory and Matching Funds of Child Care and Development Fund	93.596	4,798
Stephanie Tubbs Jones Child Welfare Services Program	93.645	161
Foster Care - Title IV - E	93.658	10,675
Adoption Assistance	93.659	1,298
Social Services Block Grant	93.667	5,212
Community Service Block Grant	93.569	12,367
COVID 19 - Coronavirus Relief Fund	21.019	<u>5,626</u>
Total Department of Health and Human Services		\$ 298,103
Passed through State Department of Public Health and Environment		
Public Health Emergency Preparedness	93.069	\$ 22,778
Immunization Cooperative Agreement	93.268	23,462
Maternal and Child Health Services Block Grant to the States	93.994	<u>4,516</u>
Total Department of Public Health and Environment		\$ 50,756
Passed through State Department of Health Care Policy and Financing		
Medical Assistance Program	93.778	<u>\$ 31,925</u>
Passed through State of Colorado		
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	\$ 63,093
COVID 19 - Cooperative Agreement for Emergency Response	93.354	<u>14,303</u>
Total State of Colorado		\$ 77,396
<u>U.S. Department of Justice</u>		
Public Safety Partnership and Community Policing Grants	16.710	\$ 63,618
Passed through State of Colorado		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	<u>125,038</u>
Total Department of Justice		\$ 188,656
<u>U.S. Department of the Treasury</u>		
Passed through the State of Colorado		
COVID 19 - Coronavirus Relief Fund	21.019	\$ 50,000
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	<u>94,391</u>
Total Department of the Treasury		\$ 144,391
<u>U.S. Department of Homeland Security</u>		
Passed through State Department of Public Safety, Division of Homeland Security and Emergency Management		
Emergency Management Program Grant	97.042	\$ 40,900
Passed through Pueblo County		
Homeland Security Grant Program	97.067	<u>19,236</u>
Total Department of Homeland Security		\$ 60,136
TOTAL FEDERAL ASSISTANCE		\$ 894,000

The accompanying notes are an integral part of this schedule.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

CUSTER COUNTY, COLORADO
For the year ended December 31, 2021

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Custer County, Colorado under programs of the federal government for the year ended December 31, 2021. The information in the 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 the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C - Indirect Costs

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

Note D - Risk Based Audit Approach

The dollar threshold used to distinguish between Type A and Type B programs is \$750,000. The County does not qualify as a low-risk auditee.

Note E - Food Distribution

Commodities are passed through to the County from Care and Share, Inc., they are valued at \$15,358.

Garren, Ross & DeNardo, Inc.

CERTIFIED PUBLIC ACCOUNTANTS

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

September 22, 2022

Board of County Commissioners
Custer County, Colorado
Westcliffe, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Custer County, Colorado, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Custer County's basic financial statements and have issued our report thereon dated September 22, 2022.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2021-01 and 2021-02 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2021-03 through 2021-07 to be significant deficiencies.

Report on Compliance and Other Matters

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

Custer County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Custer County's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Custer County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Samm, Ross & DeNardo, Inc.

Garren, Ross & DeNardo, Inc.

CERTIFIED PUBLIC ACCOUNTANTS

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

September 22, 2022

Board of County Commissioners
Custer County, Colorado
Westcliffe, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Custer County's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Custer County's major federal programs for the year ended December 31, 2021. Custer County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Custer County, Colorado complied, in all material respects, with the 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, 2021.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Custer County, Colorado and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Custer County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Custer County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Custer County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Custer County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Custer County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Custer County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Custer County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Board of County Commissioners
Custer County, Colorado

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Garrett Ross & DeNardo, LLC

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CUSTER COUNTY, COLORADO

For the year ended December 31, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? x yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? x yes no

Noncompliance material to financial statements noted? yes x no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes x no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes x no

Type of auditor's reported issued on compliance for major programs: Unqualified

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

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.019	COVID-19-Coronavirus Relief Fund
21.027	COVID-19-Coronavirus State and Local Fiscal Recovery Funds
16.738	Edward Byrne Memorial Justice Assistance Grant
93.568	Low Income Home Energy Assistance

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

Auditee qualified as low-risk auditee? yes x no

SECTION II - FINANCIAL STATEMENT FINDINGS

2021-01 Key Accounts not Being Reconciled

Condition and Context:

Key accounts were not reconciled correctly or on a timely basis. Most importantly cash, was not being reconciled to the genera ledger successfully after conversion to the new accounting software.

Criteria:

Reconciliation of key accounts is an important step to ensure financial statement accuracy.

Cause:

Reconciliations were not accurate after the conversion to the new software.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

CUSTER COUNTY, COLORADO
For the year ended December 31, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

2021-01 Key Accounts not Being Reconciled (Continued)

Effect:

Errors in recording transactions by fund and category were made and not corrected on a timely basis.

Recommendation:

Implement and apply formal procedures to ensure reconciliations are timely and accurately prepared.

Response:

The County will review existing controls and make appropriate changes to improve the accuracy of reconciliations for all key general ledger accounts.

2021-02 Payroll Records not Reconciled

Condition and Context:

Procedures were not applied to ensure that payroll records were reconciled to the general ledger and any filed payroll tax returns.

Criteria:

Payroll records should be reconciled to the general ledger for accurate financial reporting and to avoid compliance issues in the filing of payroll tax returns and W-2's.

Cause:

Reconciliations were not completed.

Effect:

Salaries and benefit expenses were not posted consistently to the general ledger and variances from the payroll records to payroll tax returns were unresolved.

Recommendation:

Implement and apply procedures on a monthly basis to properly reconcile payroll activity to the general ledger. Prior to each submission, quarterly payroll tax reports and W-2's filing should be verified and reconciled to the payroll journals.

Response:

The County will implement and apply procedures to properly reconcile the payroll activity to the general ledger as well as quarterly and annual procedures relating to required payroll tax reports and W-2 filings.

2021-03 Monitoring Fuel Sales
(Repeat Finding 2020-01)

Condition and Context:

The fuel sales and gross margin on fuel sales at the airport should be monitored. This would ensure that all sales and costs are properly reflected in the general ledger.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

CUSTER COUNTY, COLORADO

For the year ended December 31, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

2021-03 Monitoring Fuel Sales

Criteria:

The gross margins on fuel sales are not always consistent, which could indicate that not all sales and cost of sales are captured correctly.

Cause:

The County needs to continue making improvements in capturing all transactions relating to fuel sales.

Effect:

Possible misstatement of the gross margin on fuel sales.

Recommendation:

Fuel sales and cost of fuel should be monitored on a continuous basis to ensure that all sales and costs are captured correctly.

Response:

The County will improve the monitoring of airport fuel sales and costs.

2021-04 Accounting Function for E-911

(Repeat Finding 2020-03)

Condition and Context:

Accounting functions for E-911 should be done in a timely manner throughout the year. The County should consider implementing procedures that would allow oversight of the accounting for E-911.

Criteria:

Implement oversight procedures to determine that funds are being deposited in a timely fashion and all accounting transactions have proper supporting documentation.

Cause:

Review and reconciliations of key accounts were not completed on a monthly basis.

Effect:

Not having a review of accounting transactions could result in transactions not being properly reflected in the general ledger.

Recommendation:

Implementing oversight procedures to ensure that the accounting is done in a timely fashion and all transactions are recorded and have supporting documentation.

Response:

The County will implement procedures to monitor the general ledger activity of E-911.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

CUSTER COUNTY, COLORADO
For the year ended December 31, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

2021-05 Posting Public Welfare Fund
(Repeat Finding 2020-04)

Condition and Context:

The posting of the general ledger transactions are not always posted consistently or correctly for CFMS transactions and warrants paid out for assistance. When the County encounters discrepancies or unknown transactions within the CFMS reports and their records, research of those items should be handled in a timely manner and accounted for properly.

Criteria:

Questions arising from activity within the CFMS system should be addressed at the time of discovery. A discrepancy is easier to identify when handled in a timely manner. The County's internal controls should be in place to ensure that transactions are coded properly and procedures in place to seek assistance when needed.

Cause:

The County continues to make improvements in accounting for the transactions from prior years, the established controls and procedures are not consistently followed to ensure proper coding and accounting.

Effect:

Possible misstatement of revenues and expenditures by program. Failure to identify and address discrepancies between the County and the CFMS system could affect the accuracy the reimbursements.

Recommendation:

The Department Head and accounting personnel should continue to improve the accuracy of coding the revenue and expenditures to the general ledger from the CFMS reports and the warrants. The expenditures reported in CFMS should be reconciled to the general ledger on a monthly basis. The established controls should be followed to ensure that CFMS activity is properly reconciled and all discrepancies have been addressed in a timely manner. The warrants paid out for assistance should also be coded consistently to correct expenditure.

Response:

The staff is continuing to improve their procedures to eliminate this finding. The department head and the accounting personnel are making an effort to improve the accuracy of their reconciliation process and general ledger postings for both the CFMS activity and the warrants paid out. They agree with the recommendations and feel that they have made improvements from prior years. The department continues to address this issue.

2021-06 Consistency of Recording Expenditures.
(Repeat Finding 2020-05)

Condition and Context:

During the audit, various expenditures were tested to determine if the coding was proper. We noted expenditures of the same type were recorded in several different accounts or not recorded in the correct account at all.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

CUSTER COUNTY, COLORADO
For the year ended December 31, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

2021-06 Consistency of Recording Expenditures (Continued)

(Repeat Finding 2020-05)

Criteria:

Controls established by the County should be followed to ensure that expenditures are being coded to the correct expenditure account.

Cause:

The existing procedures and controls are not consistently followed.

Effect:

Possible misstatement of expenditures by line item.

Recommendation:

It may be helpful for individuals who prepare vouchers to review the standardized chart of accounts published by the Division of Local Governments. Implement additional procedures and controls to ensure that expenditures are being coded correctly.

Response:

The accounting personnel continues to review the chart of accounts with the supporting staff that codes vouchers in an effort to correct this problem.

2021-07 Maintaining Records of State and Other Grants

(Repeat Finding 2020-06)

Condition and Context:

Different County departments receive grant funding and maintain the documentation within their department. We reviewed and tested various grant records and supporting documentation. A supporting file for each grant should be maintained with necessary documentation and standardized procedures and practices should be implemented throughout the various County departments.

Criteria:

Standardized practices and controls should be implemented throughout the County departments to ensure that responsible employees are maintaining the proper documentation and complying with the requirements of the grant.

Cause:

The grants are administered within different departments and employees. Procedures to ensure that all departments are consistently following the existing controls of the County are not always followed.

Effect:

Possible compliance issues if controls are not followed to ensure that all the necessary documentation is maintained to validate activity.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

CUSTER COUNTY, COLORADO
For the year ended December 31, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

2021-07 Maintaining Records of State and Other Grants (Continued)

Recommendation:

Internal control procedures implemented should be followed to ensure proper documentation for grants are maintained. Responsibility should be assigned to maintain files containing the grant document or contract, all correspondence including reimbursement claim forms, and supporting documentation for all receipts and expenditures. Further, financial reports required by the granting agencies should be reconciled to the amounts recorded in the general ledger.

Response:

The County did make improvements regarding this condition. A few departments have implemented the recommendation and their grant file and supporting documents are adequate. We will continue to work with the remaining County departments and the employees to improve this deficiency.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SECTION IV - PRIOR YEAR FINDINGS

2018-07 Data Entry Errors When Posting Program Expenses into the CFMS System

Condition and Criteria:

Salaries and related expenses were duplicated in the February 2017 data entry. This information is used by the State to calculate monthly reimbursements.

Recommendation:

Reconciliations should be completed monthly to ensure the accuracy of data entry between the general ledger and the State's CFMS system.

Current Status:

The County considers this issue to have been resolved.

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Custer County
	YEAR ENDING : December 2021
This Information From The Records Of (example - City of _ or County of _) County of Custer	Prepared By: Phone: Braden Wilson (719) 783-9067

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	61,457
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,423,059
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	7,715
2. General fund appropriations		b. Snow and ice removal	727,801
3. Other local imposts (from page 2)	642,468	c. Other	
4. Miscellaneous local receipts (from page 2)	163,924	d. Total (a. through c.)	735,516
5. Transfers from toll facilities		4. General administration & miscellaneous	109,665
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	2,329,697
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes Capital Lease	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	806,392	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	1,335,783	2. Notes: Capital Lease	
D. Receipts from Federal Government (from page 2)	18,196	a. Interest	3,852
E. Total receipts (A.7 + B + C + D)	2,160,371	b. Redemption	95,469
		c. Total (a. + b.)	99,321
		3. Total (1.c + 2.c)	99,321
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	2,429,018

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total) Capital Lease	95,469		95,469	0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,700,617	2,160,371	2,429,018	1,431,970	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2021

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	560,664	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	88,480
4. Licenses		f. Charges for Services	56,219
5. Specific Ownership &/or Other	81,804	g. Other Misc. Receipts - County Gov't	19,225
6. Total (1. through 5.)	81,804	h. Other	
c. Total (a. + b.)	642,468	i. Total (a. through h.)	163,924
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	1,306,379	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	18,196
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	28,933	d. Federal Transit Admin	
d. Other Mineral Lease	471	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	29,404	g. Total (a. through f.)	18,196
4. Total (1. + 2. + 3.f)	1,335,783	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation Equip. Purchases		61,457	61,457
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	61,457	61,457
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	61,457	61,457
			(Carry forward to page 1)

Notes and Comments: