

cPa DIXON, WALLER & CO., INC.

LAS ANIMAS COUNTY, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2021

DIXON, WALLER & CO., INC.

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FINANCIAL STATEMENTS
DECEMBER 31, 2021

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

The Board of County Commissioners
Las Animas County
Trinidad, Colorado 81082

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Las Animas County, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Las Animas County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Las Animas 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 Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Las Animas 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 opinion.

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 Las Animas County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Las Animas County's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, other schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, other schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2022, on our consideration of Las Animas 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 Las Animas 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 Las Animas County's internal control over financial reporting and compliance.



July 26, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

LAS ANIMAS COUNTY, COLORADO

Management's Discussion and Analysis

Management of Las Animas County offers readers of the county's annual financial report this discussion and analysis of financial activities for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented herein in conjunction with the county's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The County's total combined net position for government and business-type activities were \$48,886,940 at December 31, 2021.
- During the year, \$33,429,291 was generated by taxes, grants, and other forms of revenue in all government funds, which left a \$1,134,856 increase compared to 2020.
- As of December 31, 2021, The County's governmental funds reported combined ending fund balances of \$20,407,677, an increase of \$2,568,900 compared to the prior year. Of the ending fund balance, \$690,000 is reserved for emergencies and \$2,416,570 for Public Safety.
- As of December 31, 2021, total general fund expenditures were \$8,051,700; alternatively, 68% of the unreserved/unassigned fund balance for the general fund.
- In the general fund, the actual revenues of \$11,122,643 were 17.1% higher than what was budgeted, while actual expenditures of \$8,051,700 were 22.9% lower than budget. Which left the excess of revenues over expenses a total of \$3,070,943.
- County Revenues in other governmental funds increased by \$1,134,856 or 3.5% higher than the previous year of 2020, while expenditures also increased by 3,366,501, or 12.4% higher than spending for 2020.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Las Animas County's basic financial statements. The county's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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

The statement of net position presents information on all of the county's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a valuable indicator of the county's financial viability.

The statement of activities presents information showing how the county'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. Thus, revenues and expenses reported in this statement for specific items will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Each government-wide financial statement distinguishes the county's functions that are principally supported by taxes and intergovernmental revenues (government activities) from services intended to recover all or a significant

portion of their costs through user fees and charges (business-type activities). The governmental activities of the county include general government, public safety, health & environment, auxiliary services, intergovernmental activities, roads & bridges, and social services.

The government-wide financial statements can be found on pages 3 to 4 of the audit report.

Fund financial statements – A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Las Animas County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the county's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds: Governmental funds 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 current sources and uses of spendable resources and balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, comparing the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements is helpful. 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 eight governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Road & Bridge Fund, Public Welfare Fund (human services), and other governmental funds, including Capital Expenditures, and Conservation Trust.

The county adopts an annual appropriated budget for its funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget. Expenditures were within budgeted amounts in all of the funds.

Proprietary funds: The County maintains one proprietary fund, which is the Airport Enterprise Fund. Enterprise funds are those in which customers are charged a fee and are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide, in greater detail, the same type of information as government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 9 to 11 of the audit report.

Fiduciary funds: The County is the trustee, or *fiduciary*, for certain funds. Some examples of fiduciary funds are the School Districts, Cities & Towns, Health Department & District Attorney, and other Special Districts. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the county's programs.

The basic fiduciary fund financial statements can be found on page 12 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14 to 35 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position may serve over time as a valuable indicator of a government's financial position. In the case of Las Animas County, assets exceeded liabilities by \$48,886,940 as of December 31, 2021.

Of the county's total net position, 59% is reflected in capital assets investments (e.g., land, buildings, roads, bridges, equipment), less any related debt used to acquire assets that are still outstanding. The county uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the county's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

LAS ANIMAS COUNTY'S NET POSITION

	Governmental Activities		Business-Type Activities		Total	
Net Position	2021	2020	2021	2020	2021	2020
Capital Assets, not depreciated	\$451,433	\$451,433	\$0	\$0	\$451,433	\$451,433
Capital Assets, being deprec (net)	\$21,122,501	\$21,453,332	\$7,090,112	\$7,457,807	\$28,212,613	\$28,911,139
Total Capital Assets	\$21,573,934	\$21,904,765	\$7,090,112	\$7,457,807	\$28,664,046	\$29,362,572
Current & Other Assets	\$26,095,191	\$21,734,782	\$158,177	\$21,532	\$26,253,368	\$21,756,314
Total Assets	\$47,669,125	\$43,639,547	\$7,248,289	\$7,479,339	\$54,917,414	\$51,118,886
Long-term Liabilities Outstanding	\$0	\$0	\$0	\$0	\$0	\$0
Other Liabilities	\$3,550,725	\$1,960,982	\$6,631	\$268,182	\$3,557,356	\$2,229,164
Total Liabilities	\$3,550,725	\$1,960,982	\$6,631	\$268,182	\$3,557,356	\$2,229,164
Deferred Inflows of Resources	\$2,630,403	\$2,630,403	\$0	\$0	\$2,630,403	\$2,630,403
Net Position:						
Net Investment in						
Capital Assets	\$21,433,764	\$21,616,172	\$7,284,016	\$7,651,711	\$28,717,780	\$29,267,883
Restricted	\$8,216,359	\$7,109,917	\$0	\$0	\$8,216,359	\$7,109,917
Unrestricted (Deficit)	\$11,801,255	\$10,322,073	\$151,546	(\$246,650)	\$11,952,801	\$10,075,423
Total Net Position	\$41,451,378	\$39,048,162	\$7,435,562	\$7,405,061	\$48,886,940	\$46,453,223

The increase in net position from 2020 to 2021 is primarily due to capital assets and depreciation expenses. Infrastructure accounted for \$14,167,115, after depreciation, of the total net position. A portion of the county's net position represents resources that are subject to an external restriction on how they may be used. The remaining unrestricted net position, \$10,925,721, has increased 11% from 2020.

In addition, the remaining may be used to meet the government's ongoing obligations to citizens and creditors. As of December 31, 2021, the county can report positive balances in all three categories of total net position, both for the government as a whole and its separate governmental and business-type activities.

Changes in Net Position – The County's total revenues are \$33,321,354. Of this total, 31.1% is general revenue, i.e., taxes, intergovernmental revenue, interest income, etc.; 64.8% is from state programs and grants; 4.1% relates to charges for services.

The total cost of all programs and services was \$31,287,637. The two most considerable portions are 52.6% for social services and 17% for the various capital projects throughout the county, including roads, bridges, and building construction. The resulting change in net position was an increase of \$2,433,717. This increase includes both governmental activities programs and the Airport Proprietary Fund for 2021.

Analysis of the County's Operations – The table below summarizes Las Animas County's operations for 2021. In governmental activities, the net position increased by \$2,403,216. In business-type activities, the net position increased by 30,501.

LAS ANIMAS COUNTY'S CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
Changes in Net Position	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for Services	\$1,110,006	\$922,970	\$261,063	\$194,815	\$1,371,069	\$1,117,785
Operating Grants & Contributions	\$20,107,646	\$13,733,632	\$31,000	\$0	\$20,138,646	\$13,733,632
Capital Grants & Contributions	\$1,447,121	\$4,406,685	\$0	\$58,823	\$1,447,121	\$4,465,508
General Revenues						
Property Taxes	\$3,980,354	\$4,211,401	\$0	\$0	\$3,980,354	\$4,211,401
Specific Ownership Taxes	\$613,707	\$577,851	\$0	\$0	\$613,707	\$577,851
Sales Taxes	\$5,578,107	\$7,797,847	\$0	\$0	\$5,578,107	\$7,797,847
Sale of Assets	\$0	\$0	\$0	\$0	\$0	\$0
Intergovernmental (Not Specific Restrict)	\$259,691	\$177,134	\$0	\$0	\$259,691	\$177,134
Legal Settlement Jail Renov	\$0	\$0	\$0	\$0	\$0	\$0
Insurance Proceeds	\$63,809	\$58,188	\$0	\$0	\$63,809	\$58,188
Interest Revenue	\$68,279	\$132,463	\$0	\$0	\$68,279	\$132,463
Other Revenues	\$200,571	\$276,264	\$0	\$0	\$200,571	\$276,264
Gain(Loss) Disposition Assets	\$0	\$0	\$0	\$0	\$0	\$0
Transfers In / (Out)	(\$400,000)	\$0	\$400,000	\$0	\$0	\$0
Total Revenues	\$33,029,291	\$32,294,435	\$692,063	\$253,638	\$33,721,354	\$32,548,073
Expenses						
General Government	\$3,417,553	\$3,914,871	\$0	\$0	\$3,417,553	\$3,914,871
Public Safety	\$2,765,498	\$2,852,380	\$0	\$0	\$2,765,498	\$2,852,380
Health & Environment	\$291,338	\$354,896	\$0	\$0	\$291,338	\$354,896
Auxiliary Services	\$186,124	\$99,105	\$0	\$0	\$186,124	\$99,105
Intergovernmental	\$2,062,646	\$1,192,300	\$0	\$0	\$2,062,646	\$1,192,300
Parks and Recreation	\$6,403	\$6,939	\$0	\$0	\$6,403	\$6,939
Road, Bridges & Capital Outlay	\$5,298,802	\$9,130,605	\$0	\$0	\$5,298,802	\$9,130,605
Social Services	\$16,447,014	\$13,398,684	\$0	\$0	\$16,447,014	\$13,398,684
Debt Services	\$150,697	\$6,295	\$0	\$0	\$150,697	\$6,295
Airport	\$0	\$0	\$661,562	\$637,042	\$661,562	\$637,042
Total Expenses	\$30,626,075	\$30,956,075	\$661,562	\$637,042	\$31,287,637	\$31,593,117
10						
Increase / (Decrease) in Net Position	\$2,403,216	\$1,338,360	\$30,501	(\$383,404)	\$2,433,717	\$954,956
Net Position -- January 1	\$39,048,162	\$37,709,802	\$7,405,061	\$7,788,465	\$46,453,223	\$45,498,267
Prior Year Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
	\$39,048,162	\$37,709,802	\$7,405,061	\$7,788,465	\$46,453,223	\$45,498,267
Net Position -- December 31	\$41,451,378	\$39,048,162	\$7,435,562	\$7,405,061	\$48,886,940	\$46,453,223

CAPITAL ASSETS

CAPITAL ASSETS AT YEAR-END Net of Accumulated Depreciation

Capital Assets Net of Accum Deprec	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$451,433	\$451,433	\$117,304	\$117,304	\$568,737	\$568,737
Water Rights	\$0	\$0	\$76,600	\$76,600	\$76,600	\$76,600
Construction in Progress	\$0	\$0	\$0	\$0	\$0	\$0
Infrastructure	\$14,167,115	\$14,135,042	\$0	\$0	\$14,167,115	\$14,135,042
Structure & Improvements	\$6,169,529	\$6,353,799	\$6,829,865	\$7,166,279	\$12,999,394	\$13,520,078
Equipment	\$785,857	\$964,491	\$260,247	\$291,528	\$1,046,104	\$1,256,019
Total Capital Assets (net)	\$21,573,934	\$21,904,765	\$7,284,016	\$7,651,711	\$28,857,950	\$29,556,476

During the fiscal year 2021, Las Animas County added \$2,634,402; however, \$3,332,928 capital assets were retired, including infrastructure, equipment, buildings, and vehicles. After depreciation, the total value of all assets is \$28,857,950. The county depreciates capital assets, except land and water rights, using the straight-line depreciation method and a predetermined useful life of the asset.

LONG-TERM DEBT

LONG-TERM DEBT AT YEAR-END

Long Term Debt	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Sales Tax revenue Bonds	\$0	\$0	\$0	\$0	\$0	\$0
Notes Payable	\$0	\$0	\$0	\$0	\$0	\$0
Contract Agreement	\$0	\$0	\$0	\$0	\$0	\$0
Capital Lease Obligations	\$140,170	\$288,593	\$0	\$0	\$140,170	\$288,593
Compensated Absences	\$390,063	\$406,787	\$0	\$0	\$390,063	\$406,787
Total Long-Term Debt	\$530,233	\$695,380	\$0	\$0	\$530,233	\$695,380

Total long-term debt obligations of the county decreased by \$165,147 from 2020 to 2021. The amount owed employees for compensated absences decreased by 4.1% in 2021. Compensated absences include accrued annual leave and sick leave due to employees of the general fund, road & bridge fund, and the department of social (human) services fund upon their separation from employment with the county.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The assessed valuation of taxable properties used for the 2021 budget preparation increased by \$10,967,030, or 3.1%.

A Ballot Question (1B) approved by voters of Las Animas County in November 2005, which allowed the county to freeze the mill levy at that year's level of 9.357 mills for a five-year period, expired at the end of 2010. Beginning with the 2011 budget year, Las Animas County was again required to adhere to any revenue restrictions pertaining to the assessment of property taxes. Voters approved the November 2017 Ballot question (1C) of Las Animas County, which allowed the county to retain and spend all revenues in 2020 and each year after without raising the tax rate above the current level of 9.357 mills. General fund spending in 2022 is projected to increase by \$3,165,887 or 28% above what was spent in 2021, and general fund revenue is expected to increase by \$94,944 or .08% lower from what was actually realized in 2021. Revenues and expenditures in the general fund and road and bridge fund may fluctuate accordingly with the county's receipt of any capital improvement grants and awards.

REQUESTS FOR INFORMATION

This financial report is designed to give our citizens, taxpayers, customers, investors, and creditors a general overview of the county's finances. If you have questions about this report or need additional financial information, please get in touch with the County Finance Director at 200 E. First Street, Trinidad, Colorado 81082, or by calling (719) 845-2564.

BASIC FINANCIAL STATEMENTS

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF NET POSITION
December 31, 2021

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	21,506,432	111,236	21,617,668
Receivables (Net, if Applicable, of Allowance for Uncollectibles):			
Accounts	1,199,125	2,915	1,202,040
Accrued Interest	13,695	-	13,695
Accrued Revenue	608,408	-	608,408
Property Tax	2,667,022	-	2,667,022
Interfund Receivable	-	-	-
Due From Other Governments	-	-	-
Inventories	100,509	44,026	144,535
Prepaid Insurance	-	-	-
Fixed Assets (Net)	<u>21,573,934</u>	<u>7,284,016</u>	<u>28,857,950</u>
<u>Total Assets</u>	<u>47,669,125</u>	<u>7,442,193</u>	<u>55,111,318</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	 -	 -	 -
 <u>LIABILITIES</u>			
Interfund Payable	-	-	-
Unearned Grant Payments	1,854,831	-	1,854,831
Accounts Payable	839,953	1,756	841,709
Accrued Wages & Benefits Payable	136,196	3,925	140,121
Other Liabilities	45,274	950	46,224
Due to Other Governments	144,238	-	144,238
Noncurrent Liabilities:			
Due Within One Year	76,903	-	76,903
Due in More than One Year	63,267	-	63,267
Compensated Absences Payable	<u>390,063</u>	<u>-</u>	<u>390,063</u>
<u>Total Liabilities</u>	<u>3,550,725</u>	<u>6,631</u>	<u>3,557,356</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>			
Property Tax	<u>2,667,022</u>	<u>-</u>	<u>2,667,022</u>
<u>Total Deferred Inflows of Resources</u>	<u>2,667,022</u>	<u>-</u>	<u>2,667,022</u>
 <u>NET POSITION</u>			
Net Investment in Capital Assets	21,433,764	7,284,016	28,717,780
Restricted for:			
Capital Projects	1,481,607	-	1,481,607
Public Safety	2,416,570	-	2,416,570
Roads and Bridges	3,226,769	-	3,226,769
Parks and Recreation	401,413	-	401,413
Tabor Reserve	690,000	-	690,000
Unrestricted (Deficit)	<u>11,801,255</u>	<u>151,546</u>	<u>11,952,801</u>
<u>Total Net Position</u>	<u>41,451,378</u>	<u>7,435,562</u>	<u>48,886,940</u>

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

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business Type Activities	Total
<u>Governmental Activities</u>							
General Government	3,417,553	1,083,327	628,158	87,036	(1,619,032)	-	(1,619,032)
Public Safety	2,765,498	1,699	-	-	(2,763,799)	-	(2,763,799)
Health & Environment	291,338	-	-	-	(291,338)	-	(291,338)
Auxiliary Services	186,124	-	-	-	(186,124)	-	(186,124)
Intergovernmental	2,062,646	-	-	-	(2,062,646)	-	(2,062,646)
Parks and Recreation	6,403	-	65,616	-	59,213	-	59,213
Roads, Bridges and Capital Outlay	5,298,802	24,980	3,522,184	1,360,085	(391,553)	-	(391,553)
Social Services	16,447,014	-	15,891,688	-	(555,326)	-	(555,326)
Debt Service Interest	150,697	-	-	-	(150,697)	-	(150,697)
<u>Total Governmental Activities</u>	<u>30,626,075</u>	<u>1,110,006</u>	<u>20,107,646</u>	<u>1,447,121</u>	<u>(7,961,302)</u>	<u>-</u>	<u>(7,961,302)</u>
<u>Business Type Activities</u>							
Airport	661,562	261,063	31,000	-	-	(369,499)	(369,499)
<u>Total Business Type Activities</u>	<u>661,562</u>	<u>261,063</u>	<u>31,000</u>	<u>-</u>	<u>-</u>	<u>(369,499)</u>	<u>(369,499)</u>
<u>Total Primary Government</u>	<u>31,287,637</u>	<u>1,371,069</u>	<u>20,138,646</u>	<u>1,447,121</u>	<u>(7,961,302)</u>	<u>(369,499)</u>	<u>(8,330,801)</u>
<u>General Revenues:</u>							
Property Taxes					3,980,354	-	3,980,354
Specific Ownership Taxes					613,707	-	613,707
Sales Taxes					5,578,107	-	5,578,107
Intergovernmental Not Specifically Restricted					259,691	-	259,691
Insurance Proceeds					63,809	-	63,809
Interest Revenue					68,279	-	68,279
Other Revenues					200,571	-	200,571
Transfers In (Out)					(400,000)	400,000	-
<u>Total General Revenues & Transfers</u>					<u>10,364,518</u>	<u>400,000</u>	<u>10,764,518</u>
<u>Change in Net Position</u>					<u>2,403,216</u>	<u>30,501</u>	<u>2,433,717</u>
<u>Net Position – Beginning</u>					<u>39,048,162</u>	<u>7,405,061</u>	<u>46,453,223</u>
<u>Net Position – Ending</u>					<u>41,451,378</u>	<u>7,435,562</u>	<u>48,886,940</u>

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

LAS ANIMAS COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

	Special Revenue				Other	Total
	General	Road & Bridge	Public Welfare	Capital Expenditure	Governmental Funds	Governmental Funds
ASSETS:						
Cash and Equivalents	14,776,482	3,193,338	1,177,490	1,338,737	1,020,385	21,506,432
Receivables (Net, of Allowance where Applicable)						
Accounts	957,357	239,387	-	2,381	-	1,199,125
Grants Receivable	55,118	-	194,795	358,495	-	608,408
Accrued Interest	13,695	-	-	-	-	13,695
Property Taxes	2,123,366	-	-	543,656	-	2,667,022
Inventory	-	100,509	-	-	-	100,509
Due from Other Funds	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-
<u>Total Assets</u>	<u>17,926,018</u>	<u>3,533,234</u>	<u>1,372,285</u>	<u>2,243,269</u>	<u>1,020,385</u>	<u>26,095,191</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:						
Liabilities:						
Accounts Payable	154,048	135,684	64,009	477,994	8,218	839,953
Accrued Salaries Payable	53,179	70,272	12,745	-	-	136,196
Due to Other Funds	-	-	-	-	-	-
Due to Other Governments	-	-	144,238	-	-	144,238
Liabilities Payable from Restricted Assets	-	-	-	-	-	-
Other Payables	10,000	-	35,274	-	-	45,274
Unearned Grant Payments	1,246,176	-	608,655	-	-	1,854,831
<u>Total Liabilities</u>	<u>1,463,403</u>	<u>205,956</u>	<u>864,921</u>	<u>477,994</u>	<u>8,218</u>	<u>3,020,492</u>
Deferred Inflows of Resources						
Property Tax	2,123,366	-	-	543,656	-	2,667,022
Sales Tax	-	-	-	-	-	-
<u>Total Deferred Inflows of Resources</u>	<u>2,123,366</u>	<u>-</u>	<u>-</u>	<u>543,656</u>	<u>-</u>	<u>2,667,022</u>
Fund Balances:						
Nonspendable:						
Inventories	-	100,509	-	-	-	100,509
Prepaid Expense	-	-	-	-	-	-
Restricted:						
Emergencies	690,000	-	-	-	-	690,000
Roads & Bridges	-	3,226,769	-	-	-	3,226,769
Capital Outlay	-	-	-	1,221,619	259,987	1,481,606
Parks and Recreation	-	-	-	-	401,413	401,413
Public Safety	2,065,803	-	-	-	350,767	2,416,570
Social Services	-	-	507,364	-	-	507,364
Committed:						
Unanticipated Obligations	657,725	-	-	-	-	657,725
Social Services	-	-	-	-	-	-
Unassigned:	10,925,721	-	-	-	-	10,925,721
<u>Total Fund Balances</u>	<u>14,339,249</u>	<u>3,327,278</u>	<u>507,364</u>	<u>1,221,619</u>	<u>1,012,167</u>	<u>20,407,677</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
	<u>17,926,018</u>	<u>3,533,234</u>	<u>1,372,285</u>	<u>2,243,269</u>	<u>1,020,385</u>	<u>26,095,191</u>

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

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

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

<u>Total Fund Balance – Governmental Funds</u>	20,407,677
Capital Assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds.	128,764,489
Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.	(107,190,555)
Long-Term Liabilities for Compensated Absences of \$390,063 and Capital Lease Payable of \$140,170 are not due and payable in the current period and, therefore, not reported in the governmental funds.	<u>(530,233)</u>
<u>GOVERNMENTAL ACTIVITIES NET POSITION</u>	<u>41,451,378</u>

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

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

	General	Road & Bridge	Special Revenue Public Welfare	Capital Expenditure	Other Governmental Funds	Total Governmental Funds
REVENUES:						
Taxes	8,795,975	3,526,989	777,013	591,050	-	13,691,027
Licenses & Permits	3,750	25,230	-	-	-	28,980
Intergovernmental Revenues	1,049,027	1,001,590	15,891,688	358,495	65,616	18,366,416
Charges for Services	1,041,800	-	-	-	-	1,041,800
Interest Revenues	66,977	-	-	-	1,302	68,279
Miscellaneous Revenues	165,114	65,976	-	-	1,699	232,789
<u>Total Revenues</u>	<u>11,122,643</u>	<u>4,619,785</u>	<u>16,668,701</u>	<u>949,545</u>	<u>68,617</u>	<u>33,429,291</u>
EXPENDITURES						
General Government	3,127,471	-	-	10,952	-	3,138,423
Public Safety	2,387,519	-	-	-	29,312	2,416,831
Health Services	291,338	-	-	-	-	291,338
Auxiliary Services	122,566	-	-	-	-	122,566
Intergovernmental	2,062,646	-	-	-	-	2,062,646
Parks and Recreation	-	-	-	-	6,403	6,403
Roads, Bridges & Capital Outlay	-	5,318,076	-	517,999	1,913	5,837,988
Social Services	-	-	16,433,499	-	-	16,433,499
Debt Service	60,160	-	-	90,537	-	150,697
<u>Total Expenditures</u>	<u>8,051,700</u>	<u>5,318,076</u>	<u>16,433,499</u>	<u>619,488</u>	<u>37,628</u>	<u>30,460,391</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES						
	<u>3,070,943</u>	<u>(698,291)</u>	<u>235,202</u>	<u>330,057</u>	<u>30,989</u>	<u>2,968,900</u>
OTHER FINANCING SOURCES (USES)						
Lease Proceeds	-	-	-	-	-	-
Operating Transfers In (Out)	(1,400,000)	1,000,000	-	-	-	(400,000)
<u>Total Other Financing Sources (Uses)</u>	<u>(1,400,000)</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(400,000)</u>
NET CHANGES IN FUND BALANCES	<u>1,670,943</u>	<u>301,709</u>	<u>235,202</u>	<u>330,057</u>	<u>30,989</u>	<u>2,568,900</u>
FUND BALANCES-Beginning	<u>12,668,306</u>	<u>3,025,569</u>	<u>272,162</u>	<u>891,562</u>	<u>981,178</u>	<u>17,838,777</u>
FUND BALANCES-Ending	<u>14,339,249</u>	<u>3,327,278</u>	<u>507,364</u>	<u>1,221,619</u>	<u>1,012,167</u>	<u>20,407,677</u>

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

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

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

<u>Net Change in Fund Balances – Total Governmental Funds</u>	2,568,900
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Governmental Funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlays more than \$5,000	2,634,402	
Loss on disposal of capital assets	-	
Depreciation expense	<u>(2,965,233)</u>	(330,831)

The governmental funds report debt proceeds as another financing source, while repayment of debt principal is reported as an expenditure. The effect of discounts and premiums are recognized when the debt is issued in governmental funds, whereas these amounts are deferred and amortized in the statement of activities. Interest expense is recognized as it accrues in the statement of activities regardless of when it is due. The net effect of these differences follows:

Capital Lease Proceeds	-	
Repayment of Debt Principal		148,423

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

Compensated Absences	16,724	
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<u>GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION</u>	<u>2,403,216</u>
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The accompanying notes are an integral part of these financial statements.

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2021

	<u>Business-Type Activities</u>
	<u>Enterprise Fund</u>
	<u>Airport Fund</u>
<u>ASSETS</u>	
<u>Current Assets</u>	
Cash and Equivalents	111,236
Accounts Receivable	2,915
Grants Receivable	-
Inventories	44,026
Due From Other Funds	-
Prepaid Insurance	-
<u>Total Current Assets</u>	<u>158,177</u>
<u>CAPITAL ASSETS</u>	
Land	117,304
Infrastructure	10,539,420
Building	278,638
Equipment	749,025
Water Rights	76,600
Less Accumulated Depreciation	<u>(4,476,971)</u>
<u>Total Capital Assets, Net of Accumulated Depreciation</u>	<u>7,284,016</u>
<u>Total Assets</u>	<u>7,442,193</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>	<u>-</u>
<u>LIABILITIES AND NET POSITION</u>	
<u>Current Liabilities</u>	
Due To Other Funds	-
Accounts Payable	1,756
Accrued Salaries Payable	3,925
Deposits	950
Unearned Grant Payments	-
<u>Total Current Liabilities</u>	<u>6,631</u>
<u>DEFERRED INFLOW OF RESOURCES</u>	<u>-</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	7,284,016
Unrestricted (Deficit)	<u>151,546</u>
<u>TOTAL NET POSITION</u>	<u>7,435,562</u>

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

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2021

	<u>Business Type Activities</u>
	<u>Enterprise Funds</u>
	<u>Airport Fund</u>
<u>OPERATING REVENUES</u>	
Operating Revenue	261,063
<u>Total Revenues</u>	<u>261,063</u>
<u>OPERATING EXPENSES</u>	
Salaries	42,938
Employee Benefits	12,245
Cost of Sales	182,536
Public Utility Service	15,115
Office Expense & Supplies	11,514
Depreciation	367,695
Contractual Agreements & Leases	2,675
Telephone	893
Maintenance	3,587
Insurance	22,364
Bad Debt	-
<u>Total Operating Expenses</u>	<u>661,562</u>
<u>OPERATING INCOME (LOSS) BEFORE OTHER SOURCES</u>	<u>(400,499)</u>
<u>NON OPERATING REVENUES (EXPENSES)</u>	
Grants	31,000
Transfers In	400,000
<u>Total Non Operating Revenues (Expenses)</u>	<u>431,000</u>
<u>INCOME BEFORE CAPITAL CONTRIBUTIONS</u>	30,501
<u>CAPITAL CONTRIBUTIONS – EQUIPMENT PURCHASE</u>	<u>-</u>
<u>CHANGE IN NET POSITION</u>	30,501
<u>TOTAL NET POSITION, Beginning</u>	<u>7,405,061</u>
<u>TOTAL NET POSITION, Ending</u>	<u>7,435,562</u>

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

LAS ANIMAS COUNTY, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2021

	<u>Business Type Activities</u> <u>Enterprise Funds</u> <u>Airport Fund</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts from Customers & Users	262,289
Payments for Salaries and Benefits	(55,183)
Payments to Vendors – Supplies and Services	(284,362)
<u>NET CASH PROVIDED (USED) BY OPERATIONS</u>	<u>(77,256)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>	
Grant Revenue	31,000
Operating Transfers In	400,000
Due To Other Funds	(242,508)
<u>NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</u>	<u>188,492</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Non-Financed Purchase of Property & Equipment	-
Capital Grant	-
<u>NET CASH PROVIDED BY (USED FOR) IN CAPITAL AND RELATED FINANCING ACTIVITIES</u>	<u>-</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Other Revenue	-
<u>NET CASH PROVIDED BY INVESTING ACTIVITIES</u>	<u>-</u>
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	<u>-</u>
<u>CASH AND CASH EQUIVALENTS – Beginning</u>	<u>-</u>
<u>CASH AND CASH EQUIVALENTS – Ending</u>	<u>111,236</u>
<u>RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Operating Income (Loss)	(400,499)
Non Cash Items in Operations:	
Depreciation	367,695
(Increase) Decrease in Inventory	(26,635)
(Increase) Decrease in Receivables/Accruals	1,226
Increase (Decrease) in Payables/Accruals	(19,043)
<u>NET CASH PROVIDED (USED FOR) OPERATING ACTIVITIES</u>	<u>(77,256)</u>
<u>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u>	
Cash Paid for Interest Expense	-
Cash Paid for Income Taxes	-
<u>TOTAL NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</u>	<u>-</u>

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

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

	Custodial Funds			Total
	County <u>Treasurer</u>	County Clerk & Recorder	Public <u>Trustee</u>	Custodial <u>Funds</u>
<u>ASSETS</u>				
Cash and Equivalents	2,391,090	231,220	31,519	2,653,829
Prepaid Expenses	-	-	-	-
Due From Others	-	-	-	-
<u>Total Assets</u>	<u>2,391,090</u>	<u>231,220</u>	<u>31,519</u>	<u>2,653,829</u>
<u>LIABILITIES</u>				
Accounts Payable	-	-	612	612
Due to Other Governments	-	-	-	-
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>	<u>612</u>	<u>612</u>
<u>NET POSITION</u>				
Restricted for:				
Individuals, Organizations, and Other Governments	2,391,090	231,220	18,207	2,640,517
Unrestricted	-	-	12,700	12,700
<u>Total Net Position</u>	<u>2,391,090</u>	<u>231,220</u>	<u>30,907</u>	<u>2,653,217</u>

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

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

	Custodial Funds		
	County Treasurer	County Clerk & Recorder	Public Trustee
<u>ADDITIONS:</u>			
Property Tax Collections for Other Governments	18,919,195	4,871,340	-
Fines and Fees Collected for Other Governments	-	-	303,849
Investment Earnings	-	-	-
Other	-	-	-
<u>Total Additions</u>	<u>18,919,195</u>	<u>4,871,340</u>	<u>303,849</u>
<u>DEDUCTIONS:</u>			
Property Tax Distributions for Other Governments	18,992,625	4,874,121	-
Fines and Fees Distributions for Other Governments	-	-	299,500
Other	-	-	-
<u>Total Deductions</u>	<u>18,992,625</u>	<u>4,874,121</u>	<u>299,500</u>
<u>CHANGE IN NET POSITION</u>	(73,430)	(2,781)	4,349
<u>NET POSITION – JANUARY 1, 2021</u>	<u>2,464,520</u>	<u>234,001</u>	<u>26,558</u>
<u>NET POSITION - DECEMBER 31, 2021</u>	<u>2,391,090</u>	<u>231,220</u>	<u>30,907</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 THE FINANCIAL REPORTING ENTITY

Reporting Entity

Las Animas County was created by an act of legislature in 1866, and is governed by applicable Colorado Statutes. The County is managed by three Commissioners and provides the following services: public safety, highways and roads, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, tax and license assessments and collections, and general administrative services.

The Las Animas County is a County governed by an elected three member commission. As required by generally accepted accounting principles, these financial statements present the Las Animas County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

The governmental reporting entity consists of the County (Primary Government) and its component units. Component units are legally separate organizations for which the Commission is financially accountable or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the County's ability to impose its will on the organization or (ii) there is a potential for the organization to provide a financial benefit or impose a financial burden on the County.

The basic financial statements include blended presented component units. The blended component units, although legally separate entities are, in substance, part of the County's operations and so data from these units are combined with data of the primary government.

For financial reporting purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the County's Commission.

Other Related Entity

Public Trustee

The Public Trustee is a State statutorily mandated position, appointed by the Board of County Commissioners, but whose financial transactions are independent of the County. However, all expenditures and associated funding transactions relating to the operations of the County Office of the Public Trustee are included in the General Fund, except those required to be accounted for in a Custodial Fund.

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2021

NOTE 1 THE FINANCIAL REPORTING ENTITY (Continued)

Intergovernmental Agreements

The County has entered into the following intergovernmental agreements:

Huerfano/Las Animas Counties Health Department

The Health Department operates a two county district health department. The counties appoint a seven member board and the board hires the health officer.

The governing board approves the operating budget and presents it to the County Commissioners for their approval. The County Commissioners then approve the amount of contributions each county will make to the Health Department for the ensuing year. In 2021, the allocation of budgeted expenditures was 70% for a total expenditure to the County of \$291,338.

Office of the District Attorney-Third Judicial District

The County is included in a two county judicial district which provides prosecution and other legal services to the counties in the district. In 2021, the total expenditure for the County was \$1,165,114.

Las Animas County E-911

Las Animas County E-911's sole purpose is to provide emergency telephone service to county residents. Initial grants received for the purchase of required equipment are in the name of Las Animas County. The County also appoints a portion of the governing Board of Directors. In 2021, the total expenditure for the County was \$140,456.

Condensed audited financial statement information as of December 31, 2020, is presented for the Health Department, the Third Judicial District and Las Animas County E-911.

Statement of Net Position

	<u>Health Department</u>	<u>Third Judicial District</u>	<u>Las Animas County E-911</u>
<u>ASSETS AND OUTFLOWS</u>	<u>2,313,884</u>	<u>320,210</u>	<u>377,153</u>
<u>LIABILITIES AND INFLOWS</u>	311,205	624,634	-
<u>NET POSITION</u>	<u>2,002,679</u>	<u>(304,424)</u>	<u>377,153</u>
<u>TOTAL LIABILITIES & NET POSITION</u>	<u>2,313,884</u>	<u>320,210</u>	<u>377,153</u>

Statement of Activities

<u>REVENUES</u>	2,673,774	1,620,402	54,360
<u>EXPENSES</u>	<u>2,432,909</u>	<u>1,556,176</u>	<u>29,023</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>240,865</u>	<u>64,226</u>	<u>25,337</u>

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2021

NOTE 1 THE FINANCIAL REPORTING ENTITY (Continued)

Intergovernmental Agreements (Continued)

The above entities have not incurred any material current or long-term debt as of the balance sheet date.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County and between the County. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reporting separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental*, *proprietary* and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

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

The County reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, public ways and facilities, health, public assistance, and recreation services.
- *Road and Bridge Fund* is used to account for the operations of the County Road Department. Financing is provided by transfers, state contributions and other miscellaneous revenues.
- *Public Welfare Fund* is used to account for the operations of the County Welfare Department. Financing is provided by state grants and annual property tax levy.
- *The Capital Expenditure Fund* is used to account for capital additions. Financing is provided by Federal and State grants and miscellaneous revenues.

The County reports the following major enterprise fund:

- *Airport Fund* is used to account for the operations of the County Airport. Financing is provided by user fees.

The County reports the following additional fund types:

- *The Special Revenue Funds* are used to account for specific revenues that are legally restricted to expenditure for particular purposes.
- *The Capital Projects Funds* account for financial resources created by the issuance of bonded indebtedness and are used for major capital projects.
- *Custodial Funds* account for assets held by the County in a trustee capacity or as an agent on behalf of others.

Custodial funds are accounted for using the accrual basis of accounting. Those funds are used to account for assets that the county holds for others in an agency capacity. The County's agency funds include the Treasurer's office, Clerk's office and Public Trustee.

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting

The government-wide and proprietary fund 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 at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Sales taxes, interest, certain state and federal grants and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Property tax revenues are recognized in the fiscal year for which they were levied, provided they are due and collectible within 60 days after the end of the accounting period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

C. Non-Current Governmental Assets/Liabilities

GASB Statement No. 34 eliminates the presentation of account groups, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the government-wide statement of net position.

D. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the enterprise funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County Treasurer's investment pool, to be investments.

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Investments

Statutes authorize the County to invest its surplus cash in the following investment instruments:

- 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
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

F. Inventories

Inventories are stated at lower of average cost or market. Recorded inventories mainly consist of fuel, oil and road base.

G. Property Taxes

Property taxes represent ad valorem taxes levied by the County, which are payable to the County Treasurer, and are recognized as revenue by the County in the year for which they are levied.

Property taxes are levied in December for collection in the subsequent year.

Property taxes attach as an enforceable lien on property as of January 1. Taxes may be paid without penalty in either of two ways: (a) Full payment by April 30, or (b) First half must be paid by last day of February, and second half must be paid by June 15.

H. Capital Assets

Capital assets (including infrastructure) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed fixed assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain (infrastructure) general fixed assets consisting of certain improvements including roads and bridges. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements and proprietary funds.

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets (Continued)

The estimated useful lives are as follows:

Infrastructure	5-50 years
Structures and Improvements	10-75 years
Equipment	3-25 years

The County has one network of infrastructure assets – roads and bridges.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

I. Compensated Absences

County Union Employees

Union employees accrue vacation leave at various rates based on length of continuous employment to a maximum of 35 days. Upon separation, employees receive payment for any unused vacation leave. If an employee is not able to use accrued vacation time because of staffing or scheduling problems, the employee may cash any unused vacation time earned during the calendar year in which the employee was prevented from taking vacation time.

Sick leave is accrued at a rate of one day per month to a maximum of 120 days. Upon separation, employees receive 50% payment for any unused sick leave earned before January 1, 2000 less any sick leave taken from that date until the employee's date of separation.

County Non-Union Employees

Non-Union employees accrue vacation leave at various rate based on length of continuous employment. Upon separation, employees receive payment for any unused vacation leave. If an employee is not able to use accrued vacation time because of staffing or scheduling problems, the employee may cash out unused time on a day to day basis.

Sick leave is accrued at a rate of one day per month to a maximum of 120 days. Upon separation, employees receive 50% payment for any unused sick leave earned before June 1, 2001 less any sick leave taken from that date until the employee's date of separation.

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Compensated Absences (Continued)

At December 31, 2021, the County has a liability for accrued sick leave and vacation payable of \$390,063.

A summary of compensated absences is presented as follows:

General County Government	\$ 227,651
Social Services	<u>\$ 162,412</u>
Total	<u>\$ 390,063</u>

Compensated absences for general county government is payable upon separation.

The Department of Social Services' liability for accrued sick leave is payable up to one-fourth of the unused amount under certain criteria upon separation. Unused annual leave is payable upon separation.

J. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e. the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "due to/from other funds".

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide presentation.

K. Estimates

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

L. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 1, the Finance Manager submits to the County Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to December 31, the budget is legally enacted through passage of an ordinance or resolution.

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Budgets and Budgetary Accounting (Continued)

4. The County Commissioners approve all budget transfers or revisions.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects Fund, and Enterprise Funds.
6. Budgets for the General, Special Revenue, Capital Projects Fund, and Enterprise Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets are not prepared for the Fiduciary Funds.

M. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are prepared in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, Capital Projects Fund, and Enterprise Funds. Outstanding encumbrances lapse at the end of the year.

N. GASB Statement No. 54

The Government Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. Nonspendable such as fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County Commissioners (the County's highest level of decision-making authority).
4. Assigned fund balance classification is intended to be used by the government for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. GASB Statement No. 54 (Continued)

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

The County's Committed Fund Balance is fund balance reporting required by the County Commission, either because of a County Commission Policy in the County Policy Manual, or because of motions that passed at County Commission meetings.

Assigned Fund Balance Policy:

The County's Assigned Fund Balance is fund balance reporting occurring by County Commissioners Administration authority, under the direction of the Chief Business Officer.

Order of Fund Balance Spending Policy

The County's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First, non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then unrestricted fund balances are determined following the order of committed, assigned, and unassigned.

Fund Balance Classification by Fund:

		<u>Special Revenue Funds</u>			<u>Other</u>	<u>Total</u>
	<u>General</u>	<u>Road & Bridge</u>	<u>Public Welfare</u>	<u>Capital Expenditure</u>	<u>Governmental Funds</u>	<u>Governmental Funds</u>
<u>Nonspendable:</u>						
Inventories	-	100,509	-	-	-	100,509
Prepaid Expenses	-	-	-	-	-	-
<u>Restricted:</u>						
Emergencies	690,000	-	-	-	-	690,000
Road and Bridge	-	3,226,769	-	-	-	3,226,769
Capital Outlay	-	-	-	1,221,619	259,987	1,481,606
Parks & Recreation	-	-	-	-	401,413	401,413
Public Safety	2,065,803	-	-	-	350,767	2,416,570
Social Services	-	-	-	-	-	-
<u>Committed:</u>						
Unanticipated Obligations	657,725	-	-	-	-	657,725
Social Services	-	-	507,364	-	-	507,364
<u>Assigned:</u>	-	-	-	-	-	-
<u>Unassigned:</u>	<u>10,925,721</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,925,721</u>
<u>Total Fund Balances</u>	<u>14,339,249</u>	<u>3,327,278</u>	<u>507,364</u>	<u>1,221,619</u>	<u>1,012,167</u>	<u>20,407,677</u>

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2021

NOTE 3 RECEIVABLES (Continued)

At December 31, 2021, the various components of unearned revenue or deferred inflows were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
<u>Governmental Activities:</u>		
<u>Major Funds:</u>		
Grant drawdowns prior to meeting all eligibility requirements	-	1,854,831
Property Taxes	2,667,022	-
Sales Taxes	-	-
<u>Nonmajor Funds:</u>		
Grant drawdowns prior to meeting all eligibility requirements	-	-
<u>Total Governmental Activities</u>	<u>2,667,022</u>	<u>1,854,831</u>
<u>Business-Type Activities:</u>	<u>-</u>	<u>-</u>

NOTE 4 DEFINED CONTRIBUTION PLAN

The County provides pension benefits for substantially all full time employees through a defined contribution plan of the Colorado Retirement Association. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. One year of service is required previous to participation in the Colorado Retirement Association Plan.

Employees contribute 3% of their salary to the plan with an equal amount contributed by the County. Vesting occurs at the rate of 20% per year. County contributions for, and earnings forfeited by, employees who leave employment before fully vesting are returned to the County. Forfeitures were \$4,541 during 2021 and pension expense was \$116,779. The County had no outstanding liability for this plan at year end. The County commissioners authorize the benefit terms and have the authority to amend these terms.

NOTE 5 DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all permanent employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2021

NOTE 5 DEFERRED COMPENSATION PLAN (Continued)

In 2001, the County adopted an amendment to its Deferred Compensation Plan with Colorado Retirement Association. The adoption of the amendment was due to recent changes in the Internal Revenue Code. Specifically the amendment states that all amounts deferred under this plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights shall, until made available to the participant or beneficiary, be held in the Colorado Retirement Association Deferred Compensation Plan Trust for the exclusive benefit of participants and their beneficiaries. Colorado Retirement Association is trustee of the trust.

Eligible voluntary employee contributions were \$54,326 for 2021.

NOTE 6 RISK MANAGEMENT

County Workers' Compensation Pool

The County is exposed to various risks of loss related to injuries of employees while on the job. In 1986, the County joined together with other Counties in the State of Colorado to form the County Workers' Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CWCP for its workers' compensation insurance coverage. The intergovernmental agreement of formation of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

Summary audited financial information as of December 31, 2021 follows:

Assets	<u>50,946,504</u>
Liabilities	28,674,442
Fund Equity	<u>22,272,062</u>
	<u>50,946,504</u>
Revenues	11,082,227
Expenses	<u>8,728,999</u>
	2,353,228
Net Investment Income	1,214,153
Gain On Commutation	<u>-</u>
Net Income (Loss)	<u>3,567,381</u>

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2021

NOTE 6 RISK MANAGEMENT (Continued)

Colorado Counties Casualty and Property Pool

The County is exposed to various risks of loss related to property and casualty losses. During 1986, the County was unable to obtain property and liability insurance at a cost it considered to be economically justifiable. Therefore, the County jointed together with other Counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP) for its property and casualty insurance coverage. The intergovernmental agreement of formation of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

Summary audited financial information as of December 31, 2021 follows:

Assets	<u>24,459,481</u>
Liabilities	13,771,973
Fund Equity	<u>10,687,508</u>
	<u>24,459,481</u>
Revenues	8,757,851
Expenses	<u>8,897,447</u>
Net Income (Loss)	<u>(139,596)</u>

County Health Pool

Since 1999, the County has been a member of the County Health Pool (CHP) which is administered by County Technical Services, Inc. The CHP provides medical, dental, vision and life insurance benefits to more than 5,300 employees of 37 local government agencies. CHP is the only county-owned health plan provider in Colorado with benefits, contribution rates, and coverages determined by representatives from member counties. The CHP board meets every other month to discuss the industry, plan changes, coverages and renewal, as well as vote on appeals. In 2021, the county contribution for CHP coverage for each employee was \$651 per month which paid for the employee's medical and life insurance as well as dental and vision coverage for the entire family.

Summary audited financial information as of December 31, 2021 follows:

Assets	<u>21,319,348</u>
Liabilities	6,973,420
Net Position	<u>14,345,928</u>
	<u>21,319,348</u>
Revenues	59,613,281
Expenses	<u>60,913,285</u>
Increase (Decrease) in Net Position	<u>(1,300,004)</u>

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2021

NOTE 7 INTERFUND TRANSACTIONS

Interfund Receivables/Payables

Individual Fund Interfund Receivable and Payable balances at December 31, 2021 were as follows:

	<u>Due From</u>	<u>Due To</u>	<u>Repayment Period</u>	<u>Purpose</u>
<u>Governmental Activities:</u>				
General Fund	-	-		
Public Welfare Fund	-	-		
Capital Expenditure	-	-		
Other Governmental Funds	-	-		
<u>Business Type Activities:</u>				
Airport	-	-		
	<u>-</u>	<u>-</u>		

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenues. The following schedule briefly summarizes the County's transfer activity.

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
<u>Major Funds:</u>		
General	-	1,400,000
Road & Bridge	1,000,000	-
Public Welfare	-	-
Capital Expenditures	-	-
Other Governmental	100,000	100,000
Airport Fund	<u>400,000</u>	<u>-</u>
Total	<u>1,500,000</u>	<u>1,500,000</u>

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2021

NOTE 8 CAPITAL ASSETS

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

	Balance January 1, 2021	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	Balance December 31, 2021
<u>GOVERNMENTAL ACTIVITIES:</u>					
<u>Capital Assets, Not Being Depreciated:</u>					
Land	451,433	-	-	-	451,433
Total Capital Assets Not					
Being Depreciated	451,433	-	-	-	451,433
<u>Capital Assets, Being Depreciated:</u>					
Infrastructure	93,957,088	2,008,887	-	-	95,965,975
Structures & Improvements	17,025,294	491,379	-	-	17,516,673
Equipment	14,726,939	134,136	30,667	-	14,830,408
Total Capital Assets, Being					
Depreciated	125,709,321	2,634,402	30,667	-	128,313,056
<u>Less Accumulated Depreciation for:</u>					
Infrastructure	79,822,046	1,976,814	-	-	81,798,860
Structures & Improvements	10,671,495	675,649	-	-	11,347,144
Equipment	13,762,448	312,770	30,667	-	14,044,551
Total Accumulated Depreciation	104,255,989	2,965,233	30,667	-	107,190,555
<u>Total Capital Assets, Being</u>					
<u>Depreciated, Net</u>	21,453,332	(330,831)	-	-	21,122,501
<u>Governmental Activities Capital</u>					
<u>Assets, Net</u>	21,904,765	(330,831)	-	-	21,573,934
<u>BUSINESS-TYPE ACTIVITIES</u>					
<u>Capital Assets, Not Being Depreciated:</u>					
Land	117,304	-	-	-	117,304
Water Rights	76,600	-	-	-	76,600
Construction in Progress	-	-	-	-	-
Total Capital Assets, Not Being					
Depreciated	193,904	-	-	-	193,904
<u>Capital Assets, Being Depreciated</u>					
Structures & Improvements	10,818,058	-	-	-	10,818,058
Equipment	749,025	-	-	-	749,025
Total Capital Assets, Being					
Depreciated	11,567,083	-	-	-	11,567,083
<u>Less Accumulated Depreciation for:</u>					
Structures & Improvements	3,651,779	336,414	-	-	3,988,193
Equipment	457,497	31,281	-	-	488,778
Total Accumulated Depreciation	4,109,276	367,695	-	-	4,476,971
<u>Total Capital Assets, Being</u>					
<u>Depreciated, Net</u>	7,457,807	(367,695)	-	-	7,090,112
<u>Business-Type Activities Capital</u>					
<u>Assets, Net</u>	7,651,711	(367,695)	-	-	7,284,016

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2021

NOTE 8 CAPITAL ASSETS (Continued)

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

Governmental Activities:

General Government	424,212
Public Safety	348,667
Auxiliary Services	63,558
Roads and Bridges	2,111,030
Public Welfare	17,766
<u>Total Depreciation Expense – Governmental Activities</u>	<u>2,965,233</u>

Business-Type Activities

Airport	367,695
<u>Total Depreciation Expenses – Business-Type Function</u>	<u>367,695</u>

NOTE 9 LONG-TERM DEBT

Long-term liabilities at December 31, 2021 consisted of the following:

	<u>Balance</u> <u>01-01-21</u>	<u>Additions</u> <u>Accretions</u>	<u>Retirements</u>	<u>Balance</u> <u>12-31-21</u>	<u>Amounts Due</u> <u>Within One Year</u>
<u>Governmental Activities</u>					
Capital Lease Obligations					
Energy Retrofit	103,472	-	88,263	15,209	15,209
Vehicles	185,121	-	60,160	124,961	61,694
Compensated Absences (Note 2)	<u>406,787</u>	<u>3,341</u>	<u>20,065</u>	<u>390,063</u>	<u>-</u>
<u>Total Governmental</u> <u>Activities – Long Term</u> <u>Liabilities</u>	<u>695,380</u>	<u>3,341</u>	<u>168,488</u>	<u>530,233</u>	<u>76,903</u>

Lease Purchases and Contract Payable:

Terms and Transactions of Lease Agreements are as follows:

The County entered into capital lease agreements for the following:

<u>Description</u>	<u>Cost</u>	<u>Interest</u> <u>Rate</u>	<u>Monthly/Annual</u> <u>Payments</u>	<u>Number of</u> <u>Payments</u>	<u>First Payment</u> <u>Date</u>
Energy Retrofit	535,525	4.05%	\$3,819 - \$4,327	120 Months	6/22/2011
Vehicles- Sheriff Dept.	250,000	2.55%	\$64,880	4 Years	3/13/2020

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2021

NOTE 9 LONG-TERM DEBT (continued)

Annual debt service requirements to maturity for the lease purchase agreements are as follows:

Energy Retrofit – Capital Expenditure Fund:

	<u>Year</u>	<u>Annual Payment</u>	<u>Principal</u>	<u>Interest</u>
	2022	15,234	15,209	25
		15,234	15,209	25
Less Amount Representing Interest		(25)		
Present Value of Future Minimum				
Lease Payments		15,209		

Vehicles – General Fund:

	<u>Year</u>	<u>Annual Payment</u>	<u>Principal</u>	<u>Interest</u>
	2022	64,880	61,694	3,186
	2023	64,880	63,267	1,613
		129,760	124,961	4,799
Less Amount Representing Interest		(4,799)		
Present Value of Future Minimum				
Lease Payments		124,961		

NOTE 10 NET POSITION/FUND BALANCES

The government-wide and business-type activities fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets (net of related debt), restricted and unrestricted.

- *Net Investment In Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the County, not restricted for any project or other purpose.

As of December 31, 2021, restricted fund balance for emergencies is described below:

- *Emergencies* – Cash and investments of approximately \$690,000 are available as Emergency Reserves as required by Article X, Section 20 of the Constitution of the State of Colorado (See Note 11).

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2021

NOTE 11 CONTINGENCIES - TAX, SPENDING AND DEBT LIMITATIONS

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR.

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 1% of Fiscal Year Spending (excluding bonded debt service) in 1993, 2% in 1995 and 3% thereafter. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

TABOR requires, with certain exceptions, voters approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

On November 1, 2005, the registered voters approved a ballot resolution authorizing Las Animas County to accept, retain, and spend, for use as the board of County Commissioners deem appropriate, the full proceeds and revenues received from any and all grants awarded to Las Animas County, from any source, in the year 2006 and each year thereafter without affecting property tax revenues collected by Las Animas County.

On November 7, 2017, the registered voters approved a ballot resolution authorizing Las Animas County to receive, retain, and spend in the year 2020 and each subsequent year, all revenues, including investment income, it receives from its mill levy, without raising the tax rate above the current level of 9.357 mills, as a voter-approved revenue change without limitation or condition under article X, section 20 of the Colorado Constitution (TABOR) or any other law.

Except for bond refinancing at lower interest rates or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for all future payments.

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

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2021

NOTE 12 LITIGATION

As of December 31, 2021, the County was involved in various claims in which no formal lawsuit has been filed. An evaluation as to outcome was not possible as of the audit date.

NOTE 13 COMMITMENTS AND CONTINGENCIES

Grants

The County recognizes as revenue grant monies received as reimbursement for costs incurred in certain Federal and State programs it administers. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

NOTE 14 CASH AND INVESTMENTS

The County's cash at year-end consisted of deposits in financial institutions and was entirely covered by federal depository insurance or by collateral held by the financial institutions as their agent in the County's name. Collateral is held under provisions of the Public Deposit Protection Act of 1975. This act requires pledged collateral to be clearly identified as security for public deposits and it requires that the pledging financial institution certify to the secured governmental unit that it is secured and indicate the location of the collateral. In the event of default or insolvency on the part of the pledging financial institution, the custodian will surrender the collateral to the state bank commissioner. A breakdown of cash deposits and certificates of deposit follows:

At December 31, 2021, the County's bank balance and corresponding carrying balance were as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
Insured FDIC	750,000	750,000
Uninsured, Collateralized Under the Public Deposit Protection Act of the State of Colorado	23,120,409	23,520,199
Cash on Hand	-	1,298
<u>Total Cash and Deposits</u>	<u>23,870,409</u>	<u>24,271,497</u>
<u>Recap</u>		
Cash	14,164,789	
Certificates of Deposit	7,452,879	
Cash – Custodial Funds	2,653,829	
<u>Total</u>	<u>24,271,497</u>	

LAS ANIMAS COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2021

NOTE 14 CASH AND INVESTMENTS (continued)

As presented above, deposits with a bank balance of \$23,120,409 and a carrying balance of 23,520,199 as of December 31, 2021 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

NOTE 15 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds balance sheet includes a reconciliation between *fund balances – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide financial statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources management and full accrual basis used for government-wide statements.

Eliminations:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	-	1,000,000
Road and Bridge Fund	1,000,000	-
Jail Facility Fund	-	100,000
Jail Improvement Fund	<u>100,000</u>	<u>-</u>
	<u>1,100,000</u>	<u>1,100,000</u>

NOTE 16 COMPLIANCE WITH BUDGET LAWS

The actual expense/expenditures of the following funds exceeded their budget and may be in violation of Colorado Budget Law:

Public Welfare Fund	\$3,051,839
Airport Enterprise Fund	\$27,325

REQUIRED SUPPLEMENTARY INFORMATION

General Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Road and Bridge – Special Revenue Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Public Welfare – Special Revenue Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Capital Expenditures – Special Revenue Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

LAS ANIMAS COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2021

	<u>Budgeted Amounts</u>			Variance- Favorable
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
<u>REVENUES</u>				
Taxes	6,548,402	6,548,402	8,795,975	2,247,573
Licenses and Permits	2,500	2,500	3,750	1,250
Intergovernmental Revenue	1,048,250	1,048,250	1,049,027	777
Charges for Services	864,304	864,304	1,041,800	177,496
Interest Revenues	127,000	127,000	66,977	(60,023)
Miscellaneous Revenue	622,500	622,500	165,114	(457,386)
<u>TOTAL REVENUE</u>	<u>9,212,956</u>	<u>9,212,956</u>	<u>11,122,643</u>	<u>1,909,687</u>
<u>EXPENDITURES</u>				
General Government	4,686,828	4,686,828	3,127,471	1,559,357
Public Safety	3,953,165	3,953,165	2,387,519	1,565,646
Health Services	291,338	291,338	291,338	-
Auxiliary Services	715,115	715,115	122,566	592,549
Intergovernmental	247,100	247,100	2,062,646	(1,815,546)
Debt Service	-	-	60,160	(60,160)
Contingency	-	-	-	-
<u>TOTAL EXPENDITURES</u>	<u>9,893,546</u>	<u>9,893,546</u>	<u>8,051,700</u>	<u>1,841,846</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(680,590)</u>	<u>(680,590)</u>	<u>3,070,943</u>	
<u>OTHER FINANCING SOURCES (USES)</u>				
Lease Purchase Proceeds	-	-	-	-
Operating Transfers In (Out)	(1,000,000)	(1,000,000)	(1,400,000)	(400,000)
<u>Total Other Financing Sources (Uses)</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(1,400,000)</u>	<u>(400,000)</u>
<u>TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>(1,680,590)</u>	<u>(1,680,590)</u>	<u>1,670,943</u>	
<u>FUND BALANCE, Beginning</u>	<u>6,695,478</u>	<u>6,695,478</u>	<u>12,668,306</u>	
<u>FUND BALANCE, Ending</u>	<u>5,014,888</u>	<u>5,014,888</u>	<u>14,339,249</u>	

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND - ROAD AND BRIDGE FUND
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUE</u>				
Property Tax Revenue				
Delinquent Property Taxes	-	-	-	-
Total Property Tax Revenue	-	-	-	-
Intergovernmental Revenue				
Highway Users Tax	2,528,634	2,528,634	2,881,540	352,906
Energy Impact Grant	2,030,000	2,030,000	999,915	(1,030,085)
Mineral Lease Rights	-	-	20,482	20,482
Forest Service	-	-	-	-
M.V. Registration	25,000	25,000	24,980	(20)
HUTF Faster (SB 09-108)	600,000	600,000	640,644	40,644
Taylor Grazing Act & Bankhead Jones	300	300	1,676	1,376
Severance Tax	100,000	100,000	4,805	(95,195)
Total Intergovernmental Revenue	<u>5,283,934</u>	<u>5,283,934</u>	<u>4,574,042</u>	<u>(709,892)</u>
Miscellaneous Revenue				
Miscellaneous	<u>58,000</u>	<u>58,000</u>	<u>45,743</u>	<u>(12,257)</u>
Total Miscellaneous Revenue	<u>58,000</u>	<u>58,000</u>	<u>45,743</u>	<u>(12,257)</u>
<u>TOTAL REVENUES</u>	<u>5,341,934</u>	<u>5,341,934</u>	<u>4,619,785</u>	<u>(722,149)</u>
<u>EXPENDITURES</u>				
Salaries	1,550,463	1,550,463	1,344,643	205,820
Retirement & Fringe Benefits	480,338	480,338	379,191	101,147
Office Supplies	7,500	7,500	3,123	4,377
Operating Supplies	402,000	402,000	384,552	17,448
Repairs & Maintenance Road Equipment	1,351,000	1,351,000	2,483,203	(1,132,203)
Insurance and Bonds	121,000	121,000	117,564	3,436
Public Utility Service	95,100	95,100	93,117	1,983
Capital Outlay	20,000	20,000	19,562	438
Road Construction	4,200,000	4,200,000	479,854	3,720,146
Weed Expense	15,000	15,000	-	15,000
Radio/Communication	10,000	10,000	39	9,961
Telephone & Postage	8,000	8,000	7,764	236
Lease Purchase Principal	-	-	-	-
Lease Purchase Interest	-	-	-	-
Miscellaneous	<u>15,800</u>	<u>15,800</u>	<u>5,464</u>	<u>10,336</u>
<u>TOTAL EXPENDITURES</u>	<u>8,276,201</u>	<u>8,276,201</u>	<u>5,318,076</u>	<u>2,958,125</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(2,934,267)</u>	<u>(2,934,267)</u>	<u>(698,291)</u>	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
<u>TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>(1,934,267)</u>	<u>(1,934,267)</u>	<u>301,709</u>	
<u>FUND BALANCE, Beginning</u>	<u>2,922,974</u>	<u>2,922,974</u>	<u>3,025,569</u>	
<u>FUND BALANCE, Ending</u>	<u>988,707</u>	<u>988,707</u>	<u>3,327,278</u>	

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND - PUBLIC WELFARE FUND
SCHEDULE OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Intergovernmental Revenues</u>				
Aid to the Needy	-	-	102,582	-
Child Care	-	-	354,803	-
Child Support	-	-	322,115	-
State and Federal Incentives	-	-	252,515	-
Colorado Works	-	-	584,857	-
Child Welfare Services	-	-	1,655,842	-
Core Services	-	-	269,955	-
Food Assistance Program	-	-	10,586,332	-
HCA	-	-	11,890	-
L.E.A.P.	-	-	683,911	-
Medicaid Transportation	-	-	-	-
Old Age Pension	-	-	357,927	-
County Administration	-	-	789,891	-
Adult Protection	-	-	126,650	-
Single Entry Point	-	-	569,431	-
<u>TOTAL REVENUES</u>	<u>13,381,660</u>	<u>13,381,660</u>	<u>16,668,701</u>	<u>3,287,041</u>

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND - PUBLIC WELFARE FUND
SCHEDULE OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>EXPENDITURES</u>				
Aid to the Needy	196,692	196,692	102,582	94,110
Child Care	388,203	388,203	354,803	33,400
Child Support	269,840	269,840	322,115	(52,275)
State and Federal Incentives	-	-	-	-
Colorado Works	957,347	957,347	584,857	372,490
Child Welfare Services	1,523,910	1,523,910	1,655,842	(131,932)
Core Services	321,788	321,788	269,955	51,833
Food Assistance Program	6,515,901	6,515,901	10,603,645	(4,087,744)
HCA	21,000	21,000	11,890	9,110
L.E.A.P.	632,670	632,670	683,911	(51,241)
Medicaid Transportation	-	-	-	-
Old Age Pension	641,542	641,542	357,927	283,615
County Administration	1,111,039	1,111,039	789,891	321,148
Adult Protection	171,728	171,728	126,650	45,078
Single Entry Point	630,000	630,000	569,431	60,569
Medicaid Incentives	-	-	-	-
Medicaid Administration Incentives	-	-	-	-
<u>TOTAL EXPENDITURES</u>	<u>13,381,660</u>	<u>13,381,660</u>	<u>16,433,499</u>	<u>(3,051,839)</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	-	-	235,202	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer In (Out)	-	-	-	-
<u>TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	-	-	235,202	
<u>FUND BALANCE, Beginning</u>	<u>88,586</u>	<u>88,586</u>	<u>272,162</u>	
<u>FUND BALANCE, Ending</u>	<u>88,586</u>	<u>88,586</u>	<u>507,364</u>	

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND
CAPITAL EXPENDITURE FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes	577,514	577,514	591,050	13,536
Intergovernmental	1,148,000	1,148,000	358,495	(789,505)
Other Revenue	151,584	151,584	-	(151,584)
<u>Total Revenues</u>	<u>1,877,098</u>	<u>1,877,098</u>	<u>949,545</u>	<u>(927,553)</u>
<u>EXPENDITURES</u>				
General Government	96,500	96,500	10,952	85,548
Capital Outlay	1,690,061	1,690,061	517,999	1,172,062
Debt Service	90,537	90,537	90,537	-
<u>Total Expenditures</u>	<u>1,877,098</u>	<u>1,877,098</u>	<u>619,488</u>	<u>1,257,610</u>
<u>REVENUE OVER (UNDER) EXPENDITURES</u>	<u>-</u>	<u>-</u>	<u>330,057</u>	
<u>OTHER FINANCING SOURCES (USES)</u>				
Contract Proceeds	-	-	-	-
Transfer In (Out)	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>-</u>	<u>-</u>	<u>330,057</u>	
<u>FUND BALANCE, Beginning</u>	<u>-</u>	<u>-</u>	<u>891,562</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>-</u>	<u>1,221,619</u>	

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

Proprietary Fund – Business Type Activities

Enterprise Funds – used to account for operations that are financed and operated in a manner similar to private business enterprise, where the intent is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interests in the activities and sources of funding supporting these operations.

Airport Fund – this fund accounts for all financial activities associated with the County's airport.

NON MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Jail Facility Fund – to account for sales taxes assessed for specific purposes.

Conservation Trust Fund – to account for the operations of a conservation trust fund financed by the state. Contributions are to be used for the improvement of park and recreation facilities.

LEAF and DUI – to account for the operations of the County LEAP program. Financing is provided by DUI fees.

Capital Projects Fund – account for financial resources created by the issuance of bonded indebtedness and to be used for major capital projects.

Jail Capital Projects Fund – this fund accounts for expenditures from sales tax proceeds for a major capital project. The revenues and expenditures of this fund are controlled by State Statute and the debt ordinance.

LAS ANIMAS COUNTY, COLORADO
AIRPORT – PROPRIETARY FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>OPERATING REVENUES</u>				
Fuel Sales	195,000	195,000	219,980	24,980
Hangar Rental	22,305	22,305	20,238	(2,067)
Other Revenues	16,932	16,932	20,845	3,913
<u>Total Operating Revenues</u>	<u>234,237</u>	<u>234,237</u>	<u>261,063</u>	<u>26,826</u>
<u>OPERATING EXPENSES</u>				
Salaries	40,520	40,520	42,938	(2,418)
Employee Benefits	12,127	12,127	12,245	(118)
Cost of Sales	135,000	135,000	182,536	(47,536)
Public Utility Service	15,000	15,000	15,115	(115)
Office Expense & Supplies	3,800	3,800	11,514	(7,714)
Depreciation	379,540	379,540	367,695	11,845
Contractual Agreements & Leases	4,600	4,600	2,675	1,925
Telephone	3,200	3,200	893	2,307
Maintenance	19,600	19,600	3,587	16,013
Insurance	18,000	18,000	22,364	(4,364)
Other	2,850	2,850	-	2,850
<u>Total Operating Expenses</u>	<u>634,237</u>	<u>634,237</u>	<u>661,562</u>	<u>(27,325)</u>
<u>OPERATING INCOME (LOSS) BEFORE OTHER SOURCES</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>(400,499)</u>	
<u>NON OPERATING REVENUES (EXPENSES)</u>				
Grants Revenue	-	-	31,000	(31,000)
Transfers In	400,000	400,000	400,000	-
<u>Total Non Operating Revenues (Expenses)</u>	<u>400,000</u>	<u>400,000</u>	<u>431,000</u>	<u>(31,000)</u>
<u>CHANGES IN NET POSITION</u>	-	-	30,501	
<u>NET POSITION, Beginning</u>	-	-	7,405,061	
<u>NET POSITION, Ending</u>	-	-	7,435,562	

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

LAS ANIMAS COUNTY, COLORADO
COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
December 31, 2021

	Special Revenue Funds			Capital Projects Fund	Total Non-Major Governmental Funds
	Jail Facility	Conservation Trust	LEAF & DUI	Jail Improvement	
<u>ASSETS</u>					
Cash and Equivalents	347,327	401,413	3,440	268,205	1,020,385
Accounts Receivable	-	-	-	-	-
Due From Other Funds	-	-	-	-	-
<u>Total Assets</u>	<u>347,327</u>	<u>401,413</u>	<u>3,440</u>	<u>268,205</u>	<u>1,020,385</u>
<u>LIABILITIES AND FUND EQUITY</u>					
<u>Liabilities</u>					
Accounts Payable	-	-	-	8,218	8,218
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,218</u>	<u>8,218</u>
<u>Fund Balances:</u>					
Nonspendable:					
Inventories	-	-	-	-	-
Prepaid Expense	-	-	-	-	-
Restricted:					
Emergencies	-	-	-	-	-
Roads and Bridges	-	-	-	-	-
Capital Outlay	-	-	-	259,987	259,987
Parks and Recreation	-	401,413	-	-	401,413
Public Safety	347,327	-	3,440	-	350,767
Committed:					
Unanticipated Obligations	-	-	-	-	-
Assigned:					
Roads and Bridges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Public Works	-	-	-	-	-
Unassigned:	-	-	-	-	-
<u>Total Fund Balances</u>	<u>347,327</u>	<u>401,413</u>	<u>3,440</u>	<u>259,987</u>	<u>1,012,167</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>347,327</u>	<u>401,413</u>	<u>3,440</u>	<u>268,205</u>	<u>1,020,385</u>

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

LAS ANIMAS COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2021

	<u>Special Revenue Fund</u>			<u>Capital Projects Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Jail Facility</u>	<u>Conservation Trust</u>	<u>LEAF & DUI</u>	<u>Jail Improvement</u>	
<u>REVENUES</u>					
Taxes	-	-	-	-	-
Intergovernmental Revenues	-	65,616	-	-	65,616
Other Revenues	-	<u>1,302</u>	<u>1,699</u>	-	<u>3,001</u>
<u>Total Revenues</u>	-	<u>66,918</u>	<u>1,699</u>	-	<u>68,617</u>
<u>EXPENDITURES</u>					
Capital Outlay	-	6,403	-	1,913	8,316
Social Services	-	-	-	-	-
Public Safety	-	-	-	29,312	29,312
Debt Service	-	-	-	-	-
Other	-	-	-	-	-
<u>Total Expenditures</u>	-	<u>6,403</u>	-	<u>31,225</u>	<u>37,628</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	-	<u>60,515</u>	<u>1,699</u>	<u>(31,225)</u>	<u>30,989</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Capital Lease Proceeds	-	-	-	-	-
Operating Transfers In (Out)	(100,000)	-	-	<u>100,000</u>	-
<u>Total Other Financing Sources (Uses)</u>	(100,000)	-	-	<u>100,000</u>	-
<u>TOTAL REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	(100,000)	60,515	1,699	68,775	30,989
<u>FUND BALANCE, Beginning</u>	<u>447,327</u>	<u>340,898</u>	<u>1,741</u>	<u>191,212</u>	<u>981,178</u>
<u>FUND BALANCE, Ending</u>	<u>347,327</u>	<u>401,413</u>	<u>3,440</u>	<u>259,987</u>	<u>1,012,167</u>

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND
JAIL FACILITY FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2021

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUE</u>			
State Tax Revenue	-	-	-
Other	-	-	-
<u>Total Revenues</u>	-	-	-
<u>EXPENDITURES</u>			
Other	-	-	-
<u>Total Expenditures</u>	-	-	-
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	-	-	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers (Out)	(100,000)	(100,000)	-
<u>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	(100,000)	(100,000)	
<u>FUND BALANCE, Beginning</u>	<u>447,327</u>	<u>447,327</u>	
<u>FUND BALANCE, Ending</u>	<u>347,327</u>	<u>347,327</u>	

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND
CONSERVATION TRUST FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2021

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUE</u>			
Intergovernmental - Lottery	59,000	65,616	6,616
Other Revenue	<u>1,500</u>	<u>1,302</u>	<u>(198)</u>
<u>Total Revenues</u>	<u>60,500</u>	<u>66,918</u>	<u>6,418</u>
<u>EXPENDITURES</u>			
Capital Outlay	-	6,403	(6,403)
Other	<u>310,500</u>	<u>-</u>	<u>310,500</u>
<u>Total Expenditures</u>	<u>310,500</u>	<u>6,403</u>	<u>304,097</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(250,000)	60,515	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers (Out)	<u>-</u>	<u>-</u>	<u>-</u>
<u>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	(250,000)	60,515	
<u>FUND BALANCE, Beginning</u>	<u>332,772</u>	<u>340,898</u>	
<u>FUND BALANCE, Ending</u>	<u>82,772</u>	<u>401,413</u>	

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

LAS ANIMAS COUNTY, COLORADO
SPECIAL REVENUE FUND
LEAF AND DUI FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2021

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUE</u>			
DUI Fees	<u>900</u>	<u>1,699</u>	<u>799</u>
<u>Total Revenues</u>	<u>900</u>	<u>1,699</u>	<u>799</u>
 <u>EXPENDITURES</u>			
Miscellaneous	<u>1,800</u>	<u>-</u>	<u>1,800</u>
<u>Total Expenditures</u>	<u>1,800</u>	<u>-</u>	<u>1,800</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 (900)	 1,699	
 <u>FUND BALANCE, Beginning</u>	 <u>1,300</u>	 <u>1,741</u>	
 <u>FUND BALANCE, Ending</u>	 <u>400</u>	 <u>3,440</u>	

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

LAS ANIMAS COUNTY, COLORADO
JAIL - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2021

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>Revenue</u>			
Miscellaneous	-	-	-
<u>Total Revenues</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures</u>			
Capital Outlay	-	1,913	(1,913)
Maintenance & Repairs	<u>100,000</u>	<u>29,312</u>	<u>70,688</u>
<u>Total Expenditures</u>	<u>100,000</u>	<u>31,225</u>	<u>68,775</u>
<u>Revenues Over (Under) Expenditures</u>	(100,000)	(31,225)	
<u>Other Financing Sources (Uses)</u>			
Transfers In (Out)	<u>100,000</u>	<u>100,000</u>	-
<u>Total Other Financing Sources (Uses)</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
<u>Net Change in Fund Balance</u>	-	68,775	
<u>Fund Balance, Beginning</u>	154,396	191,212	
<u>Fund Balance, Ending</u>	<u>154,396</u>	<u>259,987</u>	

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

OTHER SCHEDULES

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

LOCAL HIGHWAY FINANCE REPORT		City or County: LAS ANIMAS COUNTY
		YEAR ENDING : December 2021
		Prepared By: KRISTEE COBERLY Phone: 719-845-2564
This Information From The Records Of (example - City of _ or County of _)		

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

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

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

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	2,301,767
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,872,201
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	468,050
3. Other local imposts (from page 2)	0	c. Other	
4. Miscellaneous local receipts (from page 2)	1,065,976	d. Total (a. through c.)	468,050
5. Transfers from toll facilities		4. General administration & miscellaneous	676,058
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	5,318,076
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	1,065,976	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	4,552,134	2. Notes:	
D. Receipts from Federal Government (from page 2)	1,676	a. Interest	
E. Total receipts (A.7 + B + C + D)	5,619,786	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	5,318,076

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	3,025,569	5,619,786	5,318,076	3,327,279	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	0	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	65,976
6. Total (1. through 5.)	0	h. Other transfer from PILT	1,000,000
c. Total (a. + b.)	0	i. Total (a. through h.)	1,065,976
(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	3,522,184	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	24,980	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	999,915	e. U.S. Corps of Engineers	
e. Other (Specify) Severance/Jak Br	5,055	f. Other Federal - TAYLOR	1,676
f. Total (a. through e.)	1,029,950	g. Total (a. through f.)	1,676
4. Total (1. + 2. + 3.f)	4,552,134	3. Total (1. + 2.g)	
		(Carry forward to page 1)	

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation		2,301,767	2,301,767
(5). Total Construction (1) + (2) + (3) + (4)	0	2,301,767	2,301,767
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	2,301,767	2,301,767
			(Carry forward to page 1)

Notes and Comments:

LAS ANIMAS COUNTY DEPARTMENT OF HUMAN SERVICES
REQUIRED SUPPLEMENTAL INFORMATION (RSI)
December, 2021

CATEGORY	A COUNTY EBT AUTHORIZATIONS	B COUNTY SHARE OF AUTHORIZATIONS	C WARRANT ISSUED BY COUNTY DEPT	A + C = D TOTAL COUNTY WARRANT ISSUE & AUTHORIZATIONS	B + C = E TOTAL COUNTY DEPT EXPENDITURES
Colorado Works					
Administration			\$ 156,169.11	\$ 156,169.11	\$ 156,169.11
Non-ADM - Client Payment				\$ -	\$ -
EBT (Non ADM)	\$ 428,687.72			\$ 428,687.72	\$ -
Total Colorado Works	\$ 428,687.72	\$ -	\$ 156,169.11	\$ 584,856.83	\$ 156,169.11
Child Care					
EBT / MOE	\$ 316,298.44			\$ 316,298.44	\$ -
Administration			\$ 38,505.22	\$ 38,505.22	\$ 38,505.22
TANF Transfer				\$ -	\$ -
Total Child Care	\$ 316,298.44	\$ -	\$ 38,505.22	\$ 354,803.66	\$ 38,505.22
Child Welfare					
Administration 100%			\$ 138,918.38	\$ 138,918.38	\$ 138,918.38
Administration 80/20%			\$ 538,982.16	\$ 538,982.16	\$ 538,982.16
TANF Transfer				\$ -	\$ -
Res Mental Health	\$ 9,960.40			\$ 9,960.40	\$ -
Foster Care OOH	\$ 536,445.49			\$ 536,445.49	\$ -
Related Child Care	\$ 16,721.64			\$ 16,721.64	\$ -
SubAdopt	\$ 317,751.15			\$ 317,751.15	\$ -
Relative Guardianship	\$ 34,998.15			\$ 34,998.15	\$ -
Case Services	\$ 50,992.69			\$ 50,992.69	\$ -
Total Child Welfare	\$ 966,869.52	\$ -	\$ 677,900.54	\$ 1,644,770.06	\$ 677,900.54
Total County Administration			\$ 789,891.67	\$ 789,891.67	\$ 789,891.67
Core Services				\$ -	\$ -
Mental Health			\$ 23,587.07	\$ 23,587.07	\$ 23,587.07
ADAD				\$ -	\$ -
Special Economic Asst	\$ 1,771.80			\$ 1,771.80	\$ -
Core Other EBT/EFT				\$ -	\$ -
Core Other - 100%			\$ 119,918.29	\$ 119,918.29	\$ 119,918.29
Core 80/20%			\$ 124,677.79	\$ 124,677.79	\$ 124,677.79
Total Core Services	\$ 1,771.80	\$ -	\$ 268,183.15	\$ 269,954.95	\$ 268,183.15
Total Child Support Enforce			\$ 322,114.81	\$ 322,114.81	\$ 322,114.81
Total LEAP	\$ 683,910.78			\$ 683,910.78	\$ -
Total Aid to Needy Disabled	\$ 102,581.81			\$ 102,581.81	\$ -
Total A.N.D. HCA				\$ -	\$ -
Total O.A.P HCA	\$ 4,373.00			\$ 4,373.00	\$ -
Total SSI - HCA	\$ 7,517.10			\$ 7,517.10	\$ -
Total Old Age Pension	\$ 357,926.83			\$ 357,926.83	\$ -
Total Food Assist Fraud	\$ 17,313.97			\$ 17,313.97	\$ -
Total FA Benefits & Collect	\$ 10,586,330.74			\$ 10,586,330.74	\$ -
FA Job Search				\$ -	\$ -
Total Chaffee Indep Living				\$ -	\$ -

LAS ANIMAS COUNTY DEPARTMENT OF HUMAN SERVICES
REQUIRED SUPPLEMENTAL INFORMATION (RSI)
December, 2021

CATEGORY	A COUNTY EBT AUTHORIZATIONS	B COUNTY SHARE OF AUTHORIZATIONS	C WARRANT ISSUED BY COUNTY DEPT	A + C = D TOTAL COUNTY WARRANT ISSUE & AUTHORIZATIONS	B + C = E TOTAL COUNTY DEPT EXPENDITURES
Total Co Wide Cost Alloc				\$ -	\$ -
Medicaid Transportation				\$ -	\$ -
Single Entry Point			\$ 569,430.65	\$ 569,430.65	\$ 569,430.65
Other Local Sources				\$ -	\$ -
General Assistance				\$ -	\$ -
Commodities				\$ -	\$ -
Total Other Sources				\$ -	\$ -
IV-E Revenue SB-80					
Non-ADM - Client Payment				\$ -	\$ -
Parental Fees SB-94					
Non-ADM - Client Pay			\$ 11,071.93	\$ 11,071.93	\$ 11,071.93
Inter Care Mgmt Grant				\$ -	\$ -
Workload Study				\$ -	\$ -
IV-E Waiver Kinship Support				\$ -	\$ -
Foster Care / Adoption Recr				\$ -	\$ -
Adult Protection			\$ 126,650.29	\$ 126,650.29	\$ 126,650.29

\$ 16,433,499.08

SINGLE AUDIT SECTION

164 E. MAIN
TRINIDAD, COLORADO 81082
(719) 846-9241 FAX (719) 846-3352

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

The Board of County Commissioners
Las Animas County
Trinidad, Colorado 81082

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Las Animas County as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Las Animas County's basic financial statements, and have issued our report thereon dated July 26, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Ripen, Walker & Co., Inc.".

July 26, 2022

164 E. MAIN
TRINIDAD, COLORADO 81082
(719) 846-9241 FAX (719) 846-3352

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

The Board of County Commissioners
Las Animas County
Trinidad, Colorado 81082

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, Las Animas 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Las Animas County's

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Las Animas 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 Las Animas 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 Las Animas County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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



July 26, 2022

LAS ANIMAS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2021

SUMMARY OF AUDITOR'S RESULTS:

Report

An unmodified report has been issued on the financial statements of Las Animas County.

Internal Control – Financial Statements

No conditions were disclosed by the audit that are considered to be a material weakness.
No significant deficiencies not considered a material weakness were identified.

Noncompliance – Financial Statements

No instances of noncompliance in amounts material to the financial statements of Las Animas County were disclosed by the audit.

Internal Control – Federal Awards

No conditions were disclosed by the audit that are considered to be a material weakness.
No significant deficiencies not considered a material weakness were identified.

Report on Compliance – Major Programs

An unmodified report has been issued on Las Animas County compliance for major programs.

Audit Findings

No audit findings requiring disclosure in accordance with 2 CFR Section 200.516(a) were disclosed by the audit.

Major Programs

Temporary Assistance for Needy Families (CFDA# 93.558)

Dollar Threshold to Distinguish Type A and Type B Programs

\$750,000

Qualification as low-risk auditee

Las Animas County qualified as a low risk auditee for 2021.

LAS ANIMAS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2021

SUMMARY OF AUDITOR'S RESULTS: (continued)

Findings – GAGAS

None.

Findings – Federal Awards

None

LAS ANIMAS COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2021

NONE

LAS ANIMAS COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2021

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor</i>	<i>Federal Expenditures</i>	<i>Passed-through to Subrecipients</i>
477 Cluster-Cluster				
Department of Health and Human Services				
Temporary Assistance for Needy Families (477 Cluster)	93.558	COLORADO DEPARTMENT OF HUMAN SERVICES	601,789	
Total Temporary Assistance for Needy Families (477 Cluster)			601,789	
Total Department of Health and Human Services			601,789	
Total 477 Cluster-Cluster			601,789	
CCDF Cluster-Cluster				
Department of Health and Human Services				
Child Care and Development Block Grant	93.575	COLORADO DEPARTMENT OF HUMAN SERVICES	90,724	
Total Child Care and Development Block Grant			90,724	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	COLORADO DEPARTMENT OF HUMAN SERVICES	149,435	
Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund			149,435	
Total Department of Health and Human Services			240,159	
Total CCDF Cluster-Cluster			240,159	
Disability Insurance/SSI Cluster-Cluster				
Social Security Administration				
Supplemental Security Income	96.006		1,200	
Total Supplemental Security Income			1,200	
Total Social Security Administration			1,200	
Total Disability Insurance/SSI Cluster-Cluster			1,200	
Highway Safety Cluster-Cluster				
Department of Transportation				
National Priority Safety Programs	20.616	COLORADO DEPARTMENT OF TRANSPORTATION	7,345	
Total National Priority Safety Programs			7,345	
Total Department of Transportation			7,345	
Total Highway Safety Cluster-Cluster			7,345	
Medicaid Cluster-Cluster				
Department of Health and Human Services				
Medical Assistance Program	93.778	STATE DEPARTMENT OF HEALTHCARE POLICY AND FINANCE	284,716	
Medical Assistance Program	93.778	COLORADO DEPARTMENT OF HUMAN SERVICES	245,619	
Total Medical Assistance Program			530,335	63,102
Total Department of Health and Human Services			530,335	
Total Medicaid Cluster-Cluster			530,335	
SNAP Cluster-Cluster				
United States Department of Agriculture				
Supplemental Nutrition Assistance Program	10.551	COLORADO DEPARTMENT OF HUMAN SERVICES	660	
Total Supplemental Nutrition Assistance Program			660	
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	COLORADO DEPARTMENT OF HUMAN SERVICES	184,700	
Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			184,700	

The accompanying notes are an integral part of this schedule.

LAS ANIMAS COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2021

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor</i>	<i>Federal Expenditures</i>	<i>Passed-through to Subrecipients</i>
Total United States Department of Agriculture			185,360	
Total SNAP Cluster-Cluster			185,360	
Other Programs				
Department of Homeland Security				
Emergency Management Performance Grants	97.042		23,256	
Total Emergency Management Performance Grants			23,256	
BRIC: Building Resilient Infrastructure and Communities	97.047		14,981	
Total BRIC: Building Resilient Infrastructure and Communities			14,981	
Homeland Security Grant Program	97.067		64,726	
Total Homeland Security Grant Program			64,726	
Total Department of Homeland Security			102,963	
United States Department of Justice				
Public Safety Partnership and Community Policing Grants	16.710		1,275	
Total Public Safety Partnership and Community Policing Grants			1,275	
Edward Byrne Memorial Justice Assistance Grant Program	16.738		4,209	
Total Edward Byrne Memorial Justice Assistance Grant Program			4,209	
Total United States Department of Justice			5,484	
Department of Transportation				
Airport Improvement Program CARES CRF	20.106		31,000	
Total Airport Improvement Program CARES CRF			31,000	
Total Department of Transportation			31,000	
Department of Health and Human Services				
Guardianship Assistance	93.090	COLORADO DEPARTMENT OF HUMAN SERVICES	34,216	
Total Guardianship Assistance			34,216	
Injury Prevention and Control Research and State and Community Based Programs	93.136		4,570	
Total Injury Prevention and Control Research and State and Community Based Programs			4,570	
Child Support Enforcement	93.563	COLORADO DEPARTMENT OF HUMAN SERVICES	196,548	
Total Child Support Enforcement			196,548	
Low-Income Home Energy Assistance	93.568	COLORADO DEPARTMENT OF HUMAN SERVICES	28,517	
Total Low-Income Home Energy Assistance			28,517	
Stephanie Tubbs Jones Child Welfare Services Program	93.645	COLORADO DEPARTMENT OF HUMAN SERVICES	10,971	
Total Stephanie Tubbs Jones Child Welfare Services Program			10,971	
Foster Care Title IV-E	93.658	COLORADO DEPARTMENT OF HUMAN SERVICES	352,131	
Total Foster Care Title IV-E			352,131	
Adoption Assistance	93.659	COLORADO DEPARTMENT OF HUMAN RESOURCES	190,690	

The accompanying notes are an integral part of this schedule.

LAS ANIMAS COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2021

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor</i>	<i>Federal Expenditures</i>	<i>Passed-through to Subrecipients</i>
Total Adoption Assistance			190,690	
Social Services Block Grant	93 667	COLORADO DEPARTMENT OF HUMAN SERVICES	49,910	
Total Social Services Block Grant			49,910	
Elder Abuse Prevention Interventions Program	93 747		5,610	
Total Elder Abuse Prevention Interventions Program			5,610	
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93 817		400	
Total Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities			400	
Total Department of Health and Human Services			873,563	
Department of the Treasury				
Coronavirus Relief Fund	21 019	COLORADO DEPARTMENT OF LOCAL AFFAIRS	27,209	
Coronavirus Relief Fund	21 019	COLORADO DEPARTMENT OF HUMAN SERVICES	6,776	
Total Coronavirus Relief Fund			33,985	
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21 027		162,634	
Total CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS			162,634	
Total Department of the Treasury			196,619	
Total Other Programs			1,209,629	
Total Expenditures of Federal Awards			\$ 2,775,817	\$ 63,102

LAS ANIMAS COUNTY, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2021

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Las Animas County and is presented on the modified accrual basis of accounting. The information is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

NOTE 2 NON-CASH ASSISTANCE

Electronic Benefits Transfer

The County has implemented the Electronic Benefits Transfer Program (EBT) and the following federal awards were received under this program:

1. Low-Income Energy Assistance Program (LEAP),
2. Child Welfare Eligibility and Tracking System (CWEST),
3. Child Care Automated Tracking Systems (CHATS),
4. Colorado Automated Food Stamp System (CAFSS),
5. Temporary Assistance to Needy Families (TANF),
6. Aid to Needy Disabled (AND).

Under this program, Counties authorize welfare payments to clients and/or vendors and subsequently the State bills the County for the County's local share. Non-monetary assistance provided for these programs has been either reported in the schedule at amounts provided by the Colorado Department of Human Services or on the modified accrual basis of accounting.

NOTE 3 SINGLE ENTRY POINT PROGRAM

\$63,102 of Single Entry Point federal monies were passed through to Huerfano County during 2021. The cash basis of accounting was used to recognize the pass through of these program monies.

NOTE 4 FOOD ASSISTANCE – SNAP

A county must NOT report expenditures for SNAP benefits in its SEFA or its SF-SAC. This is because SNAP benefits are provided exclusively by electronic benefits transfer (EBT). In an EBT environment, there is no pass-through of Federal funds for SNAP benefits as these funds do not pass through the hands of county agencies. Rather, benefits are processed and expenditures determined by State-level EBT systems. With respect to counties, therefore, SNAP benefits do not meet the definitions of "Federal Award" and "Federal Financial Assistance".

NOTE 5 INDIRECT COSTS

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