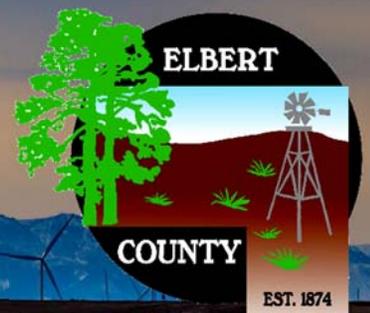




ELBERT COUNTY GOVERNMENT

Annual Financial Report

For the year ended December 31, 2018



ELBERT COUNTY, COLORADO

FINANCIAL STATEMENTS

December 31, 2018

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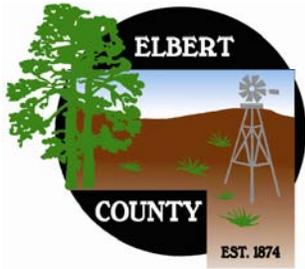
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INTRODUCTORY SECTION



ELBERT COUNTY GOVERNMENT

215 Comanche St.
P.O. Box 7
Kiowa, CO 80117

June 11, 2019

To the Board of County Commissioners and the Citizens of Elbert County:

The Comprehensive Annual Financial Report of Elbert County, Colorado for the fiscal year ended December 31, 2018 is hereby submitted.

This report consists of management's representations concerning the finances of Elbert County. Consequently, management assumes full responsibility for both the accuracy of the presented data, and for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of Elbert County has established internal controls that are designed both to protect the taxpayers' assets from loss, theft or misuse and to compile sufficient reliable information of the preparation of the Elbert County financial statements in conformity with Generally Accepted Accounting Principles in the United States of America (US GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). Since the cost of internal controls should not outweigh their benefits, Elbert County's internal controls have been designed to provide reasonable assurance the financial statements will be free from material misstatement.

To the best of our knowledge and belief, this financial report is accurate in all material aspects and reported in a manner which fairly represents the financial position and results of operations of Elbert County as measured by the financial activity of its various funds. Further, we believe all disclosures that are necessary to enable the reader to gain the maximum understanding of Elbert County's financial activities have been included.

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

The County's financial statements have been audited by Rubin Brown, LLP. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County, for the fiscal year ended December 31, 2018, are free of material misstatement. The independent audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements, assessing the accounting policies used as well as the reasonableness of estimates made by management, and evaluating the overall financial statement presentation. The independent auditor, based upon their audit, rendered an unmodified opinion, concluding that these financial statements are fairly presented in conformity with US GAAP. The independent auditor's report is presented in the financial section of this report. In addition to meeting the requirements set forth in state statutes, the audit included a federally mandated "Single Audit" designed to meet the needs of federal grantor agencies (Single Audit Act

Amendments of 1996) and related Title 2 U.S. Code of Federal Regulation (CFR) Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirement for Federal Awards (Uniform Guidance). The standards governing Single Audit engagements require the independent auditor to report not only on the fair representation of the financial statements, but also on the government's internal controls and compliance with legal requirements involved in the administration of federal awards. The reports issued by the independent auditors are presented in a separately issued Single Audit Report. GASB requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

Profile of Elbert County

Elbert County was formed in 1874. The County covers 1,851 square miles. The county is very diverse in population density ranging from rural to urban. According to the Colorado State Demography Office, the County has a population of about 27,773.

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

The three-member Board of County Commissioners (BOCC) serves as the legislative, policy-making and administrative body governing the unincorporated area of the County. The commissioners are elected from one of three geographical districts and serve staggered four-year terms (term-limited to two terms).

The County is one of four counties, along with Arapahoe, Douglas and Lincoln counties, in the Eighteenth Judicial District served by the District Attorney, an elected official responsible for prosecuting all criminal case filings.

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

The Board is charged with the responsibility of providing adequate budget appropriations to fund statutory functions, as well as responding to the service needs of the citizens. In turn, the other elected and appointed officials are charged with managing their authorized budgets in order to meet their statutory obligations and service demands as cost-effectively as possible. The Board is required to adopt a final budget no later than the end of the fiscal year. The adopted budget becomes the County's annual financial plan and mechanism to control spending.

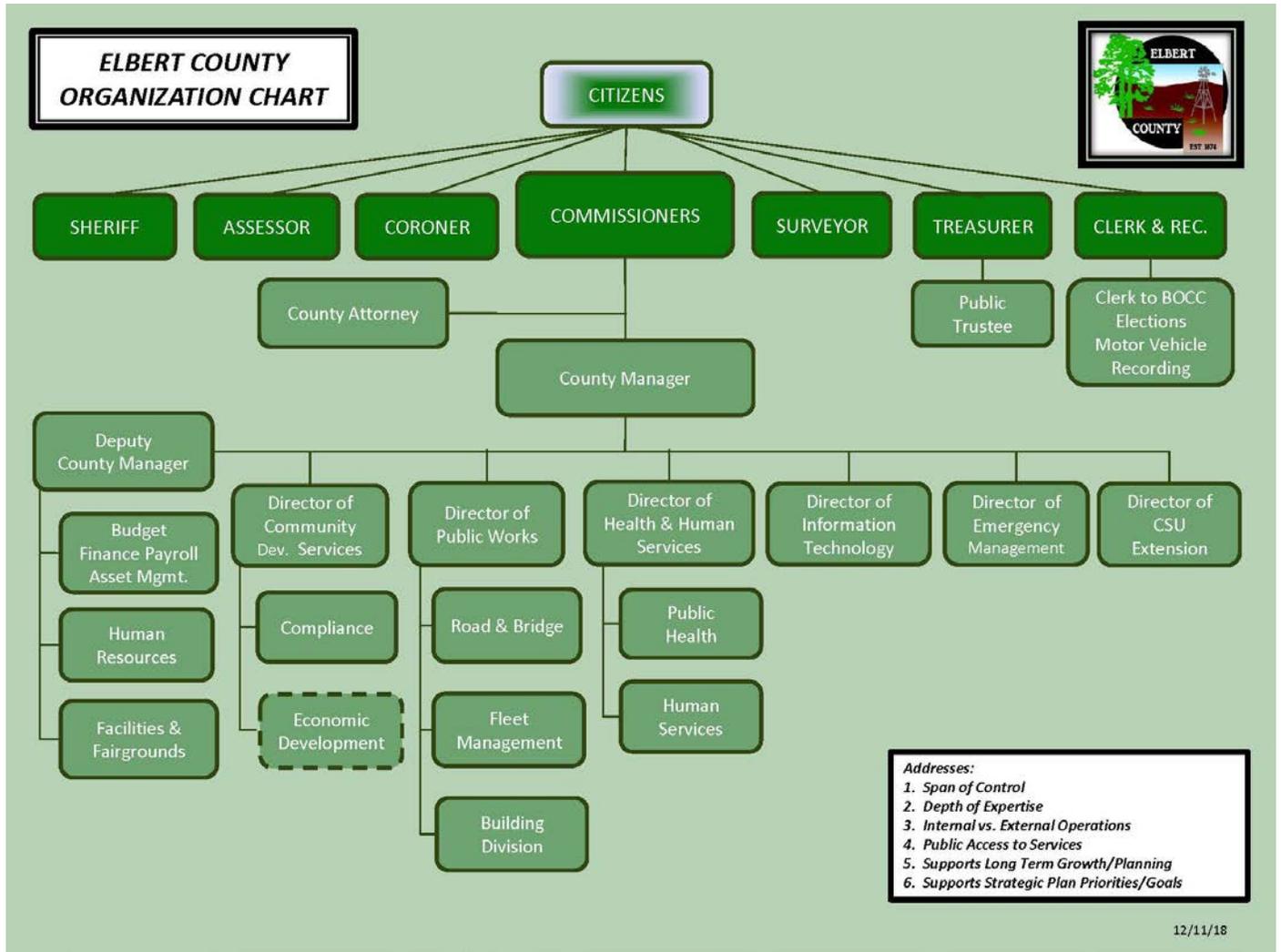
In closing, we wish to acknowledge the interest, leadership and support of the Board of County Commissioners, the Elected Officials and the cooperation of each of Elbert County's Departments as we work together to conduct Elbert County's financial operations. Each person involved demonstrates prudent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

Respectfully submitted,

Sam Albrecht
County Manager

Michelle Schrote, CPA
Finance Manager

ELBERT COUNTY ORGANIZATIONAL CHART



ELBERT COUNTY LIST OF OFFICIALS

Board of County Commissioners (BOCC)

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

Elected Officials Other Than BOCC

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

Appointed Officials

Sam Albrecht County Manager
Bart Greer County Attorney



RubinBrown LLP
Certified Public Accountants &
Business Consultants

Independent Auditors' Report

1900 Sixteenth Street
Suite 300
Denver, CO 80202

Board of County Commissioners
Elbert County
Kiowa, Colorado

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Report On The Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Elbert County, Colorado (the County), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility For The Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit, 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 the County as of December 31, 2018 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages IV through IX and 30 through 36, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund statements and schedules and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules and the Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling 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 fund statements and schedules and the Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2019 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

RubinBrown LLP

June 19, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

ELBERT COUNTY, COLORADO MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Elbert County (the County), the Board of County Commissioners offers readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2018.

Financial Highlights

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$82,427,250 (net position) at the close of the fiscal year. Of this amount, \$14,625,397 in unrestricted net position is available to meet ongoing and future obligations of the County.
- The net increase in capital assets for the year was \$494,139. The increase was due to capital additions of \$6,295,250 and road contributions of \$1,021,699 exceeding depreciation expense of \$6,648,375. The net increase was reduced by a gain on disposal of assets of \$65,502 and proceeds of \$108,933. A significant portion of the capital outlay is related to the construction of roads in Sun Country Meadows Public Improvement District (\$2.5 million) as well as other road rebuilds of \$1.3 million; the lease purchase agreements for road equipment in the Road and Bridge Funds; and other equipment purchases of \$1.8 million.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$16,053,653.
- Total net position increased by \$623,316. This is the result of contributions of roads recognized currently in the amount of \$1,021,699.
- Total long-term debt increased by \$556,231 during the current fiscal year. In 2018, the Sun Country Meadows Public Improvement District issued \$1,800,000 in general obligation bonds and the County entered into additional lease commitments of \$443,957. The increase was reduced by current payment of obligations of \$1,758,425.
- Tax revenues increased \$2,075,026. The majority of this increase was property and specific ownership taxes. However, sales and use taxes also increased approximately \$285,000.
- General Fund revenues decreased by \$4,177,761. The decrease in revenue is attributable to the collection of \$4,775,400 in 2017 permits which were deemed to be a one time revenue source from the Rush Creek Windfarm. General Fund expenditures increased \$873,400 as compared to the prior year. The net change in fund balance decreased from \$5,788,025 to \$690,273, which was also largely attributable to the one time revenue source collected in 2017. This continues the trend of increasing unrestricted fund balance and compares very favorably to the fiscal year ended December 31, 2009 when unrestricted fund balance was a negative \$1 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information and schedules 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 the County's finances, in a manner similar to a private-sector business.

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

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

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

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

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

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

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

Fiduciary funds. Fiduciary funds are used to account for assets held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County's own programs.

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

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

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

This report also contains a local highway finance report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$82,427,250.

	Net Position	
	<u>2018</u>	<u>2017</u>
Current assets	\$ 27,890,137	\$ 27,481,713
Capital assets	76,414,751	75,920,612
Total assets	<u>104,304,888</u>	<u>103,402,325</u>
Deferred outflows of resources	<u>118,667</u>	<u>151,272</u>
Current liabilities	1,483,637	1,918,617
Long-term liabilities	10,101,326	9,545,095
Total liabilities	<u>11,584,963</u>	<u>11,463,712</u>
Deferred inflows of resources	<u>10,411,342</u>	<u>10,285,951</u>
Net investment in capital assets	66,823,640	67,212,638
Restricted net position	978,213	860,388
Unrestricted net position	14,625,397	13,730,908
Total net position	<u><u>\$ 82,427,250</u></u>	<u><u>\$ 81,803,934</u></u>

The largest portion of the County's net position (81%) reflects its investment in capital assets. This compares to the December 31, 2017 percentage of 82%. The County's liquid net assets increased dramatically in the past few years. The County uses its capital assets to provide services to citizens; consequently, the assets are not available for future spending.

An additional portion of the County's net position (1.2%) represents resources that are subject to restrictions on how they can be used and/or are not currently available for the County's ongoing obligations. The remaining balance of unrestricted net position \$14,625,397 may be used to meet the government's future expenditures. Unrestricted net position increased \$894,489 during 2018.

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

The County's net position increased by \$623,316 during the current fiscal year. As noted above, this is the result of a contribution of land of \$1,021,699 as well as an increase in taxes of \$1,975,026, offset by an increase in expenditures of \$2,202,693.

Change in Net Position

	2018	2017
Revenues		
Program revenues		
Charges for services	\$ 4,168,313	\$ 9,523,706
Operating grants and contributions	7,590,963	7,435,855
Capital grants and contributions	1,021,699	4,950
General revenues		
Taxes	15,337,830	13,262,804
Intergovernmental	44,120	6,114
Investment and interest income	146,376	71,127
Gain on sale of capital assets	-	155,531
Other	201,871	186,949
Total revenues	28,511,172	30,647,036
Expenses		
General government	5,475,442	4,949,722
Public safety	5,893,670	5,637,758
Public works	11,434,766	10,048,249
Public health and welfare	4,304,600	4,275,353
Culture and recreation	273,793	324,008
Auxiliary services	144,269	139,602
Interfund charges for services	25,522	18,384
Interest on long-term debt	335,794	292,087
Total expenses	27,887,856	25,685,163
Change in net position	623,316	4,961,873
Net position - Beginning	81,803,934	76,842,061
Net position - Ending	\$ 82,427,250	\$ 81,803,934

Financial Analysis of the Government's Funds

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

Governmental funds

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$16,053,653, of which \$14,584,986 is attributed to the major funds.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the General Fund had a fund balance of \$8,724,961. This is an increase of \$690,273 from the prior year. Fiscal year 2018 marks the fifth consecutive year that the County's General Fund has had positive unassigned fund balance. The County has committed a portion of this increase for future costs in a stabilization fund and assigned a portion of the fund balance for contingencies.

General Fund revenues decreased \$4,177,761 in the current year. As discussed in the prior year, the licenses and permits line item increased \$4,226,458 in 2017 as a result of one time charges related to the Rush Creek Windfarm. General Fund tax revenue increased \$994,750 in the current year. The majority of this increase was in property and specific ownership taxes. General Fund expenditures increased a total of \$873,400. Significant increases included \$470,475 in County Sheriff department expenses, \$189,337 in group health insurance across all General Fund departments, \$105,438 for contract services in the Planning department within Community Development Services (CDS), and \$90,750 for network operating in the Information Technology (IT) department.

The Road and Bridge Special Revenue Fund had a total fund balance of \$2,781,430 as of December 31, 2018. The Road and Bridge Special Revenue Fund's fund balance increased by \$512,288 from the previous year. In the current year, total revenues were \$466,233 lower than in 2017. Capital lease proceeds were reduced by \$955,063 as compared to the prior year. This decrease was offset as the Road and Bridge Special Revenue Fund received \$450,000 in transfers from the Sales and Use Tax Special Revenue Fund as well as an increase in property and specific ownership taxes of \$488,086 and additional highway revenues of \$544,620 as a result of Senate Bill 18-001. Expenditures decreased \$54,838. Capital outlay decreased \$1,389,842, while personnel expenses increased \$546,815, fuel expense increased \$194,470, gravel expense increased \$128,747 and asphalt repair expense increased \$120,114. The County assigned a portion of the 2018 Road and Bridge Special Revenue ending fund balance for contingencies.

The Human Services Special Revenue Fund's fund balance was \$762,002 at the end of the current fiscal year. The Human Services Special Revenue Fund's fund balance increased \$180,379 from the previous year. Revenues increased \$127,751 over the prior year. This increase was in reimbursements of costs from the State of Colorado \$94,487 and \$76,957 in property and specific ownership taxes. Expenditures also increased \$17,753.

The Sales and Use Tax Special Revenue Fund's fund balance was \$2,316,593 at the end of the current fiscal year. The Sales and Use Tax Special Revenue Fund's fund balance increased \$74,590 from the previous year. Sales and use taxes increased \$284,144. Capital outlay and transfers out increased \$480,395 and \$489,624 respectively.

Original Budget Compared to Final Budget

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

General Fund	\$ 75,000
Road and Bridge Fund	125,000
Sales and Use Tax Fund	264,811
Sun Country Debt Service Fund	230,000
Sun Country Capital Improvement Fund	2,239,811

These additional funds were used for capital outlay costs, to pay the remaining lease balances for certain vehicles, outsourced engineering costs, and operating transfers for certain capital projects.

Capital Assets

The County invested, not including donated assets, \$6,295,250 in capital assets for its governmental-type activities for the year ended December 31, 2018. This investment in capital assets consists primarily of infrastructure, equipment and vehicles. Additional information on the County's capital assets can be found in Note 4 on page 19 of this report.

Long-Term Debt

At December 31, 2018 the County had total long-term debt of \$10,101,326. Long-term debt includes the Refunding Lease Mortgage Revenue Bond, Series 2016, capital leases used to finance equipment and vehicles, compensated absences, and the Sun Country Meadows PID which issued debt in the amount of \$1,800,000 in 2018. In an effort to save interest costs, during 2015 and 2016 the Chaparral Valley Debt Service Fund borrowed funds from the Road and Bridge Fund and called its bonds early. The County continues to find innovative approaches to save taxpayer dollars. Additional information on the County's long-term debt can be found in Note 5 on beginning page 20 of this report.

Economic Factors and Next Year's Budgets

The County has appropriated \$30,290,301 for spending in the 2019 fiscal year budget. Budgeted 2019 revenue of \$29,151,038 and the use of accumulated fund balances will be sufficient to cover the appropriated expenditures in 2019. For the 2019 fiscal year, the General Fund's fund balance is expected to decrease about \$213,000.

Requests for Information

This financial report is designed to provide a general overview of Elbert County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Elbert County, Attn: Finance Department, 215 Comanche Street, Kiowa, Colorado 80117.

BASIC FINANCIAL STATEMENTS

ELBERT COUNTY, COLORADO
STATEMENT OF NET POSITION
December 31, 2018

	Governmental Activities
ASSETS	
Cash and investments	\$ 15,741,909
Prepaid expenses	19,777
Receivables	1,066,908
Due from other governments	74,025
Property taxes receivable	10,372,673
Assessments receivable	38,669
Inventory of supplies	420,533
Cash and investments - Restricted	155,643
Capital assets, not being depreciated	
Land and water rights	9,193,465
Capital assets, net of accumulated depreciation	
Buildings, equipment and infrastructure	67,221,286
Total assets	104,304,888
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on debt refunding	118,667
LIABILITIES	
Accounts payable and accrued liabilities	1,406,792
Accrued interest payable	58,495
Unearned revenues	18,350
Noncurrent liabilities	
Due within one year	1,524,861
Due in more than one year	8,576,465
Total liabilities	11,584,963
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue-property taxes and assessments	10,411,342
NET POSITION	
Net investment in capital assets	66,823,640
Restricted	
Emergency reserves	445,194
Other purposes	33,434
Debt service	38,588
Clerk and Recorder's technology fee	26,620
Capital asset purchases	10,169
Conservation trust	424,208
Unrestricted	14,625,397
Total net position	\$ 82,427,250

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

ELBERT COUNTY, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2018

<u>Functions/Programs</u>	<u>Program Revenues</u>				Net (Expense) Revenue and Changes in Net Position
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Primary government:					
Governmental activities:					
General government	\$ 5,475,442	\$ 1,864,470	\$ 69,770	\$ -	\$ (3,541,202)
Public safety	5,893,670	1,555,972	382,980	-	(3,954,718)
Public works	11,434,766	381,235	3,218,371	1,021,699	(6,813,461)
Public health and welfare	4,304,600	257,630	3,758,827	-	(288,143)
Culture and recreation	273,793	109,006	161,015	-	(3,772)
Auxiliary services	144,269	-	-	-	(144,269)
Pooled vehicles	25,522	-	-	-	(25,522)
Interest on long-term debt	335,794	-	-	-	(335,794)
Total primary government	<u>\$ 27,887,856</u>	<u>\$ 4,168,313</u>	<u>\$ 7,590,963</u>	<u>\$ 1,021,699</u>	<u>(15,106,881)</u>

General revenues:

Taxes	15,337,830
Grants not restricted to a specific program	44,120
Investment earnings	146,376
Other	201,871
Total general revenues	<u>15,730,197</u>
Change in net position	623,316
Net position - Beginning	81,803,934
Net position - Ending	<u>\$ 82,427,250</u>

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

ELBERT COUNTY, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018

	<u>Special Revenue Funds</u>			
	<u>General</u>	<u>Road and Bridge</u>	<u>Human Services</u>	<u>Sales and Use Tax</u>
ASSETS				
Cash and investments with Treasurer	\$ 8,623,217	\$ 2,215,384	\$ 747,495	\$ 1,670,768
Cash and investments with Treasurer - Restricted	19,294	-	-	-
Accounts receivable	384,882	212,796	-	419,749
Assessments receivable	-	-	-	-
Due from other funds	22,636	-	2,252	30,000
Advances to other funds	-	84,666	-	234,811
Due from other governments	-	-	74,025	-
Property taxes receivable	5,881,257	3,424,785	540,756	-
Prepaid expenses	19,777	-	-	-
Inventory of supplies	2,629	417,904	-	-
Total assets	<u>\$14,953,692</u>	<u>\$ 6,355,535</u>	<u>\$ 1,364,528</u>	<u>\$ 2,355,328</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 347,474	\$ 147,444	\$ 45,296	\$ 38,735
Due to other funds	-	-	-	-
Unearned revenue	-	1,876	16,474	-
Advances from other funds	-	-	-	-
Total liabilities	<u>347,474</u>	<u>149,320</u>	<u>61,770</u>	<u>38,735</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes and assessments	5,881,257	3,424,785	540,756	-
FUND BALANCES				
Nonspendable				
Prepaid expenses	19,777	-	-	-
Inventory	2,629	417,904	-	-
Restricted				
Emergency reserves	292,097	107,687	17,217	-
Other purposes	18,202	-	15,232	-
Debt service	-	-	-	-
Capital asset purchases	-	-	-	-
Clerk and Recorder's technology fee	26,620	-	-	-
Conservation trust	-	-	-	-
Committed				
Stabilization	3,850,000	-	-	-
Assigned				
Contingency	500,000	1,000,000	-	-
Transportation	-	1,255,839	-	-
Public health and welfare	-	-	729,553	-
Public safety	-	-	-	-
Capital projects	-	-	-	2,316,593
Debt service	-	-	-	-
Retirement	-	-	-	-
Community development services	83,162	-	-	-
Subsequent year's budget: appropriation of fund balance	213,461	-	-	-
Unassigned	3,719,013	-	-	-
Total fund balances	<u>8,724,961</u>	<u>2,781,430</u>	<u>762,002</u>	<u>2,316,593</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$14,953,692</u>	<u>\$ 6,355,535</u>	<u>\$ 1,364,528</u>	<u>\$ 2,355,328</u>

Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,485,045	\$ 15,741,909
136,349	155,643
49,481	1,066,908
38,669	38,669
805,020	859,908
-	319,477
-	74,025
525,875	10,372,673
-	19,777
-	420,533
<u>\$ 4,040,439</u>	<u>\$ 29,069,522</u>

\$ 827,843	\$ 1,406,792
859,908	859,908
-	18,350
319,477	319,477
<u>2,007,228</u>	<u>2,604,527</u>

<u>564,544</u>	<u>10,411,342</u>
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-	19,777
-	420,533
28,193	445,194
-	33,434
38,588	38,588
10,169	10,169
-	26,620
424,208	424,208
-	3,850,000
-	1,500,000
-	1,255,839
340,426	1,069,979
208,677	208,677
497,983	2,814,576
3,559	3,559
174,404	174,404
-	83,162
-	213,461
(257,540)	3,461,473
<u>1,468,667</u>	<u>16,053,653</u>
<u>\$ 4,040,439</u>	<u>\$ 29,069,522</u>

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

ELBERT COUNTY, COLORADO
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2018

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

Total fund balance - Total governmental funds	\$ 16,053,653
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	76,414,751
Deferred charge on debt refunding, net of accumulated amortization, are not financial resources and, therefore, are not reported in the funds.	118,667
Accrued interest payable is not included in the funds.	(58,495)
Noncurrent liabilities, including capital leases and bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(10,101,326)</u>
Net position of governmental activities	<u><u>\$ 82,427,250</u></u>

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

ELBERT COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2018

	<u>Special Revenue Funds</u>			
	<u>General</u>	<u>Road and Bridge</u>	<u>Human Services</u>	<u>Sales and Use Tax</u>
REVENUES				
Taxes	\$ 7,650,195	\$ 3,535,830	\$ 532,616	\$ 3,002,320
Special assessments	-	-	-	-
Licenses and permits	870,220	-	-	-
Intergovernmental	500,461	3,228,949	3,626,158	-
Charges for services	1,900,668	241,559	-	-
Net investment income	118,809	5,531	846	-
Miscellaneous	446,739	19,915	40,450	-
Total revenues	<u>11,487,092</u>	<u>7,031,784</u>	<u>4,200,070</u>	<u>3,002,320</u>
EXPENDITURES				
Current				
General government	4,587,385	325,691	-	88,044
Public safety	5,077,532	-	-	-
Public works	-	5,336,855	-	73,672
Public health and welfare	32,845	-	4,012,646	-
Culture and recreation	202,940	-	-	-
Auxiliary services	144,269	-	-	-
Pool vehicles	25,522	-	-	-
Debt service				
Principal and interest	25,610	1,048,651	-	-
Bond issuance costs	-	-	-	-
Capital outlay	111,569	785,446	7,045	2,235,559
Total expenditures	<u>10,207,672</u>	<u>7,496,643</u>	<u>4,019,691</u>	<u>2,397,275</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,279,420</u>	<u>(464,859)</u>	<u>180,379</u>	<u>605,045</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the issuance of debt	56,809	387,148	-	-
Insurance recoveries	43,026	57,441	-	-
Sale of general capital assets	3,386	89,987	-	-
Transfers in	47,466	450,000	-	-
Transfers (out)	(739,834)	(7,429)	-	(530,455)
Total other financing sources (uses)	<u>(589,147)</u>	<u>977,147</u>	<u>-</u>	<u>(530,455)</u>
NET CHANGE IN FUND BALANCES	690,273	512,288	180,379	74,590
FUND BALANCES - BEGINNING OF YEAR	<u>8,034,688</u>	<u>2,269,142</u>	<u>581,623</u>	<u>2,242,003</u>
FUND BALANCES - END OF YEAR	<u>\$ 8,724,961</u>	<u>\$ 2,781,430</u>	<u>\$ 762,002</u>	<u>\$ 2,316,593</u>

Nonmajor Governmental Funds	Total Governmental Funds
\$ 606,269	\$ 15,327,230
13,939	13,939
-	870,220
279,513	7,635,081
732,179	2,874,406
17,851	143,037
17,989	525,093
<u>1,667,740</u>	<u>27,389,006</u>
351,553	5,352,673
146,788	5,224,320
-	5,410,527
243,667	4,289,158
32,176	235,116
-	144,269
-	25,522
983,889	2,058,150
90,901	90,901
3,155,631	6,295,250
<u>5,004,605</u>	<u>29,125,886</u>
<u>(3,336,865)</u>	<u>(1,736,880)</u>
1,800,000	2,243,957
-	100,467
15,560	108,933
1,102,330	1,599,796
(322,078)	(1,599,796)
<u>2,595,812</u>	<u>2,453,357</u>
(741,053)	716,477
<u>2,209,720</u>	<u>15,337,176</u>
<u>\$ 1,468,667</u>	<u>\$ 16,053,653</u>

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

ELBERT COUNTY, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
Year Ended December 31, 2018

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

Net change in fund balances - Total governmental funds	\$ 716,477
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported net of depreciation expense. This is the amount by which depreciation and donated assets exceeded capital outlay and loss on the disposal of assets in the current period.

Capital outlay	6,295,250
Proceeds from disposal of assets	(108,933)
Loss on disposal of assets	(65,502)
Donation of assets	1,021,699
Depreciation	(6,648,375)

The issuance of long-term debt (e.g. capital leases and bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt proceeds	(2,243,957)
Principal payments made	1,758,425

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

Change in compensated absences	(70,699)
Change in accrued interest	1,536
Amortization of deferred loss on refunding	(32,605)

Change in net position of governmental activities	<u>\$ 623,316</u>
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These financials statements should be read only in connection with
the accompanying notes to financial statements.

ELBERT COUNTY, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2018

	Agency Funds			Colorado State University Extension	Total
	Treasurer	Public Trustee	Sheriff's Office		
ASSETS					
Cash and investments	\$ 2,100,085	\$ 44,332	\$ 243,286	\$ 39,576	\$ 2,427,279
Total assets	<u>\$ 2,100,085</u>	<u>\$ 44,332</u>	<u>\$ 243,286</u>	<u>\$ 39,576</u>	<u>\$ 2,427,279</u>
LIABILITIES					
Due to other governments	\$ 1,643,219	\$ -	\$ -	\$ -	\$ 1,643,219
Other liabilities	88,991	-	243,286	39,576	371,853
Outstanding checks payable	367,875	-	-	-	367,875
Escrow deposits held by public trustee	-	44,332	-	-	44,332
Total liabilities	<u>\$ 2,100,085</u>	<u>\$ 44,332</u>	<u>\$ 243,286</u>	<u>\$ 39,576</u>	<u>\$ 2,427,279</u>

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

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - DEFINITION OF REPORTING ENTITY

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

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

Based on the application of these criteria, the County is financially accountable for the Elbert County Building Authority (Building Authority), Foxwood Estates and Foxwood Ranches Public Improvement District (Foxwood Estates), Meadow Station Subdivision Public Improvement District (Meadow Station) and Sun Country Meadows Public Improvement District (Sun Country Meadows). These entities are reported as blended component units within the debt, debt service and capital project funds of the County. The Building Authority's capital assets are reflected in the County's capital assets and its debt is recorded in the County's long-term debt. The Building Authority was registered with the State of Colorado as a nonprofit corporation on November 11, 2005. The Building Authority is governed by a Board of Directors that consist of three members. The initial Board was established by the County Commissioners. Any future changes to Board members will be decided by a majority vote of the existing members. For Foxwood Estates, Meadow Station, and Sun Country Meadows, the County Commissioners are the Board of the Districts. In addition, the County is obligated in some manner for the debt of these Districts. The financial statements of the component units are found only in this document. Chaparral Valley Subdivision 2 does not have separate corporate powers and is also reported as part of the County's legal entity, as a debt service fund.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the primary government except for the fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Major Funds (Continued) - The County reports the following major special revenue funds:

- The *Road and Bridge Fund* accounts for the proceeds of restricted revenue to be used for maintaining road and bridge operations.
- The *Human Services Fund* accounts for federal and state resources received by the County for various social programs as well as a portion of the County property taxes designated for this purpose.
- The *Sales and Use Tax Fund* accounts for the revenue generated by the 1% sales and use tax on applicable sales and purchases within the County.

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

Additionally, *Agency Funds*, account for assets held by the County as an agent for other governmental units and individuals. The Agency Funds are custodial in nature and do not present results of operations or have a measurement focus but utilize the accrual basis of accounting.

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

Budgets

In accordance with the State Budget Law, the County Commissioners hold public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level, which includes other financing uses, and lapses at year end. The County Commissioners can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. The General, Road and Bridge and Law Enforcement Assistance Funds do not budget or appropriate amounts related to entering into capital lease transactions, as entering into a capital lease does not provide for or use financial resources. The payments required under capital lease agreements are included in the appropriations resolution.

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

Cash and Investments - Except for cash held by third parties (cash and investments with trustee and lessor), all cash is deposited with the County Treasurer.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Cash and Investments (Continued) - When funds are received, the accounts of the fund receiving the money are credited. When expenditures are made, the cash with Treasurer is reduced and the expenditures recorded. The Treasurer invests the funds to achieve the best possible return on the investment while ensuring the principal is maintained. All funds record cash and investments as cash with County Treasurer. Net investment income is allocated to the General, Conservation Trust and Impact Assistance Funds, in accordance with statutory requirements. Cash equivalents are defined as investments with original maturities of three months or less. Investments are stated at fair value, with the exception of the local government investment pool and the Fidelity Govt MMKT Daily Money Class investments, which are stated at the net asset value of the shares owned.

Accounts Receivable – Accounts receivable relate to amounts collected in 2019 which the County earned or were entitled to during the 2018 fiscal year. The County believes all amounts recorded are fully collectible.

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

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

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

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

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

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

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Long-Term Debt – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Cost of Refunding - In the government-wide financial statements, the deferred cost of refunding is being amortized using the effective interest method over the life of the defeased Certificates of Participation. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a deferred outflow of resources.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. For the year ended December 31, 2018, the County includes \$118,667 of deferred outflows of resources related to the loss on refunding of debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and special assessments earned but levied for a subsequent period totaling \$10,411,342.

Fund Balances – The nonmajor debt service fund, the Chaparral Valley Fund, has negative fund balance of \$79,686. As more fully described in Note 10, this is the result of an advance from the Road and Bridge Fund. As special assessments and support from the General Fund have been received, and this advance has been repaid Chaparral Valley's fund balance increased. The nonmajor debt service fund, Sun Country Meadows also has negative fund balance of \$177,854. This is the result of an advance from the Sales and Use Tax Fund. County management anticipates there will be adequate property and specific ownership taxes to repay this advance.

In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed. Fund balances of the governmental funds are classified as follows:

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

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

Amounts which are assigned for the General Fund represent fund balance related to certain Community and Development Services fees which are appropriated for the following year's expenditures. Included in this amount is \$83,162 of engineering costs which are anticipated to be expended in 2019.

Unassigned – All other spendable amounts.

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

Property Taxes

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

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property tax revenues are recorded as revenue in the year for which they are levied, in most instances the year in which collection occurs.

Prior Year Amounts

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

Estimates

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

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2018 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 15,741,909
Cash and investments – Restricted	<u>155,643</u>
Total cash and investments - Statement of net position	15,897,552
Statement of fiduciary net position	<u>2,427,279</u>
	<u>\$ 18,324,831</u>

Cash and investments as of December 31, 2018 consist of the following:

Cash on hand	\$ 52,275
Deposits with financial institutions	14,504,535
Investments	<u>3,768,021</u>
Total cash and investments	<u>\$ 18,324,831</u>

Deposits with Financial Institutions

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

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

At December 31, 2018, the County's cash deposits had a bank balance of \$14,874,500 and a carrying balance of \$14,504,535. At December 31, 2018, of the County's deposits \$2,735,485 was covered by the Federal Deposit Insurance Corporation (FDIC), \$12,139,015 was covered by the PDPA.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Investments

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

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

The County adopted an investment policy during 2017. Prior to that time the County followed State statutes regarding investments.

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

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

As of December 31, 2018, the County had the following investments:

	Weighted Average Maturity	Net Asset Value
COLOTRUST Plus+	41 days to reset 61 days to maturity	\$ 3,741,262
Fidelity Govt MMKT Daily Money Class	weighted average Maturity-27 days Weighted average life- 76 days	<div style="text-align: right; margin-right: 20px;">26,759</div> <div style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 3,768,021</div>

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

Certificates of Deposit	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Due within one year</td> <td style="width: 40%; text-align: right;">\$ 735,000</td> </tr> <tr> <td>Due within two years</td> <td style="text-align: right;">1,225,000</td> </tr> <tr> <td>Due within three years</td> <td style="text-align: right;">490,000</td> </tr> </table>	Due within one year	\$ 735,000	Due within two years	1,225,000	Due within three years	490,000
Due within one year	\$ 735,000						
Due within two years	1,225,000						
Due within three years	490,000						

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

The County invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standards & Poor's. COLOTRUST does not have any unfunded commitments, redemption restrictions or redemption notice periods.

In addition, a lessor is holding unexpended lease proceeds totaling \$11,261. This amount is covered by FDIC insurance.

The County through an investment manager has invested in Fidelity Govt MMKT Daily Money Class (the Fund), a money market fund which is valued at a Net Asset Value (NAV) of \$1. The goals of the fund are a stable \$1 share price, maintenance of liquidity, and income. The Fund invests in short-term U.S. government securities and repurchase agreements secured by U.S. government securities. At March 13, 2019, the latest information available, the Fund had 27% of its portfolio in daily liquid assets and 64% of its portfolio in weekly liquid assets. This Fund has no investment rating. The Fund does not have any unfunded commitments, redemption restrictions or redemption notice periods.

Fair Value Hierarchy. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The County has no investments required to be reported under the fair value hierarchy.

Restricted Cash and Investments

The County considers cash related to contingencies to be restricted by the State of Colorado statutes. Those amounts total \$18,202 at December 31, 2018. The County also considers cash held for special assessment debt to be restricted to payment of debt service. At December 31, 2018, restricted cash related to special assessments totaled \$126,180. The County has unexpended lease proceeds which are held by the lessor and are to be used to either purchase capital assets or for debt service. At December 31, 2018, unexpended lease proceeds totaled \$11,261. Restricted cash and investments at December 31, 2018 totaled \$155,643.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

	Balance at December 31, 2017	Increases	Decreases	Balance at December 31, 2018
Primary Government				
Capital assets, not being depreciated:				
Water rights	\$ 4,100,445	\$ -	\$ -	\$ 4,100,445
Land	1,008,934	1,021,699	-	2,030,633
Construction in progress	999,018	2,257,030	(193,661)	3,062,387
Total capital assets, not being depreciated	<u>6,108,397</u>	<u>3,278,729</u>	<u>(193,661)</u>	<u>9,193,465</u>
Capital assets, being depreciated:				
Buildings	11,721,944	275,676	-	11,997,620
Equipment	12,510,476	2,472,825	(1,154,283)	13,829,018
Infrastructure	174,517,384	1,312,592	-	175,829,976
Total capital assets, being depreciated	<u>198,749,804</u>	<u>4,061,093</u>	<u>(1,154,283)</u>	<u>201,656,614</u>
Less accumulated depreciation for:				
Buildings	(5,397,580)	(289,686)	-	(5,687,266)
Equipment	(7,779,098)	(1,757,517)	1,150,636	(8,385,979)
Infrastructure	(115,760,911)	(4,601,172)	-	(120,362,083)
Total accumulated depreciation	<u>(128,937,589)</u>	<u>(6,648,375)</u>	<u>1,150,636</u>	<u>(134,435,328)</u>
Total capital assets, being depreciated, net	<u>69,812,215</u>	<u>(2,587,282)</u>	<u>(3,647)</u>	<u>67,221,286</u>
Capital assets, net	<u>\$ 75,920,612</u>	<u>\$ 691,447</u>	<u>\$ (197,308)</u>	<u>\$ 76,414,751</u>

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

General government	\$ 79,504
Public safety	582,302
Public health and welfare	14,433
Public works	5,933,459
Culture and recreation	38,677
Total depreciation expense	<u>\$ 6,648,375</u>

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the County's long-term obligations for the year ended December 31, 2018

	Balance at December 31, 2017	Additions	Reductions	Balance at December 31, 2018	Due Within One Year
Governmental Activities:					
Capital lease obligations	\$ 3,520,938	\$ 443,957	\$ 1,257,565	\$ 2,707,330	\$ 921,777
General obligation debt	360,000	1,800,000	161,295	1,998,705	115,730
Lease revenue refunding bonds	5,338,308	-	334,565	5,003,743	343,354
Titan Missile Complex	5,000	-	5,000	-	-
Compensated absences	320,849	214,647	143,948	391,548	144,000
	<u>\$ 9,545,095</u>	<u>\$ 2,458,604</u>	<u>\$ 1,902,373</u>	<u>\$ 10,101,326</u>	<u>\$ 1,524,861</u>

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

Capital Leases

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

The assets acquired through capital leases as of December 31, 2018 are as follows:

Equipment and software	\$ 6,579,495
Less accumulated depreciation	<u>(3,683,323)</u>
Total	<u>\$ 2,896,172</u>

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

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

Equipment	Date Issued	Original Bal	Interest Rate	Outstanding Balance
Motor Grader	5/19/2014	\$ 91,220	2.505%	\$ 4,807
Motor Grader	5/19/2014	91,220	2.505%	4,807
Motor Grader	5/19/2014	91,220	2.505%	4,807
Motor Grader	5/19/2014	91,220	2.505%	4,807
2 Chargers, 1 Durango, 4 Rams	1/10/2015	356,000	2.709%	93,540
Motor Grader	4/8/2015	282,737	3.00%	74,148
Motor Grader	7/1/2015	113,841	3.00%	35,693
Motor Grader	10/15/2015	110,841	3.00%	40,393
Motor Grader	10/28/2015	108,841	3.00%	39,664
772 GP Motor Grader	2/29/2016	148,263	3.25%	61,698
772 GP Motor Grader	2/29/2016	146,910	3.25%	61,135
Motorola Radios	4/29/2016	69,669	3.961%	43,423
2 2016 Dodge Ram 2500 Trucks and 1 1500 Truck	5/1/2016	157,421	2.80%	81,455
544 K Loader	6/29/2016	167,602	3.25%	78,158
2 2016 Dodge Trucks	7/25/2016	103,244	2.80%	58,561
772 GP Motor Grader	12/28/2016	129,410	3.25%	73,170
772 GP Motor Grader	12/28/2016	129,410	3.25%	73,170
6 Dodge Vehicles Sheriff's Office	2/15/2017	332,410	3.82%	221,414
2017 Chevy Silverado 1500 Coroner	2/15/2017	45,200	3.82%	30,347
Compactor/Excavator	6/1/2017	354,005	2.83%	252,993
Backhoe/Water Tanker/Roller	6/1/2017	215,775	2.83%	154,206
INTL Road Truck	6/1/2017	119,950	2.83%	85,723
INTL Tow Truck	6/1/2017	215,096	2.83%	153,721
2 JD Motor Graders	6/1/2017	239,215	2.83%	170,957
2 Motor Graders	11/13/2017	198,170	2.95%	160,831
4 Dodge Ram Trucks Sherriff's Office	11/13/2017	220,996	2.95%	179,356
3 Dodge Vehicles Sherriff's Office	11/20/2017	161,414	2.95%	131,000
4 2018 Motor Graders	3/29/2018	\$ 387,148	2.95%	333,346
				<u>\$ 2,707,330</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2018, were as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Governmental</u> <u>Activities</u>
2019	\$ 993,223
2020	846,777
2021	638,048
2022	353,645
2023	<u>21,212</u>
Total minimum lease payments	2,852,905
Less amounts representing interest	<u>(145,575)</u>
Present value of minimum lease payments	<u>\$ 2,707,330</u>

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Special Assessment Bonds

The following Special Assessment Bonds are to be serviced by special assessments levied against real property in the County, which is specifically benefited by the improvements. However, the County has accepted responsibility for a portion of the debt service payments related to these special assessments.

The Chaparral Valley 2 Subdivision Local Improvement District Special Assessment Bonds, dated January 10, 2003 were issued in the principal amount of \$350,000. As described in Note 10 to the financial statements, the Road and Bridge Fund advanced the Chaparral Valley Debt Service Fund \$127,000 for the purpose of retiring the remaining debt. The prepayment option for these bonds was elected and no principal is outstanding at December 31, 2018. The Chaparral Valley 2 Subdivision Local Improvement District owes the Road and Bridge Fund \$84,666 at December 31, 2018.

General Obligation Bonds

The Meadows Station Subdivision Public Improvement District General Obligation Bonds, dated December 23, 2004 were issued in the principal amount of \$625,000. Principal and interest, computed at a variable rate of 3.15% - 5.25% per annum, is payable semi-annually on June 1 and December 1, and maturing December 1, 2024, except if redeemed prior thereof. The bonds are subject to prepayment prior to maturity by the County on December 1, 2006, and each December 1 thereafter. The principal amount outstanding at December 31, 2018 was \$125,000.

The Foxwood Estates and Foxwood Ranches Public Improvement District General Obligation Bonds, dated January 27, 2005 were issued in the principal amount of \$345,000. Principal and interest are computed at a variable rate of 3.25% - 5.50% per annum and maturing December 1, 2029. The principal amount outstanding at December 31, 2018 was \$160,000.

Sun Country Public Improvement District General Obligation Bonds, dated April 20, 2018 were issued in the principal amount of \$1,800,000. Interest only payments are due on June 1. Principal and interest are due each December 1. Annual payments of principal and interest, at an annual interest rate of 4.200%, total \$132,705. The bonds mature on December 1, 2037. The principal amount outstanding at December 31, 2018 was \$1,713,705.

Lease Revenue Refunding Bonds

On March 1, 2016, the Building Authority issued the Elbert County Building Authority Lease Revenue Refunding Bond, Series 2016 in the amount of \$5,825,000 to refinance the Elbert County, Colorado Lease Mortgage Revenue Bonds, Series 2009. The purpose of this refunding was to reduce total debt service payments \$1,951,487, attain a decreased interest rate, the removal of certain bond covenants and requirements including the requirement to maintain \$500,000 of reserve cash, and the elimination of a balloon payment in 2028. Principal and interest payments, including an annual rate of 2.610%, total \$235,863 and are due on March 1 and September 1 each year with a maturity date of March 1, 2031. Any unpaid principal on the bonds may be prepaid in whole or in part by the County on any payment date on or after September 1, 2021 at an amount equal to 100% of the principal amount being prepaid, plus accrued interest to the prepayment date. The principal amount outstanding at December 31, 2018 was \$5,003,743.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

The following is a schedule of the debt services requirements to maturity as of December 31, 2018.

<u>Year Ending</u> <u>December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 459,084	\$ 215,149	\$ 674,233
2020	470,654	200,829	671,483
2021	482,569	186,138	668,707
2022	459,839	171,062	630,901
2023	472,474	157,397	629,871
2024-2028	2,465,533	578,623	3,044,156
2029-2033	1,712,849	214,392	1,927,241
2034-2038	479,446	51,376	530,822
	<u>\$ 7,002,448</u>	<u>\$ 1,774,966</u>	<u>\$ 8,777,414</u>

Compensated Absences

According to the County's Compensated Absences Policy, the maximum hours of vacation accrual for all employees, except for Sherriff, Patrol and Dispatch, are 72 hours. The Sherriff, Patrol and Dispatch may accrue up to 80 hours of vacation annually. The County limits the amount of unused compensated absences to a maximum of 200 hours.

Reclamation of Titan I Missile Complex

In 2011, Elbert County was alerted that the site had been disturbed by an unauthorized contractor. Since that time, Elbert County staff has been working closely with the Colorado Department of Public Health and Environment (CDPHE) to develop a remediation plan for the disturbance. During 2013, CDPHE issued a Compliance Order to the contractor and to the County and assessed a \$5,000 penalty. Also during 2013, the contractor restored the landfill and submitted a work completion report which was accepted by CDPHE. Under the terms of the plan, management expects the County to be required to monitor the site for five years at a cost not to exceed \$5,000 per year. Elbert County will be requesting that the contractor reimburse the County for any and all costs related to their unauthorized excavation. County management anticipates no additional costs for this site.

The long-term obligations of the County have been and will continue to be liquidated by various County funds. The fund which pays an employee is used to liquidate compensated absences of the governmental activities. These funds include the General, Road and Bridge, Law Enforcement Assistance and Human Services Funds. In addition, the General, Road and Bridge and Law Enforcement Assistance Funds service the capital leases. The Special Assessment Debt, the General Obligation Debt and the 2016 Refunding Lease Mortgage Revenue Bonds, are serviced by the specific funds that were established with the sole purpose of liquidating the debt obligation

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - NET POSITION

As also described in Note 2, net position in the Government-wide Statement of Net Position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulators of other governments. The County has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of capital leases and bonds that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2018, the County had a net investment in capital assets of \$66,823,640 calculated as follows:

	Governmental Activities
Net investment in capital assets:	
Capital assets, net	\$ 76,414,751
Loss on refunding (net of accumulated amortization)	118,667
Long-term obligations	(9,709,778)
Net investment in capital assets	\$ 66,823,640

Restricted assets include restrictions for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The County had restricted net position of \$978,213 as of December 31, 2018. The County's unrestricted net position as of December 31, 2018 is \$14,625,397.

NOTE 7 - PENSION PLAN

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

Employees vest 100% in personal contributions and 20% for each year of employment in employer contributions. Unvested employer contributions forfeited at termination revert to the County. The County applied participant forfeitures of \$16,398 to reduce the County share of contributions. At December 31, 2018, the County had \$8,360 in unapplied forfeitures.

Both the County and the employees contributed 5% of eligible gross wages to the Plan during 2018. Information regarding the pension plan contributions for 2018, 2017, and 2016 are as follows:

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - PENSION PLAN (CONTINUED)

	2018	2017	2016
Total payroll	\$ 6,918,901	\$ 6,516,427	\$ 6,783,320
Base salary - eligible	5,948,668	6,010,092	5,445,000
County contribution	297,433	300,505	217,800
Employee contribution	297,433	300,505	217,800

NOTE 8 - DEFERRED COMPENSATION PLAN

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

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Operating Leases

The County leases equipment and software under operating leases that expire 2020. Total rental expense for the year ended December 31, 2018 was \$22,716. The future minimum annual rental commitments under these leases are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Minimum</u> <u>Lease</u> <u>Payments</u>
2019	\$ 19,073
2020	15,592
2021	15,414
2022	15,414
2023	3,835
Total	\$ 69,328

Litigation

The County has been named in various pending or threatened litigation, claims or assessments. The ultimate outcome/resolution of these matters is not known at this time. The County is monitoring the progress of these matters and has referred various matters to the County's insurance carrier for consultation and representation. Insurance could participate in defense, settlement and claims costs subject to the terms and conditions of the insuring agreements. At December 31, 2018, the County does not believe the resolution of these matters will have a material adverse effect on the financial condition of the government.

Commitments

At December 31, 2018, the County had construction, encumbrance, and contractual commitments totaling \$661,663.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 9 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Grants

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

NOTE 10 - TRANSFERS/INTERFUND RECEIVABLES & PAYABLES

Interfund transfers for the year ended December 31, 2018 are as follows:

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total</u>
	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Nonmajor Governmental Funds</u>	
General Fund	\$ -	\$ -	\$ 739,834	\$ 739,834
Road and Bridge	-	-	7,429	7,429
Sales and Use Tax	-	450,000	80,455	530,455
Nonmajor Governmental Funds	47,466	-	274,612	322,078
	<u>\$ 47,466</u>	<u>\$ 450,000</u>	<u>\$ 1,102,330</u>	<u>\$ 1,599,796</u>

The transfer from the General Fund to the Nonmajor Governmental Funds is for the per capita health payments mandated by statute, for debt service payments and to reimburse Sun Country Meadows debt issuance and construction costs scheduled to be paid by the General Fund. The transfer from the Nonmajor Governmental Funds to the General Fund was for Conservation Trust Fund Projects. The payment from the Sales and Use Tax Fund to the Road and Bridge Fund was for road improvement projects and to the Nonmajor governmental fund related to the assigning of capital assets and the reimbursement of certain Sun Country Meadows construction costs. The transfer from the Road and Bridge Fund to the Nonmajor governmental fund related to the reimbursement of certain Sun Country Meadows construction costs.

Interfund receivables/payables are as follows at December 31, 2018:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 22,636	\$ -
Sales and Use Tax	30,000	-
Human Services	2,252	-
Nonmajor Governmental Funds	805,020	859,908
	<u>\$ 859,908</u>	<u>\$ 859,908</u>

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

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

The County reports interfund balances that are representative of lending/borrowing arrangements between funds in the fund financial statements as due to/from other funds. The amounts in the Nonmajor governmental funds are to allocate Cash with the Country Treasurer between the debt service and capital projects funds. The interfund balances have been eliminated in the government-wide statements. Amounts are expected to be repaid in the next fiscal year.

	Advance Receivable	Advance Payable
Road and Bridge	\$ 84,666	\$ -
Sales and Use Tax	234,811	-
Nonmajor Governmental Funds	-	319,477
	\$ 319,477	\$ 319,477

The nonmajor debt service fund, the Chaparral Valley Fund, owes the Road and Bridge Fund \$84,666. The County undertook this loan in order to call the special assessment bond principal early, thus saving a substantial amount of interest. This loan will be repaid as Chaparral Valley collects special assessments or receives transfers from the General Fund. It is anticipated that the loan will be repaid in eight years. The loan bears no interest.

The Sun Country Meadows, nonmajor debt service fund, owes the Sales and Use Tax Fund \$234,811. This amount was advanced to pay additional construction costs related to infrastructure. This loan will be repaid as property and specific ownership taxes collected in excess of amounts to pay principal and interest on the bonds are received. The loan bears no interest.

NOTE 11 - RISK MANAGEMENT

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

The intergovernmental agreements which formed the Pools provides that the Pools will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pools will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

Each pool is managed by an independent risk manager/claims administrator who reports to the Pool Board of Directors.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 11 - RISK MANAGEMENT (CONTINUED)

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

The Pools provide the following types of coverage:

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

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

NOTE 12 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments. Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue. TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

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

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 12 - TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

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

NOTE 13 – IMPACT FEE ABATEMENT

In exchange for certain infrastructure improvements, the County has entered into an agreement with the developer of Independence to remit all of the Elbert County Growth Impact Fees, all Traffic Analysis Zone Fees and all use tax generated by the County in connection with the development. The abatement will be used first to reimburse the developer for costs of constructing improvements on County Road 158. Any remaining funds will be released to the Overlay Metropolitan District.

NOTE 14 – NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued several pronouncements prior to December 31, 2018 that have effective dates that may impact future financial presentations. Management is currently determining the effects of the implementation of these statements on the County's financial records.

Governmental Accounting Standards Board Statement No. 84 *Fiduciary Activities*. In January of 2017 the GASB issued Statement No. 84. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

Governmental Accounting Standards Board Statement No. 87 *Leases*. In June of 2017 the GASB issued Statement No. 87. The objective of this Statement is to better meet the needs of financial statement users by improving accounting and financial reporting for leases by governments by establishing a single model for lease accounting. Under this guidance, the County will be required to recognize a right-to-use lease asset and a lease liability for leases that were previously reported as operating leases. For 2018 those leases are reported in Note 9. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
NON GAAP BUDGET BASIS
GENERAL FUND
Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 7,414,557	\$ 7,414,557	\$ 7,650,195	\$ 235,638
Licenses and permits	1,068,255	1,068,255	870,220	(198,035)
Intergovernmental	301,545	301,545	500,461	198,916
Charges for service	1,601,400	1,601,400	1,900,668	299,268
Net investment income	26,502	26,502	118,809	92,307
Miscellaneous	524,380	524,380	446,739	(77,641)
Total revenues	<u>10,936,639</u>	<u>10,936,639</u>	<u>11,487,092</u>	<u>550,453</u>
EXPENDITURES				
General government	4,680,008	4,680,008	4,587,385	92,623
Public safety	5,244,516	5,244,516	5,077,532	166,984
Public health and welfare	38,500	38,500	32,845	5,655
Culture and recreation	219,423	219,423	202,940	16,483
Auxiliary services	152,970	152,970	144,269	8,701
Pool vehicles	19,500	19,500	25,522	(6,022)
Debt service	9,974	9,974	25,610	(15,636)
Capital outlay	-	-	54,760	(54,760)
Total expenditures	<u>10,364,891</u>	<u>10,364,891</u>	<u>10,150,863</u>	<u>214,028</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>571,748</u>	<u>571,748</u>	<u>1,336,229</u>	<u>764,481</u>
OTHER FINANCING SOURCES (USES)				
Sale of assets	-	-	3,386	3,386
Insurance recoveries	10,000	10,000	43,026	33,026
Transfers in	-	-	47,466	47,466
Transfers (out)	(511,929)	(586,929)	(739,834)	(152,905)
Total other financing sources (uses)	<u>(501,929)</u>	<u>(576,929)</u>	<u>(645,956)</u>	<u>(69,027)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 69,819</u>	<u>\$ (5,181)</u>	<u>690,273</u>	<u>\$ 695,454</u>
PRESPECTIVE DIFFERENCES				
Capital lease transactions				
Proceeds			56,809	
Capital outlay related to capital leases			(56,809)	
NET CHANGE IN FUND BALANCE-GAAP BASIS			<u>690,273</u>	
FUND BALANCE - BEGINNING OF YEAR			<u>8,034,688</u>	
FUND BALANCE - END OF YEAR			<u>\$ 8,724,961</u>	

See accompanying notes to required supplementary information.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes				
Property taxes	\$ 5,807,557	\$ 5,807,557	\$ 5,820,871	\$ 13,314
Specific ownership taxes	1,600,000	1,600,000	1,819,137	219,137
Cigarette taxes	7,000	7,000	10,187	3,187
Total taxes	<u>7,414,557</u>	<u>7,414,557</u>	<u>7,650,195</u>	<u>235,638</u>
Licenses and permits				
Building and zoning fees	1,067,505	1,067,505	868,379	(199,126)
Liquor licenses	750	750	1,841	1,091
Total licenses and permits	<u>1,068,255</u>	<u>1,068,255</u>	<u>870,220</u>	<u>(198,035)</u>
Intergovernmental revenues				
VALE grant	53,000	53,000	53,000	-
Other intergovernmental revenues	248,545	248,545	447,461	198,916
Total intergovernmental revenues	<u>301,545</u>	<u>301,545</u>	<u>500,461</u>	<u>198,916</u>
Charges for services				
Sheriff	41,500	41,500	130,232	88,732
Clerk	810,800	810,800	796,181	(14,619)
Treasurer	615,500	615,500	647,636	32,136
Public trustee fees	18,000	18,000	58,255	40,255
Other	115,600	115,600	268,364	152,764
Total charges for services	<u>1,601,400</u>	<u>1,601,400</u>	<u>1,900,668</u>	<u>299,268</u>
Interest income	<u>26,502</u>	<u>26,502</u>	<u>118,809</u>	<u>92,307</u>
Miscellaneous revenues				
Fair receipts	63,500	63,500	-	(63,500)
Administrative cost allocation	388,380	388,380	277,654	(110,726)
Other	72,500	72,500	169,085	96,585
Total miscellaneous revenues	<u>524,380</u>	<u>524,380</u>	<u>446,739</u>	<u>(77,641)</u>
Other financing sources				
Sale of assets	-	-	3,386	3,386
Insurance recoveries	10,000	10,000	43,026	33,026
Transfers in	-	-	47,466	47,466
Total other financing sources	<u>10,000</u>	<u>10,000</u>	<u>93,878</u>	<u>83,878</u>
Total revenues	<u>\$ 10,946,639</u>	<u>\$ 10,946,639</u>	<u>\$ 11,580,970</u>	<u>\$ 634,331</u>

See accompanying notes to required supplementary information.

ELBERT COUNTY, COLORADO
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
NON GAAP BUDGET BASIS
GENERAL FUND
Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
EXPENDITURES				
General government				
Office of commissioners	\$ 281,994	\$ 281,994	\$ 270,396	\$ 11,598
County attorney	207,597	207,597	198,426	9,171
Clerk and recorder	612,339	612,339	593,295	19,044
Clerk and recorder - Elections	186,782	186,782	176,177	10,605
County treasurer	219,905	219,905	248,532	(28,627)
County assessor	557,299	557,299	493,374	63,925
Maintenance of grounds and buildings	281,411	281,411	249,014	32,397
Central data processing	729,292	729,292	893,253	(163,961)
Other administration	842,001	842,001	759,285	82,716
Budget/payroll	175,228	175,228	122,629	52,599
District attorney	586,160	586,160	583,004	3,156
Total general government	<u>4,680,008</u>	<u>4,680,008</u>	<u>4,587,385</u>	<u>92,623</u>
Public safety				
County sheriff	4,095,780	4,095,780	3,899,776	196,004
County coroner	156,636	156,636	108,420	48,216
Judicial center	163,020	163,020	108,476	54,544
Community development services	746,735	746,735	888,215	(141,480)
Emergency communications and operations	82,345	82,345	72,645	9,700
Total public safety	<u>5,244,516</u>	<u>5,244,516</u>	<u>5,077,532</u>	<u>166,984</u>
Public health and welfare				
	<u>38,500</u>	<u>38,500</u>	<u>32,845</u>	<u>5,655</u>
Culture and recreation				
	219,423	219,423	202,940	16,483
Auxiliary services	152,970	152,970	144,269	8,701
Pool vehicles	19,500	19,500	25,522	(6,022)
Debt service	9,974	9,974	25,610	(15,636)
Capital outlay	-	-	54,760	(54,760)
Transfers out	511,929	586,929	739,834	(152,905)
Total expenditures	<u>\$ 10,876,820</u>	<u>\$ 10,951,820</u>	<u>\$ 10,890,697</u>	<u>\$ 61,123</u>

See accompanying notes to required supplementary information.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
NON GAAP BUDGET BASIS
ROAD AND BRIDGE SPECIAL REVENUE FUND
Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 3,538,629	\$ 3,538,629	\$ 3,535,830	\$ (2,799)
Intergovernmental	2,800,000	2,800,000	3,228,949	428,949
Charges for services	205,000	205,000	241,559	36,559
Net investment income	2,500	2,500	5,531	3,031
Miscellaneous	10,000	10,000	19,915	9,915
Total revenues	<u>6,556,129</u>	<u>6,556,129</u>	<u>7,031,784</u>	<u>475,655</u>
EXPENDITURES				
General government	333,653	333,653	325,691	7,962
Public works	5,602,328	5,602,328	5,336,855	265,473
Debt service	987,497	987,497	1,048,651	(61,154)
Capital outlay	100,000	225,000	398,298	(173,298)
Total expenditures	<u>7,023,478</u>	<u>7,148,478</u>	<u>7,109,495</u>	<u>38,983</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(467,349)</u>	<u>(592,349)</u>	<u>(77,711)</u>	<u>514,638</u>
OTHER FINANCING SOURCES				
Sale of general capital assets	30,000	30,000	89,987	59,987
Insurance proceeds	-	-	57,441	57,441
Transfers in	450,000	450,000	450,000	-
Transfers out	-	-	(7,429)	(7,429)
Total other financing sources	<u>480,000</u>	<u>480,000</u>	<u>589,999</u>	<u>109,999</u>
NET CHANGE IN FUND BALANCE-NON GAAP	<u>\$ 12,651</u>	<u>\$ (112,349)</u>	512,288	<u>\$ 624,637</u>
PRESPPECTIVE DIFFERENCES				
Capital lease transactions				
Proceeds			387,148	
Capital outlay related to capital leases			<u>(387,148)</u>	
NET CHANGE IN FUND BALANCE-GAAP BASIS			512,288	
FUND BALANCE - BEGINNING OF YEAR			<u>2,269,142</u>	
FUND BALANCE - END OF YEAR			<u>\$ 2,781,430</u>	

See accompanying notes to required supplementary information.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
HUMAN SERVICES SPECIAL REVENUE FUND
Year Ended December 31, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Taxes	\$ 533,768	\$ 532,616	\$ (1,152)
Intergovernmental	4,045,339	3,626,158	(419,181)
Other	6,493	40,450	33,957
Net investment income	-	846	846
Total revenues	<u>4,585,600</u>	<u>4,200,070</u>	<u>(385,530)</u>
EXPENDITURES			
Public health and welfare	4,572,386	4,012,646	559,740
Capital outlay	125,000	7,045	117,955
Total expenditures	<u>4,697,386</u>	<u>4,019,691</u>	<u>677,695</u>
NET CHANGE IN FUND BALANCE	<u>\$ (111,786)</u>	180,379	<u>\$ 292,165</u>
FUND BALANCE - BEGINNING OF YEAR		<u>581,623</u>	
FUND BALANCE - END OF YEAR		<u>\$ 762,002</u>	

See accompanying notes to required supplementary information.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
SALES AND USE TAX SPECIAL REVENUE FUND
Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Sales tax	\$ 1,400,000	\$ 1,400,000	\$ 1,465,954	\$ 65,954
Use tax	<u>1,160,000</u>	<u>1,160,000</u>	<u>1,536,366</u>	<u>376,366</u>
Total revenues	<u>2,560,000</u>	<u>2,560,000</u>	<u>3,002,320</u>	<u>442,320</u>
EXPENDITURES				
General government	76,500	76,500	88,044	(11,544)
Public Works	1,356,000	1,356,000	73,672	1,282,328
Capital outlay	<u>1,420,000</u>	<u>1,420,000</u>	<u>2,235,559</u>	<u>(815,559)</u>
Total expenditures	<u>2,852,500</u>	<u>2,852,500</u>	<u>2,397,275</u>	<u>455,225</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(292,500)</u>	<u>(292,500)</u>	<u>605,045</u>	<u>897,545</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(479,000)</u>	<u>(743,811)</u>	<u>(530,455)</u>	<u>213,356</u>
Total other financing sources (uses)	<u>(479,000)</u>	<u>(743,811)</u>	<u>(530,455)</u>	<u>213,356</u>
NET CHANGE IN FUND BALANCE				
	<u>\$ (771,500)</u>	<u>\$ (1,036,311)</u>	74,590	<u>\$ 1,110,901</u>
FUND BALANCE - BEGINNING OF YEAR				
			<u>2,242,003</u>	
FUND BALANCE - END OF YEAR				
			<u>\$ 2,316,593</u>	

See accompanying notes to required supplementary information.

ELBERT COUNTY, COLORADO
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

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

ELBERT COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2018

	Special Revenue Funds	Debt Service Funds	Capital Improvement Fund
ASSETS			
Cash and investments with Treasurer	\$ 1,649,131	\$ 808,579	\$ 27,335
Cash and investments with Treasurer - Restricted	10,169	126,180	-
Accounts receivable	45,136	4,345	-
Assessments receivable	-	38,669	-
Due from other funds	-	-	805,020
Property taxes receivable	263,889	261,986	-
TOTAL ASSETS	\$ 1,968,325	\$ 1,239,759	\$ 832,355
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 77,580	\$ -	\$ 750,263
Due to other funds	24,888	835,020	-
Advances from other funds	-	319,477	-
Total liabilities	102,468	1,154,497	750,263
 DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes and assessments	263,889	300,655	-
 FUND BALANCES			
Restricted			
Emergency reserves	28,193	-	-
Debt service	-	38,588	-
Capital asset purchases	10,169	-	-
Conservation trust	424,208	-	-
Assigned			
Public health and welfare	340,426	-	-
Public safety	208,677	-	-
Capital projects	415,891	-	82,092
Debt service	-	3,559	-
Retirement	174,404	-	-
Unassigned			
Debt service	-	(257,540)	-
Total fund balances	1,601,968	(215,393)	82,092
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 1,968,325	\$ 1,239,759	\$ 832,355

**Total
Nonmajor
Governmental
Funds**

\$ 2,485,045
136,349
49,481
38,669
805,020
525,875

\$ 4,040,439

\$ 827,843
859,908
319,477

2,007,228

564,544

28,193
38,588
10,169
424,208

340,426
208,677
497,983
3,559
174,404

(257,540)
1,468,667

\$ 4,040,439

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2018

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Improvement Fund</u>
REVENUES			
Taxes	\$ 295,950	\$ 310,319	\$ -
Special assessments	-	13,939	-
Intergovernmental	279,513	-	-
Charges for services	732,179	-	-
Net investment income	17,686	165	-
Miscellaneous	17,989	-	-
Total revenues	<u>1,343,317</u>	<u>324,423</u>	<u>-</u>
EXPENDITURES			
General government	340,256	8,354	2,943
Public safety	146,788	-	-
Public health and welfare	243,667	-	-
Culture and recreation	32,176	-	-
Debt service			
Principal and interest	286,531	697,358	-
Bond issuance costs	-	-	90,901
Capital outlay	892,244	-	2,263,387
Total expenditures	<u>1,941,662</u>	<u>705,712</u>	<u>2,357,231</u>
EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES	<u>(598,345)</u>	<u>(381,289)</u>	<u>(2,357,231)</u>
OTHER FINANCING SOURCES (USES)			
Debt proceeds	-	-	1,800,000
Sale of general capital assets	15,560	-	-
Transfers in	145,961	477,300	479,069
Transfers (out)	(47,466)	(264,811)	(9,801)
Total other financing sources (uses)	<u>114,055</u>	<u>212,489</u>	<u>2,269,268</u>
NET CHANGE IN FUND BALANCES	(484,290)	(168,800)	(87,963)
FUND BALANCES - BEGINNING OF YEAR	<u>2,086,258</u>	<u>(46,593)</u>	<u>170,055</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,601,968</u>	<u>\$ (215,393)</u>	<u>\$ 82,092</u>

**Total
Nonmajor
Governmental
Funds**

\$ 606,269
13,939
279,513
732,179
17,851
17,989

1,667,740

351,553
146,788
243,667
32,176

983,889
90,901
3,155,631

5,004,605

(3,336,865)

1,800,000
15,560
1,102,330
(322,078)

2,595,812

(741,053)

2,209,720

\$ 1,468,667

See accompanying independent auditors' report.

SUPPLEMENTARY INFORMATION

ELBERT COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
December 31, 2018

	Law Enforcement Assistance	Impact Assistance	Public Health and Administration
ASSETS			
Cash and investments with Treasurer	\$ 256,007	\$ 425,700	\$ 334,372
Cash and investments with Treasurer - Restricted	10,169	-	-
Accounts receivable	17,718	-	22,977
Property taxes receivable	-	-	-
TOTAL ASSETS	\$ 283,894	\$ 425,700	\$ 357,349
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 52,980	\$ 9,809	\$ 9,827
Due to other funds	-	-	-
Total liabilities	52,980	9,809	9,827
 DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	-
 FUND BALANCES			
Restricted			
Emergency reserves	12,068	-	7,096
Capital asset purchases	10,169	-	-
Conservation trust	-	-	-
Assigned			
Public health	-	-	340,426
Public safety	208,677	-	-
Capital projects	-	415,891	-
Retirement	-	-	-
Total fund balances	230,914	415,891	347,522
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 283,894	\$ 425,700	\$ 357,349

<u>Retirement</u>	<u>Conservation Trust</u>	<u>Total</u>
\$ 183,368	\$ 449,684	\$ 1,649,131
-	-	10,169
4,441	-	45,136
263,889	-	263,889
<u>\$ 451,698</u>	<u>\$ 449,684</u>	<u>\$ 1,968,325</u>

\$ 4,376	\$ 588	\$ 77,580
-	24,888	24,888
<u>4,376</u>	<u>25,476</u>	<u>102,468</u>

<u>263,889</u>	<u>-</u>	<u>263,889</u>
----------------	----------	----------------

9,029	-	28,193
-	-	10,169
-	424,208	424,208
-	-	340,426
-	-	208,677
-	-	415,891
174,404	-	174,404
<u>183,433</u>	<u>424,208</u>	<u>1,601,968</u>
<u>\$ 451,698</u>	<u>\$ 449,684</u>	<u>\$ 1,968,325</u>

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year Ended December 31, 2018

	<u>Law Enforcement Assistance</u>	<u>Impact Assistance</u>	<u>Public Health and Administration</u>
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	12,653	-	105,845
Charges for services	308,133	190,525	233,521
Net investment income	-	10,887	-
Miscellaneous income	10,989	-	2,000
Total revenues	<u>331,775</u>	<u>201,412</u>	<u>341,366</u>
EXPENDITURES			
General government	53,303	-	-
Public safety	106,663	40,125	-
Public health and welfare	-	-	243,667
Culture and recreation	-	-	-
Debt service	286,531	-	-
Capital outlay	474,404	395,546	-
Total expenditures	<u>920,901</u>	<u>435,671</u>	<u>243,667</u>
EXCESS (DEFICIENCY) OF REVENUES			
OVER (UNDER) EXPENDITURES	<u>(589,126)</u>	<u>(234,259)</u>	<u>97,699</u>
OTHER FINANCING SOURCES			
Sale of general capital assets	15,560	-	0
Transfers in	111,332	-	34,629
Transfers (out)	-	-	-
Total other financing sources	<u>126,892</u>	<u>-</u>	<u>34,629</u>
NET CHANGE IN FUND BALANCES	(462,234)	(234,259)	132,328
FUND BALANCES - BEGINNING OF YEAR	<u>693,148</u>	<u>650,150</u>	<u>215,194</u>
FUND BALANCES - END OF YEAR	<u>\$ 230,914</u>	<u>\$ 415,891</u>	<u>\$ 347,522</u>

<u>Retirement</u>	<u>Conservation Trust</u>	<u>Total</u>
\$ 295,950	\$ -	\$ 295,950
-	161,015	279,513
-	-	732,179
-	6,799	17,686
5,000	-	17,989
<u>300,950</u>	<u>167,814</u>	<u>1,343,317</u>
286,953	-	340,256
-	-	146,788
-	-	243,667
-	32,176	32,176
-	-	286,531
-	22,294	892,244
<u>286,953</u>	<u>54,470</u>	<u>1,941,662</u>
<u>13,997</u>	<u>113,344</u>	<u>(598,345)</u>
-	-	15,560
-	-	145,961
-	(47,466)	(47,466)
<u>-</u>	<u>(47,466)</u>	<u>114,055</u>
13,997	65,878	(484,290)
<u>169,436</u>	<u>358,330</u>	<u>2,086,258</u>
<u>\$ 183,433</u>	<u>\$ 424,208</u>	<u>\$ 1,601,968</u>

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year Ended December 31, 2018

	<u>Law Enforcement Assistance</u>		
	<u>(NON-GAAP BUDGET BASIS)</u>		
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Intergovernmental	\$ -	\$ 12,653	\$ 12,653
Charges for services	685,000	308,133	(376,867)
Interest income	-	-	-
Miscellaneous income	-	10,989	10,989
Total revenues	<u>685,000</u>	<u>331,775</u>	<u>(353,225)</u>
EXPENDITURES			
General government	-	53,303	(53,303)
Public safety	481,742	106,663	375,079
Debt service	286,774	286,531	243
Capital outlay	-	77,561	(77,561)
Total expenditures	<u>768,516</u>	<u>524,058</u>	<u>244,458</u>
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES	<u>(83,516)</u>	<u>(192,283)</u>	<u>(108,767)</u>
OTHER FINANCING SOURCES			
Sale of general capital assets	48,000	15,560	(32,440)
Transfers in	-	111,332	111,332
Total other financing sources	<u>48,000</u>	<u>126,892</u>	<u>78,892</u>
NET CHANGE IN FUND BALANCES-NON GAAP	<u>\$ (35,516)</u>	<u>(65,391)</u>	<u>\$ (29,875)</u>
PRESPECTIVE DIFFERENCES			
Capital lease transactions			
Proceeds		-	
Capital outlay related to capital leases		<u>(396,843)</u>	
NET CHANGE IN FUND BALANCE-GAAP BASIS		(462,234)	
FUND BALANCES - BEGINNING OF YEAR		<u>693,148</u>	
FUND BALANCES - END OF YEAR		<u>\$ 230,914</u>	

Impact Assistance

Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -
273,000	190,525	(82,475)
-	10,887	10,887
-	-	-
<u>273,000</u>	<u>201,412</u>	<u>(71,588)</u>
-	-	-
-	40,125	(40,125)
-	-	-
632,500	395,546	236,954
<u>632,500</u>	<u>435,671</u>	<u>196,829</u>
<u>(359,500)</u>	<u>(234,259)</u>	<u>125,241</u>
-	-	-
-	-	-
-	-	-
<u>\$ (359,500)</u>	<u>(234,259)</u>	<u>\$ 125,241</u>
	-	
	-	
	<u>(234,259)</u>	
	<u>650,150</u>	
	<u>\$ 415,891</u>	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year Ended December 31, 2018

	Public Health and Administration		
	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	123,689	105,845	(17,844)
Charges for services	255,996	233,521	(22,475)
Miscellaneous income	-	2,000	2,000
Total revenues	<u>379,685</u>	<u>341,366</u>	<u>(38,319)</u>
EXPENDITURES			
General government	-	-	-
Public health and welfare	413,314	243,667	169,647
Capital outlay	30,000	-	30,000
Total expenditures	<u>443,314</u>	<u>243,667</u>	<u>199,647</u>
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES	<u>(63,629)</u>	<u>97,699</u>	<u>161,328</u>
OTHER FINANCING SOURCES			
Transfers in	34,629	34,629	-
Total other financing sources	<u>34,629</u>	<u>34,629</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (29,000)</u>	132,328	<u>\$ 161,328</u>
FUND BALANCES - BEGINNING OF YEAR		<u>215,194</u>	
FUND BALANCES - END OF YEAR		<u>\$ 347,522</u>	

Retirement		
Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 285,853	\$ 295,950	\$ 10,097
-	-	-
-	-	-
-	5,000	5,000
<u>285,853</u>	<u>300,950</u>	<u>15,097</u>
299,144	286,953	12,191
-	-	-
-	-	-
<u>299,144</u>	<u>286,953</u>	<u>12,191</u>
<u>(13,291)</u>	<u>13,997</u>	<u>27,288</u>
-	-	-
-	-	-
<u>\$ (13,291)</u>	<u>13,997</u>	<u>\$ 27,288</u>
	<u>169,436</u>	
	<u>\$ 183,433</u>	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year Ended December 31, 2018

	Conservation Trust		
	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 155,556	\$ 161,015	\$ 5,459
Interest income	1,013	6,799	5,786
Total revenues	156,569	167,814	11,245
EXPENDITURES			
Culture and recreation	117,500	32,176	85,324
Capital outlay	130,000	22,294	107,706
Total expenditures	247,500	54,470	193,030
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(90,931)	113,344	204,275
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	(47,466)	(47,466)
Total other financing sources (uses)	-	(47,466)	(47,466)
NET CHANGE IN FUND BALANCES	\$ (90,931)	65,878	\$ 156,809
FUND BALANCES - BEGINNING OF YEAR		358,330	
FUND BALANCES - END OF YEAR		\$ 424,208	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
December 31, 2018

	<u>Bond Redemption</u>	<u>Chaparral Valley</u>	<u>Meadows Station</u>	<u>Sun Country Meadows</u>	<u>Foxwood Estates</u>	<u>Total</u>
ASSETS						
Cash and investments with Treasurer	\$ 3,559	\$ -	\$ -	\$ 805,020	\$ -	\$ 808,579
Cash and investments with Treasurer - Restricted	-	4,980	19,574	83,809	17,817	126,180
Accounts receivable	-	-	779	3,148	418	4,345
Assessments receivable	-	38,669	-	-	-	38,669
Property tax receivable	-	-	47,192	189,252	25,542	261,986
TOTAL ASSETS	<u>\$ 3,559</u>	<u>\$ 43,649</u>	<u>\$ 67,545</u>	<u>\$ 1,081,229</u>	<u>\$ 43,777</u>	<u>\$ 1,239,759</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ 835,020	\$ -	\$ 835,020
Advances from other funds	-	84,666	-	234,811	-	319,477
Total liabilities	<u>-</u>	<u>84,666</u>	<u>-</u>	<u>1,069,831</u>	<u>-</u>	<u>1,154,497</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes and assessments	-	38,669	47,192	189,252	25,542	300,655
Total deferred inflows of resources	<u>-</u>	<u>38,669</u>	<u>47,192</u>	<u>189,252</u>	<u>25,542</u>	<u>300,655</u>
FUND BALANCES						
Restricted for debt service	-	-	20,353	-	18,235	38,588
Assigned for debt service	3,559	-	-	-	-	3,559
Unassigned	-	(79,686)	-	(177,854)	-	(257,540)
Total fund balance	<u>3,559</u>	<u>(79,686)</u>	<u>20,353</u>	<u>(177,854)</u>	<u>18,235</u>	<u>(215,393)</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 3,559</u>	<u>\$ 43,649</u>	<u>\$ 67,545</u>	<u>\$ 1,081,229</u>	<u>\$ 43,777</u>	<u>\$ 1,239,759</u>

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
Year Ended December 31, 2018

	<u>Bond Redemption</u>	<u>Chaparral Valley</u>	<u>Meadows Station</u>	<u>Sun Country Meadows</u>	<u>Foxwood Estates</u>	<u>Total</u>
REVENUES						
Taxes	\$ -	\$ -	\$ 55,866	\$ 224,451	30,002	\$ 310,319
Special assessments	-	13,939	-	-	-	13,939
Net investment income	-	-	18	119	28	165
Total revenues	<u>-</u>	<u>13,939</u>	<u>55,884</u>	<u>224,570</u>	<u>30,030</u>	<u>324,423</u>
EXPENDITURES						
General government	-	419	1,493	5,538	904	8,354
Debt service						
Principal and interest	471,726	-	64,062	132,075	29,495	697,358
Total expenditures	<u>471,726</u>	<u>419</u>	<u>65,555</u>	<u>137,613</u>	<u>30,399</u>	<u>705,712</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(471,726)</u>	<u>13,520</u>	<u>(9,671)</u>	<u>86,957</u>	<u>(369)</u>	<u>(381,289)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	472,000	5,300	-	-	-	477,300
Transfers (out)	-	-	-	(264,811)	-	(264,811)
Total other financing sources (uses)	<u>472,000</u>	<u>5,300</u>	<u>-</u>	<u>(264,811)</u>	<u>-</u>	<u>212,489</u>
NET CHANGE IN FUND BALANCES	274	18,820	(9,671)	(177,854)	(369)	(168,800)
FUND BALANCES - BEGINNING OF YEAR	<u>3,285</u>	<u>(98,506)</u>	<u>30,024</u>	<u>-</u>	<u>18,604</u>	<u>(46,593)</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,559</u>	<u>\$ (79,686)</u>	<u>\$ 20,353</u>	<u>\$ (177,854)</u>	<u>18,235</u>	<u>\$ (215,393)</u>

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
Year Ended December 31, 2018

	Bond Redemption Fund		
	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Special assessments	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
General government	2,000	-	2,000
Debt service			
Principal and interest	471,727	471,726	1
Total expenditures	<u>473,727</u>	<u>471,726</u>	<u>2,001</u>
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES	<u>(473,727)</u>	<u>(471,726)</u>	<u>2,001</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	473,727	472,000	(1,727)
Transfers (out)	-	-	-
Total other financing sources (uses)	<u>473,727</u>	<u>472,000</u>	<u>(1,727)</u>
NET CHANGE IN FUND BALANCE-GAAP BASIS	<u>\$ -</u>	274	<u>\$ 274</u>
FUND BALANCES - BEGINNING OF YEAR		<u>3,285</u>	
FUND BALANCES - END OF YEAR		<u>\$ 3,559</u>	

Chaparral Valley

Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 12,500	\$ 13,939	\$ 1,439
12,500	13,939	1,439
400	419	(19)
-	-	-
400	419	(19)
12,100	13,520	1,420
-	5,300	5,300
(16,000)	-	16,000
(16,000)	5,300	21,300
\$ (3,900)	18,820	\$ 22,720
	(98,506)	
	\$ (79,686)	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
Year Ended December 31, 2018

	Meadows Station		
	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 57,536	\$ 55,866	\$ (1,670)
Net investment income	-	18	18
Total revenues	57,536	55,884	(1,652)
EXPENDITURES			
General government	2,200	1,493	707
Debt service			
Principal and interest	65,093	64,062	1,031
Total expenditures	67,293	65,555	1,738
NET CHANGE IN FUND BALANCES	\$ (9,757)	(9,671)	\$ 86
FUND BALANCES - BEGINNING OF YEAR		30,024	
FUND BALANCES - END OF YEAR		\$ 20,353	

Foxwood Estates

Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 29,260	\$ 30,002	\$ 742
-	28	28
29,260	30,030	770
1,000	904	96
29,488	29,495	(7)
30,488	30,399	89
\$ (1,228)	(369)	\$ 859
	18,604	
	\$ 18,235	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
Year Ended December 31, 2018

	Sun Country Meadows			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes	\$ 192,978	\$ 192,978	\$ 224,451	\$ 31,473
Net investment income	-	-	119	119
Total revenues	<u>192,978</u>	<u>192,978</u>	<u>224,570</u>	<u>31,592</u>
EXPENDITURES				
General government	44,420	44,420	5,538	38,882
Debt service				
Principal and interest	<u>147,380</u>	<u>147,380</u>	<u>132,075</u>	<u>15,305</u>
Total expenditures	<u>191,800</u>	<u>191,800</u>	<u>137,613</u>	<u>54,187</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,178</u>	<u>1,178</u>	<u>86,957</u>	<u>85,779</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	(230,000)	(264,811)	(34,811)
Total other financing sources (uses)	<u>-</u>	<u>(230,000)</u>	<u>(264,811)</u>	<u>(34,811)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 1,178</u>	<u>\$ (228,822)</u>	(177,854)	<u>\$ 50,968</u>
FUND BALANCES - BEGINNING OF YEAR			<u>-</u>	
FUND BALANCES - END OF YEAR			<u>\$ (177,854)</u>	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
December 31, 2018

	<u>Capital Improvement</u>	<u>Sun Country Meadows Capital Projects</u>	<u>Total</u>
ASSETS			
Cash and investments with Treasurer	\$ 27,335	\$ -	\$ 27,335
Due from other funds	-	805,020	805,020
TOTAL ASSETS	<u>\$ 27,335</u>	<u>\$ 805,020</u>	<u>\$ 832,355</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued liabilities	\$ 2,850	\$ 747,413	\$ 750,263
Total liabilities	<u>2,850</u>	<u>747,413</u>	<u>750,263</u>
 FUND BALANCES			
Capital asset purchases	24,485	57,607	82,092
Total fund balance	<u>24,485</u>	<u>57,607</u>	<u>82,092</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
	<u>\$ 27,335</u>	<u>\$ 805,020</u>	<u>\$ 832,355</u>

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
Year Ended December 31, 2018

	Capital Improvement	Sun Country Meadows Capital Projects	Total
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES			
General government	2,943	-	2,943
Capital outlay	132,826	2,130,561	2,263,387
Debt Service			
Bond issuance costs	-	90,901	90,901
Total expenditures	<u>135,769</u>	<u>2,221,462</u>	<u>2,357,231</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(135,769)</u>	<u>(2,221,462)</u>	<u>(2,357,231)</u>
OTHER FINANCING SOURCES (USES)			
Bond proceeds	-	1,800,000	1,800,000
Transfers in	-	479,069	479,069
Transfers (out)	<u>(9,801)</u>	<u>-</u>	<u>(9,801)</u>
Total other financing sources (uses)	<u>(9,801)</u>	<u>2,279,069</u>	<u>2,269,268</u>
NET CHANGE IN FUND BALANCES	(145,570)	57,607	(87,963)
FUND BALANCES - BEGINNING OF YEAR	<u>170,055</u>	<u>-</u>	<u>170,055</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 24,485</u></u>	<u><u>\$ 57,607</u></u>	<u><u>\$ 82,092</u></u>

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES			
General government	-	2,943	(2,943)
Capital outlay	<u>195,000</u>	<u>132,826</u>	<u>62,174</u>
Total expenditures	<u>195,000</u>	<u>135,769</u>	<u>59,231</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(195,000)</u>	<u>(135,769)</u>	<u>59,231</u>
OTHER FINANCING SOURCES			
Transfers out	<u>-</u>	<u>(9,801)</u>	<u>(9,801)</u>
Total other financing sources	<u>-</u>	<u>(9,801)</u>	<u>(9,801)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (195,000)</u></u>	<u>(145,570)</u>	<u><u>\$ 49,430</u></u>
FUND BALANCE - BEGINNING OF YEAR		<u>170,055</u>	
FUND BALANCE - END OF YEAR		<u><u>\$ 24,485</u></u>	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
SUN COUNTRY MEADOWS CAPITAL PROJECTS FUND
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt Service				
Bond issuance costs	-	95,000	90,901	4,099
Capital outlay	-	2,144,811	2,130,561	14,250
Total expenditures	-	2,239,811	2,221,462	18,349
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(2,239,811)	(2,221,462)	18,349
OTHER FINANCING SOURCES				
Bond proceeds	-	1,800,000	1,800,000	-
Transfers in	-	264,811	479,069	214,258
Total other financing sources	-	2,064,811	2,279,069	214,258
NET CHANGE IN FUND BALANCE	\$ -	\$ (175,000)	57,607	\$ 232,607
FUND BALANCE - BEGINNING OF YEAR			-	
FUND BALANCE - END OF YEAR			\$ 57,607	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS
Year Ended December 31, 2018

	<u>Balance January 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2018</u>
ASSETS				
Cash - Treasurer	\$ 1,772,396	\$ 48,019,563	\$ (47,691,874)	\$ 2,100,085
Cash - Public Trustee	68,706	89,496	(113,870)	44,332
Cash - Sheriff	232,449	238,974	(228,137)	243,286
Cash - Colorado State University- Extension	35,363	73,694	(69,481)	39,576
Accounts receivable	1,480	-	(1,480)	-
TOTAL ASSETS	<u>\$ 2,110,394</u>	<u>\$ 48,421,727</u>	<u>\$ (48,104,842)</u>	<u>\$ 2,427,279</u>
LIABILITIES				
Due to other governments	\$ 1,295,897	\$ 28,350,937	\$ (28,003,615)	\$ 1,643,219
Other liabilities	656,264	401,660	(686,071)	371,853
Outstanding checks payable	89,527	19,579,635	(19,301,287)	367,875
Escrow deposits held by Public Trustee	68,706	89,496	(113,870)	44,332
TOTAL LIABILITIES	<u>\$ 2,110,394</u>	<u>\$ 48,421,728</u>	<u>\$ (48,104,843)</u>	<u>\$ 2,427,279</u>

See accompanying independent auditors' report.

OTHER SCHEDULES

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Elbert County
	YEAR ENDING : December 2018

This Information From The Records Of (example - City of _ or County of _ County of Elbert County, Colorado) Prepared By: _____
Phone: _____

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	3,420,280
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	6,529,383
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	237,818
2. General fund appropriations	206,829	b. Snow and ice removal	428,338
3. Other local imposts (from page 2)	6,841,090	c. Other	1,139,552
4. Miscellaneous local receipts (from page 2)	801,115	d. Total (a. through c.)	1,805,708
5. Transfers from toll facilities		4. General administration & miscellaneous	761,093
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues	1,800,000	6. Total (1 through 5)	12,516,464
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	1,800,000	a. Interest	45,780
7. Total (1 through 6)	9,649,034	b. Redemption	86,295
B. Private Contributions		c. Total (a. + b.)	132,075
C. Receipts from State government (from page 2)	3,388,346	2. Notes:	
D. Receipts from Federal Government (from page 2)	3,200	a. Interest	
E. Total receipts (A.7 + B + C + D)	13,040,580	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	132,075
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	12,648,539

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	0	1,800,000	86,295	1,713,705
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
	2,269,142	13,040,580	12,648,539	2,661,183	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2018

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	3,562,775	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	2,847,275	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	395,546	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	89,987
4. Licenses		f. Charges for Services	241,559
5. Specific Ownership &/or Other	35,494	g. Other Misc. Receipts	82,421
6. Total (1. through 5.)	3,278,315	h. Other Capital Lease proceeds	387,148
c. Total (a. + b.)	6,841,090	i. Total (a. through h.)	801,115
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	3,225,749	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	(7,378)
c. Motor Vehicle Registrations	162,597	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)	0	f. Other Federal - Mineral Lease	10,578
f. Total (a. through e.)	162,597	g. Total (a. through f.)	3,200
4. Total (1. + 2. + 3.f)	3,388,346	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		102,473	102,473
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		3,317,807	3,317,807
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	3,317,807	3,317,807
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	3,420,280	3,420,280
			(Carry forward to page 1)

Notes and Comments: