
San Miguel County
Financial Statements and
Independent Auditor's Report
as of
December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of County Commissioners
San Miguel County, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of San Miguel County, Colorado, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise San Miguel County, Colorado'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, each major fund, and the aggregate remaining fund information of San Miguel County, Colorado, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about San Miguel County, Colorado'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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial 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 San Miguel County, Colorado’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 San Miguel County, Colorado’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, budgetary comparison information, and information about infrastructure assets reported using the modified approach on pages B1–B10, E1-E3 and E4-E10 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise San Miguel County, Colorado’s basic financial statements. The accompanying combining and individual nonmajor fund financial statements and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Blair and Associates, P.C.

Cedaredge, Colorado
September 9, 2022

San Miguel County

Management's Discussion and Analysis



As management of San Miguel County, we offer to readers of the San Miguel County's financial statements, this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2021. We encourage readers to consider the information that we have furnished in the basic financial statements to better understand the financial position of San Miguel County.

Financial Highlights

- San Miguel County's assets, \$ 140.9 million, exceeded liabilities and deferred inflows of resources, \$ 18.2 million, by \$122.7 million at the end of 2021. Of this amount, \$ 32 million may be used to meet the County's ongoing obligations to citizens. The remaining \$ 87.9 million are invested in capital assets and \$ 2.8 million is restricted for other purposes.
- Governmental funds reported combined ending fund balances of \$35.5 million, an increase of \$2 million.
- The County's fund balance for the General Fund was \$ 16.9 million, an increase of \$ 2.2 million.
- Total long-term liabilities increased by \$239,355 during 2021 with \$658,094 in new debt issued.
- General property, sales and other taxes totaled \$ 17.5 million, or 77% of general revenues.
- It is the goal of the county to maintain an operating reserve in the general fund equal to approximately six months of operating expenditures. On December 31, 2021, the General Fund has over six months of operating reserves.

Overview of the Financial Statements

This discussion and analysis is intended to serve as introduction San Miguel County's basic financial statements, which are comprised of: 1. Government-wide financial statements. 2. Fund financial statements. 3. Notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of San Miguel County finances and in a manner similar to a private sector business.

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

The *statement of activities* presents information showing how the County's net position changed over the past year. All changes in net position is reported as soon as an "event" causing a change occurs, regardless of when related cash flows actually take place.

San Miguel County Management's Discussion and Analysis

As a result, revenues and expenses are reported in this statement for some items that will only result in cash flows in future financial periods; for example, grants not yet reimbursed or vacation leave which has been earned but not yet used.

Both of the government-wide financial statements distinguish activities of San Miguel County that are primarily supported by taxes and state/federal monies (intergovernmental activities) from activities that are intended to be funded primarily from user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, public health and welfare, open space and recreation, road and bridge, and agriculture/natural resources.

The government-wide financial statements include not only San Miguel County government itself (known as the primary government), but also legally separate entities, the San Miguel County Housing Authority, and the San Miguel County Solid Waste Disposal District, which have significant operational and financial relationships with the County.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not included in the government-wide financial statements because the resources of these funds are not available to support the County's operations. San Miguel County has one fiduciary fund the Treasurer's Agency Fund. This fund is used to account for cash held by the County Treasurer for distribution to other governments.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been set aside for specific activities or purposes. San Miguel 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 are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements.

However, governmental fund financial statements focus on near-term flows of spendable resources, as well as on balances of spendable resources available at the end of the year. This information is helpful in evaluating the County's near-term financing requirements.

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

San Miguel County Management's Discussion and Analysis

San Miguel County maintains seventeen governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the General, Road and Bridge, Parks and Open Space, Lodging Tax Tourism, Capital, COVID-19 and Grant Funds, all of which are considered to be major funds. Information from the other ten governmental funds, Social Services, Transit, Contingent, Retirement, Conservation Trust, Mental Health Services, Public Health, Energy, Vegetation Management, and Early Childhood Care Funds. Dependent Districts are combined into a single, aggregated presentation.

The County's financial statements include the accounts of all county operations including general operations (general fund), and special revenue funds. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

OTHER DISTRICTS/SPENDING AUTHORITIES-The San Miguel County Board of County Commissioners is also the governing board for various spending authorities and special districts. Depending on the statutory authority of generating revenues, these are operated similar to Governmental Funds or operated as enterprise funds. The BOCC is responsible for budgetary control over these funds, districts and authorities.

➤ **San Miguel County Housing Authority**

Created on or about December 11, 1980 and activated in 1991 to facilitate employee housing projects in the Telluride region via bond issues, writing and receiving grants, and administering the County's deed restriction program. Budgets are prepared as an administrative tool but are not required by State Statute. The governing body of the San Miguel County Housing Authority is the San Miguel County Board of County Commissioners. Most functions of the Authority are contracted to the San Miguel Regional Housing Authority.

➤ **San Miguel County Solid Waste Disposal District**

An entity created in 1991 pursuant to the provisions of 30-20-201 C.R.S. to assist in providing current and long-term disposal of solid waste, trash and garbage within San Miguel County. The Board of County Commissioners are acting as the governing board.

BUDGET POLICIES

The Board of Commissioners follows certain procedures in establishing the budgetary data reflected in the financial documents:

- (1) In accordance with statutory requirements, prior to October 15, the County Manager submits to the board of county commissioners a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and means of financing them for the upcoming year, along with estimates for the current year and the actual data from the three preceding years. Detailed line-item budgets received from each department and spending agency are included and reviewed for administrative control. The level of control of individual budgets exists with the elected official or department head.

San Miguel County
Management's Discussion and Analysis

- (2) Work sessions are held with department heads and public hearings are held to obtain public comment. All work sessions as well as public hearings are properly noticed, and public comment is accepted.
- (3) Prior to December 31, the budgets are adopted pursuant to state statute by the approval of a resolution and approved in accordance with generally accepted accounting principles (GAAP).
- (4) Financial reports are reviewed with the County Administrator throughout the budget year comparing actual revenues and expenditures with the approved budgets. Any significant discrepancies from budgeted receipts or spending are discussed and resolved.
- (5) Appropriations lapse at the end of each fiscal year (statutory provision). If certain programs or projects have been approved for a budget year and not completed during that budget year, consideration is given to carrying unused funds forward to the next budget year for project completion.
- (6) All monies received by the County, its agencies, departments and programs, must be deposited with the County Treasurer and included in the annual budget and appropriations in order to be spent. The Board of Commissioners may authorize supplemental appropriations to the budgets during the budget year.

Budgetary Comparisons

San Miguel County adopts an annual appropriated budget for all of its funds. Budget to actual comparisons for each fund are provided in this report.

Notes to the Financial Statements

These notes provide additional information that is necessary in gaining a full understanding of the data provided in the government-wide and fund financial statements.

Other information

The combining statements referred to earlier in connection with non-major governmental, enterprise and internal service funds are presented immediately following the notes to the financial statements.

COUNTY-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2021, assets exceeded liabilities by \$ 122.7 million.

San Miguel County
Management's Discussion and Analysis

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

Assets	Governmental Activities	
	2021	2020
Current and other assets	\$ 49,724,492	\$ 46,620,571
Capital assets, net	91,249,069	86,512,853
Total assets	<u>140,973,561</u>	<u>133,133,424</u>
Liabilities		
Current and other liabilities	2,891,027	2,936,394
Long-term liabilities	4,073,282	3,833,927
Total liabilities	<u>6,964,309</u>	<u>6,770,321</u>
Deferred Inflows of resources		
Deferred property tax revenue	11,329,466	10,200,334
Total Deferred Inflows of resources	<u>11,329,466</u>	<u>10,200,334</u>
Net Position		
Investment in capital assets	87,886,498	83,388,938
Restricted	2,738,822	2,606,914
Unrestricted	32,054,466	30,150,786
Total net position	<u>\$ 122,679,786</u>	<u>\$ 116,146,638</u>

Changes in Net Position

Governmental type activities increased the County's net position by \$6,517,017 in 2021.

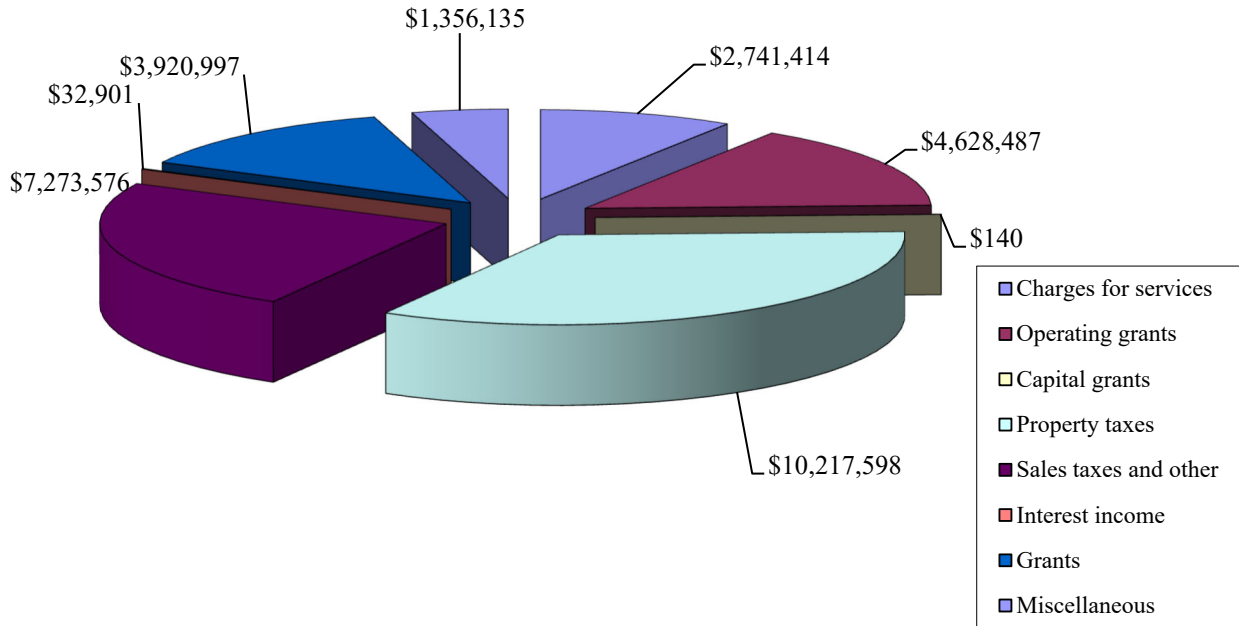
The following table indicates the changes in net assets for governmental activities for 2021 and 2020.

San Miguel County
Management's Discussion and Analysis

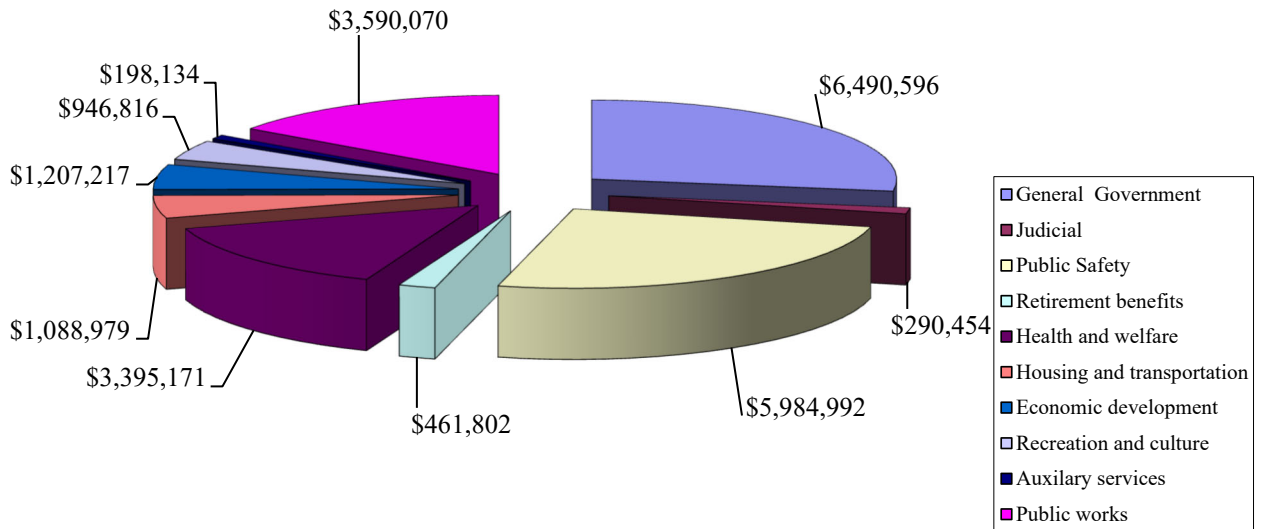
	Governmental Activities	
	2021	2020
Revenues		
Program revenues		
Charges for services	\$ 2,741,414	\$ 2,021,213
Operating grants	4,628,487	6,495,510
Capital grants	140	-
General Revenues		
Property taxes	10,217,598	10,016,278
Sales taxes and other	7,273,576	5,422,374
Interest income	32,901	238,736
Federal and state grants	3,920,997	3,997,224
Miscellaneous	1,334,590	563,516
Gain or (Loss) on sale of assets	21,545	(24,609)
Total	30,171,248	28,730,242
Expenses		
General government	6,490,596	8,565,299
Judicial	290,454	347,170
Public safety	5,984,992	5,993,785
Retirement benefits	461,802	455,340
Health and welfare	3,395,171	3,060,239
Housing and transportation	1,088,979	485,511
Economic development	1,207,217	865,809
Recreation and culture	946,816	1,066,798
Auxiliary services	198,134	194,074
Public works	3,590,070	3,689,293
Total expenses	23,654,231	24,723,318
Increase in net position	6,517,017	4,006,924
Beginning	116,162,769	112,155,845
Ending	\$ 122,679,786	\$ 116,162,769

San Miguel County Management's Discussion and Analysis

Revenues by Source-Governmental Activities



Expenses by Department-Governmental Activities



San Miguel County
Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As mentioned earlier, San Miguel County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

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

As of the end of 2021, the combined ending fund balances of San Miguel County's governmental funds were \$ 35,503,999. Approximately 45% of this consists of unreserved fund balance which is available as working capital and for current spending in accordance with the purposes of the specific funds.

The County has seven major governmental funds. These are the General, Road and Bridge, Parks and Open Space, Lodging Tax Tourism, Capital, COVID-19 and Grant Funds.

San Miguel County
Management's Discussion and Analysis

	Restated			Balances 12/31/2021
	Balances 1/1/2021	Additions	Deletions	
Capital assets not being depreciated				
Land	\$ 8,264,072	\$ -	\$ -	\$ 8,264,072
Construction in progress	3,329,374	2,870,226	(3,107,601)	3,091,999
Infrastructure	59,004,170	382,322	-	59,386,492
Total capital assets not being depreciated	<u>70,597,616</u>	<u>3,252,548</u>	<u>(3,107,601)</u>	<u>70,742,563</u>
Capital assets being depreciated				
Buildings and improvements	21,901,736	5,245,408	-	27,147,144
Equipment and furniture	11,469,591	199,584	-	11,669,175
Total capital assets being depreciated	<u>33,371,327</u>	<u>5,444,992</u>	<u>-</u>	<u>38,816,319</u>
Less accumulated depreciation				
Buildings and improvements	8,786,228	416,290	-	9,202,518
Equipment and furniture	8,669,862	437,433	-	9,107,295
Total accumulated depreciation	<u>17,456,090</u>	<u>853,723</u>	<u>-</u>	<u>18,309,813</u>
Total capital assets being depreciated, net	<u>15,915,237</u>	<u>4,591,269</u>	<u>-</u>	<u>20,506,506</u>
Governmental activities capital assets	<u>\$ 86,512,853</u>	<u>\$ 7,843,817</u>	<u>\$ (3,107,601)</u>	<u>\$ 91,249,069</u>

Economic Factors & Future Budget

Sales and lodging tax revenues were initially projected to decrease 40-70% in 2020 due to the pandemic, however even with restrictions on the restaurant, retail, and lodging industries, the actual sales tax collections for 2020 were up 2.46% from 2019. The sales tax collections continued to exceed projections for 2021 and were up 37.73% over 2021.

Significant increased sales tax revenue for the first quarter of 2022 was in part to record skier numbers at the Telluride Ski Area. The amount that was spent was much higher, in part to higher lodging rates and higher cost of goods. With increased gas prices beginning in the summer of 2022, there has been less day traffic coming into the east end of the county where the majority of the businesses are. We will continue to monitor our sales tax collections in 2022 to better understand economic trends that may or may not be holding consistent with national inflation and economic impacts. For 2023, sales tax projections are currently being calculated at a 15% increase over 2022.

There have also been record high home sales in the county in 2021 and 2022, both from the volume of transactions and high sales prices. With these home sales, there has been a direct increase to the RETA (real estate transfer assessments) and an increase to the county's assessed valuation. 2022 is an intervening year for property tax assessments. We are seeing a continued increase in total valuation mostly due to residential development

San Miguel County Management's Discussion and Analysis

Interest rates on county reserves continued to drop in 2020 and remained low in 2021. We could not rely on significant interest earnings from our investments. The pooled fund investment rates for 2021 were between .04% and .09%. The Federal Fund target rate is 0% to .25%. The Federal Reserve has significantly increased interest rates in the first half of 2022. Indications remain that interest rates will continue to increase throughout 2022 and 2023, which should result in higher investment income in future years.

A change to the Gallagher Residential Assessment rate, as has been enacted at the state level, will adversely impact a portion of the property tax revenue that San Miguel County will collect in calendar years 2023 and 2024. For the 2023 budget year the BOCC has decided to implement the voter-approved revenue stabilization measure (passed in November of 2020) which will protect the county from the temporary 2-year decline in residential property assessment rates, as per SB21-293.

In December of 2021 and during the first two quarters of 2022; San Miguel County adopted new fee structures for the planning, building, and road & bridge departments. The fee structure changes also include revisions to the housing mitigation rate structure and implements new REMP fees (renewable energy mitigation program). Many of these historical fees had not been adjusted since the 1990's. Revising and implementing the new fee structures will allow the county to more adequately cover the costs of service.

SMC is currently conducting a compensation study and is anticipating staffing costs to increase if recommendations are accepted by the BOCC. Implementation is likely to begin as early as the 2023 budget year.

The dedicated staff of San Miguel County will continue to look for ways to improve processes and will work to maintain quality service levels for the citizens and taxpayers of San Miguel County. Staff continue to be committed to making wise spending decisions every day in order to make the most of every taxpayer dollar. This attitude is a key factor in successful budgeting and financial management.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of San Miguel County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be requested through the following link: [CORAs Request](#).

SAN MIGUEL COUNTY, COLORADO
STATEMENT OF NET POSITION
December 31, 2021

	Primary Government	
	Governmental Activities	
	2021	2020
Assets		
Cash and cash equivalents	\$ 34,921,198	\$ 32,731,879
Property taxes receivable	11,329,466	10,200,334
Note receivable	115,913	115,913
Accrued interest receivable	3,820	3,820
Accounts receivable	2,863,782	3,387,113
Due from other governmental units	34,171	44,095
Prepaid expenses	1,783	27,981
Inventories	454,359	109,436
Capital assets		
Nondepreciable	70,742,563	70,597,616
Depreciable, net of accumulated depreciation	20,506,506	15,915,237
Total assets	\$140,973,561	\$ 133,133,424
Liabilities		
Accounts payable	\$ 1,323,759	\$ 2,040,839
Accrued vacation and sick leave	641,560	702,327
Deposit-bond payable	39,000	28,000
Unearned revenues	886,708	165,228
Long-term liabilities		
Due more than one year:		
Leases payable	3,362,571	3,107,784
Accrued vacation and sick leave	710,711	726,143
Total liabilities	6,964,309	6,770,321
Deferred Inflows of Resources		
Deferred property tax revenue	11,329,466	10,200,334
Total deferred inflows of resources	11,329,466	10,200,334
Net position		
Invested in capital assets	87,886,498	83,405,069
Restricted for:		
Seizure funds	1,385	1,385
Health Insurance	64,369	64,369
Emergencies	838,540	925,463
Transportation	3,371	10,716
Housing	1,704,469	1,510,818
Solid waste	126,688	94,163
Unrestricted:	32,054,466	30,150,786
Total Net position	\$122,679,786	\$ 116,162,769

See accompanying notes to the basic financial statements

SAN MIGUEL COUNTY, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services & Fees	Operating and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 6,490,596	\$ 2,362,354	\$ 774,367	\$ -
Judicial	290,454	-	-	-
Public safety	5,984,992	-	-	-
Retirement Benefits	461,802	-	-	-
Health and welfare	3,395,171	170,073	1,662,294	-
Housing and transportation	1,088,979	157,740	-	-
Economic development	1,207,217	-	-	-
Recreation and culture	946,816	27,107	52,943	-
Auxiliary services	198,134	-	-	-
Public works	3,590,070	24,140	2,138,883	140
Total governmental activities	\$23,654,231	\$ 2,741,414	\$ 4,628,487	\$ 140

General Revenues

Taxes:

 Property taxes

 Sales taxes and other

Unrestricted investment earnings

Federal and state grants

Other general revenues

Gain or (loss) on disposal of assets

Total General Revenues

Changes in Net Position

Net Position-January 1

Net Position-December 31

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position
Primary Government

	<u>2021</u>	<u>2020</u>
\$	(3,353,875)	\$ (3,834,642)
	(290,454)	(347,170)
	(5,984,992)	(5,936,780)
	(461,802)	(455,340)
	(1,562,804)	(1,549,114)
	(931,239)	(316,445)
	(1,207,217)	(865,809)
	(866,766)	(892,897)
	(198,134)	(194,074)
	(1,426,907)	(1,814,324)
	<u>(16,284,190)</u>	<u>(16,206,595)</u>
	10,217,598	10,016,278
	7,273,576	5,422,374
	32,901	238,736
	3,920,997	3,997,224
	1,334,590	563,516
	21,545	(24,609)
	<u>22,801,207</u>	<u>20,213,519</u>
	6,517,017	4,006,924
	<u>116,162,769</u>	<u>112,155,845</u>
\$	<u>122,679,786</u>	<u>\$ 116,162,769</u>

See accompanying notes to the basic financial statements

SAN MIGUEL COUNTY, COLORADO
BALANCE SHEET-GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund	Road and Bridge Fund	Parks and Open Space Fund	Lodging Tax Tourism Fund
Assets				
Cash and cash equivalents	\$ 17,138,549	\$ 4,426,337	\$ 5,017,621	\$ 30,510
Escrow account	-	-	-	-
Property taxes receivable	6,114,274	1,819,810	1,436,692	-
Note receivable	-	-	-	-
Unrecorded interest	3,820	-	-	-
Accounts receivable	656,967	143,849	23,751	224,365
Due from other entities	-	-	-	-
Prepaid expenses	1,783	-	-	-
Inventories	-	454,359	-	-
Total assets	<u>\$ 23,915,393</u>	<u>\$ 6,844,355</u>	<u>\$ 6,478,064</u>	<u>\$ 254,875</u>
Liabilities and fund balance				
Liabilities				
Accounts payable	\$ 323,274	\$ 55,124	\$ 75,801	\$ 244,727
Accrued vacation and sick leave	475,389	114,248	34,155	-
Unearned revenue	19,070	-	15,925	1,703
Deposit-bond payable	-	39,000	-	-
Total liabilities	<u>817,733</u>	<u>208,372</u>	<u>125,881</u>	<u>246,430</u>
Deferred Inflows of Resources				
Deferred property tax revenue	6,114,274	1,819,810	1,436,692	-
Total deferred inflows of resources	<u>6,114,274</u>	<u>1,819,810</u>	<u>1,436,692</u>	<u>-</u>
Fund balances				
Restricted				
Emergencies for tabor	838,540	-	-	-
Contingencies	-	-	-	-
Park and recreation	-	-	-	-
Public health and welfare	-	-	-	-
Committed				
Transportation	-	-	-	-
Housing	-	-	-	-
Tourism	-	-	-	8,445
Solid waste	-	-	-	-
Employee benefits	-	-	-	-
Capital purchases	-	-	-	-
Open space	-	-	4,915,491	-
Highway and streets	-	4,816,173	-	-
Air quality	-	-	-	-
Vegetation management	-	-	-	-
Childcare	-	-	-	-
Mental health services	-	-	-	-
Assigned				
Seizure funds	1,385	-	-	-
Health insurance	64,369	-	-	-
Unassigned	16,079,092	-	-	-
Total fund balances	<u>16,983,386</u>	<u>4,816,173</u>	<u>4,915,491</u>	<u>8,445</u>
Total liabilities and fund balances	<u>\$ 23,915,393</u>	<u>\$ 6,844,355</u>	<u>\$ 6,478,064</u>	<u>\$ 254,875</u>

See accompanying notes to the basic financial statements

Capital Fund	COVID-19 Fund	GRANT Fund	Other Governmental Funds	TOTALS	
				2021	2020
\$ 3,119,856	\$ 675,119	\$ (1,170,338)	\$ 5,438,805	\$ 34,676,459	\$ 31,940,879
-	-	244,739	-	244,739	791,000
-	-	-	1,958,690	11,329,466	10,200,334
115,913	-	-	-	115,913	115,913
-	-	-	-	3,820	3,820
490,847	213,096	998,023	112,884	2,863,782	3,387,113
-	-	-	34,171	34,171	44,095
-	-	-	-	1,783	27,981
-	-	-	-	454,359	109,436
<u>\$ 3,726,616</u>	<u>\$ 888,215</u>	<u>\$ 72,424</u>	<u>\$ 7,544,550</u>	<u>\$ 49,724,492</u>	<u>\$ 46,620,571</u>
\$ 174,828	\$ 33,125	\$ 6,480	\$ 410,400	\$ 1,323,759	\$ 2,040,839
-	-	-	17,768	641,560	702,327
-	786,281	36,108	27,621	886,708	165,228
-	-	-	-	39,000	28,000
<u>174,828</u>	<u>819,406</u>	<u>42,588</u>	<u>455,789</u>	<u>2,891,027</u>	<u>2,936,394</u>
-	-	-	1,958,690	11,329,466	10,200,334
-	-	-	1,958,690	11,329,466	10,200,334
-	-	-	-	838,540	925,463
-	-	-	1,000,000	1,000,000	1,000,000
-	-	-	204,919	204,919	169,157
-	68,809	-	(5,251)	63,558	83,387
-	-	-	3,371	3,371	10,716
-	-	-	1,704,469	1,704,469	1,510,818
-	-	-	-	8,445	8,990
-	-	-	126,688	126,688	94,163
-	-	-	123,886	123,886	95,544
3,551,788	-	29,836	-	3,581,624	5,406,033
-	-	-	-	4,915,491	4,548,150
-	-	-	-	4,816,173	4,236,347
-	-	-	56,924	56,924	65,411
-	-	-	8,053	8,053	(31,659)
-	-	-	686,895	686,895	629,190
-	-	-	1,220,117	1,220,117	904,562
-	-	-	-	1,385	1,385
-	-	-	-	64,369	64,369
-	-	-	-	16,079,092	13,761,817
<u>3,551,788</u>	<u>68,809</u>	<u>29,836</u>	<u>5,130,071</u>	<u>35,503,999</u>	<u>33,483,843</u>
<u>\$ 3,726,616</u>	<u>\$ 888,215</u>	<u>\$ 72,424</u>	<u>\$ 7,544,550</u>	<u>\$ 49,724,492</u>	<u>\$ 46,620,571</u>

See accompanying notes to the basic financial statements

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

Total governmental fund balances	\$ 35,503,999
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	91,249,069
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	
Leases Payable	(3,362,571)
Compensated absences	(710,711)
Net position of governmental activities	<u><u>\$ 122,679,786</u></u>

See accompanying notes to the basic financial statements

SAN MIGUEL COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Parks and Open Space Fund</u>	<u>Lodging Tax Tourism Fund</u>
Revenues				
Taxes	\$ 8,834,638	\$ 1,737,782	\$ 1,371,933	\$ 1,206,672
Intergovernmental	2,003,238	2,189,799	18,081	-
Licenses and permits	323,173	13,804	-	-
Grants	-	-	-	-
Charges for services	2,039,181	(190)	-	-
Miscellaneous	139,598	7,320	27,107	-
Total revenues	<u>13,339,828</u>	<u>3,948,515</u>	<u>1,417,121</u>	<u>1,206,672</u>
Expenditures				
Current:				
General government	5,333,098	-	-	-
Judicial	290,454	-	-	-
Public safety	5,611,791	-	-	-
Retirement benefits	-	-	-	-
Health and welfare	-	-	-	-
Housing and transportation	-	-	-	-
Economic development	-	-	-	1,207,217
Energy programs	-	-	-	-
Vegetation management	-	-	-	-
Childcare	-	-	-	-
Recreation and culture	-	-	875,780	-
Auxiliary services	198,134	-	-	-
Public Works	-	3,613,613	-	-
Grants	-	-	-	-
Debt Service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>11,433,477</u>	<u>3,613,613</u>	<u>875,780</u>	<u>1,207,217</u>
Excess (deficiency) of revenues over expenditures	<u>1,906,351</u>	<u>334,902</u>	<u>541,341</u>	<u>(545)</u>
Other financing sources (uses)				
Transfers in (out)	324,000	(100,000)	(174,000)	-
Sale of assets	-	-	-	-
Loan proceeds	-	-	-	-
Total other financing sources (uses)	<u>324,000</u>	<u>(100,000)</u>	<u>(174,000)</u>	<u>-</u>
Net change to fund balance	2,230,351	234,902	367,341	(545)
Fund balance, January 1	14,753,035	4,236,347	4,548,150	8,990
Increase an inventory	-	344,924	-	-
Fund balance, December 31	<u>\$ 16,983,386</u>	<u>\$ 4,816,173</u>	<u>\$ 4,915,491</u>	<u>\$ 8,445</u>

See accompanying notes to the basic financial statements

Capital Fund	COVID-19 Fund	GRANT Fund	Other Governmental Funds	TOTALS	
				2021	2020
\$ 2,367,756	\$ -	\$ -	\$ 1,972,393	\$ 17,491,174	\$ 15,438,652
454,275	-	-	1,846,576	6,511,969	7,442,734
-	-	-	38,647	375,624	200,132
-	774,367	1,263,148	-	2,037,515	3,050,000
-	-	-	292,180	2,331,171	1,783,625
-	-	125	1,228,100	1,402,250	839,708
<u>2,822,031</u>	<u>774,367</u>	<u>1,263,273</u>	<u>5,377,896</u>	<u>30,149,703</u>	<u>28,754,851</u>
-	-	-	-	5,333,098	5,262,344
-	-	-	-	290,454	347,170
-	-	-	95,274	5,707,065	5,748,928
-	-	-	461,802	461,802	455,340
-	-	-	2,659,777	2,659,777	2,330,755
-	-	-	1,088,979	1,088,979	485,511
-	-	-	-	1,207,217	865,809
-	-	-	-	-	8,015
-	-	-	96,130	96,130	124,070
-	-	-	629,646	629,646	596,064
-	-	-	-	875,780	992,315
-	-	-	-	198,134	194,074
-	-	-	-	3,613,613	3,751,756
-	688,064	50,953	-	739,017	3,050,000
479,392	-	-	-	479,392	248,091
2,773,429	-	3,000,578	-	5,774,007	3,199,914
<u>3,252,821</u>	<u>688,064</u>	<u>3,051,531</u>	<u>5,031,608</u>	<u>29,154,111</u>	<u>27,660,156</u>
<u>(430,790)</u>	<u>86,303</u>	<u>(1,788,258)</u>	<u>346,288</u>	<u>995,592</u>	<u>1,094,695</u>
(1,445,000)	(17,494)	1,160,000	252,494	-	-
21,545	-	-	-	21,545	-
-	-	658,094	-	658,094	2,000,000
<u>(1,423,455)</u>	<u>(17,494)</u>	<u>1,818,094</u>	<u>252,494</u>	<u>679,639</u>	<u>2,000,000</u>
(1,854,245)	68,809	29,836	598,782	1,675,231	3,094,695
5,406,033	-	-	4,531,289	33,483,844	30,497,341
-	-	-	-	344,924	(108,192)
<u>\$ 3,551,788</u>	<u>\$ 68,809</u>	<u>\$ 29,836</u>	<u>\$ 5,130,071</u>	<u>\$ 35,503,999</u>	<u>\$ 33,483,844</u>

See accompanying notes to the basic financial statements

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

Net change in fund balances - total governmental funds \$ 1,675,231

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Fixed assets current additions	\$ 5,589,939
Depreciation expense	<u>(853,723)</u>

Excess of capital outlay over depreciation	4,736,216
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Governmental funds report loan proceeds as other financing sources. However, in the statement of activities, loan proceeds are not reported.	(658,094)
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Some expenses not reported in the Statement of Activities that do require the use of current financial resources and therefore are reported as expenditures in governmental funds.

Principal payments on debt service	403,307
Compensated absences	15,433
Inventory Decrease	344,924

Change in net position of governmental funds	<u><u>\$ 6,517,017</u></u>
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SAN MIGUEL COUNTY, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2021

	<u>Custodial Funds</u>
Assets	
Cash and investments	\$ 515,358
	<u>515,358</u>
Liabilities	
Due to other governments	\$ 515,358
	<u>515,358</u>

See accompanying notes to the basic financial statements

Note 1 – Summary of Significant Accounting Policies

The accounting and reporting policies of San Miguel County, Colorado conform to generally accepted accounting principles (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the County's financial statements.

Financial Reporting Entity

San Miguel County is located in western Colorado with a population of approximately 8,200. The principal towns are Telluride, Mountain Village and Norwood. San Miguel County is a political subdivision of the State of Colorado, governed by an elected three-member Board of County Commissioners. The County has six other elected officials; the Assessor, the Clerk and Recorder, the Coroner, the Sheriff, the Surveyor and the Treasurer. San Miguel County is included in the Seventh Judicial District. An elected District Attorney for the District serves Montrose, Delta, Gunnison, Hinsdale, San Miguel and Ouray Counties. The County provides several additional services through other governmental organizations, which are excluded or included in this report, as detailed below.

Related Entities

Public Trustee

The Public Trustee is a state statutorily mandated position, 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.

Jointly Funded Organization

The County, in conjunction with other counties, shares in the financial support of the District Attorney of the Seventh Judicial District of the State of Colorado. In 2021, the County contributed \$201,256 for the operation of the District Attorney.

The County, in conjunction with other Towns within San Miguel County, share in the financial support of the San Miguel Regional Housing Authority. The County contributed \$92,625 for the operation of the Housing Authority. The County records the R-1 Housing Deed Restricted Fund, along with other County housing funds in the Dependent District on pages F3 and F4.

Other

The County Commissioners are also members of the board of the San Miguel Solid Waste Disposal District and they approve their budget. Therefore, their financial statements are included in the County's financial reports.

Note 1 – Summary of Significant Accounting Policies (continued)

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues and other nonexchange transactions are reported separately from *business-type activities*, which rely to a significant extent on fees and user charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues.

Direct expenses are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as *general revenues*.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. The County considers revenues to be available if they are collectible within 90 days except for property taxes which are considered available if they are collectible within sixty days after year-end. Property taxes, sales taxes, licenses, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded when payment is due. Compensated absences, claims and judgements are expected to be liquidated with expendable available resources and are reported as expenditures and a fund liability of the governmental fund that will pay for it.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted assets first, then unrestricted resources as they are needed.

Note 1 – Summary of Significant Accounting Policies (continued)

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

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

Deferred Outflows / Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Property taxes revenue that are related to a future period have been recorded as deferred inflows. Grants and entitlements received before eligibility requirements are met (e.g., cash advances) are recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

The government reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Road and Bridge Fund* is used to account for the maintenance and improvements of streets and highways. The sources of funds include property taxes, highway users' fees, and other revenue sources.

The *Parks and Open Space Fund* accounts for the administration and operations of the parks and recreation areas and for the purchase of land for open space. The sources of funds include property taxes, grants, and other revenue sources.

Lodging Tax Fund accounts for revenues derived from lodging tax to be used for marketing and advertising.

Capital Fund accounts for revenues derived from sales tax. One half of the sales tax revenue collected annually is designated for capital expenditures or debt service.

COVID-19 Fund accounts for revenues derived from Coronavirus relief funds to be used to help business with economic support during the pandemic.

Grant Fund accounts for revenue derived from grants to be used for grant projects

The government reports the following non-major governmental funds:

The *Social Services Fund* accounts for the administration and operations of the County's public health and welfare system.

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

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

Transit Fund accounts for the collection of transportation impact fees and other sources designated for mass transit and other transportation services.

Retirement Fund accounts for revenues from property taxes designated for a county employee retirement program.

Conservation Trust Fund reflects the receipt of the County's share of Colorado Lottery funds and money from other sources to be used for recreation purposes within the County.

Contingent Fund reflects the accumulation and disbursement of funds set aside to be used as needed for unforeseen contingencies.

Public Health Fund accounts for all revenues and expenditures related to the administration of public health services and programs. The fund was set up pursuant to Senate Bill – 08-194.

Energy Fund was created in 2011 per Resolution 2011-50 for the sole purpose of funding capital expenses associated with the purchase, installation, and/or construction of renewable energy and/or energy conservation facilities or projects located within San Miguel County.

Vegetation Control Fund accounts for resources of the County which are dedicated for the purpose of providing vegetation management services to entities.

Early Childhood Care and Education Fund accounts for resources of the County which are dedicated for the purpose of improving the availability, accessibility, quality and affordability of early childhood care and education.

Mental Health Services Fund was created for the purpose of funding community-based mental health and substance abuse treatment services. The sources of funds include property taxes to be used for mental health services.

Dependent District Funds - special revenue funds used to account for the revenue from property taxes and other revenues designated for specific purposes. The San Miguel County Housing Authority's general fund has been blended as a dependent district.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are certain charges between the County's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments.

Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues included all taxes.

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

Assets, Liabilities, and Net Assets or Equity

Receivable and Payable Balances

Significant components of receivables and payables are disaggregated in the financial statements. All receivables are expected to be collected within one year. All material payables are expected to be paid within one year with the exception of the amounts for the accrual for compensated absences and capital leases.

Property Taxes

Property taxes are levied in December and attached as an enforceable lien on property as of January 1 of the following year. Taxes are payable either in two installments due on February 28 and June 15 or in full on April 30. The County, through the San Miguel County Treasurer, bills and collects its own property taxes as well as property taxes of all other taxing authorities within the County.

Taxes levied in 2021 for collection in 2022 are recorded in governmental funds as taxes receivable and deferred inflows of resources as of December 31, 2021, since the amount is measurable but not available until 2022. An allowance for uncollectible taxes is not provided as the uncollectible amounts were determined to be negligible based upon an analysis of historical trends.

Interfund Transactions

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the County are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed. At year end, outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” These amounts are eliminated in the Total Column on the “statement of net assets” column. Any residual balances outstanding between “discrete presented component units” and the “primary government” are reported on a separate line.

Inventories

Inventories are valued at cost which is determined using the first-in, first-out method. Inventories in most Governmental funds are recorded as expenditures when purchased. Inventories in the Road and Bridge Fund are recorded as expenditures when consumed rather than when purchased.

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

Assets, Liabilities, and Net Assets or Equity (continued)

Capital Assets

Capital assets, which include property, plant equipment, and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and a useful life of more than one year. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation on capital assets, with the exception of infrastructure, is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	20 to 40 Years
Equipment and Furniture	5 to 10 Years

Future Compensated Absences

A maximum of 24 to 48 days vacation per year may be accumulated by each employee. Employees will be paid for up to the maximum accumulation of unused vacation days upon separation from County service after six months continuous service.

Full-time employees can earn one (1) day of sick leave per month. For part-time employees, sick leave is earned at a rate of one day per month that is proportionate to 1/5 or their weekly hours. After two (2) years of continuous service, upon separation from employment (either voluntary or involuntary), the terminating employee will be paid at the current regular rate of pay for 50% of their unused accrued sick leave. After fifteen (15) years will be paid at 75% of their current regular rate of pay for up to 120 days of unused accrued sick leave. After twenty (20) years terminating employee will be paid at 100% of their current regular rate of pay for up to 120 days of unused accrued sick leave. Starting after March 1, 2013, the continuous service was changed from two to ten years the terminating employee will be paid at the current regular rate of pay for 50% of their unused accrued sick leave.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements. Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. At December 31, 2021 the only long-term debt that San Miguel County had was from the accrual of compensated absences and capital leases.

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

Assets, Liabilities, and Net Assets or Equity (continued)

Fund Equity

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable - includes amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

Restricted – includes amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation.

Committed – includes amounts constrained to specific purposes by the County itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the County Commissioners take the same highest-level action to remove or change the constraint.

Assigned – includes amounts the County intends to use for a specific purpose; intent can be expressed by the County Commissioners or by an official or body to which the County Commissioners delegates the authority.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Negative fund balance in other governmental funds are reported as unassigned once other purposes of that fund were reduced. For the General Fund, a negative fund balance would be eliminated by reducing unassigned fund balance first.

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

Net position is reported as restricted when there are constraints placed on their use either by law through constitutional provisions or enabling legislation or through restrictions externally imposed by creditors, grantors, laws, or regulations of other governments.

The reserve for emergencies as required by Section 20 to Article X of the Colorado Constitution, also known as the Taxpayer's Bill of Rights (TABOR) is classified as restricted net assets on the entity-wide statements.

As provided for in the amendment the voters of San Miguel County approved in November 1994, for the 1995 budget year and subsequent budget years, that the San Miguel County mill levy may remain at the 1994 level of 10.120 mills; and, authorized the County to increase its revenues and expenditure limitations beyond those authorized by Article X, Section 20 as amended, for 1995 and each subsequent year thereafter, in the amount of \$750,000 per year.

The Amendment is complex and subject to judicial interpretation. The County believes it is in compliance with the requirements of the amendment.

Note 1 – Summary of Significant Accounting Policies (continued)

Assets, Liabilities, and Net Assets or Equity (continued)

Estimates

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

Contraband Proceeds

The Colorado Contraband Forfeiture Act requires the proceeds from the seizure of contraband be audited although they are not subject to the appropriations process. During 2021, the County had no proceeds from the seizures of contraband.

Reclassifications Certain reclassifications were made to fiscal year 2020 financial statements in order to conform to the fiscal year 2021 financial statement presentation.

Note 2 – Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted for all funds, except agency funds, of the County. The Finance Office submits a proposed operating budget for the following calendar year to the County Commissioners prior to October 15 of each year. The budget is prepared using the modified accrual basis of accounting. The operating budget includes proposed expenditures/expenses and the anticipated revenues. As required by statute, public hearings are conducted to obtain citizen's comments. Prior to the levy of property tax, the budget is legally adopted through the passage of a budget adoption and appropriation resolution.

B. Budgeted Level of Expenditures

The budgetary control is maintained at the department level for the general fund and at specific fund level for all other funds. Although the budget shows various classifications by object and by function, the department directors are authorized to transfer budgeted amounts within each of the object classifications. All annual appropriations lapse at year end. During 2021, one supplemental appropriation was adopted by the County Commissioners.

For the budget to actual reporting required by state statues the proprietary funds present the adjustments necessary to reconcile ending net income (loss) on the budgetary basis to the GAAP basis net change in fund equity.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget. No budget is shown or required for the San Miguel Regional Housing Authority.

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2021

Note 3 – Deposits and Investments

Cash and Deposits

Colorado State Statutes govern the County's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. At December 31, 2021, \$9,728,165 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

Investments

The County's investment policy and Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. They include:

- Obligations of the United States and certain U.S. Government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Repurchase agreements
- Money market funds
- Guaranteed investments contracts
- Corporate or bank debt issued by eligible corporations or banks

Custodial Credit Risk - Investments

The County's investment policy calls for investment diversification within the portfolio to avoid unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. The policy allows for the investment in local government investment pools.

Interest Rate Risk

Colorado Revised Statutes and the County's investment policy limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from increasing interest rates.

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2021

Note 3 – Deposits and Investments (continued)

Fair Value

Fair value investments classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs.

Colorado Government Liquid Asset Trust (ColoTrust) is an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. ColoTrust operates similarly to a money market fund and each share is equal in value to \$1.00. The fair value of the position in the pool is the same as the value of the pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian’s internal records identify the investments owned by the pool. Investments of the pools consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury Notes. ColoTrust is rated AAAM by Standard and Poor’s.

CSAFE Cash fund (CSAFE) is an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00. The fair value of the position in the pool is the same as the value of the pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian’s internal records identify the investments owned by the pool. Investments of the pools consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury Notes. CSAFE is rated AAAM by Standard and Poor’s.

CSAFE Cash meets the criteria to be considered a qualifying external investment pool that elected to measure for financial reporting purposes all of their investments at amortized cost.

Colorado Core fund is an ultra-short duration, enhanced cash fund intended for short to intermediate term surplus monies of its participants, with an emphasis placed on limiting the risk of negative fair market valuations away from \$2.00 while maintaining high credit quality and adequate liquidity. This fund publishes its fair market valuation daily and its holdings monthly. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian’s internal records identify the investments owned by the pool. Investments of the pools consist of U.S. Treasury bills, notes and note strips, repurchase agreements collateralized by U.S. Treasury Notes and other investments. This fund is rated AAAs/S1 by Fitch. The S1 is the highest Fund Market Risk Sensitivity Rating. The AAAs rating is the highest fund credit rating from Fitch.

Colorado Core Fund investments are carried at fair value, rather than amortized cost.

The County’s investments carried at fair market value as of December 31, 2021 are:

	<u>Fair Value</u>	<u>Credit Risk</u>
Peak Investments	\$ 1,837,235	Not Rated
ColoTrust	13,429,546	AAAM
CSAFE-Colorado Core	<u>10,109,606</u>	AAAs
	<u>\$25,376,387</u>	

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2021

Note 3 – Deposits and Investments (continued)

<u>Investment Type</u>		32 days to <u>2 Years</u>	Fair Value <u>Measurements</u>
Peaks			<u>Level 2</u>
Government and Agency Bonds	73%	\$1,344,671	\$ 1,344,671
Certificate of Deposits	26%	488,016	488,016
Sigma Money Market	1%		4,548
			<u>\$ 1,837,235</u>

Summary of Combined Cash and Investments Held by Primary Government and Dependent Districts:

<u>Description</u>	<u>Cost</u>
Demand deposits and cash	\$ 1,492,072
Certificates of deposits and savings	8,323,358
Investments	25,376,387
Escrow Account	244,739
	<u>\$ 35,436,556</u>

Note 4 – Capital Assets

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

Governmental Activities:

	Restated Balances	Additions	Deletions	Balances
	1/1/2021			12/31/2021
Capital assets not being depreciated				
Land	\$ 8,264,072	\$ -	\$ -	\$ 8,264,072
Construction in progress	3,329,374	2,870,226	(3,107,601)	3,091,999
Infrastructure	59,004,170	382,322	-	59,386,492
Total capital assets not being depreciated	<u>70,597,616</u>	<u>3,252,548</u>	<u>(3,107,601)</u>	<u>70,742,563</u>
Capital assets being depreciated				
Buildings and improvements	21,901,736	5,245,408	-	27,147,144
Equipment and furniture	11,469,591	199,584	-	11,669,175
Total capital assets being depreciated	<u>33,371,327</u>	<u>5,444,992</u>	<u>-</u>	<u>38,816,319</u>
Less accumulated depreciation				
Buildings and improvements	8,786,228	416,290	-	9,202,518
Equipment and furniture	8,669,862	437,433	-	9,107,295
Total accumulated depreciation	<u>17,456,090</u>	<u>853,723</u>	<u>-</u>	<u>18,309,813</u>
Total capital assets being depreciated, net	<u>15,915,237</u>	<u>4,591,269</u>	<u>-</u>	<u>20,506,506</u>
Governmental activities capital assets	<u>\$ 86,512,853</u>	<u>\$ 7,843,817</u>	<u>\$ (3,107,601)</u>	<u>\$ 91,249,069</u>

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2021

Note 4 – Capital Assets (continued)

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

Governmental activities:	
General government	\$ 211,073
Public safety	240,614
Public works	321,382
Recreation and culture	71,036
Health and welfare	<u>9,618</u>
Total depreciation expense-governmental activities	<u>\$ 853,723</u>

Note 5 – Long-Term Liabilities

Long-term obligations

The County has adopted the policy of acquiring certain fixed assets through the use of lease purchase agreements. For the lease purchase backed by the full faith and credit of the County, debt service is accounted for in the fund that accounts for the function associated with the asset.

General capitalized lease obligations payable is comprised of the following:

Zion Bank, Fruen Building purchase agreement, semi-annual payments on June 20th and December 20th at \$89,541.27 for total payments each year of \$179,082.54 through December 2028 at 3.45% annual interest rate. It has been the practice of the Board of County Commissioners to approve annually an additional principal payment of \$ 65,117.46 in June which is not reflected in the payment summary below.

\$ 899,477

Year	Principal	Interest	Payment
2022	\$ 148,051	\$ 31,032	\$ 179,083
2023	153,159	25,924	179,083
2024	158,443	20,640	179,083
2025	163,909	15,174	179,083
2026	169,564	9,519	179,083
2027	106,351	3,669	110,020
Total	\$ 899,477	\$ 105,958	\$ 1,005,435

The repayment of the capital lease is subject to annual appropriations by the County Commissioners. Leased Fruen Building purchase agreement under capital leases in capital assets at December 31, 2021 included the following: Fruen Building purchase agreement \$3,962,423.

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2021

Note 5 – Long-Term Liabilities (continued)

Vectra Bank, construction lease for \$2,000,000, for office expansion project and office annex for sheriff’s department. Semi-annual payments on June 1st, interest only, and December 1st, interest and principal, through June 2030 at 2.06% annual interest rate.

\$ 1,805,000

Year	Principal	Interest	Payment
2022	\$ 190,000	\$ 35,226	\$ 225,226
2023	190,000	31,312	221,312
2024	195,000	27,346	222,346
2025	195,000	23,330	218,330
2026	200,000	19,261	219,261
2027-2030	835,000	34,763	869,763
Total	<u>\$ 1,805,000</u>	<u>\$ 171,238</u>	<u>\$ 1,976,238</u>

The repayment of the capital lease is subject to annual appropriations by the County Commissioners. Leased office expansion and annex buildings purchase agreement under capital leases in capital assets at December 31, 2021, included the following: construction costs of \$5,545,407.

Sterling National Bank, construction lease for \$658,094, for solar projects. Semi-annual payments on June 1st, interest only, and December 1st, interest and principal, through February 2035 at 2.33% annual interest rate.

\$ 658,094

Year	Principal	Interest	Payment
2022	\$ 53,064	\$ 15,334	\$ 68,398
2023	34,047	14,097	48,144
2024	36,285	13,304	49,589
2025	38,618	12,458	51,076
2026	41,050	11,559	52,609
2027-2031	245,458	42,227	287,685
2031-2035	209,572	11,500	221,072
Total	<u>\$ 658,094</u>	<u>\$ 120,479</u>	<u>\$ 778,573</u>

A summary of long-term debt is as follows:

	Payable January 2021	Additions	Deletions	Payable December 2021
General capitalized lease obligations	\$ 3,107,784	\$ 658,094	\$ 403,307	\$ 3,362,571
Compensated absences payable	726,143	-	15,432	710,711
	<u>\$ 3,833,927</u>	<u>\$ 658,094</u>	<u>\$ 418,739</u>	<u>\$ 4,073,282</u>

Note 6 – Defined Contribution Plan

All eligible employees participate in the Colorado Retirement Association (CRA) (the Plan), a defined contribution plan, authorized by state statute. The Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Employees are eligible upon hire with San Miguel County, and elected officials are eligible to participate immediately. Employee contributions are 100% vested immediately upon employee participation in the plan and employer contributions are 100% invested after five years of service.

The County must contribute 5% of the compensation of each participant. Each participant contributes a minimum amount equal to the County's contribution and is permitted to make additional contributions not to exceed 10% of their compensation. For the year ended December 31, 2021, employee contributions totaled \$417,615 and the County recognized pension expense of \$417,615. The County recognized \$50,300 of forfeitures during 2021.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. The Plan may be amended by resolution of the Board of County Commissioners, but it may not be amended beyond the limits established by state statute.

Note 7 – Deferred Compensation Plan

The County also offers its employees an additional voluntary deferred compensation plan created in accordance with Internal Revenue Code 457(f), administered by Colorado County Officials and Employees Retirement Association (CCOERA) (the Plan).

The Plan permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergencies. The County has no other liability other than to make the required monthly contribution.

Note 8 – Risk Management

Colorado Counties Casualty and Property Pool (CAPP)

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

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2021

Note 8 – Risk Management (continued)

On December 31, 2021, CAPP had assets of \$24,459,481, liabilities of \$13,771,973 (including \$11,331,661 reserved for losses and claims), and members' equity of \$10,687,508. The liability amount includes no long-term debt. Total revenues for the year ended December 31, 2021, amounted to \$9,383,724 and total expenses were \$8,897,447, resulting in net income before return of surplus of \$486,277.

Colorado Workers' Compensation Pool (CWCP)

The County is exposed to various risks of loss related to injuries of employees while on the job. The County has joined together with other counties in the State of Colorado to form the Colorado Workers' Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CWCP for its workers' compensation insurance coverage.

The intergovernmental agreement of formation of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention that is determined each policy year. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded insurance coverage for the current year or the three prior years.

On December 31, 2021, CWCP had assets of \$50,946,504, liabilities of \$28,674,442 (including \$26,396,800 reserved for losses and claims) and members' equity of \$22,272,062. The liability amount includes no long-term debt. Total revenues for the year ended December 31, 2021, amounted to \$12,296,380, total expenses were \$8,728,999, resulting in net income before return of surplus of \$3,567,381.

Note 9 - Transfers

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

Fund	Transfers In	Transfers Out
General	\$ 500,000	\$ 176,000
Retirement	50,000	-
Capital	-	1,445,000
Public Health	92,494	-
Parks and Open Space	6,000	180,000
Vegetation Management	110,000	-
Covid 19	-	17,494
Grant	1,160,000	-
Road and Bridge	-	100,000
Totals	\$ 1,918,494	\$ 1,918,494

Transfers to and from the various funds were to cover the costs of operations, capital and retirement benefits.

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2021

Note 10 – Budget Amendment

During 2021 the County amended its budget once. The following is a schedule of the changes to the original budget:

Fund	Original Budget	Revisions	Final Budget
General	\$ 11,926,050	\$ -	\$ 11,926,050
Road and Bridge	4,778,343	-	4,778,343
Parks and Open Space	1,893,288	-	1,893,288
Social Services	1,446,550	275,000	1,721,550
Transit	162,200	850,000	1,012,200
Capital	4,565,766	250,000	4,815,766
COVID-19	155,738	605,000	760,738
Retirement	490,000	-	490,000
Conservation Trust	75,000	-	75,000
Lodging Tax Tourism	700,000	485,000	1,185,000
Vegetation Management	110,006	-	110,006
Public Health	431,489	17,500	448,989
Grant	2,681,000	692,500	3,373,500
Mental Health Services Fund	544,652	-	544,652
Early Childhood Care and Education	688,345	-	688,345
Housing Authority	200,325	-	200,325
SMC Solid Waste Disposal District	112,960	-	112,960
Totals	<u>\$ 30,961,712</u>	<u>\$ 3,175,000</u>	<u>\$ 34,136,712</u>

Note 11 – Loan Receivable

On September 19, 2012, the County made a loan to the San Miguel Community Facilities, Inc. (SMCF) in the amount of \$140,000 for the construction of a childcare facility. Until October 1, 2017, SMCF will pay interest on the principal balance of the loan at an annual rate of 2.5%. Beginning October 1, 2017, SMCF will pay interest to the County at an annual rate to be determined by adding .25% to the most recent Prime Rate published in the Wall Street Journal on the date that is 45 days before that Adjusted Date. Principal and interest payments on the loan are paid monthly commencing on November 1, 2012, and continuing until October 1, 2022 at which time the entire remaining principal balance shall become due and payable to the County. The principal balance on the loan receivable was \$115,913 at December 31, 2019. The County has not received a payment from SMCF since May 2017.

Note 12 – Commitments and contingencies

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

San Miguel County, Colorado
Notes to Financial Statements
December 31, 2021

Note 12 – Commitments and contingencies (continued)

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

Note 13 – Change in accounting principles

For the year ended December 31, 2021, the County adopted GASB Statement No. 87, *Leases*. The objective of this Statement is to improve guidance regarding the identification of certain lease assets for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying certain lease assets of all state and local governments. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to use lease assets, and lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. There was no change to beginning Government Activities' Net Position.

SAN MIGUEL COUNTY, COLORADO
INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING
THE MODIFIED APPROACH
For the year ended December 31, 2021

As allowed by GASB Statement No.34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, the county has adopted an alternative method for reporting costs associated with certain infrastructure assets. Under this alternative method, referred to as the "modified approach," infrastructure assets are not depreciated, and maintenance and preservation costs are expensed. The County capitalizes costs related to new construction, major replacements, and improvements that increase the capacity and /or efficiency of infrastructure assets reported under the modified approach.

In order to utilize the modified approach, the County is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets,
- Perform and document replicable condition assessments once every three years of the eligible infrastructure assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the County.
- Document that the infrastructure assets are being preserved approximately at, or above the condition level established by the County.

ROADS

San Miguel County applies the modified approach to all roads, owned and/ or maintained by the County. The goal of the County in conjunction with adopting the modified approach is to develop and provide a cost-effective maintenance program that preserves the County's investment in its road network and enhances public transportation and safety.

Condition Assessments

Roads are categorized as native, gravel and oil surface. Formal condition assessments are not done on natural and rock surface roads. These roads are maintained on an as-needed basis, for example, when a road is washed out. Formal condition assessments are performed on all gravel and oil surface roads at least once every three years in accordance with GASB 34. Each year a formal assessment is performed on a portion of the County's roads on a rotating basis. The results of formal condition assessments performed in 2019, 2020 and 2021 are disclosed. The process and purpose of these condition assessments are described briefly below.

Gravel Surface Roads: The condition assessments of gravel roads are based on gravel thickness and surface smoothness. Roads are rated as excellent, good and poor. A poor rating indicates gravel thickness of less than 1" or excessive surface deterioration. Roads rated in poor condition require maintenance.

SAN MIGUEL COUNTY, COLORADO
INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING
THE MODIFIED APPROACH
For the year ended December 31, 2021

Paved Roads: The condition assessments of paved roads are based on the following criteria: potholes, cracking, rutting, shoulder condition, surface smoothness and base condition. Roads are rated as excellent, good, fair and poor. For GASB 34 reporting purposes, the County’s official desired condition is 70%. The County's goal is to maintain its infrastructure at a category condition level of fair or better.

Condition Rating of the County's Road System

Percentage of Lane-Miles in Fair to Excellent Conditions in 2021:

	<u>Percentage</u>
Paved	75%
Gravel	75%
Overall System	76%

Percentage of Lane-Miles in Poor Conditions in 2021:

	<u>Percentage</u>
Paved	1%
Gravel	3%
Overall System	2%

Comparison of Needed-to-Actual Maintenance/Preservation in 2021: The County did not budget separately for maintenance/preservation costs for roads and bridges in 2021, therefore they are shown combined below. Amounts will be budgeted separately in the future.

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Estimated	\$4,278,716	\$4,860,063	\$5,045,828	\$5,786,891	\$4,678,343
Actual	\$3,192,055	\$3,539,021	\$3,597,439	\$3,751,756	\$3,613,613

SAN MIGUEL COUNTY, COLORADO
INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING
THE MODIFIED APPROACH
For the year ended December 31, 2021

BRIDGES

The structural sufficiency of the County's bridges is determined using the state of Colorado's Structure Inspection and Inventory Program. The bridge sufficiency rating is based on the assessment of the ability of individual components to function structurally. The rating system uses a numerical scale from 50 (needs replacement) to 100 (new). It is the County's policy to keep the number and square footage of deck area of bridges with a condition rating of fair equal to or greater than 70 percent. Bridges are inspected by the state of Colorado Department of Transportation every two years. GASB 34 requires inspection every three years. The most recent inspection was in 2014. There were no new bridge structures added to the system during 2021.

Disclosures for a Network of Bridges 2021

Number of Bridges

	CDOT Structural Sufficiency		
	<u>Rating</u>	<u>Number</u>	<u>%</u>
Excellent	91-100	17	68%
Good	71-90	6	24%
Fair	51-70	0	0%
Poor	50 and below	<u>2</u>	<u>8%</u>
Total		<u>25</u>	<u>100.0%</u>

SAN MIGUEL COUNTY, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted		Actual	Variance	2020
	Original	Final			Actual
Revenues					
Property taxes	\$ 5,403,026	\$ 5,403,026	\$ 5,395,756	\$ (7,270)	\$ 5,352,504
Sales and miscellaneous taxes	1,905,000	1,905,000	3,438,882	1,533,882	2,449,283
Fees and charges	1,479,803	1,479,803	2,039,181	559,378	1,580,090
Licenses and permits	134,983	134,983	323,173	188,190	157,572
Intergovernmental	2,147,679	2,147,679	2,003,238	(144,441)	2,654,200
Interest earnings	400,000	400,000	32,193	(367,807)	229,156
Miscellaneous	85,600	85,600	107,405	21,805	98,756
Total revenues	11,556,091	11,556,091	13,339,828	1,783,737	12,521,561
Expenditures					
Current					
General government	5,540,519	5,540,519	5,333,098	207,421	5,262,344
Judicial	311,661	311,661	290,454	21,207	347,170
Public Safety	5,547,725	5,547,725	5,611,791	(64,066)	5,671,619
Auxiliary services	210,268	210,268	198,134	12,134	194,074
Total expenditures	11,610,173	11,610,173	11,433,477	176,696	11,475,207
Revenues over (under) expenditure	(54,082)	(54,082)	1,906,351	1,960,433	1,046,354
Other Financing Sources					
Transfer in (Out)	184,000	184,000	324,000	140,000	(734,209)
Total other financing sources	184,000	184,000	324,000	140,000	(734,209)
Revenues and other sources over expenditures	129,918	129,918	2,230,351	2,100,433	312,145
Fund balance, January 1	14,269,452	14,269,452	14,753,035	483,583	14,440,890
Fund balance, December 31	\$ 14,399,370	\$ 14,399,370	\$ 16,983,386	\$ 2,584,016	\$ 14,753,035

**BUDGET AND ACTUAL
ROAD AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budgeted		Actual	Variance	2020
	Original	Final			Actual
Revenues					
Taxes					
General property tax	\$ 1,660,022	\$ 1,660,022	\$ 1,649,024	\$ (10,998)	\$ 1,638,932
Specific ownership tax	66,000	66,000	82,996	16,996	75,896
Penalty and interest	4,000	4,000	5,762	1,762	4,996
Total	<u>1,730,022</u>	<u>1,730,022</u>	<u>1,737,782</u>	<u>7,760</u>	<u>1,719,824</u>
Intergovernmental-Federal					
Payment in lieu of taxes	610	610	609	(1)	609
Mineral leasing	4,500	4,500	13,038	8,538	4,111
R & B services	26,000	26,000	11,615	(14,385)	1,197
Total	<u>31,110</u>	<u>31,110</u>	<u>25,262</u>	<u>(5,848)</u>	<u>5,917</u>
Intergovernmental					
Highway user's - County	1,913,458	1,913,458	2,138,883	225,425	1,856,404
Grants	176,343	176,343	140	(176,203)	-
Automobile registration	24,000	24,000	25,514	1,514	26,419
Total	<u>2,113,801</u>	<u>2,113,801</u>	<u>2,164,537</u>	<u>50,736</u>	<u>1,882,823</u>
Licenses and permits					
Special permits and fees	3,000	3,000	13,804	10,804	2,995
Total	<u>3,000</u>	<u>3,000</u>	<u>13,804</u>	<u>10,804</u>	<u>2,995</u>
Miscellaneous	582	582	7,320	6,738	1,033
Charges for services	-	-	(190)	(190)	4,713
Total revenues	<u>3,878,515</u>	<u>3,878,515</u>	<u>3,948,515</u>	<u>70,000</u>	<u>3,617,305</u>
Expenditures					
Current					
Maintenance of conditions	3,531,952	3,531,952	2,411,126	1,120,826	2,658,331
Snow and ice removal	36,648	36,648	16,584	20,064	9,144
Administration	1,109,743	1,109,743	1,185,903	(76,160)	1,084,281
Total expenditures	<u>4,678,343</u>	<u>4,678,343</u>	<u>3,613,613</u>	<u>1,064,730</u>	<u>3,751,756</u>
Revenues over (under) expenditures	(799,828)	(799,828)	334,902	1,134,730	(134,451)
Transfers in (out)	(100,000)	(100,000)	(100,000)	-	(20,000)
Fund balance, January 1	4,066,004	4,066,004	4,236,347	170,343	4,498,990
Changes an inventory	-	-	344,924	344,924	(108,192)
Fund balance, December 31	<u>\$ 3,166,176</u>	<u>\$ 3,166,176</u>	<u>\$ 4,816,173</u>	<u>\$ 1,649,997</u>	<u>\$ 4,236,347</u>

SAN MIGUEL COUNTY, COLORADO
PARKS AND OPEN SPACE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted		Actual	Variance	2020
	Original	Final			Actual
Revenues					
Taxes					
General property tax	\$ 1,310,149	\$ 1,310,649	\$ 1,301,862	\$ (8,787)	\$ 1,293,894
Specific ownership tax	52,000	52,000	65,522	13,522	59,924
Penalty and interest	3,000	2,500	4,549	2,049	3,944
Total	<u>1,365,149</u>	<u>1,365,149</u>	<u>1,371,933</u>	<u>6,784</u>	<u>1,357,762</u>
Intergovernmental					
Payment in lieu of taxes	450	450	481	31	481
Other grants	24,257	24,257	17,600	(6,657)	116,678
Total	<u>24,707</u>	<u>24,707</u>	<u>18,081</u>	<u>(6,626)</u>	<u>117,159</u>
Miscellaneous					
Event center fees	3,000	3,000	2,844	(156)	2,611
Fairground fees	3,000	3,000	5,601	2,601	193
Other fees	2,050	2,050	17,283	15,233	24,584
Other	-	-	1,379	1,379	-
Total	<u>8,050</u>	<u>8,050</u>	<u>27,107</u>	<u>19,057</u>	<u>27,388</u>
Total revenues	<u>1,397,906</u>	<u>1,397,906</u>	<u>1,417,121</u>	<u>19,215</u>	<u>1,502,309</u>
Expenditures					
Current					
Recreation	296,936	296,936	265,746	31,190	250,453
Open space commission	281,407	281,407	52,588	228,819	82,873
Historical preservation	97,750	97,750	5,140	92,610	6,166
Fairgrounds and regional park	503,654	503,654	205,977	297,677	349,182
Parks administration	473,542	473,542	346,329	127,213	303,641
Total expenditures	<u>1,653,289</u>	<u>1,653,289</u>	<u>875,780</u>	<u>777,509</u>	<u>992,315</u>
Other financing sources and (uses)					
Transfer In (Out)	(234,000)	(234,000)	(174,000)	60,000	-
Total other financing sources (uses)	<u>(234,000)</u>	<u>(234,000)</u>	<u>(174,000)</u>	<u>60,000</u>	<u>-</u>
Revenues over (under) expenditures	(489,383)	(489,383)	367,341	856,724	509,994
Fund balance, January 1	4,300,920	4,300,920	4,548,150	247,230	4,038,156
Fund balance, December 31	<u>\$ 3,811,537</u>	<u>\$ 3,811,537</u>	<u>\$ 4,915,491</u>	<u>\$ 1,103,954</u>	<u>\$ 4,548,150</u>

SAN MIGUEL COUNTY, COLORADO
LODGING TAX TOURISM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2020</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
Revenues					
Taxes					
Lodging tax	\$ 700,000	\$ 1,185,000	\$ 1,206,672	\$ 21,672	\$ 866,260
Total revenues	<u>700,000</u>	<u>1,185,000</u>	<u>1,206,672</u>	<u>21,672</u>	<u>866,260</u>
Expenditures					
Current					
Economic development					
Other contracted services	700,000	1,185,000	1,207,217	(22,217)	865,809
Total expenditures	<u>700,000</u>	<u>1,185,000</u>	<u>1,207,217</u>	<u>(22,217)</u>	<u>865,809</u>
Revenues over (under) expenditures	-	-	(545)	(545)	451
Fund balance, January 1	<u>8,539</u>	<u>8,539</u>	<u>8,990</u>	<u>451</u>	<u>8,539</u>
Fund balance, December 31	<u>\$ 8,539</u>	<u>\$ 8,539</u>	<u>\$ 8,445</u>	<u>\$ (94)</u>	<u>\$ 8,990</u>

SAN MIGUEL COUNTY, COLORADO
SALES TAX CAPITAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2020</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
Revenues					
Taxes					
Sales and use tax	\$ 1,350,000	\$ 1,600,000	\$2,367,756	\$ 767,756	\$ 1,738,594
Grants	1,067,604	1,067,604	454,275	(613,329)	1,141,460
Miscellaneous	-	-	-	-	18,490
Sale of Assets	20,000	20,000	21,545	1,545	-
Total revenues	<u>2,437,604</u>	<u>2,687,604</u>	<u>2,843,576</u>	<u>155,972</u>	<u>2,898,544</u>
Expenditures					
Capital outlay	2,638,483	2,888,483	2,773,429	115,054	3,199,914
Debt service					
Lease payments	482,283	482,283	479,392	2,891	248,091
Total expenditures	<u>3,120,766</u>	<u>3,370,766</u>	<u>3,252,821</u>	<u>117,945</u>	<u>3,448,005</u>
Revenues over (under) expenditures	(683,162)	(683,162)	(409,245)	273,917	(549,461)
Other Financing Sources					
Loan proceeds	1,250,000	1,250,000	-	(1,250,000)	2,000,000
Transfers In (Out)	(1,445,000)	(1,445,000)	(1,445,000)	-	-
Total other financing sources	<u>(195,000)</u>	<u>(195,000)</u>	<u>(1,445,000)</u>	<u>(1,250,000)</u>	<u>2,000,000</u>
Revenues and other sources over expenditures	(878,162)	(878,162)	(1,854,245)	(976,083)	1,450,539
Fund balance, January 1	<u>3,163,929</u>	<u>3,163,929</u>	<u>5,406,033</u>	<u>2,242,104</u>	<u>3,955,494</u>
Fund balance, December 31	<u>\$ 2,285,767</u>	<u>\$ 2,285,767</u>	<u>\$3,551,788</u>	<u>\$ 1,266,021</u>	<u>\$ 5,406,033</u>

SAN MIGUEL COUNTY, COLORADO
COVID-19 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2020</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
Revenues					
Grants	\$ 186,498	\$ 791,498	\$ 774,367	\$ (17,131)	\$ 3,050,000
Total revenues	<u>186,498</u>	<u>791,498</u>	<u>774,367</u>	<u>(17,131)</u>	<u>3,050,000</u>
Expenditures					
Business Grant	-	-		-	3,050,000
Other	155,738	760,738	688,064	72,674	-
Total expenditures	<u>155,738</u>	<u>760,738</u>	<u>688,064</u>	<u>72,674</u>	<u>3,050,000</u>
Revenues over (under) expenditures	30,760	30,760	86,303	55,543	-
Other Financing Sources					
Transfers In (Out)	-	-	(17,494)	(17,494)	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>(17,494)</u>	<u>(17,494)</u>	<u>-</u>
Revenues and other sources over expenditures	30,760	30,760	68,809	38,049	-
Fund balance, January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, December 31	<u>\$ 30,760</u>	<u>\$ 30,760</u>	<u>\$ 68,809</u>	<u>\$ 38,049</u>	<u>\$ -</u>

SAN MIGUEL COUNTY, COLORADO
GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2020</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
Revenues					
Grants	\$ 1,306,000	\$ 1,306,000	\$ 1,263,148	\$ (42,852)	\$ -
Interest income	-	-	125	125	-
Total revenues	<u>1,306,000</u>	<u>1,306,000</u>	<u>1,263,273</u>	<u>(42,727)</u>	<u>-</u>
Expenditures					
Capital outlay	2,545,000	3,237,500	3,000,578	236,922	-
Other grants	136,000	136,000	50,953	-	-
Total expenditures	<u>2,681,000</u>	<u>3,373,500</u>	<u>3,051,531</u>	<u>236,922</u>	<u>-</u>
Revenues over (under) expenditures	(1,375,000)	(2,067,500)	(1,788,258)	194,195	-
Other Financing Sources					
Loan proceeds	-	692,500	658,094	(34,406)	-
Transfers In (Out)	1,375,000	1,375,000	1,160,000	(215,000)	-
Total other financing sources	<u>1,375,000</u>	<u>2,067,500</u>	<u>1,818,094</u>	<u>(249,406)</u>	<u>-</u>
Revenues and other sources over expenditures	-	-	29,836	(55,211)	-
Fund balance, January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,836</u>	<u>\$ (55,211)</u>	<u>\$ -</u>

**SAN MIGUEL COUNTY, COLORADO
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2021
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Transit Fund</u>	<u>Contingent Fund</u>	<u>Social Services Fund</u>	<u>Retirement Fund</u>	<u>Conservation Trust Fund</u>
Assets					
Cash and cash equivalents	\$ 280,166	\$ 1,000,000	\$ 24,415	\$ 146,006	\$ 204,689
Property taxes receivable	-	-	148,458	373,540	-
Due from other governmental units	-	-	34,171	-	-
Other receivables	15,184	-	-	-	230
Total assets	<u>\$ 295,350</u>	<u>\$ 1,000,000</u>	<u>\$ 207,044</u>	<u>\$ 519,546</u>	<u>\$ 204,919</u>
Liabilities and fund balances					
Liabilities					
Accounts payable	\$ 291,979	\$ -	\$ 27,097	\$ 22,120	\$ -
Unearned revenues	-	-	14,706	-	-
Accrued vacation and sick leave	-	-	-	-	-
Total liabilities	<u>291,979</u>	<u>-</u>	<u>41,803</u>	<u>22,120</u>	<u>-</u>
Deferred Inflows of Resources					
Deferred property tax revenue	-	-	148,458	373,540	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>148,458</u>	<u>373,540</u>	<u>-</u>
Fund balances					
Reserved for:					
Emergencies	-	1,000,000	-	-	-
Transportation	3,371	-	-	-	-
Housing	-	-	-	-	-
Solid waste	-	-	-	-	-
Air quality	-	-	-	-	-
Capital Acquisition	-	-	-	-	-
Unreserved:	-	-	16,783	123,886	204,919
Total fund balances	<u>3,371</u>	<u>1,000,000</u>	<u>16,783</u>	<u>123,886</u>	<u>204,919</u>
Total liabilities and fund balances	<u>\$ 295,350</u>	<u>\$ 1,000,000</u>	<u>\$ 207,044</u>	<u>\$ 519,546</u>	<u>\$ 204,919</u>

Public Health Fund	Vegetation Management Fund	Early Childhood Care Fund	Mental Health Services Fund	Dependent Districts	Totals	
					2021	2020
\$ 11,482	\$ 2,506	\$ 686,895	\$ 1,253,344	\$1,829,302	\$ 5,438,805	\$ 4,853,216
-	-	718,346	718,346	-	1,958,690	1,788,765
-	-	-	-	-	34,171	44,095
69,024	17,907	-	-	10,539	112,884	52,488
<u>\$ 80,506</u>	<u>\$ 20,413</u>	<u>\$ 1,405,241</u>	<u>\$ 1,971,690</u>	<u>\$1,839,841</u>	<u>\$ 7,544,550</u>	<u>\$ 6,738,564</u>
\$ 14,933	\$ 12,360	\$ -	\$ 33,227	\$ 8,684	\$ 410,400	\$ 399,508
12,915	-	-	-	-	27,621	-
17,768	-	-	-	-	17,768	19,002
<u>45,616</u>	<u>12,360</u>	<u>-</u>	<u>33,227</u>	<u>8,684</u>	<u>455,789</u>	<u>418,510</u>
-	-	718,346	718,346	-	1,958,690	1,788,765
-	-	718,346	718,346	-	1,958,690	1,788,765
-	-	-	-	-	1,000,000	1,000,000
-	-	-	-	-	3,371	10,716
-	-	-	-	1,704,469	1,704,469	1,510,818
-	-	-	-	126,688	126,688	94,163
56,924	-	-	-	-	56,924	65,411
-	6,382	-	-	-	6,382	2,751
(22,034)	1,671	686,895	1,220,117	-	2,232,237	1,847,430
34,890	8,053	686,895	1,220,117	1,831,157	5,130,071	4,531,289
<u>\$ 80,506</u>	<u>\$ 20,413</u>	<u>\$ 1,405,241</u>	<u>\$ 1,971,690</u>	<u>\$1,839,841</u>	<u>\$ 7,544,550</u>	<u>\$ 6,738,564</u>

SAN MIGUEL COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	Transit Fund	Contingent Fund	Social Services Fund	Retirement Fund	Conservation Trust Fund
Revenues					
Taxes	\$ -	\$ -	\$ 141,766	\$ 356,703	\$ -
Intergovernmental	-	-	1,662,294	-	35,343
Charges for services	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Interest earnings	-	-	-	-	419
Miscellaneous	946,866	-	-	83,441	-
Total revenues	<u>946,866</u>	<u>-</u>	<u>1,804,060</u>	<u>440,144</u>	<u>35,762</u>
Expenditures					
Current:					
Public safety	-	-	-	-	-
Retirement benefits and contributions	-	-	-	461,802	-
Health and human services	-	-	1,842,236	-	-
Urban development, housing and transportation	954,211	-	-	-	-
Energy programs	-	-	-	-	-
Vegetation management	-	-	-	-	-
Childcare	-	-	-	-	-
Total expenditures	<u>954,211</u>	<u>-</u>	<u>1,842,236</u>	<u>461,802</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(7,345)	-	(38,176)	(21,658)	35,762
Other financing sources and (uses)					
Transfer In (Out)	-	-	-	50,000	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Net change to fund balance	(7,345)	-	(38,176)	28,342	35,762
Fund balance, January 1	<u>10,716</u>	<u>1,000,000</u>	<u>54,959</u>	<u>95,544</u>	<u>169,157</u>
Fund balance, December 31	<u>\$ 3,371</u>	<u>\$ 1,000,000</u>	<u>\$ 16,783</u>	<u>\$ 123,886</u>	<u>\$ 204,919</u>

Public Health Fund	Vegetation Management Fund	Early Childhood Care Fund	Mental Health Services Fund	Dependent Districts	Totals	
					2021	2020
\$ -	\$ -	\$ 687,110	\$ 684,946	\$ 101,868	\$ 1,972,393	\$ 1,954,425
148,698	-	241	-	-	1,846,576	1,641,175
105,584	18,330	-	-	168,266	292,180	198,822
38,647	-	-	-	-	38,647	39,565
-	-	-	-	289	708	9,580
1,248	7,512	-	2,530	185,795	1,227,392	455,305
<u>294,177</u>	<u>25,842</u>	<u>687,351</u>	<u>687,476</u>	<u>456,218</u>	<u>5,377,896</u>	<u>4,298,872</u>
-	-	-	-	95,274	95,274	77,309
-	-	-	-	-	461,802	455,340
445,620	-	-	371,921	-	2,659,777	2,330,755
-	-	-	-	134,768	1,088,979	485,511
-	-	-	-	-	-	8,015
-	96,130	-	-	-	96,130	124,070
-	-	629,646	-	-	629,646	596,064
<u>445,620</u>	<u>96,130</u>	<u>629,646</u>	<u>371,921</u>	<u>230,042</u>	<u>5,031,608</u>	<u>4,077,064</u>
(151,443)	(70,288)	57,705	315,555	226,176	346,288	221,808
92,494	110,000	-	-	-	252,494	754,209
<u>92,494</u>	<u>110,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>252,494</u>	<u>754,209</u>
(58,949)	39,712	57,705	315,555	226,176	598,782	976,017
93,839	(31,659)	629,190	904,562	1,604,981	4,531,289	3,555,272
<u>\$ 34,890</u>	<u>\$ 8,053</u>	<u>\$ 686,895</u>	<u>\$ 1,220,117</u>	<u>\$ 1,831,157</u>	<u>\$ 5,130,071</u>	<u>\$ 4,531,289</u>

SAN MIGUEL COUNTY, COLORADO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - DEPENDENT DISTRICTS
YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	San Miguel Disposal District	San Miguel County Housing Authority	Totals	
			2021	2020
Assets				
Cash and cash equivalents	\$ 129,210	\$ 1,700,092	\$ 1,829,302	\$1,623,491
Other receivables	-	10,539	10,539	7,646
Total assets	\$ 129,210	\$ 1,710,631	\$ 1,839,841	\$1,631,137
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 2,522	\$ 6,162	\$ 8,684	\$ 26,156
Total liabilities	2,522	6,162	8,684	26,156
Fund balances				
Reserved for:				
Housing	-	1,704,469	1,704,469	1,510,818
Solid waste	126,688	-	126,688	94,163
Total fund balances	126,688	1,704,469	1,831,157	1,604,981
Total liabilities and fund balances	\$ 129,210	\$ 1,710,631	\$ 1,839,841	\$1,631,137

SAN MIGUEL COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS - DEPENDENT DISTRICTS
YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	San Miguel Disposal District	San Miguel County Housing Authority	Totals	
			2021	2020
Revenues				
Taxes	\$ 101,868	\$ -	\$ 101,868	\$ 98,485
Charges for services	10,526	157,740	168,266	179,923
Interest earnings	-	289	289	7,314
Miscellaneous	15,405	170,390	185,795	1,165
Total revenues	<u>127,799</u>	<u>328,419</u>	<u>456,218</u>	<u>286,887</u>
Expenditures				
Current:				
Public safety	95,274	-	95,274	77,309
Urban development, housing and transportation	-	134,768	134,768	111,809
Total expenditures	<u>95,274</u>	<u>134,768</u>	<u>230,042</u>	<u>189,118</u>
Excess (deficiency) of revenues over expenditures	32,525	193,651	226,176	97,769
Fund balance, January 1	<u>94,163</u>	<u>1,510,818</u>	<u>1,604,981</u>	<u>1,507,212</u>
Fund balance, December 31	<u>\$ 126,688</u>	<u>\$ 1,704,469</u>	<u>\$ 1,831,157</u>	<u>\$ 1,604,981</u>

SAN MIGUEL COUNTY, COLORADO
TRANSIT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	2020
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
Revenues					
Other	\$ 37,200	\$ 37,200	\$ 50,953	\$ 13,753	\$ 27,592
RETA fees	125,000	975,000	895,913	(79,087)	344,944
Total revenues	<u>162,200</u>	<u>1,012,200</u>	<u>946,866</u>	<u>(65,334)</u>	<u>372,536</u>
Expenditures					
Current					
Other	162,200	1,012,200	954,211	57,989	373,702
Total expenditures	<u>162,200</u>	<u>1,012,200</u>	<u>954,211</u>	<u>57,989</u>	<u>373,702</u>
Revenues over (under) expenditures	-	-	(7,345)	(7,345)	(1,166)
Fund balance, January 1	<u>11,882</u>	<u>11,882</u>	<u>10,716</u>	<u>(1,166)</u>	<u>11,882</u>
Fund balance, December 31	<u>\$ 11,882</u>	<u>\$ 11,882</u>	<u>\$ 3,371</u>	<u>\$ (8,511)</u>	<u>\$ 10,716</u>

SAN MIGUEL COUNTY, COLORADO
CONTINGENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted</u>		<u>Variance</u>	<u>2020 Actual</u>
	<u>Original Final</u>	<u>Actual</u>		
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current				
General government	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	-	-	-	-
Transfer In	-	-	-	372,169
Fund balance, January 1	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>627,831</u>
Fund balance, December 31	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>

SAN MIGUEL, COLORADO
SOCIAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2020</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
Revenues					
Taxes	\$ 140,082	\$ 140,082	\$ 141,766	\$ 1,684	\$ 140,298
County administration	80,000	80,000	89,145	9,145	63,903
Old age pension	46,000	46,000	11,010	(34,990)	30,125
Aid to the needy and disabled	2,400	2,400	515	(1,885)	1,832
Child care	110,000	110,000	85,166	(24,834)	138,047
Food assistance	450,000	450,000	945,806	495,806	654,623
Child welfare	290,000	290,000	288,309	(1,691)	276,006
Core services	44,000	44,000	3,168	(40,832)	66,584
Leap	76,450	76,450	76,460	10	46,583
CSBG grant	5,000	5,000	8,001	3,001	6,655
Colorado works	80,000	80,000	67,001	(12,999)	58,505
Child support	9,600	9,600	8,249	(1,351)	8,328
Medicaid transportation and other	60,000	60,000	65,482	5,482	19,565
Miscellaneous	44,400	74,400	13,982	(60,418)	71,837
SUPPLEMENTAL BUDGET	-	275,000	-	(275,000)	-
Total revenues	<u>1,437,932</u>	<u>1,742,932</u>	<u>1,804,060</u>	<u>61,128</u>	<u>1,582,891</u>
Expenditures					
County funded grants	60,500	60,500	26,980	33,520	29,460
County administration	95,000	95,000	112,872	(17,872)	81,561
Old age pension	46,000	46,000	11,010	34,990	30,125
Colorado works	90,000	90,000	74,767	15,233	70,737
Aid to the needy and disabled	3,000	3,000	644	2,356	2,290
Medicaid transportation	71,000	71,000	76,566	(5,566)	10,895
Child care	138,600	138,600	101,803	36,797	170,846
General assistance	10,000	10,000	409	9,591	4,102
Leap	76,450	76,450	76,460	(10)	46,583
Child welfare	335,000	335,000	385,807	(50,807)	325,451
Core services	48,000	48,000	2,655	45,345	11,357
Child support	12,000	12,000	9,944	2,056	9,955
Direct cost allocation	(6,000)	(6,000)	(7,113)	1,113	(8,317)
Food assistance	450,000	450,000	945,806	(495,806)	654,623
Miscellaneous	17,000	17,000	23,626	(6,626)	136,400
SUPPLEMENTAL BUDGET	-	275,000	-	275,000	-
Total expenditures	<u>1,446,550</u>	<u>1,721,550</u>	<u>1,842,236</u>	<u>(120,686)</u>	<u>1,576,068</u>
Excess (deficiency) of revenues over expenditures	(8,618)	21,382	(38,176)	(59,558)	6,823
Transfer In	30,000	30,000	-	30,000	20,000
Fund balance, January 1	30,331	30,331	54,959	24,628	28,136
Fund balance, December 31	<u>\$ 51,713</u>	<u>\$ 81,713</u>	<u>\$ 16,783</u>	<u>\$ (64,930)</u>	<u>\$ 54,959</u>

SAN MIGUEL COUNTY, COLORADO
RETIREMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2020</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
Revenues					
Taxes					
General property tax	\$ 340,639	\$340,639	\$336,269	\$ (4,370)	\$ 336,371
Delinquent tax	-	-	2,215	2,215	42
Specific ownership tax	12,000	12,000	17,036	5,036	15,584
Penalty and interest	800	800	1,183	383	1,026
Other					
Forfeitures and miscellaneous	40,000	40,000	83,441	43,441	68,253
Total revenues	<u>393,439</u>	<u>393,439</u>	<u>440,144</u>	<u>46,705</u>	<u>421,276</u>
Expenditures					
Current					
Employer's contribution	490,000	490,000	461,802	28,198	455,340
Total expenditures	<u>490,000</u>	<u>490,000</u>	<u>461,802</u>	<u>28,198</u>	<u>455,340</u>
Revenues over (under) expenditures	(96,561)	(96,561)	(21,658)	74,903	(34,064)
Other Financing Sources					
Transfers (Out)	50,000	50,000	50,000	-	85,000
Total other financing sources	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>85,000</u>
Revenues and other sources over expenditures	(46,561)	(46,561)	28,342	74,903	50,936
Fund balance, January 1	<u>103,383</u>	<u>103,383</u>	<u>95,544</u>	<u>(7,839)</u>	<u>44,608</u>
Fund balance, December 31	<u>\$ 56,822</u>	<u>\$ 56,822</u>	<u>\$123,886</u>	<u>\$ 67,064</u>	<u>\$ 95,544</u>

SAN MIGUEL COUNTY, COLORADO
CONSERVATION TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	2020
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
Revenues					
Intergovernmental					
State lottery proceeds	\$ 29,000	\$ 29,000	\$ 35,343	\$ 6,343	\$ 29,835
Interest income	300	300	419	119	2,266
Total revenues	<u>29,300</u>	<u>29,300</u>	<u>35,762</u>	<u>6,462</u>	<u>32,101</u>
Expenditures					
Current					
Capital outlay	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	29,300	29,300	35,762	6,462	32,101
Other Financing Sources					
Transfers In or (Out)	<u>(75,000)</u>	<u>(75,000)</u>	-	75,000	-
Total other financing sources	<u>(75,000)</u>	<u>(75,000)</u>	-	<u>75,000</u>	<u>-</u>
Revenues and other sources over expenditures	(45,700)	(45,700)	35,762	81,462	32,101
Fund balance, January 1	<u>165,856</u>	<u>165,856</u>	<u>169,157</u>	<u>3,301</u>	<u>137,056</u>
Fund balance, December 31	<u><u>\$ 120,156</u></u>	<u><u>\$ 120,156</u></u>	<u><u>\$ 204,919</u></u>	<u><u>\$ 84,763</u></u>	<u><u>\$ 169,157</u></u>

SAN MIGUEL COUNTY, COLORADO
PUBLIC HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted		Actual	Variance	2019
	Original	Final			Actual
Revenues					
Intergovernmental	\$ 175,918	\$ 175,918	\$ 148,698	\$ (27,220)	\$ 165,420
Licenses and permits	43,760	43,760	38,647	(5,113)	39,565
Charges for services	-	-	105,584	105,584	8,364
Miscellaneous	-	-	1,248	1,248	1,052
Total revenues	<u>219,678</u>	<u>219,678</u>	<u>294,177</u>	<u>74,499</u>	<u>214,401</u>
Expenditures					
Current					
Health and welfare	431,489	448,989	445,620	3,369	360,678
Total expenditures	<u>431,489</u>	<u>448,989</u>	<u>445,620</u>	<u>3,369</u>	<u>360,678</u>
Revenues over (under) expenditures	(211,811)	(229,311)	(151,443)	77,868	(146,277)
Other Financing Sources					
Transfers In or (Out)	150,000	150,000	92,494	(57,506)	197,040
Total other financing sources	<u>150,000</u>	<u>150,000</u>	<u>92,494</u>	<u>(57,506)</u>	<u>197,040</u>
Revenues and other sources over expenditures	(61,811)	(79,311)	(58,949)	20,362	50,763
Fund balance, January 1	<u>150,657</u>	<u>150,657</u>	<u>93,839</u>	<u>(56,818)</u>	<u>43,076</u>
Fund balance, December 31	<u>\$ 88,846</u>	<u>\$ 71,346</u>	<u>\$ 34,890</u>	<u>\$ (36,456)</u>	<u>\$ 93,839</u>

SAN MIGUEL COUNTY, COLORADO
VEGETATION MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted		Actual	Variance	2020
	Original	Final			Actual
Revenues					
Taxes					
Charges for Services	\$ 10,650	\$ 10,650	\$ 18,330	\$ 7,680	\$ 10,535
Intergovernmental	7,200	7,200	-	(7,200)	3,086
Other	25,000	25,000	7,512	(17,488)	10,068
Total revenues	<u>42,850</u>	<u>42,850</u>	<u>25,842</u>	<u>(17,008)</u>	<u>23,689</u>
Expenditures					
Vegetation Management	110,006	110,006	96,130	13,876	124,070
Total expenditures	<u>110,006</u>	<u>110,006</u>	<u>96,130</u>	<u>13,876</u>	<u>124,070</u>
Revenues over (under) expenditures	(67,156)	(67,156)	(70,288)	(3,132)	(100,381)
Other Financing Sources					
Transfers In (Out)	100,000	100,000	110,000	(10,000)	80,000
Total other financing sources	<u>100,000</u>	<u>100,000</u>	<u>110,000</u>	<u>(10,000)</u>	<u>80,000</u>
Revenues and other sources over expenditures	32,844	32,844	39,712	6,868	(20,381)
Fund balance, January 1	<u>(29,573)</u>	<u>(29,573)</u>	<u>(31,659)</u>	<u>(2,086)</u>	<u>(11,278)</u>
Fund balance, December 31	<u>\$ 3,271</u>	<u>\$ 3,271</u>	<u>\$ 8,053</u>	<u>\$ 4,782</u>	<u>\$ (31,659)</u>

SAN MIGUEL COUNTY, COLORADO
EARLY CHILDHOOD CARE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted		Actual	Variance	2020
	Original	Final			Actual
Revenues					
Taxes					
General property tax	\$ 657,074	\$ 657,074	\$ 652,072	\$ (5,002)	\$ 650,189
Specific ownership tax	21,500	21,500	32,761	11,261	29,962
Penalty and interest	1,400	1,400	2,277	877	1,976
Total	<u>679,974</u>	<u>679,974</u>	<u>687,110</u>	<u>7,136</u>	<u>682,127</u>
Intergovernmental					
Payment in lieu of taxes	220	220	241	21	241
Total	<u>220</u>	<u>220</u>	<u>241</u>	<u>21</u>	<u>241</u>
Total revenues	<u>680,194</u>	<u>680,194</u>	<u>687,351</u>	<u>7,157</u>	<u>682,368</u>
Expenditures					
Current					
Professional services	668,693	668,693	610,011	58,682	576,487
Treasurer fees	19,652	19,652	19,635	17	19,577
Total expenditures	<u>688,345</u>	<u>688,345</u>	<u>629,646</u>	<u>58,699</u>	<u>596,064</u>
Revenues over (under) expenditures	(8,151)	(8,151)	57,705	65,856	86,304
Fund balance, January 1	662,002	662,002	629,190	(32,812)	542,886
Fund balance, December 31	<u>\$ 653,851</u>	<u>\$ 653,851</u>	<u>\$ 686,895</u>	<u>\$ 33,044</u>	<u>\$ 629,190</u>

**SAN MIGUEL COUNTY, COLORADO
MENTAL HEALTH SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>	<u>2020</u>
	<u>Original</u>	<u>Final</u>			<u>Actual</u>
Revenues					
Property Tax	\$ 657,074	\$ 657,074	\$ 652,185	\$ (4,889)	\$ 650,601
SO Tax	21,500	21,500	32,761	11,261	29,891
Other	1,620	1,620	2,530	910	2,231
Total revenues	<u>680,194</u>	<u>680,194</u>	<u>687,476</u>	<u>7,282</u>	<u>682,723</u>
Expenditures					
Current					
Professional Fees	525,000	525,000	352,282	172,718	374,427
Treasurers Fees	19,652	19,652	19,639	13	19,582
Total expenditures	<u>544,652</u>	<u>544,652</u>	<u>371,921</u>	<u>172,731</u>	<u>394,009</u>
Revenues over (under) expenditures	135,542	135,542	315,555	180,013	288,714
Fund balance, January 1	<u>698,389</u>	<u>698,389</u>	<u>904,562</u>	<u>206,173</u>	<u>615,848</u>
Fund balance, December 31	<u>\$ 833,931</u>	<u>\$ 833,931</u>	<u>\$ 1,220,117</u>	<u>\$ 386,186</u>	<u>\$ 904,562</u>

SAN MIGUEL COUNTY, COLORADO
SAN MIGUEL DISPOSAL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted		Actual	Variance	2020
	Original	Final			Actual
Revenues					
Taxes					
General property tax	\$ 96,976	\$ 96,976	\$ 96,365	\$ (611)	\$ 93,788
Specific ownership tax	1,200	1,200	4,852	3,652	4,419
Penalty and interest	100	100	651	551	278
Total taxes	<u>98,276</u>	<u>98,276</u>	<u>101,868</u>	<u>3,592</u>	<u>98,485</u>
Intergovernmental					
Other	1,150	1,150	15,405	14,255	985
Charges for services	10,000	10,000	10,526	526	10,857
Total intergovernmental	<u>11,150</u>	<u>11,150</u>	<u>25,931</u>	<u>14,781</u>	<u>11,842</u>
Total revenues	<u>109,426</u>	<u>109,426</u>	<u>127,799</u>	<u>18,373</u>	<u>110,327</u>
Expenditures					
Current					
General government					
Waste disposal	112,960	112,960	95,274	17,686	77,309
Total expenditures	<u>112,960</u>	<u>112,960</u>	<u>95,274</u>	<u>17,686</u>	<u>77,309</u>
Revenues over (under) expenditures	(3,534)	(3,534)	32,525	36,059	33,018
Fund balance, January 1	<u>90,223</u>	<u>90,223</u>	<u>94,163</u>	<u>3,940</u>	<u>61,145</u>
Fund balance, December 31	<u>\$ 86,689</u>	<u>\$ 86,689</u>	<u>\$ 126,688</u>	<u>\$ 39,999</u>	<u>\$ 94,163</u>

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

LOCAL HIGHWAY FINANCE REPORT		City or County: San Miguel
		YEAR ENDING : December 2021
This Information From The Records Of County of San Miguel:	Prepared By: Phyllis Shaffer	Phone: 970-327-4835

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)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,445,802
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	81,907
3. Other local imposts (from page 2)	1,737,782	c. Other	
4. Miscellaneous local receipts (from page 2)	30,179	d. Total (a. through c.)	81,907
5. Transfers from toll facilities		4. General administration & miscellaneous	1,190,006
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	3,717,716
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)	1,767,961	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	2,164,397	2. Notes:	
D. Receipts from Federal Government (from page 2)	13,648	a. Interest	
E. Total receipts (A.7 + B + C + D)	3,946,006	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)	3,717,716

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
	37,559,010	3,946,006	3,717,716	37,787,300	

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	1,654,787	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	6,834
4. Licenses		f. Charges for Services	11,615
5. Specific Ownership &/or Other	82,996	g. Other Misc. Receipts	11,730
6. Total (1. through 5.)	82,996	h. Other	
c. Total (a. + b.)	1,737,782	i. Total (a. through h.)	30,179
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,138,883	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	25,514	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	13,648
f. Total (a. through e.)	25,514	g. Total (a. through f.)	13,648
4. Total (1. + 2. + 3.f)	2,164,397	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			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments:

Federal Awards Reports In Accordance With the
Single Audit Act and the Uniform Guidance
December 31, 2021
SAN MIGUEL COUNTY, COLORADO

SAN MIGUEL COUNTY, COLORADO
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December 31, 2021

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

Board of County Commissioners
San Miguel, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of San Miguel County (the County) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated September 9, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

Blair and Associates, P.C.

Cedaredge, Colorado
September 9, 2022



Independent Auditor's Report on Compliance for The Major Federal Program and Report on Internal Control Over Compliance;
and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Board of County Commissioners
San Miguel, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited San Miguel County's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of County's major federal programs for the year ended December 31, 2021. 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, 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 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 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 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 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 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 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 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 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.

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the County, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements. We issued our report thereon dated September 9, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Blair and Associates, P.C.

Cedaredge, Colorado
September 9, 2022

SAN MIGUEL, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2021

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Numbers	Pass-Through Entity Identifying Number	Major Program	Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through Colorado Department of Health Care Policy and Financing Medical Assistance program	93.778	*	No	\$ 67,411
Passed Through Colorado Department of Public Health and Environment:				
Public Health Emergency Preparedness	93.069	*	No	35,041
Childhood Immunization	93.268	*	No	135,213
ELC Funds COVID Related	93.323	*	Yes	139,386
EPR Covid Funds	93.354	*	No	34,020
Maternal and Child Health Services Block Grant	93.994	*	No	8,118
Passed Through Colorado Department of Human Services				
Temporary Assistance to Needy Families	93.558	*	No	71,919
Child Support Enforcement (Title IV-d)	93.563	*	No	27,702
Low Income Home Energy Assistance	93.568	*	No	23,506
Child Care and Development Block Grant	93.575	*	No	22,559
Child Care mandatory and Matching Funds of the Child Care and Development fund and Development Block Grant	93.596	*	No	47,233
Child Welfare Services - State Grants	93.645	*	No	2,191
Foster Care - Title IV-E	93.658	*	No	71,036
Adoption Assistance	93.659	*	No	9,882
Social Services Block Grant	93.667	*	No	5,184
Total Department of Health and Human Services				\$ 700,401

SAN MIGUEL, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2021

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Numbers	Pass-Through Entity Identifying Number	Major Program	Expenditures
DEPARTMENT OF AGRICULTURE				
Passed Through Colorado Department of Health Services:				
State Administrative matching Grants for Food Stamp program	10.561	*	No	\$ 56,779
Passed Through Colorado Department of Public Health and Environment:				
Special Supplemental Nutrition program for Women, Infants, and Children	10.557	*	No	31,143
Special Supplemental Nutrition program Women Infants and Children - Non Cash	10.557	*	No	26,746
Total Department of Agriculture				<u>\$ 114,668</u>
DEPARTMENT OF HOMELAND SECURITY				
Passed Through Colorado Department of Local Affairs:				
Emergency Management Performance	97.042	20 EM-21-51	No	\$ 54,282
Homeland Security Grant	97.067	19SHS20WR	Yes	74,969
Homeland Security Grant	97.067	18SHS19WR	Yes	27,841
Homeland Security Grant	97.067	20SHS21WR	Yes	31,539
				<u>\$ 188,631</u>
DEPARTMENT OF TREASURY				
Passed through Colorado Department of Local Affairs				
COVID-19 Coronavirus Relief Fund	21.019	CVRF RF-039	No	97,100
Passed Through Colorado Department of Public Health and Environment:				
COVID-19 Coronavirus Relief Fund	21.019	*	No	1,310
COVID-19 Coronavirus Relief Fund	93.747	*	No	984
IV-E Rel Guard	93.090	*	No	642
American Rescue Plan	21.027	*	No	39,101
				<u>\$ 139,137</u>
Total federal award expenditures				<u><u>\$ 1,142,837</u></u>

San Miguel County, Colorado
Notes to Schedule of Expenditures of Federal Awards
December 31, 2021

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of San Miguel County, Colorado (the County) under programs of the federal government for the year ended December 31, 2021. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or changes in net position or fund balance of the County.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County’s summary of significant accounting policies is presented in Note 1 in the County’s basic financial statements. Amounts reported in the Schedule are recognized on the modified accrual basis when they become a demand on current available federal resources and eligibility requirements are met, or on the accrual basis at the time liabilities are incurred and all eligibility requirements are met, depending on the basis of accounting used by the respective fund except for the following programs, which are reported in the schedule of expenditures of federal awards on the cash basis:

SNAP Cluster	10.551 & 10.561
Temporary Assistance for Needy Families Cluster	93.558
Child Support Enforcement	93.563
Low-Income Home Energy Assistance	93.568
CCDF Cluster	93.575 & 93.596
Stephanie Tubbs Jones Child Welfare Services Program	93.645
Foster Care Title IV-E	93.658
Adoption Assistance	93.659
Social Services Block Grant	93.667
Medicaid Cluster	93.778

When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COSTS RATE

The County has elected to not use the 10% de minimus indirect cost rate on the major programs, as allowed under the Uniform Guidance.

NOTE D – HUMAN SERVICE PROGRAMS

The County’s Department of Human Services operates several federally funded human services programs where benefits are provided to qualified citizens. The benefit distribution method consists of participants receiving benefits using a state-maintained electronic banking card (EBT) instead of the County’s cash disbursements. The Colorado Department of Human Services provided total EBT authorizations to qualified citizens in the County, in the amount of \$1,025,148. The revenue and expenditures associated with these federal programs are recognized in the County’s basic financial statements.

San Miguel County, Colorado
Notes to Schedule of Finding and Questioned Costs
December 31, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified	None Reported
Significant deficiency identified	No
Noncompliance material to financial statements noted	No

Federal Awards

Internal Control over major programs:	
Material weakness identified	None Reported
Significant deficiency identified	No

Type of auditor's report issued on compliance for major programs	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	No
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
97.067	Homeland Security Grant Program
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
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Auditee qualified as low risk auditee?	Yes
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San Miguel County
Notes to Schedule of Finding and Questioned Costs
December 31, 2021

SECTION II — FINDINGS RELATED TO FINANCIAL STATEMENTS

There are no findings related to the financial statements as required by Government Auditing Standards.

SECTION III — FINDINGS RELATED TO FEDERAL AWARDS

None noted in the current year audit.

Note: There was no prior year audit findings related to financial statements and federal awards.