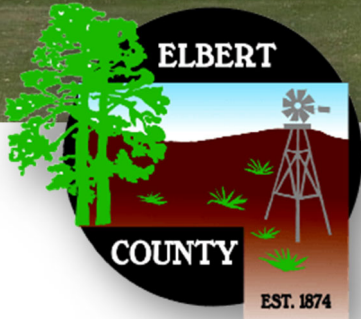
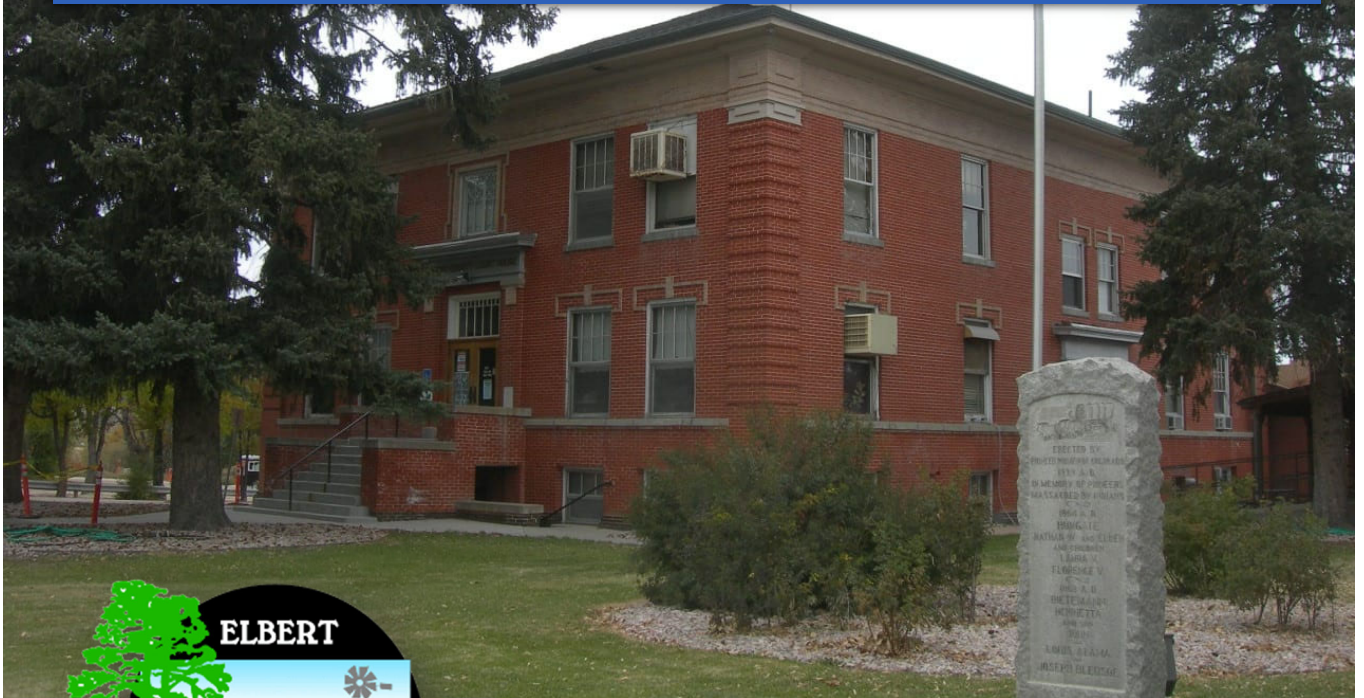


Elbert County, CO

Annual Financial Report

For the year ended December 31, 2021



Elbert County, Colorado

215 Comanche Street

Kiowa, CO 80117

ELBERT COUNTY, COLORADO

FINANCIAL STATEMENTS

December 31, 2021

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION	
Transmittal Letter	A1 – A3
Elbert County Organization	A4
Elbert County List of Officials	A5
INDEPENDENT AUDITORS' REPORT	B1 – B4
MANAGEMENT'S DISCUSSION AND ANALYSIS	C1 – C9
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	D1
Statement of Activities.....	D2
Fund Financial Statements	
Balance Sheet – Governmental Funds	D3 - D4
Reconciliation of the Balance Sheet to the Statement of Net Position	D5
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	D6 - D7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Funds	D8
Statement of Fiduciary Net Position - Fiduciary Funds.....	D9
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	D10
Notes to Financial Statements.....	E1 – E21
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual	
General Fund (Non GAAP Budget Basis)	F1 – F3
Road and Bridge Special Revenue Fund (Non GAAP Budget Basis).....	F4
Human Services Special Revenue Fund	F5
Sales and Use Tax Special Revenue Fund (Non GAAP Budget Basis)	F6
Note to Required Supplementary Information.....	F7
SUPPLEMENTARY INFORMATION	
Nonmajor Governmental Funds	
Combining Balance Sheet.....	G1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G2

(Continued)

TABLE OF CONTENTS

(Continued)

PAGE

Special Revenue Funds

Nonmajor Special Revenue Funds

Combining Balance Sheet.....G3 – G4

Combining Statement of Revenues, Expenditures and Changes in
Fund Balances.....G5 – G6

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

Law Enforcement Assistance Fund (Non GAAP Budget Basis).....G7

Growth and Development Fund.....G8

Public Health and Administration Fund G9

Retirement Fund.....G10

Conservation Trust Fund.....G11

Grant G12

Debt Service Funds

Nonmajor Debt Service Funds

Combining Balance Sheet.....G13

Combining Statement of Revenues, Expenditures and Changes in
Fund Balances.....G14

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

Bond Redemption Debt Service Fund G15

Chaparral Valley Debt Service Fund G16

Meadows Station Debt Service Fund.....G17

Sun Country Meadows Debt Service Fund.....G18

Foxwood Estates Debt Service Fund G19

Capital Projects Funds

Nonmajor Capital Projects Funds

Capital Improvement Fund G20

OTHER SCHEDULES

Local Highway Finance Report H1-H2

INTRODUCTORY SECTION

County of Elbert



Elbert County Government
215 Comanche St
PO Box 7
Kiowa, CO 80117

January 31, 2023

To the Citizens of Elbert County:

The audited financial statements of Elbert County, Colorado for the fiscal year ended December 31, 2021, is hereby submitted.

This report consists of management's representations concerning the finances of Elbert County. Consequently, management assumes full responsibility for both the accuracy of the presented data, and for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of Elbert County has established internal controls that are designed both to protect the taxpayers' assets from loss, theft or misuse and to compile sufficient reliable information regarding the preparation of the Elbert County financial statements in conformity with Generally Accepted Accounting Principles in the United States of America (US GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). Since the cost of internal controls should not outweigh their benefits, Elbert County's internal controls have been designed to provide reasonable assurance the financial statements will be free from material misstatement. To the best of our knowledge and belief, this financial report is accurate in all material aspects and reported in a manner which fairly represents the financial position and results of operations of Elbert County as measured by the financial activity of its various funds. Further, we believe all disclosures that are necessary to enable the reader to gain the maximum understanding of Elbert County's financial activities have been included.

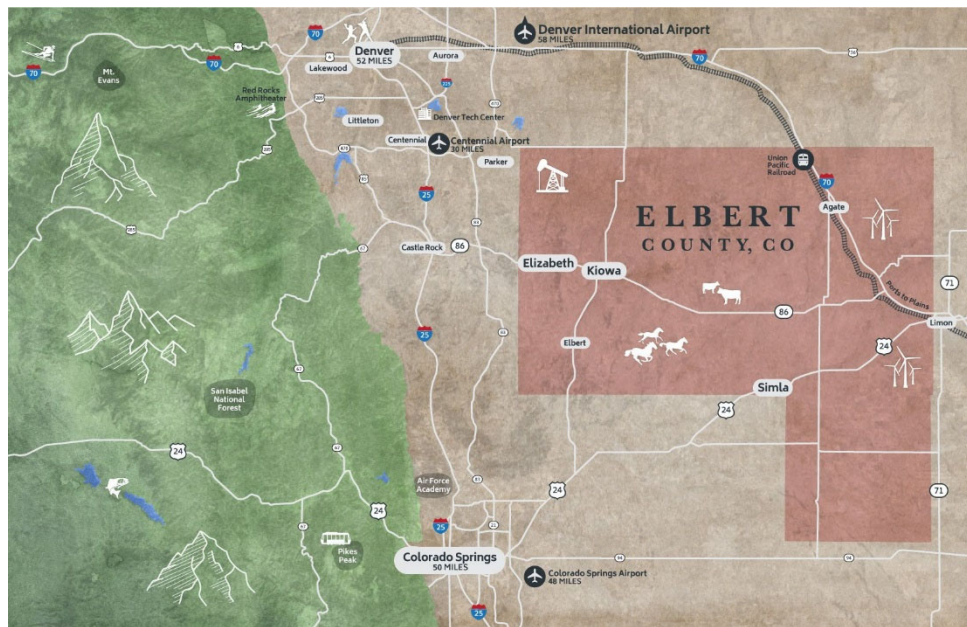
Colorado Revised Statute (CRS) 29-1-603 requires local governments to have an annual audit of their financial statements, performed in accordance with generally accepted auditing standards, by a firm of licensed certified public accountants. CRS 29-6-605 requires the financial statements be presented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

The County's financial statements have been audited by RubinBrown, LLP. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County, for the fiscal year ended December 31, 2021, are free of material misstatement. The independent audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements, assessing the accounting policies used as well as the reasonableness of estimates made by management, and evaluating the overall financial statement presentation. The independent auditor, based upon their audit, rendered an unmodified opinion, concluding that these financial statements are fairly presented in conformity with US GAAP. The independent auditors' report is presented in the financial section of this report. In addition to meeting the requirements set forth in state statutes, the audit included a federally mandated "Single Audit" designed to meet the needs of federal grantor agencies (Single Audit Act Amendments of 1996) and related Title 2 U.S. Code of Federal Regulation (CFR) Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirement for Federal Awards (Uniform Guidance). The standards governing Single Audit engagements require the independent auditor to report not only on the fair representation of the financial statements, but also on the government's internal controls and

compliance with legal requirements involved in the administration of federal awards. The reports issued by the independent auditors are presented in a separately issued Single Audit Report. GASB requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

Profile of Elbert County

Elbert County was formed in 1874. The County covers 1,851 square miles. The County is very diverse in population density ranging from rural to urban. The United States Census Bureau estimates that the County has a population of about 27,128.



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

The three-member Board of County Commissioners (BOCC) serves as the legislative, policy-making and administrative body governing the unincorporated area of the County. The commissioners are elected from one of three geographical districts and serve staggered four-year terms (term-limited to two terms). In addition, the County is served by six other elected officials; The Assessor, Clerk and Recorder, Coroner, Sheriff, Surveyor and a combined position of Treasurer/Public Trustee. The County is one of four counties, along with Arapahoe, Douglas and Lincoln counties, in the Eighteenth Judicial District served by the District Attorney, an elected official responsible for prosecuting all criminal case filings.

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

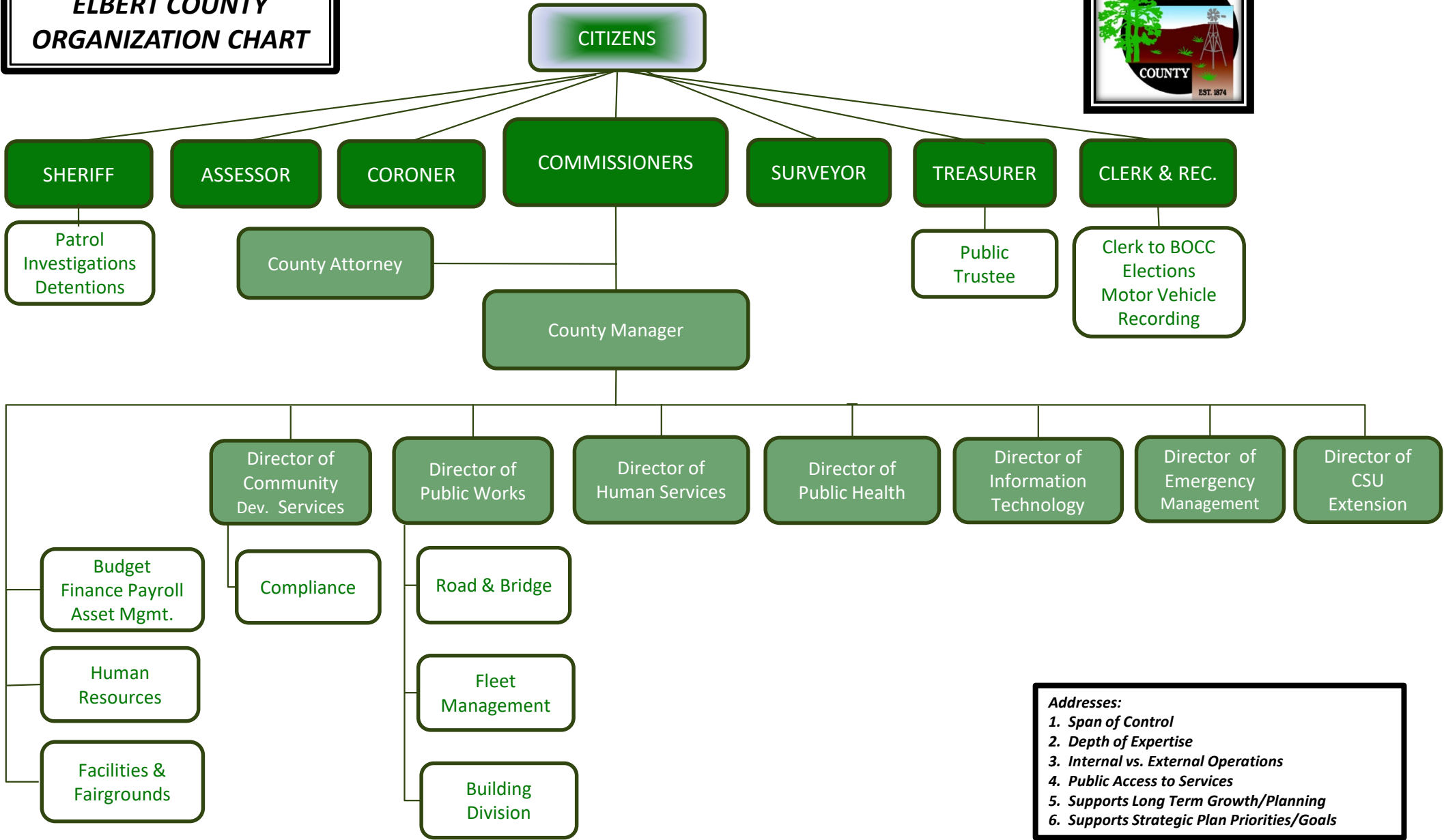
The County's accounting records for general government operations are reported on the modified accrual basis as required by GAAP. However, at the government-wide financial reporting level, GAAP requires these activities to be presented on the accrual basis, the primary difference being the inclusion of long-term assets (water rights, land, building, equipment and infrastructure) and liabilities (Bonds payable, capital lease obligations and compensated absences). The Board is charged with the responsibility of providing adequate budget appropriations to fund statutory functions, as well as responding to the service needs of the citizens. In turn, the other elected and appointed officials are charged with managing their authorized budgets in order to meet their statutory obligations and service demands as cost-effectively as possible. The Board is required to adopt a final budget no later than the end of the fiscal year. The adopted budget becomes the County's annual financial plan and mechanism to control spending.

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

Respectfully submitted,

Board of County Commissioners
Elbert County, Colorado

**ELBERT COUNTY
ORGANIZATION CHART**



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

ELBERT COUNTY LIST OF OFFICIALS

Board of County Commissioners (BOCC)

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

Elected Officials Other Than BOCC

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

Appointed Officials

Vacant..... County Manager
Bart Greer County Attorney

Independent Auditors' Report

Board of County Commissioners
Elbert County, Colorado
Kiowa, Colorado

Report On The Audit Of The Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Elbert County, Colorado (the County), as of and for the year ended December 31, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the County, as of December 31, 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 (GAAS) 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 Auditors' 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 relating 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 the 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities For The Audit Of The Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 GAAS 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 statements, 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 with 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 C1 through C9 and F1 through F7, respectively, 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 the County's basic financial statements. The combining and individual fund statements and schedules and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 GAAS. In our opinion, the combining and individual fund statements and schedules and the Local Highway Finance Report, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information, otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2023 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 County's internal control over financial reporting and compliance.

RubinBrown LLP

January 31, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

ELBERT COUNTY, COLORADO MANAGEMENT'S DISCUSSION AND ANALYSIS

The Board of County Commissioners offers this narrative overview and analysis of Elbert County's financial activities for the fiscal year ended December 31, 2021.

Financial Highlights

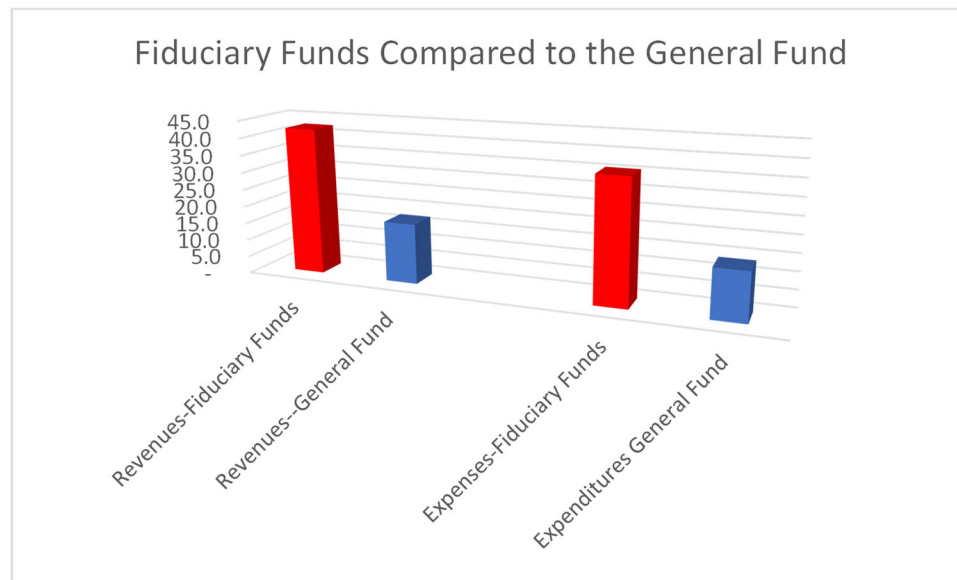
- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$96,015,156 (net position) at the close of the fiscal year. Of this amount, \$29,464,169 in unrestricted net position is available to meet ongoing and future obligations of Elbert County (the County).
- The net increase in capital assets for the year was \$567,765. The increase was due to capital additions of \$8,095,269 exceeding depreciation of \$7,496,740. The net increase was increased by a gain on disposed assets of \$1,027,270. A significant portion of the capital outlay additions in 2021 were related to Road & Bridge infrastructure and equipment purchases both within the Road & Bridge Fund and Sales & Use Tax Fund. In addition, a Public Works building commenced funded by a capital lease of \$12 million.
- As of the close of the 2021 fiscal year, the County's governmental funds reported combined ending fund balances of \$41,235,458. The majority of the increase is the result of unexpended lease proceeds primarily for the public works building totaling \$11.4 million dollars.
- Total net position increased by \$6,448,626. This is largely the result of increased tax revenues in the amount of \$1.7 million. In addition, intergovernmental revenues increased by \$2.8 million during the year ended December 31, 2021. Finally, both charges for services and intergovernmental revenues each increased more than \$2 million dollars.
- Total long-term debt increased by \$11,445,270 during the 2021 fiscal year. In 2021, as noted above the County incurred significant debt for the new public works building. The County entered into additional lease commitments for equipment totaling \$1,178,017. The increase was reduced by payment of obligations totaling \$2,253,879.
- Tax revenues increased \$1.7 million. Some of this increase was from property tax and specific ownership taxes, which increased almost \$800,000 while sales and use taxes increase by approximately \$479,298. Property tax revenue increased due to a 5.25% increase in assessed value. The sales tax base of the County is comprised of the type of retail outlets which increases in sales during the pandemic such as Safeway and Walmart.
- General Fund revenues increased by \$3,651,975. The increase in revenue is attributable to a significant increase in intergovernmental revenues of \$2,542,425 related to additional COVID funds. The increase for property and specific ownership taxes was approximately \$542,000 and charges for services increased by approximately \$744,000. General Fund expenditures increased \$2,184,000 as compared to the prior year. The increase in expenditures is attributable to public safety. The net change in fund balance of the General Fund was \$3,405,622. This continues the trend of increasing unrestricted fund balance and compares very favorably to the fiscal year ended December 31, 2009 when unrestricted fund balance was a negative \$1 million.

Overview of the Financial Statements

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

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

and the Statement of Activities. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Fiduciary fund assets held by the County for other parties are not included in the government-wide financial statements because resources of these funds are not available to support the County's own programs. However, the amount of revenues and expenditures which flow through these funds dwarf the County's General Fund. Even though they are not reported, these funds still account for a large portion of the County's financial activity.



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

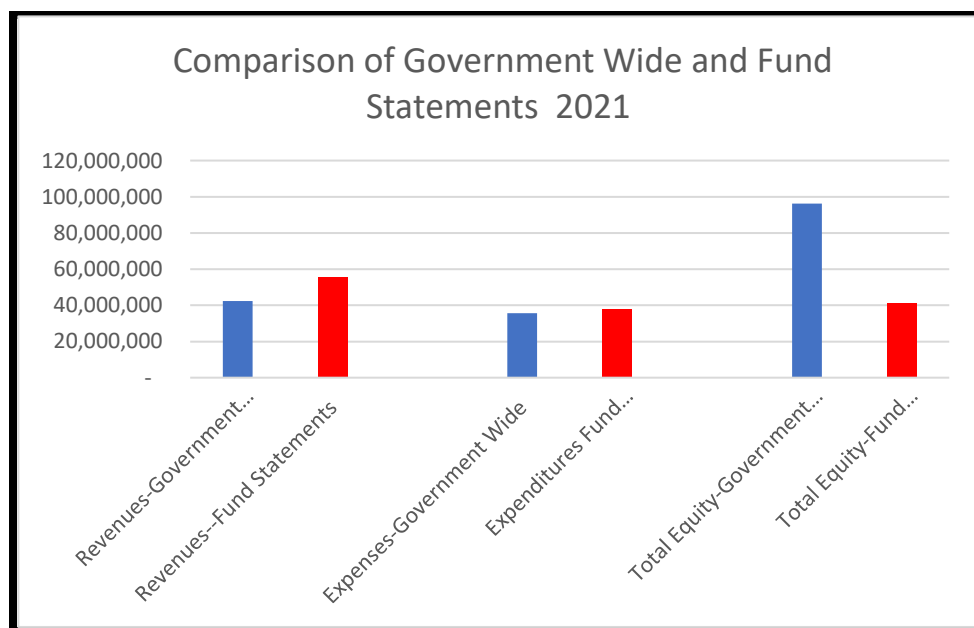
The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Both government-wide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

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

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

because of debt proceeds. Expenditures are higher because of capital outlay, some of which is offset by depreciation expense.

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



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

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

Fiduciary funds. Fiduciary funds are used to account for assets held for the benefit of parties outside the County. The County uses eight fiduciary funds, which include activities associated with property tax collections, The Custodial Treasurer's Fund which includes Clerk & Recorder collections, the Office of the Public Trustee, CSU Extension, Sheriff's Office evidence, County inmates, and two Sheriff's Office foundations. All the County's fiduciary funds are classified as custodial funds.

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

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

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

This report also contains a local highway finance report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$96,015,156.

The largest portion of the County's net position (68%) reflects its investment in capital assets. This compares to the December 31, 2020 percentage of 74%. The County's liquid net assets increased dramatically in the past few years. However, the County uses its capital assets to provide services to citizens; consequently, the assets are not available for future spending.

An additional portion of the County's net position (1%) represents resources that are subject to restrictions on how they can be used and/or are not currently available for the County's ongoing obligations. The remaining balance of unrestricted net position \$29,464,169 may be used to meet the government's future expenditures. Unrestricted net position increased \$7,346,168 during 2021.

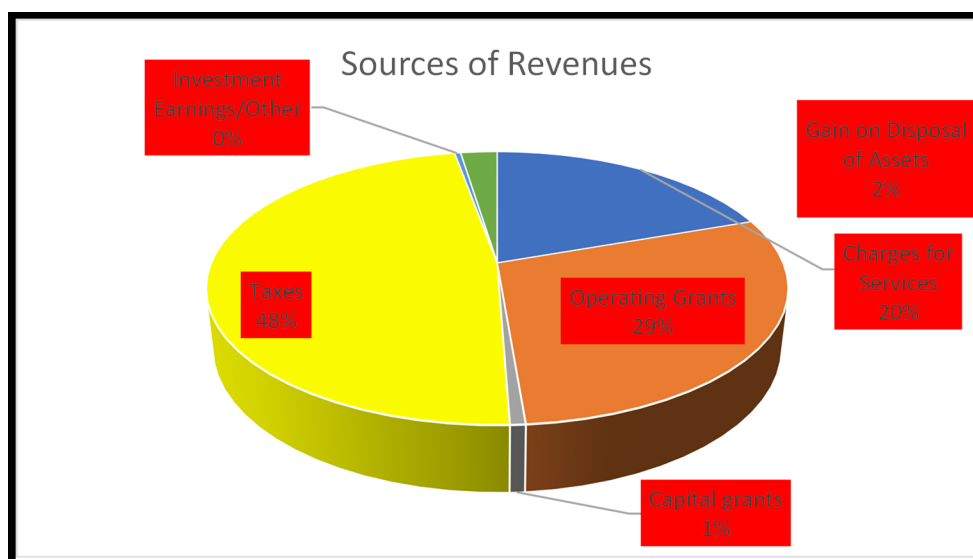
At the end of the 2021, the County reported positive balances in all three categories of net position.

Net Position		
	2021	2020
Current assets	\$ 58,123,835	\$ 37,535,141
Capital assets	75,586,323	75,018,558
Total assets	133,710,158	112,553,699
Deferred outflows of resources	34,983	69,129
Current liabilities	2,927,802	1,078,137
Long-term liabilities	20,711,258	9,265,988
Total liabilities	23,639,060	10,344,125
Deferred inflows of resources	14,090,925	12,712,173
Net investment in capital assets	65,332,046	66,221,920
Restricted net position	1,218,941	1,226,609
Unrestricted net position	29,464,169	22,118,001
Total net position	\$ 96,015,156	\$ 89,566,530

The County's net position increased by \$6,448,626 during the 2021 fiscal year. This is a result of revenues increasing at a greater rate than expenditures between 2020 and 2021. Total revenues increased \$5,511,907. The increase in revenues is largely attributable to the \$2.8 million increase in charges for services related to Community Development Services and Building Inspection Services, operating grants and contributions largely related to COVID of \$2.1 million and a \$.9 million increase in Sales Taxes.

	Change in Net Position	
	2021	2020
Revenues		
Program revenues		
Charges for services	\$ 8,326,776	\$ 5,859,871
Operating grants and contributions	12,350,201	10,214,576
Capital grants and contributions	307,243	855,107
General revenues		
Taxes	20,279,102	18,574,203
Intergovernmental	-	31,221
Investment and interest income	47,095	158,002
Gain on sale of capital assets	1,027,270	217,374
Other	122,082	1,037,509
Total revenues	<u>42,459,769</u>	<u>36,947,863</u>
Expenses		
General government	8,067,634	6,873,299
Public safety	7,926,249	6,880,005
Public works	12,900,545	12,044,617
Public health and welfare	6,177,393	5,453,130
Culture and recreation	326,464	245,275
Auxiliary services	173,519	158,340
Interfund charges for services	68,313	39,725
Interest on long-term debt	371,026	299,865
Total expenses	<u>36,011,143</u>	<u>31,994,256</u>
Change in net position	6,448,626	4,953,607
Net position - Beginning	89,566,530	84,612,923
Net position - Ending	<u>\$ 96,015,156</u>	<u>\$ 89,566,530</u>

A County government is not expected to generate enough revenues to pay for most programs. The graph below shows the revenue types for the County. Approximately 50% of revenues are general revenues which are used to offset the costs not covered by charges for services and specific intergovernmental revenues.



Financial Analysis of the Government's Funds

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

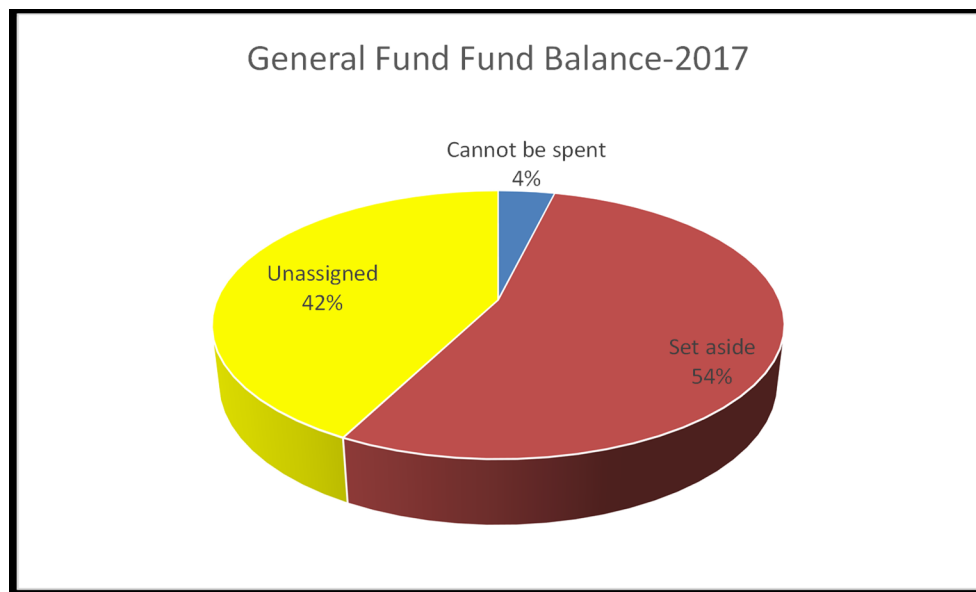
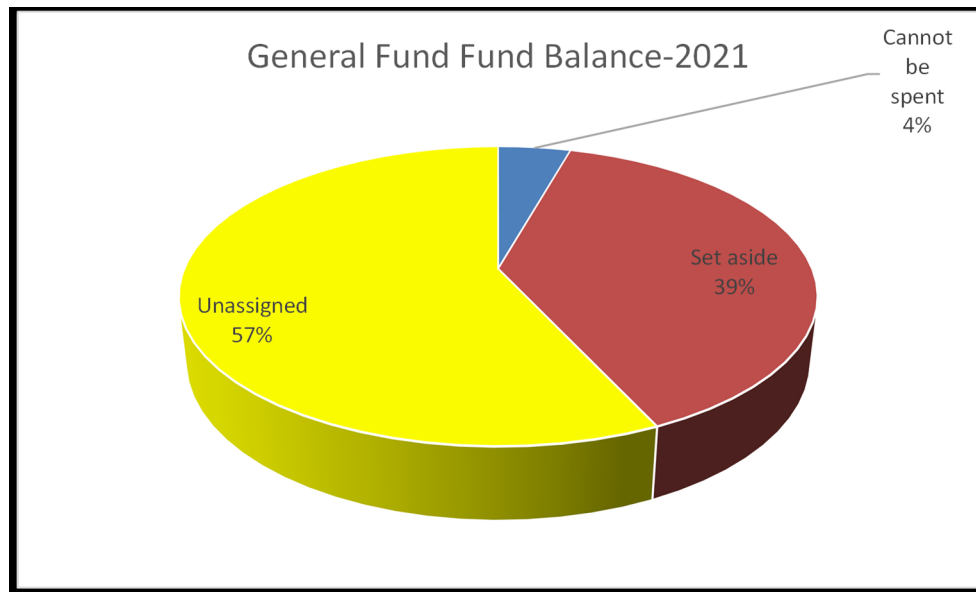
Governmental funds

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

At the end of the 2021 fiscal year, the County's governmental funds reported combined ending fund balances of \$41,235,458, of which \$36,835,363 or 89%, is attributed to the major funds.

The General Fund is the chief operating fund of the County. At the end of the 2021 fiscal year, the General Fund had a fund balance of \$14,445,953. This is an increase of \$3,405,622 from the prior year. Fiscal year 2020 marks the eighth consecutive year that the County's General Fund has had positive unassigned fund balance.

General Fund revenues increased \$3,651,975 in the current year. Significant General Fund revenue increases included \$542,199 in taxes, \$743,938 in licenses and permits and \$2.5 million in intergovernmental revenues. General Fund expenditures increased a total of \$2,314,358. Much of this increase is attributable to Public Safety expenditures of \$1,379,945 and Community Development Services of \$228,877. In addition, General Government expenditures increased by approximately \$549,999. As the graph below indicates, as Fund Balance has increased, the majority of this increase has been in spendable funds. These graphs compare this year and five years ago.



Fund balance of the Road and Bridge Special Revenue Fund was \$4,507,829 as of December 31, 2021. The Road and Bridge Special Revenue Fund's fund balance increased by \$1,180,068 from the previous year. In the current year, Road and Bridge Fund revenues increased \$1,033,193. The Road and Bridge Special Revenue Fund had an increase in tax revenues of \$232,608, and a increase in highway revenues of \$377,382. Road and Bridge Special Revenue Fund expenditures decreased \$623,083. Debt service expenditures decreased \$126,301, while capital outlay expenditures decreased by \$890,280 and road expenditures increased by \$686,753.

Fund balance of the Human Services Special Revenue Fund was \$1,112,368 as of December 31, 2021. The Human Services Special Revenue Fund's fund balance increased \$68,354 from the previous year. Human Services Fund revenues increased \$517,567 and expenditures increased \$627,599 from the prior year. This is largely attributable to pass-through electronic benefit transfer

(EBT) revenues and expenses increasing \$433,678 from 2020 to 2021.

The Sales and Use Tax Special Revenue Fund balance was \$16,769,213 at the end of the 2021 fiscal year. The Sales and Use Tax Special Revenue Fund balance increased \$11,922,480 from the previous year. Sales and use taxes increased approximately \$916,000 from the prior year. Lease proceeds increased \$12 million of which over \$11.4 million remained unspent.

Original Budget Compared to Final Budget

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

General Fund	\$	287,465
LEAF Fund		250,926
Growth and Development Fund		1,113,785
Retirement Fund		8,333
Grant Fund		684,490
Capital Improvement Fund		74,204
Meadow Station Debt Service Fund		2,741
	\$	<u>2,421,944</u>

The General Fund amounts are from grants related to the COVID-19 pandemic. The LEAF fund was increased due to capital purchases and insurance repairs. The Grant fund increased as the result of Public Health, CARE and Electronic Recording Technology grant expenditures. The Retirement Fund incurred additional retirement expenses due to adjustments in the Sheriff's Department compensation and the implementation of a pay plan. The Capital Improvement Fund had additional capital projects due to the American Rescue Plan Act. The Growth and Development Fund expenditures increased was due to recording cash with a title company and payments related the Independence Development. The Meadow Station amounts are expenditures to close the fund.

Capital Assets

The County invested \$8,095,268 in capital assets, not including donated assets, for its governmental-type activities for the year ended December 31, 2021. This investment in capital assets consists primarily of infrastructure, equipment, and vehicles. A detail of capital assets at December 31, 2021 and 2020 is as follows:

	Balance at December 31, 2021	Balance at December 31, 2020
Water rights	\$ 4,100,445	\$ 4,100,445
Land	2,464,591	2,030,633
Construction in progress	470,521	453,649
Buildings	7,417,914	7,077,791
Equipment	8,887,181	8,367,448
Infrastructure	<u>52,245,671</u>	<u>52,988,592</u>
Capital assets, net	<u>\$ 75,586,323</u>	<u>\$ 75,018,558</u>

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

Long-Term Debt

As of December 31, 2021, the County had total long-term debt of \$20,711,258. Long-term debt includes the Jail Lease Revenue Refunding Bonds Series 2020, capital leases used to finance equipment and vehicles, capital lease used to finance a new public works building, compensated absences, and the General Obligation Bonds of the following public improvement districts: Meadow Station Subdivision Public Improvement District, Foxwood Estates and Foxwood Ranches Public Improvement District, and Sun County Meadows Public Improvement District. To save interest costs, during 2015 and 2016 the Chaparral Valley Debt Service Fund borrowed funds from the Road and Bridge Fund and called its bonds early. The County continues to find innovative approaches to save money. A detail of long-term debt at December 31, 2021 and 2020 is as follows:

	December 31, 2021	December 31, 2020
Governmental Activities:		
General obligation debt	\$ 85,000	\$ 110,000
Debt from direct borrowings and Direct placements		
Limited tax general obligation bond	1,523,757	1,589,695
Jail lease refunding 2020	3,995,883	4,387,943
Capital lease obligations	14,691,733	2,778,129
Compensated absences	414,885	400,221
	<u>\$ 20,711,258</u>	<u>\$ 9,265,988</u>

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

Economic Factors and Next Year's Budgets

The County has appropriated \$40,011,063 for spending in the 2022 fiscal year budget. Budgeted 2022 revenue of \$36,270,693 and the use of accumulated fund balances is sufficient to cover the appropriated expenditures in 2022. For the 2022 fiscal year, the fund balances of all County funds are expected to decrease about \$2,883,681. The expected decrease in fund balance is primarily a result of a decrease in intergovernmental revenues of \$1,427,212 and projected increases in Capital Outlay of \$3.8 million.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

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

	Governmental Activities
ASSETS	
Cash and investments	\$ 29,733,149
Receivables	1,826,462
Due from other governments	87,267
Property taxes receivable	14,083,065
Assessments receivable	7,860
Inventory of supplies	626,758
Prepaid expenses	201,382
Cash and investments - Restricted	11,557,892
Capital assets, not being depreciated	
Land, water rights and construction in progress	7,035,557
Capital assets, net of accumulated depreciation	
Buildings, equipment and infrastructure	68,550,766
Total assets	<u>133,710,158</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on debt refunding	<u>34,983</u>
LIABILITIES	
Accounts payable and accrued liabilities	1,984,155
Accrued interest payable	130,350
Due to other governments	387,760
Unearned revenues	425,537
Noncurrent liabilities	
Due within one year	2,173,856
Due in more than one year	18,537,402
Total liabilities	<u>23,639,060</u>
DEFERRED INFLOWS OF RESOURCES	
Property taxes and assessments	<u>14,090,925</u>
NET POSITION	
Net investment in capital assets	65,332,046
Restricted	
Emergency reserves	530,803
Other purposes	99,367
Debt service	9,687
Clerk and Recorder's technology fee	57,674
Conservation trust	521,410
Unrestricted	29,464,169
Total net position	<u><u>\$ 96,015,156</u></u>

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

ELBERT COUNTY, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			Net (Expense)
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
					<u>Governmental Activities</u>
Primary government:					
Governmental activities:					
General government	\$ 8,067,634	\$ 2,243,977	\$ 82,765	\$ 146,753	\$ (5,594,139)
Public safety-Sherriff	6,928,702	481,243	3,487,708	-	(2,959,751)
Public safety-Community Development Services	622,748	2,532,898			1,910,150
Public safety-Building	374,799	1,980,589			1,605,790
Public works	12,900,545	511,295	3,231,481	160,490	(8,997,279)
Public health and welfare	6,177,393	254,710	5,535,069	-	(387,614)
Culture and recreation	326,464	322,064	-	-	(4,400)
Auxiliary services	173,519	-	13,178	-	(160,341)
Pooled vehicles	68,313	-	-	-	(68,313)
Interest on long-term debt	371,026	-	-	-	(371,026)
Total primary government	<u>\$ 36,011,143</u>	<u>\$ 8,326,776</u>	<u>\$ 12,350,201</u>	<u>\$ 307,243</u>	<u>(15,026,923)</u>
General revenues:					
Taxes					
Property and Specific Ownership taxes					14,937,776
Sales tax					3,129,196
Use tax					2,208,501
Other taxes					3,629
Investment earnings					47,095
Other					122,082
Gain on disposal of assets					1,027,270
Total general revenues					<u>21,475,549</u>
Change in net position					6,448,626
Net position - Beginning					89,566,530
Net position - Ending					<u>\$ 96,015,156</u>

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

**ELBERT COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021**

		Special Revenue Funds		
	General	Road and Bridge	Human Services	Sales and Use Tax
ASSETS				
Cash and investments with Treasurer	\$ 12,542,086	\$ 3,824,934	\$ 1,070,773	\$ 5,704,592
Cash and investments - restricted	18,202	-	-	11,356,720
Accounts receivable	408,808	272,187	-	811,992
Assessments receivable	-	-	-	-
Due from other funds	1,726,379	-	9,808	-
Advances to other funds	-	21,165	-	-
Due from other governments	-	-	87,267	-
Property taxes receivable	8,072,181	4,700,608	742,201	-
Prepaid expenses	201,102	250	30	-
Inventory of supplies	1,872	588,328	-	36,558
Total assets	<u>\$ 22,970,630</u>	<u>\$ 9,407,472</u>	<u>\$ 1,910,079</u>	<u>\$ 17,909,862</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 278,961	\$ 161,617	\$ 39,036	\$ 1,140,649
Accrued expenses	173,535	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	35,542	-	-
Unearned revenue	-	1,876	16,474	-
Advances from other funds	-	-	-	-
Total liabilities	<u>452,496</u>	<u>199,035</u>	<u>55,510</u>	<u>1,140,649</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes and assessments	<u>8,072,181</u>	<u>4,700,608</u>	<u>742,201</u>	<u>-</u>
FUND BALANCES				
Nonspendable				
Prepaid expenses	201,102	250	30	-
Inventory	1,872	588,328	-	36,558
Restricted				
Emergency reserves	352,621	121,913	20,308	-
Other purposes	18,202	-	81,165	-
Debt service	-	-	-	-
Capital asset purchases	-	-	-	11,356,720
Clerk and Recorder's technology fee	57,674	-	-	-
Conservation trust	-	-	-	-
Committed				
Stabilization	3,850,000	-	-	-
Assigned				
Contingency	500,000	1,000,000	-	-
Transportation	-	2,797,338	-	-
Public health and welfare	-	-	1,010,865	-
Public safety	-	-	-	-
Capital projects	-	-	-	5,375,935
Debt service	-	-	-	-
Retirement	-	-	-	-
Subsequent year's budget: appropriation of fund balance	1,242,540	-	-	-
Unassigned	<u>8,221,942</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>14,445,953</u>	<u>4,507,829</u>	<u>1,112,368</u>	<u>16,769,213</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 22,970,630</u>	<u>\$ 9,407,472</u>	<u>\$ 1,910,079</u>	<u>\$ 17,909,862</u>

Nonmajor Governmental Funds	Total Governmental Funds
\$ 6,590,764	\$ 29,733,149
182,970	11,557,892
333,475	1,826,462
7,860	7,860
59,677	1,795,864
-	21,165
-	87,267
568,075	14,083,065
-	201,382
-	626,758
<u>\$ 7,742,821</u>	<u>\$ 59,940,864</u>

\$ 190,357	\$ 1,810,620
-	173,535
387,760	387,760
1,760,322	1,795,864
407,187	425,537
21,165	21,165
<u>2,766,791</u>	<u>4,614,481</u>

<u>575,935</u>	<u>14,090,925</u>
----------------	-------------------

-	201,382
-	626,758
35,961	530,803
-	99,367
9,687	9,687
51,303	11,408,023
-	57,674
521,410	521,410
-	3,850,000
-	1,500,000
157,035	2,954,374
738,579	1,749,444
187,773	187,773
2,465,180	7,841,115
84,011	84,011
193,236	193,236
-	1,242,540
(44,080)	8,177,862
<u>4,400,095</u>	<u>41,235,458</u>
<u>\$ 7,742,821</u>	<u>\$ 59,940,864</u>

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

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

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

Total fund balance - Total governmental funds	\$ 41,235,458
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	75,586,323
Deferred charge on debt refunding, net of accumulated amortization, are not financial resources and, therefore, are not reported in the funds.	34,983
Accrued interest payable is not included in the funds.	(130,350)
Noncurrent liabilities, including compensated absences, capital leases and bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(20,711,258)</u>
Net position of governmental activities	<u><u>\$ 96,015,156</u></u>

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

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

	Special Revenue Funds			
	General	Road and Bridge	Human Services	Sales and Use Tax
REVENUES				
Taxes	\$ 9,394,113	\$ 4,212,739	\$ 665,170	\$ 5,337,697
Special assessments	-	-	-	-
Licenses and permits	2,307,838	-	-	-
Intergovernmental	2,837,176	3,183,654	5,154,545	-
Charges for services	2,370,077	511,295	-	-
Donated material	-	160,490	-	-
Net investment income	35,687	5,456	854	-
Miscellaneous	249,949	3,675	10,894	680
Total revenues	<u>17,194,840</u>	<u>8,077,309</u>	<u>5,831,463</u>	<u>5,338,377</u>
EXPENDITURES				
Current				
General government	5,912,375	123,620	-	157,702
Public safety-Sherriff	5,520,805	-	-	111,270
Public safety-Community Development Services	622,748	-	-	-
Public safety-Building	374,799	-	-	-
Public works	-	6,094,033	-	50,492
Public health and welfare	-	-	5,642,793	-
Culture and recreation	224,391	-	-	-
Auxiliary services	173,519	-	-	-
Pool vehicles	30,370	-	-	-
Debt service				
Principal and interest	48,888	761,142	-	224,600
Capital outlay	135,930	2,081,028	120,316	4,521,833
Total expenditures	<u>13,043,825</u>	<u>9,059,823</u>	<u>5,763,109</u>	<u>5,065,897</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,151,015</u>	<u>(982,514)</u>	<u>68,354</u>	<u>272,480</u>
OTHER FINANCING SOURCES (USES)				
Debt proceeds	130,611	832,300	-	12,000,000
Insurance recoveries	14,078	25,736	-	-
Sale of general capital assets	1,341	954,546	-	-
Transfers in	56,287	350,000	-	-
Transfers (out)	(947,710)	-	-	(350,000)
Total other financing sources (uses)	<u>(745,393)</u>	<u>2,162,582</u>	<u>-</u>	<u>11,650,000</u>
NET CHANGE IN FUND BALANCES	3,405,622	1,180,068	68,354	11,922,480
FUND BALANCES - BEGINNING OF YEAR	<u>11,040,331</u>	<u>3,327,761</u>	<u>1,044,014</u>	<u>4,846,733</u>
FUND BALANCES - END OF YEAR	<u>\$14,445,953</u>	<u>\$ 4,507,829</u>	<u>\$ 1,112,368</u>	<u>\$ 16,769,213</u>

Nonmajor Governmental Funds	Total Governmental Funds
\$ 660,952	\$ 20,270,671
9,572	9,572
-	2,307,838
1,527,477	12,702,852
2,707,604	5,588,976
-	160,490
3,957	45,954
75,315	340,513
<u>4,984,877</u>	<u>41,426,866</u>
1,785,720	7,979,417
658,574	6,290,649
-	622,748
-	374,799
110,993	6,255,518
495,564	6,138,357
38,946	263,337
-	173,519
-	30,370
948,328	1,982,958
<u>1,236,161</u>	<u>8,095,268</u>
<u>5,274,286</u>	<u>38,206,940</u>
<u>(289,409)</u>	<u>3,219,926</u>
215,107	13,178,018
57,615	97,429
10,351	966,238
947,710	1,353,997
<u>(56,287)</u>	<u>(1,353,997)</u>
<u>1,174,496</u>	<u>14,241,685</u>
885,087	17,461,611
<u>3,515,008</u>	<u>23,773,847</u>
<u>\$ 4,400,095</u>	<u>\$ 41,235,458</u>

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

ELBERT COUNTY, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
Year Ended December 31, 2021

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

Net change in fund balances - Total governmental funds	\$ 17,461,611
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported net of depreciation expense. This is the amount by which depreciation exceeded capital outlay and loss on the disposal of assets in the current period.	
Capital outlay	8,095,268
Proceeds from disposal of assets	(960,603)
Gain on disposal of assets	1,027,270
Insurance recoveries	(97,429)
Depreciation	(7,496,740)
The issuance of long-term debt (e.g. capital leases and bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Debt proceeds	(13,178,017)
Principal payments made	1,747,410
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.	
Change in compensated absences	(14,664)
Change in accrued interest	(101,334)
Amortization of deferred loss on refunding	(34,146)
Change in net position of governmental activities	<u><u>\$ 6,448,626</u></u>

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

ELBERT COUNTY, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2021

	Custodial Funds			
	Property Tax Fund	Custodial Treasurer's Fund	Other Custodial Funds	Total
ASSETS				
Cash and investments	\$ 564,621	\$ 610,772	\$ 217,351	\$ 1,392,744
Accounts receivable	-	-	255	255
Accrued interest receivable	-	5,493	-	5,493
Property taxes receivable	27,568,410	-	-	27,568,410
Total assets	26,888,112	616,265	217,606	28,966,902
LIABILITIES				
Accounts payable	-	-	20,961	20,961
Due to other governments	503,872	564,244	13,207	1,081,323
Other liabilities	60,749	-	-	60,749
Escrow deposits held by public trustee	-	-	612	612
Total liabilities	564,621	564,244	34,780	1,163,645
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	27,568,410	-	-	27,568,410
NET POSITION				
Restricted for individuals, organizations and other governments	\$ -	\$ 52,021	\$ 182,826	\$ 234,847

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

ELBERT COUNTY, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2021

	Custodial Funds			
	Property Tax Fund	Custodial Treasurer's Fund	Other Custodial Funds	Total
ADDITIONS				
Tax collections for other governments	\$ 29,499,389	\$ -	\$ -	\$ 29,499,389
County Clerk and Recorder collections	-	5,891,858	-	5,891,858
County Extension collections	-	-	59,523	59,523
Deposits from inmates	-	-	183,447	183,447
Sherriff's Office Community Foundation collections	-	-	31,061	31,061
Sherriff's Office Foundation collections	-	-	82,616	82,616
Office of the Public Trustee receipts	-	-	340,450	340,450
Miscellaneous collections	-	17,040	-	17,040
Interest	-	-	16	16
Total additions	<u>29,499,389</u>	<u>5,908,898</u>	<u>697,113</u>	<u>36,105,400</u>
DEDUCTIONS				
Payments of taxes to other governments	29,499,389	-	-	29,499,389
County Clerk and Recorder payments to other governments	-	5,891,858	-	5,891,858
County Extension disbursements	-	-	42,773	42,773
Payments on behalf of inmates	-	-	183,345	183,345
Sherriff's Office Community Foundation disbursements	-	-	31,894	31,894
Sherriff's Office Foundation disbursements	-	-	57,281	57,281
Office of the Public Trustee disbursements	-	-	347,533	347,533
Other	-	16,022	-	16,022
Total deductions	<u>29,499,389</u>	<u>5,907,880</u>	<u>662,826</u>	<u>36,070,095</u>
Net increase (decrease) in fiduciary net position	-	1,018	34,287	35,305
Net position-beginning	-	51,003	148,539	199,542
Net position-ending	<u>\$ -</u>	<u>\$ 52,021</u>	<u>\$ 182,826</u>	<u>234,847</u>

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

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - DEFINITION OF REPORTING ENTITY

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

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

Based on the application of these criteria, the County is financially accountable for the Elbert County Building Authority (Building Authority), Foxwood Estates and Foxwood Ranches Public Improvement District (Foxwood Estates), Meadow Station Subdivision Public Improvement District (Meadow Station) and Sun Country Meadows Public Improvement District (Sun Country Meadows). These entities are reported as blended component units within the debt service funds of the County. The Building Authority's capital assets are reflected in the County's capital assets and its debt is recorded in the County's long-term debt. The Building Authority was registered with the State of Colorado as a nonprofit corporation on November 11, 2005. The Building Authority is governed by a Board of Directors that consist of three members. The County Commissioners established the initial Board. Any future changes to Board members will be decided by a majority vote of the existing members. For Foxwood Estates, Meadow Station, and Sun Country Meadows, the County Commissioners are the Board of the Districts. In addition, the County is obligated in some manner for the debt of these Districts. The financial statements of the component units are found only in this document.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide and Fund Financial Statements

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

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Nonmajor Funds – The County reports four nonmajor governmental funds that account for debt service requirements of the following special improvement districts: 1) Chaparral Valley, 2) Meadows Station, 3) Foxwood Estates and 4) Sun Country Meadows. The County also reports one other debt service fund for the lease mortgage revenue bond. The County reports six nonmajor special revenue funds: 1) Law Enforcement Assistance, 2) Growth and Development, 3) Public Health and Administration, 4) Retirement, 5) Conservation Trust and 6) Grants. The County also reports one nonmajor capital projects fund, the Capital Improvement Fund.

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

Budgets

In accordance with the State Budget Law, the County Commissioners hold public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level, which includes other financing uses, and lapses at year end. The County Commissioners can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. The General, Road and Bridge, Sales and Use Tax, and Law Enforcement Assistance Funds do not budget or appropriate amounts related to entering into capital lease transactions or provisions related to buy back guarantees as entering into a capital lease does not provide for or use financial resources. The payments required under capital lease agreements are budgeted. None of the Custodial Funds present a budget to actual statement.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets (Continued)

After consultation with the State of Colorado and GASB, management believes that there is no requirement for the custodial funds to adopt a budget. The Road and Bridge and the Growth and Development Fund's expenditures exceeded the amounts appropriated. This maybe a violation of the State of Colorado's revised statutes.

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

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

Accounts Receivable – Accounts receivable relate to amounts collected in 2022 which the County earned or were entitled to during the 2021 fiscal year. The County believes all amounts recorded are fully collectible.

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

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

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

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

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. For the year ended December 31, 2021, the County includes \$34,983 of deferred outflows of resources related to the loss on refunding of debt. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and special assessments earned but levied for a subsequent period totaling \$14,090,925.

Fund Balances – The nonmajor debt service fund, the Chaparral Valley Fund, has negative fund balance of \$19,947. As more fully described in Note 10, this is the result of an advance from the Road and Bridge Fund. As special assessments and support from the General Fund have been received, this advance has been repaid and Chaparral Valley's fund balance has increased.

At December 31, 2021, the Capital Improvement Fund has negative equity totaling \$24,133. This deficit will be abolished through transfers from other funds in future years.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, governmental funds report fund balance in five different classifications:

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

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

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

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

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

Unassigned – All other spendable amounts.

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

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property Taxes

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

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

Prior Year Amounts

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

Estimates

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

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2021 are classified in the accompanying financial statements as follows:

Governmental activities:

Cash and investments	\$ 29,733,149
Cash and investments – Restricted	<u>11,557,892</u>
Total cash and investments – Governmental activities	41,291,041

Fiduciary activities:

Cash and investments	<u>1,392,744</u>
Total cash and investments.	<u>\$ 42,683,785</u>

Cash and investments as of December 31, 2021 consist of the following:

Cash on hand	\$ 130,815
Deposits with financial institutions	33,106,288
Investments	<u>9,446,682</u>
Total cash and investments	<u>\$ 42,683,785</u>

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions

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

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

As of December 31, 2021, the County's cash deposits had a bank balance of \$33,774,472 and a carrying balance of \$33,106,288. As of December 31, 2021, of the County's deposits \$3,371,848 was covered by the Federal Deposit Insurance Corporation (FDIC), \$19,295,904 was covered by the PDPA. For the remaining balance of \$11,356,720, which are unexpended lease proceeds related to the public works building, the lessor has pledged certain certificates of deposit which total 102% of the uninsured bank balance.

Investments

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

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

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

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

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2021, the County had the following investments:

	<u>Weighted Average Maturity</u>	<u>Net Asset Value</u>
COLOTRUST Plus+	44 days to reset 71 days to maturity	\$ 3,926,031
COLOTRUST Edge	202 days to reset 221 days to maturity	\$ 4,998,086

The County has also invested in a Federal Farm Credit Bank Bond (the Bond), which matures on May 4, 2026, but can be called beginning on January 7, 2022. At December 31, 2021 the Bond is valued at \$522,565. The Bond is rated AAA by Standards and Poors.

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

Certificates of Deposit	
Due within two years	\$ 245,000
Due within three years	835,000
Due within four years	735,000
Due within five years	245,000

The certificates of deposit which matures in four years, is callable in one year.

The County invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The County invests in two of COLOTRUST's pools, COLOTRUST PLUS+ and COLOTRUST EDGE. The PLUS+ Trust operates similarly to a money market fund and each share is equal in value to \$1.00. This portfolio may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. COLOTRUST EDGE may investment in any of the investments listed above. COLOTRUST EDGE is a variable Net Asset Value (NAV) fund, which attempts to maintain a NAV of \$10.00 per share. At December 31, 2021, the NAV was \$9.99.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standards & Poor's. COLOTRUST's PLUS+ does not have any unfunded commitments, redemption restrictions or redemption notice periods. COLOTRUST EDGE is rated 'AAAF/'S1' by FitchRatings. COLORADO TRUST EDGE does not have any unfunded commitments, redemption restrictions. Amounts may be withdrawn from this pool with seven days notice

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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

Restricted Cash and Investments

The County considers cash related to contingencies to be restricted by the State of Colorado statutes. Those amounts total \$18,202 as of December 31, 2021. The County also considers cash held for special assessment debt to be restricted to payment of debt service. As of December 31, 2021, restricted cash related to special assessments totaled \$1,218. The County has unexpended lease proceeds which are held in escrow by the lessor-banks and are to be used to either purchase capital assets or for debt service. As of December 31, 2021, unexpended lease proceeds totaled \$11,408,023, which is comprised of expended lease proceeds for the public works building of \$11,356,720 and unexpended lease proceeds related to law enforcement vehicles of \$51,303. The County also has an account which will reimburse a developer for certain costs, see Note 13. This account totaled \$130,449 at December 31, 2021. Restricted cash and investments as of December 31, 2020 totaled \$11,557,892.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 - CAPITAL ASSETS

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

	Balance at December 31, 2020	Increases	Decreases	Balance at December 31, 2021
Primary Government				
Capital assets, not being depreciated:				
Water rights	\$ 4,100,445	\$ -	\$ -	\$ 4,100,445
Land	2,030,633	433,958	-	2,464,591
Construction in progress	453,649	612,584	(595,712)	470,521
Total capital assets, not being depreciated	6,584,727	1,046,542	(595,712)	7,035,557
Capital assets, being depreciated:				
Buildings	13,410,835	701,214	-	14,112,049
Equipment	19,061,633	2,998,663	(1,112,895)	20,947,401
Infrastructure	182,850,820	3,944,561	-	186,795,381
Total capital assets, being depreciated	215,323,288	7,644,438	(1,112,895)	221,854,831
Less accumulated depreciation for:				
Buildings	(6,333,044)	(361,091)	-	(6,694,135)
Equipment	(10,694,185)	(2,448,167)	1,082,132	(12,060,220)
Infrastructure	(129,862,228)	(4,687,482)	-	(134,549,710)
Total accumulated depreciation	(146,889,457)	(7,496,740)	1,082,132	(153,304,065)
Total capital assets, being depreciated, net	68,433,831	147,698	(30,763)	68,550,766
Capital assets, net	<u>\$ 75,018,558</u>	<u>\$ 1,194,240</u>	<u>\$ (626,475)</u>	<u>\$ 75,586,323</u>

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

General government	\$ 79,174
Public safety	625,038
Public health and welfare	39,906
Public works	6,651,551
Culture and recreation	63,127
Pooled vehicles	37,944
Total depreciation expense	<u>\$ 7,496,740</u>

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 - LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the County's long-term obligations for the year ended December 31, 2021.

	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021	Due Within One Year
Governmental Activities:					
General obligation debt	\$ 110,000	\$ -	\$ 25,000	\$ 85,000	\$ 15,000
Debt from direct borrowings and Direct placements					
Limited tax general obligation bond	1,589,695	-	65,938	1,523,757	68,708
Jail lease refunding 2020	4,387,943	-	392,060	3,995,883	387,622
Capital lease obligations	2,778,129	13,178,017	1,264,413	14,691,733	1,329,526
Compensated absences	400,221	521,132	506,468	414,885	373,000
	<u>\$ 9,265,988</u>	<u>\$ 13,699,149</u>	<u>\$ 2,253,879</u>	<u>\$ 20,711,258</u>	<u>\$ 2,173,856</u>

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

General Obligation Bonds

The Foxwood Estates and Foxwood Ranches Public Improvement District General Obligation Bonds dated January 27, 2005 were issued in the principal amount of \$345,000. Principal and interest are computed at a variable rate of 3.25% - 5.50% per annum maturing December 1, 2029. The principal amount outstanding at December 31, 2021 was \$85,000.

Sun Country Public Improvement District General Obligation Bonds dated April 20, 2018 were issued in the principal amount of \$1,800,000. Interest only payments are due on June 1. Principal and interest are due each December 1. Annual payments of principal and interest, at an annual interest rate of 4.200%, total \$132,705. The bonds mature on December 1, 2037. Property and Specific Ownership taxes are pledged as revenues to repay the bonds. The property tax revenues are capped at the lower of 16.85 mills or property tax revenues of \$189,252. The bonds contain a prepayment premium of 4% of the principal amount prepaid on or before November 30, 2021 reduced by 1% per year. However, no prepayment may reduce the aggregate outstanding principal to less than \$100,000. The bond issue was sold to one investor, a financial institution. The principal amount outstanding as of December 31, 2021 was \$1,523,756.

The County issued Lease Revenue Refunding Bonds Series 2020 in the amount of \$4,387,943 on October 22, 2020 to refund the Lease Revenue Refunding Bonds Series 2016. The issue is a single purpose issue with a private placement and resulted in a net present value benefit of \$93,792. Principal and interest payments, including an annual rate of 1.90%, total \$230,855 and are due on March 1 and September 1 each year with a maturity date of March 1, 2031. The issue is secured by the real property of the Justice Center. In the event that the County is unable to make a payment all outstanding amounts of principal and interest are due immediately. The lender also has the right to foreclose on the debt. The principal amount outstanding as of December 31, 2021 was \$3,995,883.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE5 - LONG-TERM OBLIGATIONS (CONTINUED)

The following is a schedule of the debt service requirements to maturity as of December 31, 2021

<u>Year Ending</u> <u>December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 471,330	\$ 142,648	\$ 613,978
2023	486,614	131,592	618,206
2024	477,162	120,004	597,166
2025	487,982	109,184	597,166
2026	499,077	98,089	597,166
2027-2031	2,491,321	308,154	2,799,475
2032-2036	563,767	99,729	663,496
2037-2038	127,387	5,344	132,731
	<u>\$ 5,604,640</u>	<u>\$ 1,014,744</u>	<u>\$ 6,619,384</u>

Capital Leases

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

The assets acquired through capital leases as of December 31, 2021 are as follows:

	<u>Governmental</u> <u>Activities</u>
Equipment and software	\$ 7,833,878
Less accumulated depreciation	<u>(2,609,532)</u>
Total	<u>\$ 5,224,346</u>

On September 14, 2021, in order to generate moneys to finance the costs of constructing a new maintenance facility for the County's Road and Bridge Department (the Project), the County (Lessor) entered into a Site Lease with Sterling National Bank (Lender) whereby the County is to convey a leasehold interest in the land and title to the site and improvements for a lump-sum payment of \$12,000,000. Contemporaneously with the execution and delivery of the Site Lease, the County subleased the Leased Property back from the Lender pursuant to a Lease Purchase

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

Agreement dated the same (the "Lease Purchase Agreement") between the Lender, as sublessor, and the County, as sublessee.

NOTE5 - LONG-TERM OBLIGATIONS (CONTINUED)

The obligation of the County to pay Base Rentals and Additional Rentals shall be from year-to-year only; shall constitute currently budgeted expenditures of the County; shall not constitute a mandatory charge or requirement in any ensuing budget year; and shall not constitute a general obligation or a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the County within the meaning of any constitutional or statutory limitation or requirement concerning the creation of indebtedness, nor a mandatory payment obligation of the County in any ensuing fiscal year beyond any fiscal year during which this Lease shall be in effect. In the event of default, the Lessor may take title and possession of the real property.

NOTE5 - LONG-TERM OBLIGATIONS (CONTINUED)

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

Equipment/Real Property	Date issued	Original Balance	Interest Rate	Outstanding Balance
6 Dodge Vehicles SO - 3351102	2/15/2017	\$ 332,410	3.82%	\$ 17,769
INTL Tow Truck - 077-0020352-004	6/1/2017	215,096	2.83%	22,900
2 JD Motor Graders - 077-0020352-005	6/1/2017	239,215	2.83%	25,467
2 Motor Graders -077-0020352-006	11/13/2017	198,170	2.95%	41,997
4 Dodge Ram Trucks SO - 077-0020352-007	11/13/2017	220,996	2.95%	46,835
3 Dodge Vehicles SO - 077-0020352-008	11/20/2017	161,414	2.95%	34,208
4 2018 Motor Graders	3/29/2018	387,148	2.95%	103,292
2019 Caterpillar Motor Graders	2/26/2019	385,404	3.89%	182,686
4 Chevy Tahoe's Schedule 003	9/12/2019	117,544	2.95%	53,130
5 Chevy Tahoe's Schedule 002	9/12/2019	146,365	2.95%	60,156
5 JD Motor Graders with Snow Plow Schdule 004	2/27/2020	688,375	2.89%	458,632
2 2020 Ram 2500 Crew Cab Schedule 005	2/27/2020	70,082	2.89%	46,692
2 2020 International Plow Trucks Schedule 006	2/27/2020	540,777	2.89%	360,295
2 Chevy Tahoe's & 1 Traverse Schedule 008	5/28/2020	142,432	2.64%	90,768
3 Chevy Tahoe's Schedule 007	6/2/2020	161,815	2.64%	103,121
2 Ford 350's Facilities- 077-0020352-011	2/10/2021	130,610	2.32%	111,968
4 Motor Graders - 077-0020352-010	2/11/2021	276,510	2.49%	250,378
Snow Plow - 077-0020352-012	9/20/2021	555,790	2.32%	476,464
4 Tahoes SO - 077-0020352-013	2/11/2021	215,107	2.49%	204,975
Public Works Building	9/14/2021	12,000,000	2.65%	12,000,000
				<u>\$ 14,691,733</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2021, were as follows:

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

<u>Year Ending</u> <u>December 31,</u>	<u>Governmental</u> <u>Activities</u>
2022	\$ 1,704,411
2023	1,423,035
2024	1,251,667
2025	980,161
2026	760,147
2027-2031	3,297,445
2032-2036	3,297,445
2037-2041	3,297,445
2042-2046	3,297,445
Total minimum lease payments	19,309,201
Less amounts representing interest	(4,617,468)
Present value of minimum lease payments	<u>\$ 14,691,733</u>

Compensated Absences

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

Payment of Obligations

The long-term obligations of the County have been and will continue to be liquidated by various County funds. The fund which pays an employee is used to liquidate compensated absences of the governmental activities. These funds include the General, Road, Sales and Use Tax and Bridge, and Human Services Funds. In addition, the General, Road and Bridge and Law Enforcement Assistance funds service the capital leases. The special Assessment Debt, the General Obligation Debt and the 2021 Jail Refunding Issue are serviced by the specific funds that were established with the sole purpose of liquidating the debt obligations.

NOTE 6 - NET POSITION

As also described in Note 2, net position in the Government-wide Statement of Net Position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulators of other governments.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 - NET POSITION (CONTINUED)

The County has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of capital leases and bonds that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2021, the County had a net investment in capital assets of \$65,332,046 calculated as follows:

		<u>Governmental Activities</u>
Net investment in capital assets:		
Capital assets, net		
Those not depreciated	\$ 7,035,557	
Those depreciated	<u>68,550,766</u>	
		75,586,323
Loss on refunding (net of accumulated amortization)		34,983
Total debt	(20,711,258)	
Other liabilities related to capital assets	(1,400,910)	
Less compensated absences	414,885	
Less unexpended lease proceeds	<u>11,408,023</u>	
Net debt amount		<u>(10,289,260)</u>
Net investment in capital assets		<u>\$ 65,332,046</u>

Restricted assets include restrictions for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The County had restricted net position of \$1,218,941 as of December 31, 2021. The County's unrestricted net position as of December 31, 2021 is \$29,464,169.

NOTE 7 - PENSION PLAN

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

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 - PENSION PLAN (CONTINUED)

Employees vest 100% in personal contributions and 25% for each year of employment in employer contributions. Unvested employer contributions forfeited at termination revert to the County. The County applied participant forfeitures of \$15,948 to reduce the County share of contributions. As of December 31, 2021, the County had \$7,067 in unapplied forfeitures.

Both the County and the employees contributed 5% of eligible gross wages to the Plan during 2021. Information regarding the pension plan contributions for 2021, 2020, and 2019 are as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total payroll	\$9,885,110	\$9,132,200	\$8,362,969
Base salary - eligible	9,721,280	7,628,260	7,549,240
County contribution	486,064	381,413	377,462
Employee contribution	486,064	381,413	377,462

NOTE 8 - DEFERRED COMPENSATION PLAN

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

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Operating Leases

The County leases equipment and software under operating leases that expire 2023. Total rental expense for the year ended December 31, 2021 was \$25,068. The future minimum annual rental commitments under these leases are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Minimum</u> <u>Lease</u> <u>Payments</u>
2022	\$ 15,414
2023	3,835
Total	<u>\$ 19,249</u>

Litigation

The County has been named in various pending or threatened litigation, claims or assessments. The ultimate outcome/resolution of these matters is not known at this time. The County is monitoring the progress of these matters and has referred various matters to the County's insurance carrier for consultation and representation. Insurance could participate in defense, settlement and claims costs subject to the terms and conditions of the insuring agreements.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Litigation (Continued)

As of December 31, 2021, the County does not believe the resolution of these matters will have a material adverse effect on the financial condition of the government.

Grants

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

Coronavirus Pandemic

In January 2021, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. At the current time, the ultimate economic fallout of the COVID-19 pandemic crisis is still largely unknown. Elbert County's staff and elected officials have reviewed information about federal economic stimulus and recovery funds and are developing response plans based on emerging epidemiological data. Operational changes in various County departments in response to the pandemic may affect expenditure trends for some time.

During the year ended December 31, 2021, the County recognized approximately \$2.6 million in federal financial assistance related to Coronavirus State and Local Fiscal Recovery Funds.

Employment

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

NOTE 10 - TRANSFERS/INTERFUND RECEIVABLES & PAYABLES

Interfund transfers for the year ended December 31, 2021 are as follows:

Transfers Out	Transfers In			Total
	General Fund	Road and Bridge Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ -	\$ 947,710	\$ 947,710
Sales and Use Tax	-	350,000	-	350,000
Nonmajor Governmental Funds	56,287	-	-	56,287
	<u>\$ 56,287</u>	<u>\$ 350,000</u>	<u>\$ 947,710</u>	<u>\$ 1,353,997</u>

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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

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

Interfund receivables/payables are as follows as of December 31, 2021:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 1,726,379	\$ -
Road and Bridge	-	35,542
Human Services	9,808	-
Nonmajor Governmental Funds	<u>59,677</u>	<u>1,760,322</u>
	<u>\$ 1,795,864</u>	<u>\$ 1,795,864</u>

NOTE 11 - RISK MANAGEMENT

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

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

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

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 11 - RISK MANAGEMENT (CONTINUED)

The Pools provide the following types of coverage:

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

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

NOTE 12 - TAX, SPENDING AND DEBT LIMITATIONS

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

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

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

The State Constitution also requires local governments to establish emergency reserves equal to at least 3% of fiscal year spending as defined in the amendment. These emergency reserves cannot be used to compensate for economic conditions, revenue short falls or salary and benefit increases. As of December 31, 2021, the amount required as an emergency reserve in compliance with the amendment is \$530,803 and is shown as a restriction of equity in each respective fund and in the Statement of Net Position.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 13 – IMPACT FEE ABATEMENT

In exchange for certain infrastructure improvements, the County has entered into an agreement with the developer of the Independence Metropolitan Districts (Independence) to remit all of the Elbert County Growth Impact Fees, all Traffic Analysis Zone Fees and all use tax generated by the County in connection with the development. The abatement will be used first to reimburse the developer for costs of constructing certain road improvements. Any remaining funds will be released to the Independence Overlay Metropolitan District. At December 31, 2021, the County had funds on deposit totaling \$130,449 and an additional \$257,311 for fees collected but not yet placed in the escrow bank account. In addition, upon the receipt of paid invoices evidencing Independence's incurrence of actual construction costs, the County has authorized the release of \$840,339 from the escrow account. The escrow bank account is under the County's control.

NOTE 14 – NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued several pronouncements prior to December 31, 2021 that have effective dates that may impact future financial presentations. Management is currently determining the effects of the implementation of these statements on the County's financial records. The following Statements may require material adjustment to the County's financial statements.

GASB Statement No. 87, *Leases* will be implemented as required by GASB during the fiscal year ending December 31, 2022. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundation principle that leases are financings of the right to use an underlying asset.

GASB Statement No. 91, *Conduit Debt Obligations*, will be implemented as required by GASB during the fiscal year ending December 31, 2022. The primary objectives of the Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with: (1) commitments extended by issuers; (2) arrangements associated with conduit debt obligations; and (3) related note disclosures.

This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

NOTE 15 – SUBSEQUENT EVENT

As discussed in Note 9 the County may have a continuing financial impact from the COVID-19 pandemic. The County received an additional \$2,595,988 of Coronavirus State and Local Fiscal Recovery Funds in 2022.

REQUIRED SUPPLEMENTARY INFORMATION

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
NON GAAP BUDGET BASIS
GENERAL FUND
Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 9,069,067	\$ 9,069,067	\$ 9,394,113	\$ 325,046
Licenses and permits	1,002,000	1,002,000	2,307,838	1,305,838
Intergovernmental	231,254	518,719	2,837,176	2,318,457
Charges for service	2,195,914	2,195,914	2,370,077	174,163
Net investment income	107,400	107,400	35,687	(71,713)
Miscellaneous	118,350	118,350	249,949	131,599
Total revenues	<u>12,723,985</u>	<u>13,011,450</u>	<u>17,194,840</u>	<u>4,183,390</u>
EXPENDITURES				
General government	5,906,202	5,927,576	5,912,375	15,201
Public safety-Sherriff	5,450,802	5,632,095	5,520,805	111,290
Public safety-Community Development Services	461,032	461,032	622,748	(161,716)
Public safety-Building	407,099	407,099	374,799	32,300
Culture and recreation	190,722	190,722	224,391	(33,669)
Auxiliary services	179,964	179,964	173,519	6,445
Pool vehicles	29,300	155,327	30,370	124,957
Debt service				
Principal	50,674	25,000	48,888	(23,888)
Capital outlay	19,500	3,945	5,319	(1,374)
Total expenditures	<u>12,695,295</u>	<u>12,982,760</u>	<u>12,913,214</u>	<u>69,546</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	<u>28,690</u>	<u>28,690</u>	<u>4,281,626</u>	<u>4,252,936</u>
OTHER FINANCING SOURCES (USES)				
Sale of assets	-	-	1,341	1,341
Insurance recoveries	-	-	14,078	14,078
Transfers in	55,000	55,000	56,287	1,287
Transfers (out)	<u>(1,008,773)</u>	<u>(1,008,773)</u>	<u>(947,710)</u>	<u>61,063</u>
Total other financing sources (uses)	<u>(953,773)</u>	<u>(953,773)</u>	<u>(876,004)</u>	<u>77,769</u>
NET CHANGE IN FUND BALANCES-NON GAAP	<u>\$ (925,083)</u>	<u>\$ (925,083)</u>	3,405,622	<u>\$ 4,330,705</u>
PERSPECTIVE DIFFERENCES				
Capital lease transactions				
Proceeds from capital leases			130,611	
Capital outlay related to capital leases			<u>(130,611)</u>	
NET CHANGE IN FUND BALANCES-GAAP BASIS			3,405,622	
FUND BALANCE - BEGINNING OF YEAR			<u>11,040,331</u>	
FUND BALANCE - END OF YEAR			<u>\$14,445,953</u>	

See accompanying notes to required supplementary information.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
NON GAAP BUDGET BASIS
GENERAL FUND
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes				
Property taxes	\$ 7,259,067	\$ 7,259,067	\$ 7,235,021	\$ (24,046)
Specific ownership taxes	1,800,000	1,800,000	2,138,891	338,891
Cigarette taxes	10,000	10,000	20,201	10,201
Total taxes	<u>9,069,067</u>	<u>9,069,067</u>	<u>9,394,113</u>	<u>325,046</u>
Licenses and permits				
Building and zoning fees	1,000,000	1,000,000	2,305,423	1,305,423
Liquor and other licenses	2,000	2,000	2,415	415
Total licenses and permits	<u>1,002,000</u>	<u>1,002,000</u>	<u>2,307,838</u>	<u>1,305,838</u>
Intergovernmental revenues				
Other intergovernmental revenues	<u>231,254</u>	<u>518,719</u>	<u>2,837,176</u>	<u>2,318,457</u>
Total intergovernmental revenues	<u>231,254</u>	<u>518,719</u>	<u>2,837,176</u>	<u>2,318,457</u>
Charges for services				
Sheriff	59,414	59,414	138,826	79,412
Clerk	1,063,000	1,063,000	1,168,648	105,648
Treasurer	751,000	751,000	923,247	172,247
Public trustee fees	30,000	30,000	94,218	64,218
Other	<u>292,500</u>	<u>292,500</u>	<u>45,138</u>	<u>(247,362)</u>
Total charges for services	<u>2,195,914</u>	<u>2,195,914</u>	<u>2,370,077</u>	<u>174,163</u>
Interest income	<u>107,400</u>	<u>107,400</u>	<u>35,687</u>	<u>(71,713)</u>
Miscellaneous revenues				
Fair receipts	68,350	68,350	110,732	42,382
Other	<u>50,000</u>	<u>50,000</u>	<u>139,217</u>	<u>89,217</u>
Total miscellaneous revenues	<u>118,350</u>	<u>118,350</u>	<u>249,949</u>	<u>131,599</u>
Other financing sources				
Sale of assets	-	-	1,341	1,341
Insurance recoveries	-	-	14,078	14,078
Transfers in	<u>55,000</u>	<u>55,000</u>	<u>56,286</u>	<u>1,286</u>
Total other financing sources	<u>55,000</u>	<u>55,000</u>	<u>71,705</u>	<u>16,705</u>
Total revenues	<u>\$ 12,778,985</u>	<u>\$ 13,066,450</u>	<u>\$ 17,266,545</u>	<u>\$ 4,200,095</u>

See accompanying notes to required supplementary information.

ELBERT COUNTY, COLORADO
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
NON GAAP BUDGET BASIS
GENERAL FUND
Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXPENDITURES				
General government				
Office of commissioners	\$ 294,654	\$ 294,654	\$ 281,524	\$ 13,130
County attorney	275,170	275,170	163,804	111,366
Clerk and recorder	626,698	626,698	634,904	(8,206)
Clerk and recorder - Elections	202,749	202,749	185,763	16,986
County treasurer	220,454	241,829	214,842	26,987
County assessor	544,578	544,578	513,732	30,846
Maintenance of grounds and buildings	466,473	466,472	438,447	28,025
Central data processing	1,060,732	1,060,732	1,307,264	(246,532)
Human resources	200,080	200,080	210,066	(9,986)
Other administration	1,023,165	1,023,165	887,637	135,528
Budget/payroll	344,866	344,866	427,809	(82,943)
District attorney	646,583	646,583	646,583	-
Total general government	<u>5,906,202</u>	<u>5,927,576</u>	<u>5,912,375</u>	<u>15,201</u>
Public safety-Sheriff				
County sheriff	3,377,618	3,558,911	3,597,682	(38,771)
County jail	1,731,890	1,731,890	1,532,244	199,646
County coroner	176,600	176,600	167,180	9,420
Judicial center	128,451	128,451	127,737	714
Emergency communications and operations	36,243	36,243	95,962	(59,719)
Total public safety-Sheriff	<u>5,450,802</u>	<u>5,632,095</u>	<u>5,520,805</u>	<u>111,290</u>
Public safety-Community Development Services	<u>461,032</u>	<u>461,032</u>	<u>622,748</u>	<u>(161,716)</u>
Public safety-Building	<u>407,099</u>	<u>407,099</u>	<u>374,799</u>	<u>32,300</u>
Culture and recreation	190,722	190,722	224,391	(33,669)
Auxiliary services	179,964	179,964	173,519	6,445
Pool vehicles	29,300	155,327	30,370	124,957
Debt service				
Principal and interest	50,674	25,000	48,888	(23,888)
Capital outlay	19,500	3,945	5,319	(1,374)
Other financing sources				
Transfers out	1,008,773	1,008,773	947,710	61,063
Total expenditures	<u>\$ 13,704,068</u>	<u>\$ 13,991,533</u>	<u>\$ 13,860,924</u>	<u>\$ 130,609</u>

See accompanying notes to required supplementary information.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
NON GAAP BUDGET BASIS
ROAD AND BRIDGE SPECIAL REVENUE FUND
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 4,227,584	\$ 4,212,739	\$ (14,845)
Intergovernmental	2,778,000	3,183,654	405,654
Charges for services	149,500	511,295	361,795
Donated material	-	160,490	160,490
Net investment income	7,000	5,456	(1,544)
Other Income	5,800	3,675	(2,125)
Total revenues	<u>7,167,884</u>	<u>8,077,309</u>	<u>909,425</u>
EXPENDITURES			
General government	126,606	123,620	2,986
Public works	6,622,794	6,094,033	528,761
Debt service	796,377	761,142	35,235
Capital outlay	-	1,248,728	(1,248,728)
Total expenditures	<u>7,545,777</u>	<u>8,227,523</u>	<u>(681,746)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(377,893)</u>	<u>(150,214)</u>	<u>227,679</u>
OTHER FINANCING SOURCES			
Sale of general capital assets	20,000	954,546	934,546
Proceeds from insurance reimbursements	10,000	25,736	15,736
Transfers in	350,000	350,000	-
Total other financing sources	<u>380,000</u>	<u>1,330,282</u>	<u>950,282</u>
NET CHANGE IN FUND BALANCE-NON GAAP	<u>\$ 2,107</u>	1,180,068	<u>\$ 1,177,961</u>
PERSPECTIVE DIFFERENCES			
Capital lease transactions			
Proceeds from capital leases		832,300	
Capital outlay related to capital leases		<u>(832,300)</u>	
NET CHANGE IN FUND BALANCE-GAAP BASIS		1,180,068	
FUND BALANCE - BEGINNING OF YEAR		<u>3,327,761</u>	
FUND BALANCE - END OF YEAR		<u>\$ 4,507,829</u>	

See accompanying notes to required supplementary information.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
HUMAN SERVICES SPECIAL REVENUE FUND
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 630,086	\$ 665,170	\$ 35,084
Intergovernmental	5,441,208	5,154,545	(286,663)
Other	40,000	10,894	(29,106)
Net investment income	-	854	854
Total revenues	<u>6,111,294</u>	<u>5,831,463</u>	<u>(279,831)</u>
EXPENDITURES			
Public health and welfare	5,634,155	5,642,793	(8,638)
Capital outlay	400,000	120,316	279,684
Total expenditures	<u>6,034,155</u>	<u>5,763,109</u>	<u>271,046</u>
NET CHANGE IN FUND BALANCE	<u>\$ 77,139</u>	68,354	<u>\$ (8,785)</u>
FUND BALANCE - BEGINNING OF YEAR		<u>1,044,014</u>	
FUND BALANCE - END OF YEAR		<u>\$ 1,112,368</u>	

See accompanying notes to required supplementary information.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
NON GAAP BUDGET BASIS
SALES AND USE TAX SPECIAL REVENUE FUND
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Sales tax	\$ 2,000,000	\$ 3,129,196	\$ 1,129,196
Use tax	1,800,000	2,208,501	408,501
Miscellaneous	-	680	680
Total revenues	<u>3,800,000</u>	<u>5,338,377</u>	<u>1,538,377</u>
EXPENDITURES			
General government	114,000	157,702	(43,702)
Public safety - Sheriff	-	111,270	(111,270)
Public works	40,000	50,492	(10,492)
Debt service	222,632	224,600	(1,968)
Capital outlay	5,008,000	3,877,159	1,130,841
Total expenditures	<u>5,384,632</u>	<u>4,421,223</u>	<u>963,409</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,584,632)</u>	<u>917,154</u>	<u>2,501,786</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(350,000)	(350,000)	-
Total other financing sources (uses)	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE-NON GAAP	<u><u>\$ (1,934,632)</u></u>	567,154	<u><u>\$ 2,501,786</u></u>
PERSPECTIVE DIFFERENCES			
Capital lease transactions			
Proceeds from capital leases		12,000,000	
Capital outlay related to capital leases		<u>(644,674)</u>	
NET CHANGE IN FUND BALANCE-GAAP BASIS		11,922,480	
FUND BALANCE - BEGINNING OF YEAR		<u>4,846,733</u>	
FUND BALANCE - END OF YEAR		<u><u>\$ 16,769,213</u></u>	

See accompanying notes to required supplementary information.

ELBERT COUNTY, COLORADO
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

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

SUPPLEMENTARY INFORMATION

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

	Special Revenue Funds	Debt Service Funds	Capital Improvement Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments with Treasurer	\$ 6,101,892	\$ 94,006	\$ 394,866	\$ 6,590,764
Cash and investments - restricted	181,752	1,218	-	182,970
Accounts receivable	331,042	2,433	-	333,475
Assessments receivable	-	7,860	-	7,860
Due from other funds	59,677	-	-	59,677
Property taxes receivable	353,288	214,787	-	568,075
TOTAL ASSETS	<u>\$ 7,027,651</u>	<u>\$ 320,304</u>	<u>\$ 394,866</u>	<u>\$ 7,742,821</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 163,492	\$ -	\$ 26,865	\$ 190,357
Unearned revenues	407,187	-	-	407,187
Due to other governments	387,760	-	-	387,760
Due to other funds	1,365,447	2,741	392,134	1,760,322
Advances from other funds	-	21,165	-	21,165
Total liabilities	<u>2,323,886</u>	<u>23,906</u>	<u>418,999</u>	<u>2,766,791</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes and assessments	<u>353,288</u>	<u>222,647</u>	<u>-</u>	<u>575,935</u>
FUND BALANCES				
Restricted				
Emergency reserves	35,961	-	-	35,961
Debt service	-	9,687	-	9,687
Capital asset purchases	51,303	-	-	51,303
Conservation trust	521,410	-	-	521,410
Assigned				
Public safety	187,773	-	-	187,773
Public works	157,035	-	-	157,035
Public health and welfare	738,579	-	-	738,579
Capital projects	2,465,180	-	-	2,465,180
Debt service	-	84,011	-	84,011
Retirement	193,236	-	-	193,236
Unassigned	-	(19,947)	(24,133)	(44,080)
Total fund balances	<u>4,350,477</u>	<u>73,751</u>	<u>(24,133)</u>	<u>4,400,095</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 7,027,651</u>	<u>\$ 320,304</u>	<u>\$ 394,866</u>	<u>\$ 7,742,821</u>

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2021

	Special Revenue Funds	Debt Service Funds	Capital Improvement Fund	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 408,013	\$ 252,939	\$ -	\$ 660,952
Special assessments	-	9,572	-	9,572
Intergovernmental	1,527,477	-	-	1,527,477
Charges for services	2,707,604	-	-	2,707,604
Net investment income	3,781	176	-	3,957
Miscellaneous	75,315	-	-	75,315
Total revenues	<u>4,722,190</u>	<u>262,687</u>	<u>-</u>	<u>4,984,877</u>
EXPENDITURES				
General government	1,727,227	6,870	51,623	1,785,720
Public safety	658,574	-	-	658,574
Public works	110,993	-	-	110,993
Public health and welfare	495,564	-	-	495,564
Culture and recreation	38,946	-	-	38,946
Debt service				
Principal and interest	323,034	625,294	-	948,328
Capital outlay	527,582	-	708,579	1,236,161
Total expenditures	<u>3,881,920</u>	<u>632,164</u>	<u>760,202</u>	<u>5,274,286</u>
EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES	<u>840,270</u>	<u>(369,477)</u>	<u>(760,202)</u>	<u>(289,409)</u>
OTHER FINANCING SOURCES (USES)				
Debt proceeds	215,107	-	-	215,107
Insurance recoveries	57,615	-	-	57,615
Sale of general capital assets	7,351	-	3,000	10,351
Transfers in	39,710	472,000	436,000	947,710
Transfers (out)	(53,546)	(2,741)	-	(56,287)
Total other financing sources (uses)	<u>266,237</u>	<u>469,259</u>	<u>439,000</u>	<u>1,174,496</u>
NET CHANGE IN FUND BALANCES	1,106,507	99,782	(321,202)	885,087
FUND BALANCES - BEGINNING OF YEAR	<u>3,243,970</u>	<u>(26,031)</u>	<u>297,069</u>	<u>3,515,008</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 4,350,477</u></u>	<u><u>\$ 73,751</u></u>	<u><u>\$ (24,133)</u></u>	<u><u>\$ 4,400,095</u></u>

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
December 31, 2021

	Law Enforcement Assistance	Growth and Development	Public Health and Administration
ASSETS			
Cash and investments with Treasurer	\$ 264,061	\$ 2,728,491	\$ 731,348
Cash and investments - Restricted	51,303	130,449	-
Accounts receivable	10,823	-	56,781
Due from other funds	19,412	-	-
Property taxes receivable	-	-	-
TOTAL ASSETS	\$ 345,599	\$ 2,858,940	\$ 788,129
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 98,898	\$ 6,000	\$ 8,775
Unearned revenues	-	-	-
Due to other governments	-	387,760	-
Due to other funds	-	-	33,554
Total liabilities	98,898	393,760	42,329
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	-
FUND BALANCES			
Restricted			
Emergency reserves	7,625	-	7,221
Capital asset purchases	51,303	-	-
Conservation trust	-	-	-
Assigned			
Public safety	187,773	-	-
Public works	-	-	-
Public health	-	-	738,579
Capital projects	-	2,465,180	-
Retirement	-	-	-
Total fund balances	246,701	2,465,180	745,800
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 345,599	\$ 2,858,940	\$ 788,129

See accompanying independent auditors' report.

Retirement	Conservation Trust	Grants	Total
\$ 170,123	\$ 564,603	\$ 1,643,266	\$ 6,101,892
-	-	-	181,752
3,935	-	259,503	331,042
40,265	-	-	59,677
353,288	-	-	353,288
<u>\$ 567,611</u>	<u>\$ 564,603</u>	<u>\$ 1,902,769</u>	<u>\$ 7,027,651</u>
\$ 8,355	\$ 127	\$ 41,337	\$ 163,492
-	-	407,187	407,187
-	-	-	387,760
-	43,066	1,288,827	1,365,447
<u>8,355</u>	<u>43,193</u>	<u>1,737,351</u>	<u>2,323,886</u>
<u>353,288</u>	<u>-</u>	<u>-</u>	<u>353,288</u>
12,732	-	8,383	35,961
-	-	-	51,303
-	521,410	-	521,410
-	-	-	187,773
-	-	157,035	157,035
-	-	-	738,579
-	-	-	2,465,180
193,236	-	-	193,236
<u>205,968</u>	<u>521,410</u>	<u>165,418</u>	<u>4,350,477</u>
<u>\$ 567,611</u>	<u>\$ 564,603</u>	<u>\$ 1,902,769</u>	<u>\$ 7,027,651</u>

See accompanying independent auditors' report.

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

	Law Enforcement Assistance	Growth and Development	Public Health and Administration	Retirement
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 408,013
Intergovernmental	-	-	73,915	-
Charges for services	342,228	2,113,666	251,710	-
Net investment income	-	2,463	-	-
Miscellaneous income	1,062	-	3,000	16,394
Total revenues	<u>343,290</u>	<u>2,116,129</u>	<u>328,625</u>	<u>424,407</u>
EXPENDITURES				
General government	12,129.00	1,255,490	-	452,108
Public safety	16,329	15,000	-	-
Public works	-	-	-	-
Public health and welfare	-	-	210,949	-
Culture and recreation	-	-	-	-
Debt service	323,034	-	-	-
Capital outlay	205,213	23,295	-	-
Total expenditures	<u>556,705</u>	<u>1,293,785</u>	<u>210,949</u>	<u>452,108</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(213,415)</u>	<u>822,344</u>	<u>117,676</u>	<u>(27,701)</u>
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds	215,107	-	-	-
Insurance recoveries	57,615	-	-	-
Sale of general capital assets	7,351	-	-	-
Transfers in	-	-	39,710	-
Transfers (out)	-	-	-	-
Total other financing sources uses	<u>280,073</u>	<u>-</u>	<u>39,710</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	66,658	822,344	157,386	(27,701)
FUND BALANCES - BEGINNING OF YEAR	<u>180,043</u>	<u>1,642,836</u>	<u>588,414</u>	<u>233,669</u>
FUND BALANCES - END OF YEAR	<u>\$ 246,701</u>	<u>\$ 2,465,180</u>	<u>\$ 745,800</u>	<u>\$ 205,968</u>

See accompanying independent auditors' report.

Conservation Trust	Grants	Total
\$ -	\$ -	\$ 408,013
205,896	1,247,666	1,527,477
-	-	2,707,604
1,318	-	3,781
-	54,859	75,315
<u>207,214</u>	<u>1,302,525</u>	<u>4,722,190</u>
-	7,500	1,727,227
-	627,245	658,574
-	110,993	110,993
-	284,615	495,564
38,946	-	38,946
-	-	323,034
<u>133,421</u>	<u>165,653</u>	<u>527,582</u>
<u>172,367</u>	<u>1,196,006</u>	<u>3,881,920</u>
<u>34,847</u>	<u>106,519</u>	<u>840,270</u>
-	-	215,107
-	-	57,615
-	-	7,351
-	-	39,710
<u>(53,546)</u>	<u>-</u>	<u>(53,546)</u>
<u>(53,546)</u>	<u>-</u>	<u>266,237</u>
(18,699)	106,519	1,106,507
<u>540,109</u>	<u>58,899</u>	<u>3,243,970</u>
<u>\$ 521,410</u>	<u>\$ 165,418</u>	<u>\$ 4,350,477</u>

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
LAW ENFORCEMENT ASSISTANCE FUND
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 300,000	\$ 300,000	342,228	\$ 42,228
Other income	-	-	1,062	1,062
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>343,290</u>	<u>43,290</u>
EXPENDITURES				
General government	-	-	12,129	(12,129)
Public safety	-	-	16,329	(16,329)
Debt service	304,716	304,716	323,034	(18,318)
Capital outlay	-	250,926	89,094	161,832
Total expenditures	<u>304,716</u>	<u>555,642</u>	<u>440,586</u>	<u>115,056</u>
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES	<u>(4,716)</u>	<u>(255,642)</u>	<u>(97,296)</u>	<u>158,346</u>
OTHER FINANCING SOURCES				
Insurance recoveries	-	250,926	57,615	(193,311)
Sale of general capital assets	20,000	20,000	7,351	(12,649)
Total other financing sources	<u>20,000</u>	<u>270,926</u>	<u>64,966</u>	<u>(205,960)</u>
NET CHANGE IN FUND BALANCES- NON GAAP	<u>\$ 15,284</u>	<u>\$ 15,284</u>	<u>(32,330)</u>	<u>\$ (47,614)</u>
PERSPECTIVE DIFFERENCES				
Capital lease transactions				
Proceeds			215,107	
Capital outlay related to capital leases			<u>(116,119)</u>	
NET CHANGE IN FUND BALANCE-GAAP BASIS			66,658	
FUND BALANCES - BEGINNING OF YEAR			<u>180,043</u>	
FUND BALANCES - END OF YEAR			<u>\$ 246,701</u>	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GROWTH AND DEVELOPMENT FUND
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 530,000	\$ 1,643,785	\$ 2,113,666	\$ 469,881
Interest income	15,000	15,000	2,463	(12,537)
Total revenues	<u>545,000</u>	<u>1,658,785</u>	<u>2,116,129</u>	<u>457,344</u>
EXPENDITURES				
General government	-	1,103,785	1,255,490	(151,705)
Public safety	-	10,000	15,000	(5,000)
Public works	115,000	115,000	-	115,000
Capital outlay	65,000	65,000	23,295	41,705
Total expenditures	<u>180,000</u>	<u>1,293,785</u>	<u>1,293,785</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u><u>\$ 365,000</u></u>	<u><u>\$ 365,000</u></u>	822,344	<u><u>\$ 457,344</u></u>
FUND BALANCES - BEGINNING OF YEAR			<u>1,642,836</u>	
FUND BALANCES - END OF YEAR			<u><u>\$ 2,465,180</u></u>	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
PUBLIC HEALTH AND ADMINISTRATION FUND
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 436,188	\$ 73,915	\$ (362,273)
Charges for services	233,000	251,710	18,710
Other income	9,000	3,000	(6,000)
Total revenues	<u>678,188</u>	<u>328,625</u>	<u>(349,563)</u>
EXPENDITURES			
Public health and welfare	538,677	210,949	327,728
Capital outlay	7,500	-	7,500
Total expenditures	<u>546,177</u>	<u>210,949</u>	<u>335,228</u>
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES	<u>132,011</u>	<u>117,676</u>	<u>(14,335)</u>
OTHER FINANCING SOURCES			
Transfers in	43,935	39,710	(4,225)
Total other financing sources	<u>43,935</u>	<u>39,710</u>	<u>(4,225)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 175,946</u>	157,386	<u>\$ (18,560)</u>
FUND BALANCES - BEGINNING OF YEAR		<u>\$ 588,414</u>	
FUND BALANCES - END OF YEAR		<u>\$ 745,800</u>	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
RETIREMENT FUND
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 397,388	\$ 405,721	\$ 408,013	\$ 2,292
Other income	20,200	20,200	16,394	(3,806)
Total revenues	<u>417,588</u>	<u>425,921</u>	<u>424,407</u>	<u>(1,514)</u>
EXPENDITURES				
General government	443,775	452,108	452,108	-
Total expenditures	<u>443,775</u>	<u>452,108</u>	<u>452,108</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (26,187)</u>	<u>\$ (26,187)</u>	(27,701)	<u>\$ (1,514)</u>
FUND BALANCES - BEGINNING OF YEAR			<u>233,669</u>	
FUND BALANCES - END OF YEAR			<u>\$ 205,968</u>	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
CONSERVATION TRUST FUND
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 170,000	\$ 205,896	\$ 35,896
Interest income	6,800	1,318	(5,482)
Total revenues	<u>176,800</u>	<u>207,214</u>	<u>30,414</u>
EXPENDITURES			
Culture and recreation	15,000	38,946	(23,946)
Capital outlay	520,000	133,421	386,579
Total expenditures	<u>535,000</u>	<u>172,367</u>	<u>362,633</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(358,200)</u>	<u>34,847</u>	<u>393,047</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(55,000)	(53,546)	1,454
Total other financing sources (uses)	<u>(55,000)</u>	<u>(53,546)</u>	<u>1,454</u>
NET CHANGE IN FUND BALANCES	<u>\$ (413,200)</u>	<u>(18,699)</u>	<u>\$ 394,501</u>
FUND BALANCES - BEGINNING OF YEAR		<u>540,109</u>	
FUND BALANCES - END OF YEAR		<u>\$ 521,410</u>	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GRANT FUND
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 381,613	\$ 1,066,103	\$ 1,247,666	\$ 181,563
Other income	-	-	54,859	54,859
Total revenues	<u>381,613</u>	<u>1,066,103</u>	<u>1,302,525</u>	<u>236,422</u>
EXPENDITURES				
General government	-	-	7,500	(7,500)
Public safety	364,630	603,757	627,245	(23,488)
Public works	137,642	137,643	110,993	26,650
Health and welfare	5,000	303,349	284,615	18,734
Capital outlay	-	147,013	165,653	(18,640)
Total expenditures	<u>507,272</u>	<u>1,191,762</u>	<u>1,196,006</u>	<u>(4,244)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(125,659)</u>	<u>(125,659)</u>	<u>106,519</u>	<u>232,178</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	56,838	56,838	-	(56,838)
Transfers (out)	(4,244)	(4,244)	-	4,244
Total other financing sources (uses)	<u>52,594</u>	<u>52,594</u>	<u>-</u>	<u>(52,594)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (73,065)</u>	<u>\$ (73,065)</u>	<u>106,519</u>	<u>\$ 179,584</u>
FUND BALANCES - BEGINNING OF YEAR			<u>58,899</u>	
FUND BALANCES - END OF YEAR			<u>\$ 165,418</u>	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
December 31, 2021

	Bond Redemption	Chaparral Valley	Meadows Station	Sun Country Meadows	Foxwood Estates	Total
ASSETS						
Cash and investments with Treasurer	\$ 4,396	\$ -	\$ 2,741	\$ 77,471	\$ 9,398	\$ 94,006
Cash and investments with Treasurer - Restricted	-	1,218	-	-	-	1,218
Accounts receivable	-	-	-	2,144	289	2,433
Assessments receivable	-	7,860	-	-	-	7,860
Property tax receivable	-	-	-	189,245	25,542	214,787
TOTAL ASSETS	<u>\$ 4,396</u>	<u>\$ 9,078</u>	<u>\$ 2,741</u>	<u>\$ 268,860</u>	<u>\$ 35,229</u>	<u>\$ 320,304</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ 2,741	\$ -	\$ -	\$ 2,741
Advances from other funds	-	21,165	-	-	-	21,165
Total liabilities	<u>-</u>	<u>21,165</u>	<u>2,741</u>	<u>-</u>	<u>-</u>	<u>23,906</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes and assessments	-	7,860	-	189,245	25,542	222,647
Total deferred inflows of resources	<u>-</u>	<u>7,860</u>	<u>-</u>	<u>189,245</u>	<u>25,542</u>	<u>222,647</u>
FUND BALANCES						
Restricted for debt service	-	-	-	-	9,687	9,687
Assigned for debt service	4,396	-	-	79,615	-	84,011
Unassigned	-	(19,947)	-	-	-	(19,947)
Total fund balance	<u>4,396</u>	<u>(19,947)</u>	<u>-</u>	<u>79,615</u>	<u>9,687</u>	<u>73,751</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 4,396</u>	<u>\$ 9,078</u>	<u>\$ 2,741</u>	<u>\$ 268,860</u>	<u>\$ 35,229</u>	<u>\$ 320,304</u>

ELBERT COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
Year Ended December 31, 2021

	Bond Redemption	Chaparral Valley	Meadows Station	Sun Country Meadows	Foxwood Estates	Total
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 222,895	\$ 30,044	\$ 252,939
Special assessments	-	9,572	-	-	-	9,572
Net investment income	-	-	-	151	25	176
Total revenues	-	9,572	-	223,046	30,069	262,687
EXPENDITURES						
General government	-	287	-	5,521	1,062	6,870
Debt service						
Principal and interest	461,711	-	-	132,705	30,878	625,294
Total expenditures	461,711	287	-	138,226	31,940	632,164
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(461,711)</u>	<u>9,285</u>	<u>-</u>	<u>84,820</u>	<u>(1,871)</u>	<u>(369,477)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	462,000	10,000	-	-	-	472,000
Transfers (out)	-	-	(2,741)	-	-	(2,741)
Total other financing sources (uses)	<u>462,000</u>	<u>10,000</u>	<u>(2,741)</u>	<u>-</u>	<u>-</u>	<u>469,259</u>
NET CHANGE IN FUND BALANCES	289	19,285	(2,741)	84,820	(1,871)	99,782
FUND BALANCES - BEGINNING OF YEAR	<u>4,107</u>	<u>(39,232)</u>	<u>2,741</u>	<u>(5,205)</u>	<u>11,558</u>	<u>(26,031)</u>
FUND BALANCES - END OF YEAR	<u>\$ 4,396</u>	<u>\$ (19,947)</u>	<u>\$ -</u>	<u>\$ 79,615</u>	<u>\$ 9,687</u>	<u>\$ 73,751</u>

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
BOND REDEMPTION DEBT SERVICE FUND
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Other income	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
Debt service			
Principal and interest	461,711	461,711	-
Total expenditures	461,711	461,711	-
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES	(461,711)	(461,711)	-
OTHER FINANCING SOURCES (USES)			
Transfers in	462,000	462,000	-
Total other financing sources (uses)	462,000	462,000	-
NET CHANGE IN FUND BALANCE	\$ 289	289	\$ -
FUND BALANCES - BEGINNING OF YEAR		4,107	
FUND BALANCES - END OF YEAR		\$ 4,396	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
CHAPARRAL VALLEY DEBT SERVICE FUND
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Special assessments	\$ 12,000	\$ 9,572	\$ (2,428)
Net investment income	20	-	(20)
Total revenues	<u>12,000</u>	<u>9,572</u>	<u>(2,428)</u>
EXPENDITURES			
General government	<u>300</u>	<u>287</u>	<u>13</u>
Total expenditures	<u>300</u>	<u>287</u>	<u>13</u>
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES	<u>11,700</u>	<u>9,285</u>	<u>(2,415)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total other financing sources (uses)	<u>10,000</u>	<u>10,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 21,700</u></u>	19,285	<u><u>\$ (2,415)</u></u>
FUND BALANCES - BEGINNING OF YEAR		<u>(39,232)</u>	
FUND BALANCES - END OF YEAR		<u><u>\$ (19,947)</u></u>	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
MEADOW STATION DEBT SERVICE FUND
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Debt service				
Principal and interest	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	(2,741)	(2,741)	-
Total other financing sources (uses)	-	(2,741)	(2,741)	-
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ (2,741)</u>	(2,741)	<u>\$ -</u>
FUND BALANCES - BEGINNING OF YEAR			<u>2,741</u>	
FUND BALANCES - END OF YEAR			<u>\$ -</u>	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
SUN COUNTY MEADOWS DEBT SERVICE FUND
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 221,247	\$ 222,895	\$ 1,648
Net investment income	100	151	51
Total revenues	<u>221,347</u>	<u>223,046</u>	<u>1,699</u>
EXPENDITURES			
General government	5,677	5,521	156
Debt service			
Principal and interest	<u>132,705</u>	<u>132,705</u>	<u>-</u>
Total expenditures	<u>138,382</u>	<u>138,226</u>	<u>156</u>
NET CHANGE IN FUND BALANCES	<u><u>\$ 82,965</u></u>	84,820	<u><u>\$ 1,855</u></u>
FUND BALANCES - BEGINNING OF YEAR		<u>(5,205)</u>	
FUND BALANCES - END OF YEAR		<u><u>\$ 79,615</u></u>	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOXWOOD ESTATES DEBT SERVICE FUND
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 30,342	\$ 30,044	\$ (298)
Net investment income	40	25	(15)
Total revenues	<u>30,382</u>	<u>30,069</u>	<u>(313)</u>
EXPENDITURES			
General government	917	1,062	(145)
Debt service			
Principal and interest	31,428	30,878	550
Total expenditures	<u>32,345</u>	<u>31,940</u>	<u>405</u>
NET CHANGE IN FUND BALANCES	<u>\$ (1,963)</u>	(1,871)	<u>\$ 92</u>
FUND BALANCES - BEGINNING OF YEAR		<u>11,558</u>	
FUND BALANCES - END OF YEAR		<u>\$ 9,687</u>	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES				
General government	-	-	51,623	(51,623)
Capital outlay	<u>686,000</u>	<u>760,204</u>	<u>708,579</u>	<u>51,625</u>
Total expenditures	<u>686,000</u>	<u>760,204</u>	<u>760,202</u>	<u>2</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(686,000)</u>	<u>(760,204)</u>	<u>(760,202)</u>	<u>2</u>
OTHER FINANCING SOURCES				
Sale of general capital assets	-	-	3,000	3,000
Transfers in	<u>436,000</u>	<u>436,000</u>	<u>436,000</u>	<u>-</u>
Total other financing sources	<u>436,000</u>	<u>436,000</u>	<u>439,000</u>	<u>3,000</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (250,000)</u></u>	<u><u>\$ (324,204)</u></u>	<u>(321,202)</u>	<u><u>\$ 3,002</u></u>
FUND BALANCE - BEGINNING OF YEAR			<u>297,069</u>	
FUND BALANCE - END OF YEAR			<u><u>\$ (24,133)</u></u>	

See accompanying independent auditors' report.

OTHER SCHEDULES

LOCAL HIGHWAY FINANCE REPORT	City or County: Elbert County YEAR ENDING : December 2021
This Information From The Records Of (example - City of _ or County of _ County of Elbert County, Colorado	Prepared By: Phone:

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	4,746,491
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	7,691,879
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	370,756
2. General fund appropriations		b. Snow and ice removal	484,145
3. Other local imposts (from page 2)	11,276,426	c. Other	985,742
4. Miscellaneous local receipts (from page 2)	14,431,630	d. Total (a. through c.)	1,840,643
5. Transfers from toll facilities		4. General administration & miscellaneous	1,242,006
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	15,521,019
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	66,767
7. Total (1 through 6)	25,708,056	b. Redemption	65,938
B. Private Contributions	160,490	c. Total (a. + b.)	132,705
C. Receipts from State government (from page 2)	2,936,255	2. Notes:	
D. Receipts from Federal Government (from page 2)	302,895	a. Interest	
E. Total receipts (A.7 + B + C + D)	29,107,696	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	132,705
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	15,653,724

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	1,589,695		65,938	1,523,757
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	8,927,697	29,107,696	15,653,724	22,381,669	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	4,402,137	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	5,337,697	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	1,502,944	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	954,546
4. Licenses		f. Charges for Services	511,295
5. Specific Ownership &/or Other	33,648	g. Other Misc. Receipts	133,489
6. Total (1. through 5.)	6,874,289	h. Other Capital Lease proceeds	12,832,300
c. Total (a. + b.)	11,276,426	i. Total (a. through h.)	14,431,630
(Carry forward to page 1)		(Carry forward to page 1)	
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,709,175	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	171,584	d. Federal Transit Admin ARPA Funds	295,226
d. Other (Specify) DOLA Trans Gran	55,496	e. U.S. Corps of Engineers	
e. Other (Specify)	0	f. Other Federal - Mineral Lease	7,669
f. Total (a. through e.)	227,080	g. Total (a. through f.)	302,895
4. Total (1. + 2. + 3.f)	2,936,255	3. Total (1. + 2.g)	
		(Carry forward to page 1)	

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	0	0	0
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	4,746,491	4,746,491
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	4,746,491	4,746,491
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	4,746,491	4,746,491
			(Carry forward to page 1)

Notes and Comments:
 \$96,820 of miscellaneous receipts was omitted from the 2020 report and has been included currently.

ELBERT COUNTY, COLORADO

SINGLE AUDIT REPORT

DECEMBER 31, 2021

Contents

	Page
Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	1 - 2
Independent Auditors' Report On Compliance For Each Major Federal Program, Report On Internal Control Over Compliance And Report On The Schedule Of Expenditures Of Federal Awards Required By The Uniform Guidance.....	3 - 7
Schedule Of Expenditures Of Federal Awards	8 - 10
Notes To Schedule Of Expenditures Of Federal Awards	11
Schedule Of Findings And Questioned Costs	12 - 16
Summary Schedule Of Prior Audit Findings.....	17
Corrective Action Plans	18 - 22

**Independent Auditors' Report
On Internal Control Over Financial
Reporting And On Compliance And Other
Matters Based On An Audit Of Financial
Statements Performed In Accordance With
*Government Auditing Standards***

Board of County Commissioners
Elbert County, Colorado
Kiowa, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Elbert County, Colorado (the County), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 31, 2023.

Report On Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses, or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

Report On Compliance And Other Matters

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

County's Response To Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the finding identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other 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.

RubinBrown LLP

January 31, 2023

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

Board of County Commissioners
Elbert County, Colorado
Kiowa, Colorado

Report On Compliance For Each Major Federal Program

Opinion On Each Major Federal Program

We have audited Elbert County Colorado's (the County) compliance with the types of compliance requirements identified as being subject to audit in the Office of Management and Budget's *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2021. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 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 (GAAS); 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* (the Uniform Guidance). Our responsibility under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities For The Audit Of Compliance section of our report.

We are required to be independent of the County and to meet our 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 the 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 the County's federal programs.

Auditors' 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 the 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 GAAS, *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 the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the 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 the 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 the 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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-002. Our opinion on each major federal program is not modified with respect to these matters.

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

Report On Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-002 and 2021-003 to be material weaknesses.

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.

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

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

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

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the County as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated January 31, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

RubinBrown LLP

January 31, 2023

ELBERT COUNTY, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2021

Page 1 Of 3

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL No.	Pass-through Entity Identifying Number	Federal Expenditures	Amounts Passed Through To Subrecipients
U.S. Department Of Agriculture				
Passed through Colorado Department of Human Services				
Supplemental Nutrition Assistant Program	10.551	*	88	\$ —
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	*	105,129	—
Total SNAP Cluster			105,217	—
Total U.S. Department Of Agriculture			105,217	—
U.S. Department Of Justice				
Direct programs				
Bureau of Justice Assistance				
Bulletproof Vest Partnership Program	16.607		2,245	—
Total Direct Programs			2,245	—
Passed through the Colorado Division of Criminal Justice				
Crime Victim Assistance	16.575	*	15,653	—
Edward Byrne Memorial Justice Assistance Grant Program	16.738	*	12,150	—
Total Passed Through Colorado Division Of Criminal Justice			27,803	—
Total U.S. Department Of Justice			30,048	—
U.S. Department Of Treasury				
Direct programs				
Coronavirus State and Local Fiscal Recovery Fund	21.027		2,595,898	—
Passed Through Colorado Department Of Public Health and Environment				
Coronavirus State and Local Fiscal Recovery Fund	21.027	FAAA,202200006614	61,753	—
ALN 21.027 total			2,657,651	
Passed through the Colorado Department of Human Services				
Coronavirus Relief Fund	21.019	*	339	—
Passed through the Colorado Department of Local Affairs				
Coronavirus Relief Fund	21.019	CM-191	474,728	—
Coronavirus Relief Fund	21.019	RF-160	20,000	—
ALN 21.019 total			495,067	
Total U.S. Department Of Treasury			3,152,718	—

* Unavailable

ELBERT COUNTY, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2021

Page 2 Of 3

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL No.	Pass-through Entity Identifying Number	Federal Expenditures	Amounts Passed Through To Subrecipients
U.S. Department Of Health And Human Services				
Passed through Colorado Department of Human Services				
MaryLee Allen Promoting Safe and Stable Families Program	93.556	*	3,084	\$ —
Temporary Assistance for Needy Families	93.558	*	173,062	—
COVID 19-Temporary Assistance for Needy Families PEA	93.558	*	27,186	—
ALN 93.558 total			200,248	—
Child Support Enforcement	93.563	*	119,743	—
Low Income Home Energy Assistance	93.568	*	26,416	—
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	*	77,108	—
Child Care and Development Block Grant	93.575	*	52,813	—
COVID 19-Child Care and Development Block Grant	93.575	*	234	—
ALN 93.575 total			53,047	—
Total Child Care And Development Fund Cluster			130,155	—
Stephanie Tubbs Jones Child Welfare Services Program	93.645	*	18,505	—
Foster Care - Title IV-E	93.658	*	233,974	—
Social Services Block Grant	93.667	*	34,509	—
Adoption Assistance	93.659	*	26,027	—
Guardianship Assistance	93.090	*	1,305	—
Total Passed Through Colorado Department Of Human Services			793,966	—
Passed through Colorado Department of Health Care Policy and Financing				
Medical Assistance Program (Medicaid Cluster)	93.778	*	131,394	—
Total Passed Through Colorado Department Of Health Care Policy And Financing			131,394	—
Passed through Colorado Department of Public Health and Environment				
Epidemiology Lab Capacity	93.323	*	105,181	—
Cooperative Agreement for Emergency Response: Public Health Crisis	93.354	*	42,891	—
Maternal and Child Health Services Block Grant to the States	93.994	*	11,947	—
Total Passed Through Colorado Department Of Public Health And Environment			160,019	—
Total U.S. Department Of Health And Human Services			\$ 1,085,379	—

ELBERT COUNTY, COLORADO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2021

Page 3 Of 3

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL No.	Pass-through Entity Identifying Number	Federal Expenditures	Amounts Passed Through To Subrecipients
U.S. Department Of Homeland Security				
Passed through the Colorado Department of Public Safety				
Division of Homeland Security and Emergency Management				
Emergency Management Performance Grant	97.042	*	\$ 37,129	\$ —
Total Passed Through Colorado Department Of Public Safety			37,129	
Total U.S. Department Of Homeland Security			37,129	—
Total Federal Financial Assistance			\$ 4,410,491	\$ —

* Unavailable

ELBERT COUNTY, COLORADO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For The Year Ended December 31, 2021

1. Basis Of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal award programs of the Elbert County, Colorado (the County), for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets or cash flows of the County.

2. Summary Of Significant Accounting

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

3. Indirect Costs

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

ELBERT COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For The Year Ended December 31, 2021

Section I - Summary Of Auditors' Results

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

Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal programs:

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

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

Unmodified

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

Identification of major federal programs:

AL Number	Name Of Federal Program Or Cluster
21.027	Coronavirus State and Local Government Fiscal Recovery Fund

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

Auditee qualified as low-risk auditee? X yes no

ELBERT COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*) For The Year Ended December 31, 2021

Section II - Financial Statement Findings

Finding 2021-001

Material Weakness, Internal Control Over Financial Reporting

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

Condition: The County experienced significant turnover in several key management roles in addition to some extended absences due to personal matters of key financial/accounting personnel. This created challenges, delays and inconsistency for the County in completing several accounting functions, including account reconciliations and the compilation of the financial statements as a whole.

Cause: The County did not have sufficient finance/accounting department staffing or documented formal policies and procedures related to the financial statement preparation and review process in place.

Effect: The County audit process was delayed, and information provided by the County required revision or correction upon auditing the information.

Identification As A Repeat Finding: N/A

Recommendation: The County should evaluate the sufficiency of finance/accounting department staffing and assign duties including preparation and review of the related information including defining the roles and responsibilities in documented policies and procedures.

Views Of Responsible Officials And Planned Corrective Action: The County agrees with the finding and has put together a correction action plan for the finding. See corrective action plan included in this report.

ELBERT COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)* For The Year Ended December 31, 2021

Section III - Federal Award Findings And Questioned Costs

Finding 2021-002

Allowable Costs and Allowable Activities

Material Weakness Compliance And Internal Control Over Allowable Costs And Activities

ALN 21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Criteria Or Specific Requirement: 2 CFR 200.403(f) requires cost not being included or used for any other federally-financed program. Additionally, 2 CFR 200.430(i)(1)(i) requires entities to have personnel expenses supported by a system of internal controls which provide reasonable assurance that charges are accurate, allowable and properly allocated.

Condition: In our audit, we noted 4 costs amounting to approximately \$20,000 were previously reimbursed from another federal program in addition to ALN 21.027. Upon notification of the duplication, the County allocated replacement expenditures to ALN 21.027 to rectify the duplication. We also noted that 21 of 60 individual timecards that did not have documented review by an appropriate supervisor. A mitigating control of review of summary level of expenditures by the County Manager was in place. However, due to the nature of the expenditures, the detail review of time recorded was not consistently documented for our sample selections, and the mitigating controls did not prevent the duplication of the \$20,000 of expenditure under two different federal programs.

Cause: The County does not have an established policy to ensure that the review and approval of timecards of hourly employees is documented and the mitigating controls were not adequate to detect the duplications under the two programs.

Effect: Without documentation of adequate controls over expenditures in compliance with requirements, the County was not able to detect an error in allowable costs.

Questioned Costs: None

Identification As A Repeat Finding: N/A

ELBERT COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*) For The Year Ended December 31, 2021

Recommendation: We recommend that the County establish and follow a documented policy of review of timecards for all departments, as well as a detailed review of grant coding. The County should improve its internal controls over grants by ensuring the personnel responsible are appropriately documenting reviews and approvals related to the allowability and availability of expenditures to a specific grant program.

Views Of Responsible Officials And Planned Corrective Action: The County agrees with the finding and has put together a correction action plan for the finding. See corrective action plan included in this report.

ELBERT COUNTY, COLORADO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*) For The Year Ended December 31, 2021

Finding 2021-003 Material Weakness, Inaccurate Schedule Of Expenditures Of Federal Awards (The SEFA)

Criteria: Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance) provides guidance related to preparation and reporting of a SEFA. 2 CFR Section 200.100 identifies the required elements of the SEFA and 2 CFR Section 200.510 specifically requires that the SEFA include information on each federal award expended during the year. The County is required to prepare a complete and accurate SEFA and to have a system of internal controls, the design and operation of which allows management or employees in the normal course of performing their assigned functions to prevent, or detect and correct, errors on a timely basis.

Condition: The initial SEFA was inaccurate and was not updated from the prior year for several program, which led to errors in reporting federal awards.

Cause: The County did not have adequate oversight in place for finance/accounting staff to ensure its SEFA was prepared in accordance with federal requirements. The County experienced significant turnover in several key management and finance/accounting roles in addition to some extended absences due to personal matters of key financial/accounting personnel.

Effect: As a result of the errors, the SEFA was materially incorrect. Inaccurate identification of federal awards may also result in inaccurate identification of compliance requirements, risk assessments, major program determination, materiality determinations and reporting errors.

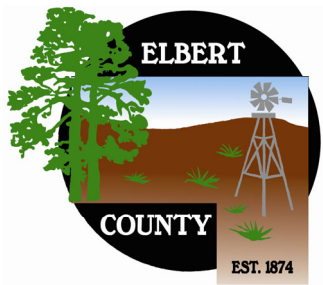
Questioned Costs: None

Context: N/A

Identification As A Repeat Finding: N/A

Recommendation: The County should strengthen its internal controls by implementing additional training and oversight of personnel to ensure the SEFA accurately reflects federal expenditures for the year.

Views Of Responsible Officials And Planned Corrective Action: The County agrees with the finding and has put together a correction action plan for the finding. See corrective action plan included in this report.



ELBERT COUNTY GOVERNMENT

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

ELBERT COUNTY, COLORADO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS For The Year Ended December 31, 2021

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

AL# 93.658

Federal Award Identification Number: Unavailable

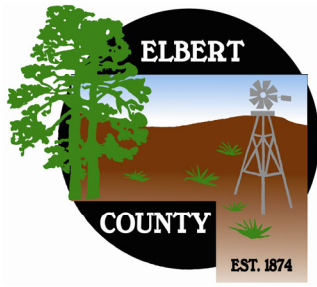
Federal Agency: Department of Health and Human Services

Pass-Through Entity: Colorado Department of Human Services

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

Initial Finding Report Year: 2017-002, 2018-001

Status: Corrective Action Taken



ELBERT COUNTY GOVERNMENT

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

CORRECTIVE ACTION PLAN For the Year Ended December 31, 2021

Finding 2021-001:

Material Weakness, Internal Control Over Financial Reporting

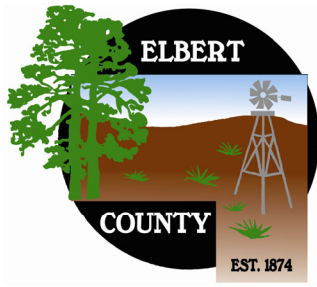
Person(s) Responsible: Christopher A. Richardson Chairman, Board of County Commissioners (BOCC)

Anticipated Completion Date: We anticipate changes in County accounting/finance and management to be complete by July 31, 2023.

Corrective Action Plan: The County has taken steps to restructure and increase the in-house capabilities of the finance department and overall County management. Several hiring actions are currently ongoing. Positions to be filled include, Finance Director (previously Finance Manager), in-house Finance Accountant (currently contracted), and County Manager..

- The County has continued its contracted support in the County accounting/finance functions, the County has also advertised for a Financial Accountant position. This new position will serve as the lead for the financial reporting process and monitoring GAAP compliance, , grant accounting, expense classification, training of personnel, and cross-trained coverage with other services for the County.
- The vacant Grants Specialist position has been rewritten as a Finance Specialist (Budget/General Ledger) with broader responsibilities and provide back up and redundancy for our Senior Financial Specialist. This position was filled in December 2022.
- Based on current and projected availability of funding for personnel, the BOCC will seek to hire a Finance Director to fill the currently vacant Finance Manager position. This position will provide ,supervisory, technical and management oversight of the Financial Accountant position as well as any contracted finance/accounting/information technology services
- To provide interim support, the BOCC engaged the services of a local government finance and budget consulting firm to advise and assist in the development of budget documents and related reports.

- The BOCC is currently seeking to fill the vacant County Manager position and has placed significant emphasis on engaging an individual with significant background in local government budgeting, accounting and finance.
- Until such time as the remaining vacancies within the County finance and management structure are filled, the Commissioners have taken on the responsibility for regular review of transactions and reports.
- The County will coordinate with our auditing firm to begin the audit process for the year ending December 31, 2022, as early as possible in order to accomplish all tasks related to the 2022 audit in a timely and accurate fashion.



ELBERT COUNTY GOVERNMENT

Finance Department
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CORRECTIVE ACTION PLAN For the Year Ended December 31, 2021

Finding 2021-002:

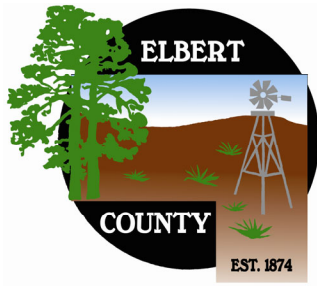
Material Weakness, Allowable Costs & Allowable Activities

Personnel Responsible for Corrective Action Plan: Christopher A. Richardson Chairman, Board of County Commissioners and Timothy Norton, Sheriff

Anticipated Completion Date: We anticipate changes in County accounting/finance and management to be complete by July 31, 2023. The revised timecard approval process has been updated and interim oversight of grants management is in place.

Corrective Action Plan:

- The County will restructure the Finance Department to elevate the oversight of grant management and reporting from the now vacant Grants Specialist (to be filled as a Budget/General Ledger Specialist) to the higher-level in-house Financial Accountant position.
- In order to ensure more robust oversight of grant management, the BOCC is currently seeking to fill the vacant County Manager position and has placed significant emphasis on engaging an individual with significant background in local government budgeting and finance including grants.
- Until such time as the remaining vacancies within the County finance and management structure are filled, the Commissioners have taken on the responsibility for regular review of the grants process and reporting review.
- In response to the deficiency noted in timecard approval within the Sheriff's Office, new review and approval procedures were put in place to ensure a higher level supervisor can review in and approve employee time card submissions if the direct supervisor is scheduled off or is engaged in oversight of an ongoing law enforcement matter.



ELBERT COUNTY GOVERNMENT

Finance Department
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CORRECTIVE ACTION PLAN For the Year Ended December 31, 2021

Finding 2021-003:

Material Weakness, Inaccurate Schedule of Expenditures of Federal Awards (SEFA)

Person(s) Responsible: Christopher A. Richardson Chairman, Board of County Commissioners (BOCC)

Anticipated Completion Date: We anticipate changes in County accounting/finance and management to be complete by July 31, 2023.

Corrective Action Plan: The County has taken steps to restructure and increase the in-house capabilities of the finance department and overall County management. Several hiring actions are currently ongoing. Positions to be filled include, Finance Director (previously Finance Manager), in-house Finance Accountant (currently contracted), and County Manager.

- The County has continued its contracted support in the County accounting/finance functions, the County has advertised for a Financial Accountant. This new position will serve as the lead for the financial reporting process and monitoring GAAP compliance, grant accounting, expense classification, training of personnel, and cross-trained coverage with other services for the County.
- Though the County has for many years contracted accounting/finance support from the same firm/individual, the County will release an Request For Proposal (RFP) for contracted accounting/finance support in order to examine additional options until such time in-house capability can be hired.
- Based on current and projected availability of funding for personnel, the BOCC will seek to hire a Finance Director to fill the currently vacant Finance Manager position. This position will provide supervisory, technical and management oversight of the Financial Accountant position as well as any contracted finance/accounting/information technology services
- To provide interim support, the BOCC engaged the services of a local government finance and budget consulting firm to advise and assist in the development of budget documents and related reports.

- The BOCC is currently seeking to fill the vacant County Manager position and has placed significant emphasis on engaging an individual with significant background in local government budgeting and finance.
- Until such time as the remaining vacancies within the County finance and management structure are filled, the Commissioners have taken on the responsibility for regular review of transactions and reports.