



ELBERT COUNTY GOVERNMENT

Annual Financial Report

For the year ended December 31, 2019



ELBERT COUNTY, COLORADO

FINANCIAL STATEMENTS

December 31, 2019

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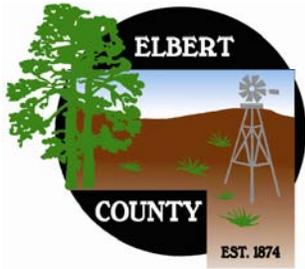
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INTRODUCTORY SECTION



ELBERT COUNTY GOVERNMENT

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

June 29, 2020

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, 2019 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, 2019, 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 26,729.

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,

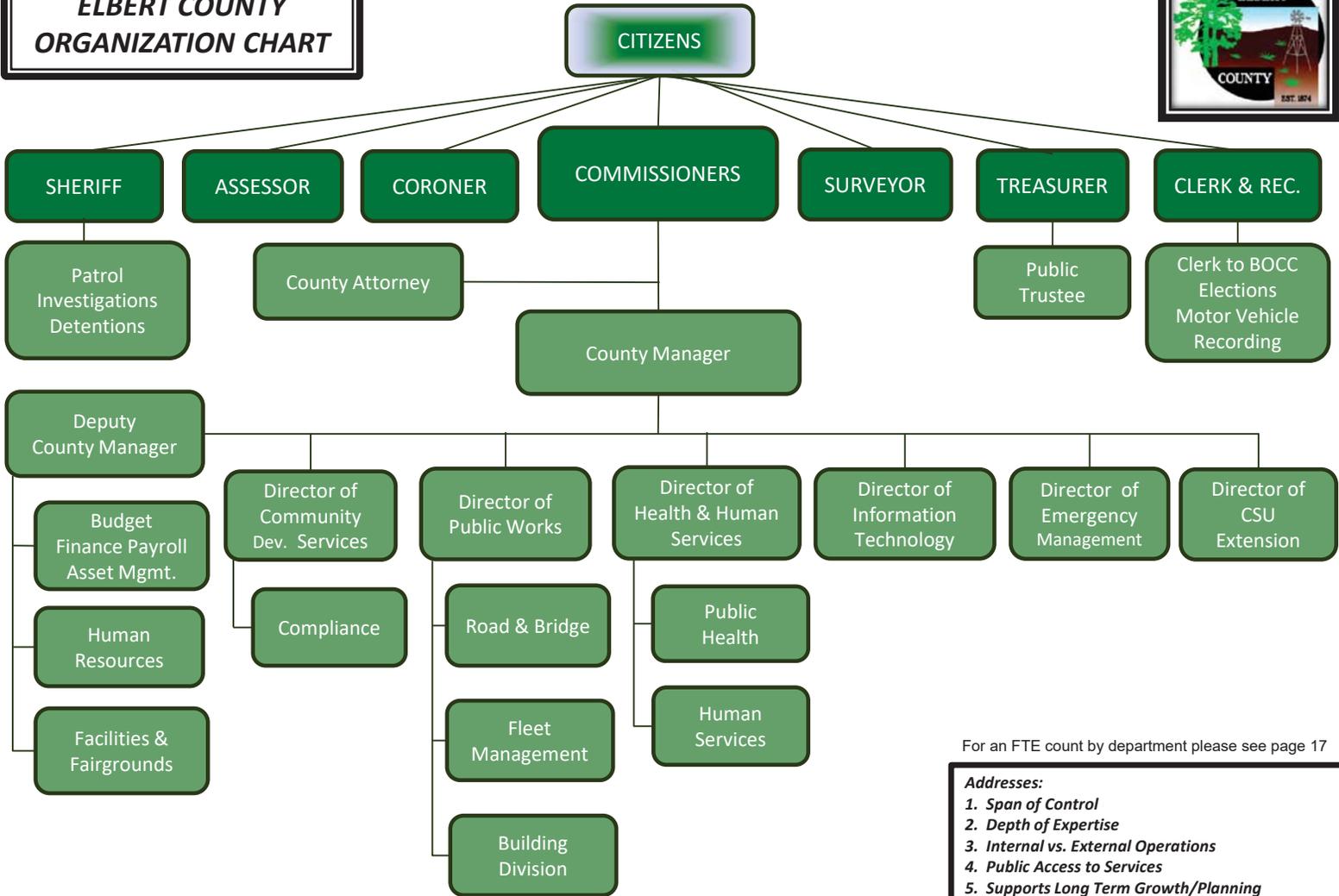


Sam Albrecht
County Manager



Michelle Schrote, CPA
Finance Manager

ELBERT COUNTY ORGANIZATION CHART



For an FTE count by department please see page 17

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

ELBERT COUNTY LIST OF OFFICIALS

Board of County Commissioners (BOCC)

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

Elected Officials Other Than BOCC

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

Appointed Officials

Sam Albrecht..... County Manager
Bart Greer County Attorney



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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

Board of County Commissioners
Elbert County
Kiowa, Colorado

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, 2019, 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, 2019 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.

Change In Accounting Principle

The County adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* (GASB 84). As a result of the implementation of GASB 84, the County reported a restatement of Custodial Fund beginning net position for the change in accounting principle, as described in Note 14 to the financial statements. Our opinion is not modified with respect to the restatement.

The County adopted the provisions of GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements* (GASB 88). As a result of the implementation of GASB 88, the County updated the long-term debt disclosures included in the long-term liabilities footnote, as described in Note 14 to the financial statements. Our opinion is not modified with respect to the implementation of this standard.

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 C1 through C9 and F1 through F7, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, 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 29, 2020 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 29, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

ELBERT COUNTY, COLORADO MANAGEMENT'S DISCUSSION AND ANALYSIS

The Board of County Commissioners offers this narrative overview and analysis of Elbert County's financial activities for the fiscal year ended December 31, 2019.

Financial Highlights

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$84,612,923 (net position) at the close of the fiscal year. Of this amount, \$16,866,965 in unrestricted net position is available to meet ongoing and future obligations of Elbert County (the County).
- The net decrease in capital assets for the year was \$1,409,808. The decrease was due to depreciation expense of \$6,930,806 exceeding capital additions of \$4,822,273. The net decrease was reduced by donated assets of \$699,025. A significant portion of the capital outlay additions in 2019 were related to Road & Bridge equipment purchases within the Road & Bridge Fund and Sales & Use Tax Fund of \$2.5 million and road rebuild projects of \$1.7 million.
- As of the close of the 2019 fiscal year, the County's governmental funds reported combined ending fund balances of \$18,733,102.
- Total net position increased by \$2,166,449. This is largely the result of increased tax revenues in the amount of \$904,151 and a gain on disposal of assets in the amount of \$1,056,673.
- Total long-term debt decreased by \$943,267 during the 2019 fiscal year. In 2019, the County entered into additional lease commitments totaling \$649,313. The increase was reduced by payment of obligations totaling \$1,590,620. In 2019, additional bond principal payments were made on the Meadow Station Public Improvement District General Obligation Bonds and the Foxwood Estates and Foxwood Ranches General Obligation Bonds in the amounts of \$25,000 and \$10,000, respectively.
- Tax revenues increased \$904,151. The majority of this increase was from sales tax collections, which increased approximately \$566,000. Property taxes and specific ownership taxes also increased.
- General Fund revenues increased by \$752,689. The increase in revenue is attributable to increases across all General Fund revenue categories except intergovernmental revenue, which decreased \$193,371. General Fund expenditures increased \$1,263,597 as compared to the prior year. The increase in expenditures is attributable to increases across all General Fund expenditure categories except public health and welfare, culture and recreation, and debt service. The net change in fund balance of the General Fund was \$540,393. This continues the trend of increasing unrestricted fund balance and compares very favorably to the fiscal year ended December 31, 2009 when unrestricted fund balance was a negative \$1 million.

Overview of the Financial Statements

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

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

and the Statement of Activities. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Fiduciary fund assets held by the County for other parties are not included in the government-wide financial statements because resources of these funds are not available to support the County's own programs.

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

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

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

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

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 12 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 and provisions for buy back guarantees on capital assets 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. The County uses eight fiduciary funds, which include activities associated with property tax collections, The Custodial Treasurer's Fund which includes Clerk & Recorder collections, the Office of the Public Trustee, CSU Extension, Sheriff's Office evidence, County inmates, and two Sheriff's Office foundations. All of the County's fiduciary funds are classified as custodial funds under the Governmental Accounting Standards Board (GASB) issued Statement No. 84 *Fiduciary Activities* (GASB 84).

The objective of GASB 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The County early implemented the guidance in the 2019 financial statements, which resulted in a restatement of beginning equity at both the government-wide and fund financial statement level.

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

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

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

This report also contains a local highway finance report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$84,612,923.

	Net Position	
	2019	2018
Current assets	\$ 32,112,834	\$ 27,890,137
Capital assets	75,004,943	76,414,751
Total assets	<u>107,117,777</u>	<u>104,304,888</u>
Deferred outflows of resources	<u>86,062</u>	<u>118,667</u>
Current liabilities	1,351,473	1,483,637
Long-term liabilities	9,158,059	10,101,326
Total liabilities	<u>10,509,532</u>	<u>11,584,963</u>
Deferred inflows of resources	<u>12,081,384</u>	<u>10,411,342</u>
Net investment in capital assets	66,405,519	66,823,640
Restricted net position	1,340,439	978,213
Unrestricted net position	16,866,965	14,625,397
Total net position	<u>\$ 84,612,923</u>	<u>\$ 82,427,250</u>

The largest portion of the County's net position (78%) reflects its investment in capital assets. This compares to the December 31, 2018 percentage of 81%. 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 (1.6%) 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 \$16,866,965 may be used to meet the government's future expenditures. Unrestricted net position increased \$2,241,568 during 2019.

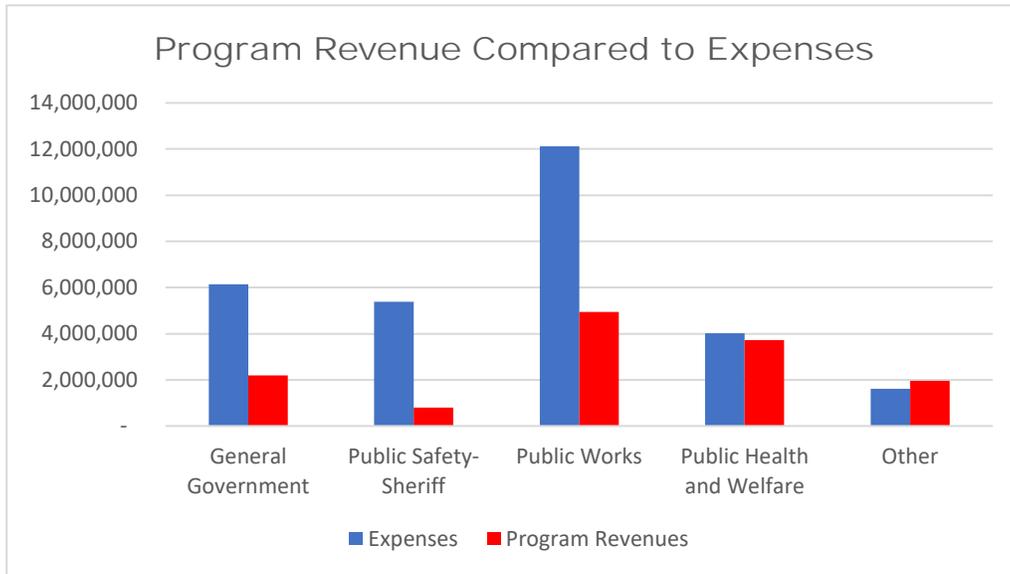
At the end of the 2019, the County reported positive balances in all three categories of net position.

The County's net position increased by \$2,166,449 during the 2019 fiscal year. This is a result of revenues increasing at a greater rate than expenditures between 2018 and 2019. Total revenues increased \$2,917,428. The increase in revenues is largely attributable to the gain on disposal of assets in the amount of \$1,056,673, as well as notable increases in charges for services, which increased \$1,302,544, and taxes, which increased \$904,151. \$942,000 of the gain on disposal of assets in 2019 was related to buy-back guarantees on Road and Bridge equipment, which was replaced with new equipment during the year. The majority of the increase in charges for services between 2018 and 2019 is attributable to County Clerk fees, Planning revenue, and County Impact Fees.

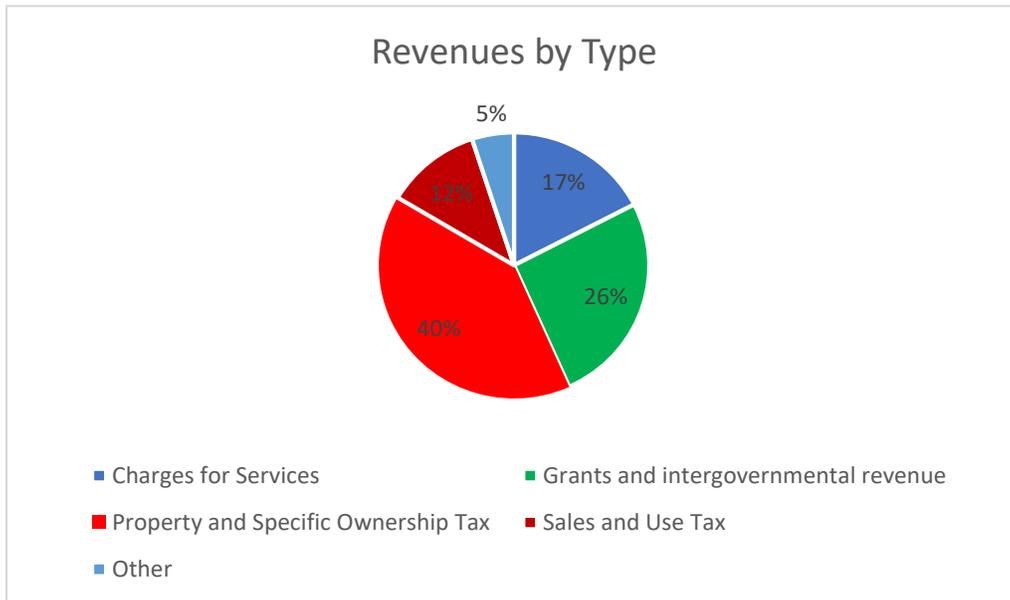
Change in Net Position

	2019	2018
Revenues		
Program revenues		
Charges for services	\$ 5,470,857	\$ 4,168,313
Operating grants and contributions	7,439,599	7,590,963
Capital grants and contributions	699,025	1,021,699
General revenues		
Taxes	16,241,981	15,337,830
Grants not restricted to a specific program	9,151	44,120
Investment and interest income	228,095	146,376
Other	283,219	201,871
Gain on disposal of assets	1,056,673	-
Total revenues	31,428,600	28,511,172
Expenses		
General government	6,139,575	5,475,442
Public safety	6,192,694	5,893,670
Public works	12,112,579	11,434,766
Public health and welfare	4,016,907	4,304,600
Culture and recreation	270,409	273,793
Auxiliary services	167,841	144,269
Interfund charges for services	34,910	25,522
Interest on long-term debt	327,236	335,794
Total expenses	29,262,151	27,887,856
Change in net position	2,166,449	623,316
Net position – Beginning, Restated	82,446,474	81,803,934
Net position – Ending	\$ 84,612,923	\$ 82,427,250

The following graph shows program revenues compared to expenses. As the graph shows, only two programs generated enough revenues to pay for their expenses. These were culture and recreation and Community Development Services.



A County government would be not be expected to generate enough revenues to pay for most programs. The graph below shows the revenue types for the County. Approximately 57% of revenues are general revenues which are used to offset the costs not covered by charges for services and specific intergovernmental revenues.



Financial Analysis of the Government's Funds

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

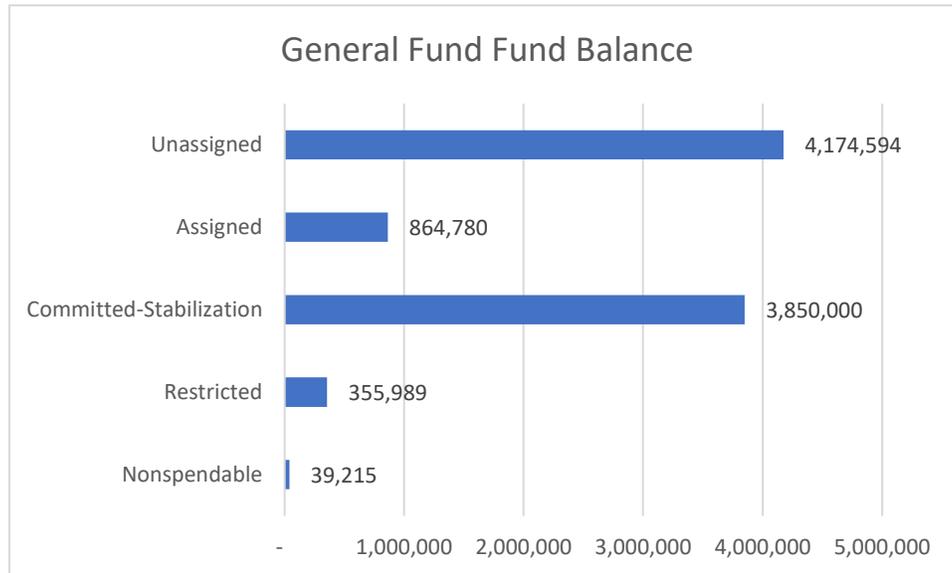
Governmental funds

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

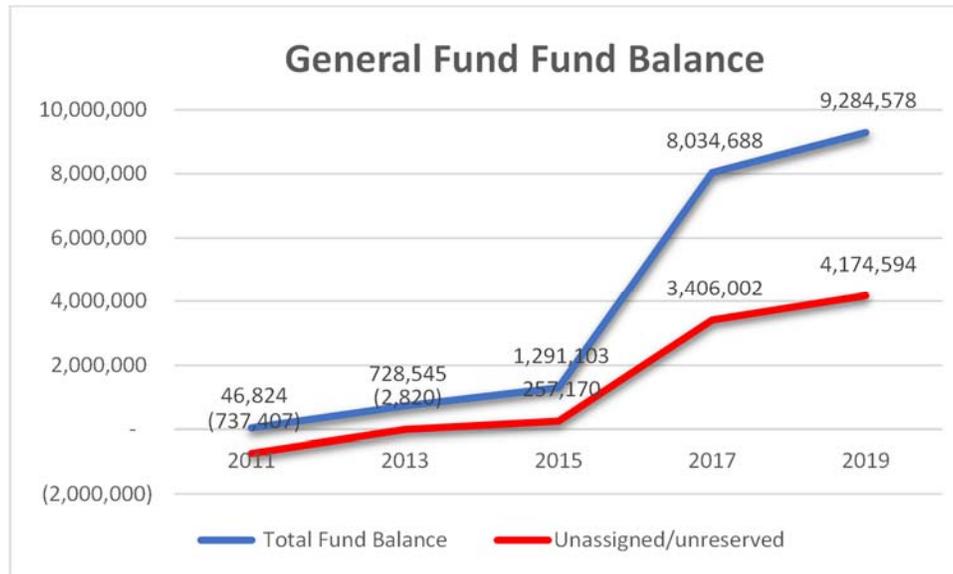
At the end of the 2019 fiscal year, the County's governmental funds reported combined ending fund balances of \$18,733,102, of which \$16,534,190 or 88%, is attributed to the major funds.

The General Fund is the chief operating fund of the County. At the end of the 2019 fiscal year, the General Fund had a fund balance of \$9,284,578. This is an increase of \$540,393 from the prior year. Fiscal year 2019 marks the sixth consecutive year that the County's General Fund has had positive unassigned fund balance.

The graph below shows the categories of General Fund Fund Balance. More than 95% of the fund balance is unrestricted and spendable. General Fund Fund Balance also includes stabilization funds of \$3,850,000 and \$500,000 for contingencies.



The County has not always had equity to set aside as the following graph shows. Until 2014, the County had negative unassigned unrestricted fund balance.



General Fund revenues increased \$752,689 in the current year. Significant General Fund revenue increases included \$264,537 in charges for services, \$258,303 in licenses and permits, and \$233,619 in taxes. General Fund expenditures increased a total of \$1,263,597. The majority of this increase is attributable to personnel expenses across all General Fund departments. Significant General Fund expenditure increases by category per the schedule on page F3 included \$539,311 in County Sheriff’s office expenditures, \$164,611 in County Assessor expenditures for the County’s GIS Mapping Project, and \$241,480 in capital outlay expenditures.

Fund balance of the Road and Bridge Special Revenue Fund was \$3,459,496 as of December 31, 2019. The Road and Bridge Special Revenue Fund’s fund balance increased by \$678,066 from the previous year. In the current year, Road and Bridge Fund revenues increased \$312,736. The Road and Bridge Special Revenue Fund had an increase in tax revenues of \$50,479, and received additional highway revenues of \$246,781. Road and Bridge Special Revenue Fund expenditures increased \$91,148. Debt service expenditures decreased \$303,675, while personnel expenditures increased \$282,008, and the indirect cost allocation to the General Fund increased \$136,808.

Fund balance of the Human Services Special Revenue Fund was \$865,628 as of December 31, 2019. The Human Services Special Revenue Fund’s fund balance increased \$103,626 from the previous year. Human Services Fund revenues decreased \$233,861 and expenditures decreased \$157,108 from the prior year. This is largely attributable to pass-through electronic benefit transfer (EBT) revenues and expenses decreasing \$263,975 from 2018 to 2019.

The Sales and Use Tax Special Revenue Fund balance was \$2,924,488 at the end of the 2019 fiscal year. The Sales and Use Tax Special Revenue Fund balance increased \$607,895 from the previous year. Sales and use taxes increased \$600,980 from the prior year. Capital outlay expenditures and transfers out decreased \$149,638 and 51,954, respectively.

Original Budget Compared to Final Budget

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

Road and Bridge Special Revenue Fund	\$ 150,000
Law Enforcement Assistance Fund	205,000
Meadow Station Debt Service Fund	10,000
Foxwood Estates Debt Service Fund	6,000
Growth and Development Fund	75,000

These additional funds were used for capital outlay costs, to pay the remaining lease balances for certain vehicles and additional bond principal payments.

Capital Assets

The County invested \$4,822,273 in capital assets, not including donated assets, for its governmental-type activities for the year ended December 31, 2019. 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 E-10 of this report.

Long-Term Debt

At December 31, 2019, the County had total long-term debt of \$9,158,059. Long-term debt includes the Lease Revenue Refunding Bonds, capital leases used to finance equipment and vehicles, compensated absences, and the General Obligation Bonds of the following public improvement districts: Meadow Station Subdivision Public Improvement District, Foxwood Estates and Foxwood Ranches Public Improvement District, and Sun County Meadows Public Improvement District. 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 money. Additional information on the County’s long-term debt can be found in Note 5 beginning on page E-11 of this report.

Economic Factors and Next Year’s Budgets

The County has appropriated \$32,510,609 for spending in the 2020 fiscal year budget. Budgeted 2020 revenue of \$32,175,189 and the use of accumulated fund balances will be sufficient to cover the appropriated expenditures in 2020. For the 2020 fiscal year, the General Fund balance is expected to decrease about \$365,000. The expected decrease in fund balance is a result of a \$500,000 intragovernmental fund transfer from the General Fund to the Capital Improvement Fund to address facilities priorities identified in the 2019 facilities condition assessment report.

During the spring of 2020, the economic fallout of the COVID-19 pandemic crisis were still largely unknown. Elbert County’s staff and elected officials have reviewed early information about federal economic stimulus and recovery funds and are developing response plans based on emerging epidemiological data. Property tax impacts, if any, are anticipated to be delayed to future years based on the statutory assessment cycle. Operational changes in various County departments in response to the pandemic may affect expenditure trends for some time.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

ELBERT COUNTY, COLORADO
STATEMENT OF NET POSITION
December 31, 2019

	Governmental Activities
ASSETS	
Cash and investments	\$ 17,264,713
Receivables	1,502,655
Due from other governments	89,601
Property taxes receivable	12,052,999
Assessments receivable	28,385
Inventory of supplies	627,929
Prepaid expenses	37,990
Cash and investments - Restricted	97,767
Capital assets, not being depreciated	
Land and water rights	6,131,078
Capital assets, net of accumulated depreciation	
Buildings, equipment and infrastructure	68,873,865
Total assets	106,706,982
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on debt refunding	86,062
LIABILITIES	
Accounts payable and accrued liabilities	758,007
Accrued interest payable	53,125
Unearned revenues	129,546
Noncurrent liabilities	
Due within one year	1,593,493
Due in more than one year	7,564,566
Total liabilities	10,098,737
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue-property taxes and assessments	12,081,384
NET POSITION	
Net investment in capital assets	66,405,519
Restricted	
Emergency reserves	453,815
Other purposes	76,081
Debt service	18,639
Clerk and Recorder's technology fee	34,694
Capital asset purchases	78,985
Master transportation plan grant matching funds	190,000
Conservation trust	488,225
Unrestricted	16,866,965
Total net position	\$ 84,612,923

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, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Position</u>
		<u>Charges</u> <u>for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Governmental</u> <u>Activities</u>
Primary government:					
Governmental activities:					
General government	\$ 6,139,575	\$ 2,172,262	\$ 14,682	\$ -	\$ (3,952,631)
Public safety-Sheriff	5,379,620	507,168	292,408	-	(4,580,044)
Public safety-Community Development Services	516,315	1,460,668	-	-	944,353
Public safety-Building	296,759	6,968	-	-	(289,791)
Public works	12,112,579	773,120	3,478,032	699,025	(7,162,402)
Public health and welfare	4,016,907	250,949	3,470,824	-	(295,134)
Culture and recreation	270,409	299,722	183,653	-	212,966
Auxiliary services	167,841	-	-	-	(167,841)
Pooled vehicles	34,910	-	-	-	(34,910)
Interest on long-term debt	327,236	-	-	-	(327,236)
Total primary government	<u>\$ 29,262,151</u>	<u>\$ 5,470,857</u>	<u>\$ 7,439,599</u>	<u>\$ 699,025</u>	<u>(15,652,670)</u>
General revenues:					
Taxes					
Property and Specific Ownership taxes					12,628,014
Sales tax					2,032,060
Use tax					1,571,240
Other taxes					10,667
Grants not restricted to a specific program					9,151
Investment earnings					228,095
Other					283,219
Gain on disposal of assets					1,056,673
Total general revenues					<u>17,819,119</u>
Change in net position					2,166,449
Net position - Beginning, Restated					82,446,474
Net position - Ending					<u>\$ 84,612,923</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, 2019

	<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	\$ 9,046,965	\$ 2,840,959	\$ 865,060	\$ 1,971,345
Cash and investments with Treasurer - Restricted	21,787	-	-	-
Accounts receivable	651,513	243,213	-	564,445
Assessments receivable	-	-	-	-
Due from other funds	55,815	-	2,273	125,000
Advances to other funds	-	63,499	-	109,811
Due from other governments	-	-	89,601	-
Property taxes receivable	6,852,820	3,990,548	630,086	-
Prepaid expenses	37,990	-	-	-
Inventory of supplies	1,225	458,704	-	168,000
Total assets	<u>\$16,668,115</u>	<u>\$ 7,596,923</u>	<u>\$ 1,587,020</u>	<u>\$ 2,938,601</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 419,521	\$ 144,827	\$ 74,832	\$ 14,113
Due to other funds	-	176	-	-
Unearned revenue	111,196	1,876	16,474	-
Advances from other funds	-	-	-	-
Total liabilities	<u>530,717</u>	<u>146,879</u>	<u>91,306</u>	<u>14,113</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes and assessments	<u>6,852,820</u>	<u>3,990,548</u>	<u>630,086</u>	<u>-</u>
FUND BALANCES				
Nonspendable				
Prepaid expenses	37,990	-	-	-
Inventory	1,225	458,704	-	168,000
Restricted				
Emergency reserves	299,508	110,863	17,646	-
Other purposes	18,202	-	57,879	-
Debt service	-	-	-	-
Capital asset purchases	3,585	-	-	-
Clerk and Recorder's technology fee	34,694	-	-	-
Master transportation plan grant matching funds	-	-	-	190,000
Conservation trust	-	-	-	-
Committed				
Stabilization	3,850,000	-	-	-
Assigned				
Contingency	500,000	1,000,000	-	-
Transportation	-	1,889,929	-	-
Public health and welfare	-	-	790,103	-
Capital projects	-	-	-	2,566,488
Debt service	-	-	-	-
Retirement	-	-	-	-
Subsequent year's budget: appropriation of fund balance	364,780	-	-	-
Unassigned	4,174,594	-	-	-
Total fund balances	<u>9,284,578</u>	<u>3,459,496</u>	<u>865,628</u>	<u>2,924,488</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$16,668,115</u>	<u>\$ 7,596,923</u>	<u>\$ 1,587,020</u>	<u>\$ 2,938,601</u>

<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,540,384	\$ 17,264,713
75,980	97,767
43,484	1,502,655
28,385	28,385
11,235	194,323
-	173,310
-	89,601
579,545	12,052,999
-	37,990
-	627,929
<u>\$ 3,279,013</u>	<u>\$ 32,069,672</u>

\$ 104,714	\$ 758,007
194,147	194,323
-	129,546
173,310	173,310
<u>472,171</u>	<u>1,255,186</u>

<u>607,930</u>	<u>12,081,384</u>
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-	37,990
-	627,929
25,798	453,815
-	76,081
18,639	18,639
75,400	78,985
-	34,694
-	190,000
488,225	488,225
-	3,850,000
-	1,500,000
-	1,889,929
458,414	1,248,517
1,134,958	3,701,446
3,833	3,833
170,674	170,674
-	364,780
(177,029)	3,997,565
<u>2,198,912</u>	<u>18,733,102</u>
<u>\$ 3,279,013</u>	<u>\$ 32,069,672</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, 2019

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

Total fund balance - Total governmental funds	\$ 18,733,102
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	75,004,943
Deferred charge on debt refunding, net of accumulated amortization, are not financial resources and, therefore, are not reported in the funds.	86,062
Accrued interest payable is not included in the funds.	(53,125)
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>(9,158,059)</u>
Net position of governmental activities	<u><u>\$ 84,612,923</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, 2019

	<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	\$ 7,883,814	\$ 3,586,309	\$ 540,335	\$ 3,603,300
Special assessments	-	-	-	-
Licenses and permits	1,128,523	-	-	-
Intergovernmental	307,090	3,487,183	3,378,177	-
Charges for services	2,165,205	255,844	-	-
Net investment income	160,966	6,717	1,032	-
Miscellaneous	594,183	8,467	46,665	-
Total revenues	<u>12,239,781</u>	<u>7,344,520</u>	<u>3,966,209</u>	<u>3,603,300</u>
EXPENDITURES				
Current				
General government	5,162,268	445,451	-	103,757
Public safety-Sheriff	4,759,969	-	-	-
Public safety-Community Development Services	516,315			
Public safety-Building	296,759			
Public works	-	5,590,604	-	327,226
Public health and welfare	14,824	-	3,772,315	-
Culture and recreation	196,533	-	-	-
Auxiliary services	167,841	-	-	-
Pool vehicles	34,910	-	-	-
Debt service				
Principal and interest	25,610	744,976	-	-
Capital outlay	296,240	1,747,016	90,268	2,085,921
Total expenditures	<u>11,471,269</u>	<u>8,528,047</u>	<u>3,862,583</u>	<u>2,516,904</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>768,512</u>	<u>(1,183,527)</u>	<u>103,626</u>	<u>1,086,396</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the issuance of debt	-	385,404	-	-
Insurance recoveries	218,706	7,403	-	-
Sale of general capital assets	20,338	1,018,786	-	-
Transfers in	52,387	450,000	-	-
Transfers (out)	(519,550)	-	-	(478,501)
Total other financing sources (uses)	<u>(228,119)</u>	<u>1,861,593</u>	<u>-</u>	<u>(478,501)</u>
NET CHANGE IN FUND BALANCES	540,393	678,066	103,626	607,895
FUND BALANCES - BEGINNING OF YEAR-RESTATED	<u>8,744,185</u>	<u>2,781,430</u>	<u>762,002</u>	<u>2,316,593</u>
FUND BALANCES - END OF YEAR	<u>\$ 9,284,578</u>	<u>\$ 3,459,496</u>	<u>\$ 865,628</u>	<u>\$ 2,924,488</u>

Nonmajor Governmental Funds	Total Governmental Funds
\$ 617,940	\$ 16,231,698
12,989	12,989
-	1,128,523
276,300	7,448,750
1,287,954	3,709,003
56,674	225,389
41,426	690,741
<u>2,293,283</u>	<u>29,447,093</u>
349,973	6,061,449
15,474	4,775,443
	516,315
	296,759
1,500	5,919,330
226,300	4,013,439
24,050	220,583
-	167,841
-	34,910
1,120,035	1,890,621
602,828	4,822,273
<u>2,340,160</u>	<u>28,718,963</u>
<u>(46,877)</u>	<u>728,130</u>
263,909	649,313
-	226,109
17,549	1,056,673
548,051	1,050,438
(52,387)	(1,050,438)
<u>777,122</u>	<u>1,932,095</u>
730,245	2,660,225
<u>1,468,667</u>	<u>16,072,877</u>
<u>\$ 2,198,912</u>	<u>\$ 18,733,102</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, 2019

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

Net change in fund balances - Total governmental funds \$ 2,660,225

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 gain on the disposal of assets in the current period.

Capital outlay	4,822,273
Proceeds from disposal of assets	(1,056,973)
Gain on disposal of assets	1,056,673
Donation of assets	699,025
Depreciation	(6,930,806)

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	(649,313)
Principal payments made	1,590,620

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	1,960
Change in accrued interest	5,370
Amortization of deferred loss on refunding	(32,605)
	(32,605)

Change in net position of governmental activities \$ 2,166,449

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, 2019

	Custodial Funds			Total
	Property Tax Fund	Custodial Treasurer's Fund	Other Custodial Funds	
ASSETS				
Cash and investments	\$ 464,950	\$ 1,027,525	\$ 142,643	\$ 1,635,118
Accounts receivable	-	-	282	282
Accrued interest receivable	-	8,804	-	8,804
Property taxes receivable	23,650,787	-	-	23,650,787
Total assets	24,115,737	1,036,329	142,925	25,294,991
LIABILITIES				
Accounts payable	-	-	12,229	12,229
Due to other governments	401,780	983,622	18	1,385,420
Other liabilities	63,170	-	-	63,170
Total liabilities	464,950	983,622	12,247	1,460,819
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	23,650,787	-	-	23,650,787
NET POSITION				
Restricted for individuals, organizations and other governments	\$ -	\$ 52,707	\$ 130,678	\$ 183,385

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

ELBERT COUNTY, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2019

	<u>Custodial Funds</u>			<u>Total</u>
	<u>Property Tax Fund</u>	<u>Custodial Treasurer's Fund</u>	<u>Other Custodial Funds</u>	
ADDITIONS				
Tax collections for other governments	\$ 24,736,119	\$ -	\$ -	\$ 24,736,119
County Clerk and Recorder collections	-	5,460,966	-	5,460,966
County Extension collections	-	-	66,672	66,672
Deposits from inmates	-	-	148,912	148,912
Sheriff's Office Community Foundation collections	-	-	23,916	23,916
Sheriff's Office Foundation collections	-	-	34,150	34,150
Office of the Public Trustee receipts	-	-	314,901	314,901
Miscellaneous collections	-	20,101	-	20,101
Interest	-	-	61	61
Total additions	<u>24,736,119</u>	<u>5,481,067</u>	<u>588,612</u>	<u>30,805,798</u>
DEDUCTIONS				
Payments of taxes to other governments	24,736,119	-	-	24,736,119
County Clerk and Recorder payments to other governments	-	5,460,966	-	5,460,966
County Extension disbursements	-	-	62,510	62,510
Payments on behalf of inmates	-	-	151,257	151,257
Sheriff's Office Community Foundation disbursements	-	-	20,999	20,999
Sheriff's Office Foundation disbursements	-	-	22,398	22,398
Office of the Public Trustee disbursements	-	-	325,574	325,574
Return of evidence collections	-	-	155,692	155,692
Other	-	4,490	-	4,490
Total deductions	<u>24,736,119</u>	<u>5,465,456</u>	<u>738,430</u>	<u>30,940,005</u>
Net increase (decrease) in fiduciary net position	-	15,611	(149,818)	(134,207)
Net position-beginning	-	37,096	280,496	317,592
Net position-ending	<u>\$ -</u>	<u>\$ 52,707</u>	<u>\$ 130,678</u>	<u>\$ 183,385</u>

These financials 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. During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. The County has determined that expenditure-driven grants should be recognized as soon as all eligibility criteria have been met. For this purpose, the County considers grant revenues to be 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, investment earnings, 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, and certain compensated absences, are recorded when the liability is incurred or the long-term obligation is due.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Nonmajor Funds – The County reports four nonmajor governmental funds that account for debt service requirements of the following special improvement districts: 1) Chaparral Valley, 2) Meadows Station, 3) Foxwood Estates and 4) Sun Country Meadows. The County also reports one other debt service fund for the lease mortgage revenue bond. The County reports five nonmajor special revenue funds: 1) Law Enforcement Assistance, 2) Growth and Development, 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.

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

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 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 Road and Bridge and Law Enforcement Assistance Funds do not budget or appropriate amounts related to entering into capital lease transactions or provisions related to buy back guarantees as entering into a capital lease does not provide for or use financial resources. The payments required under capital lease agreements are budgeted. After consultation with the State of Colorado and GASB, management believes that there is no requirement for the custodial funds to adopt a budget.

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

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. 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 Growth and Development Funds, in accordance with statutory requirements. Cash equivalents are defined as investments with original maturities of three months or less. Investments are stated at fair value.

Accounts Receivable – Accounts receivable relate to amounts collected in 2020 which the County earned or were entitled to during the 2019 fiscal year. The County believes all amounts recorded are fully collectible.

Inventories - Inventories of supplies held for consumption by the General, Road and Bridge, and Sales and Use Tax 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 following 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, e.g., as a result of employee resignations and retirements.

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, 2019, the County includes \$86,062 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 \$12,081,384.

Fund Balances – The nonmajor debt service fund, the Chaparral Valley Fund, has negative fund balance of \$62,919. 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 \$89,056. 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.

Unassigned – All other spendable amounts. This classification includes the General Fund. Other funds are included when the amounts that are restricted, committed or assigned are greater than the amount of total fund balance.

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 a custodial fund. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November. Property taxes, net of estimated uncollectible taxes, are recorded initially as unearned revenue in the year they are levied and measurable. Property tax revenues are recorded as revenue in the year for which they are levied, in most instances the year in which collection occurs.

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)

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, 2019 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 17,264,713
Cash and investments – Restricted	<u>97,767</u>
Total cash and investments - Statement of net position	17,362,480
Statement of fiduciary net position	<u>1,635,118</u>
	<u>\$ 18,997,598</u>

Cash and investments as of December 31, 2019 consist of the following:

Cash on hand	\$ 72,957
Deposits with financial institutions	10,062,671
Investments	<u>8,861,970</u>
Total cash and investments	<u>\$ 18,997,598</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, 2019, the County's cash deposits had a bank balance of \$10,497,958 and a carrying balance of \$10,062,671. At December 31, 2019, of the County's deposits \$3,128,986 was covered by the Federal Deposit Insurance Corporation (FDIC), \$7,368,972 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

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, 2019, the County had the following investments:

	Weighted Average Maturity	Net Asset Value
COLOTRUST Plus+	49 days to reset 72 days to maturity	\$ 8,857,580
Fidelity Govt MMKT Daily Money Class	weighted average Maturity-23 days Weighted average life- 71 days (as of February 28, 2020)	4,390 <u>\$ 8,861,970</u>

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

Certificates of Deposit	Due within one year	\$ 980,000
	Due within two years	490,000
	Due within five years	1,080,000

Of the certificates of deposit which mature in five years, \$735,000 are callable in one year.

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, lessors are holding unexpended lease proceeds totaling \$78,985. 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 24, 2020, the latest information available, the Fund had 34% of its portfolio in daily liquid assets and 57% 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, 2019. The County also considers cash held for special assessment debt to be restricted to payment of debt service. At December 31, 2019, restricted cash related to special assessments totaled \$579. 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, 2019, unexpended lease proceeds totaled \$78,985. Restricted cash and investments at December 31, 2019 totaled \$97,766.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

	<u>Balance at December 31, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2019</u>
Primary Government				
Capital assets, not being depreciated:				
Water rights	\$ 4,100,445	\$ -	\$ -	\$ 4,100,445
Land	2,030,633	-	-	2,030,633
Construction in progress	<u>3,062,387</u>	<u>194,202</u>	<u>(3,256,589)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>9,193,465</u>	<u>194,202</u>	<u>(3,256,589)</u>	<u>6,131,078</u>
Capital assets, being depreciated:				
Buildings	11,997,620	678,748	-	12,676,368
Equipment	13,829,018	3,090,300	(948,541)	15,970,777
Infrastructure	<u>175,829,976</u>	<u>4,826,321</u>	<u>-</u>	<u>180,656,297</u>
Total capital assets, being depreciated	<u>201,656,614</u>	<u>8,595,369</u>	<u>(948,541)</u>	<u>209,303,442</u>
Less accumulated depreciation for:				
Buildings	(5,687,266)	(314,476)	-	(6,001,742)
Equipment	(8,385,979)	(2,035,760)	948,541	(9,473,198)
Infrastructure	<u>(120,362,083)</u>	<u>(4,592,554)</u>	<u>-</u>	<u>(124,954,637)</u>
Total accumulated depreciation	<u>(134,435,328)</u>	<u>(6,942,790)</u>	<u>948,541</u>	<u>(140,429,577)</u>
 Total capital assets, being depreciated, net	 <u>67,221,286</u>	 <u>1,652,579</u>	 <u>-</u>	 <u>68,873,865</u>
Capital assets, net	<u>\$ 76,414,751</u>	<u>\$ 1,846,781</u>	<u>\$ (3,256,589)</u>	<u>\$ 75,004,943</u>

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

General government	\$ 79,565
Public safety	605,824
Public health and welfare	11,010
Public works	6,184,581
Culture and recreation	<u>49,826</u>
Total depreciation expense	<u>\$ 6,930,806</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, 2019:

	Balance at December 31, 2018	Additions	Reductions	Balance at December 31, 2019	Due Within One Year
Governmental Activities:					
General obligation debt	\$ 285,000	\$ -	\$ 90,000	\$ 195,000	\$ 55,000
Debt from direct borrowings and direct placements					
Limited tax general obligation bond	1,713,705	-	60,730	1,652,975	63,280
Lease revenue refunding bonds	5,003,743	-	343,355	4,660,388	352,374
Capital lease obligations	2,707,330	649,313	1,096,535	2,260,108	830,839
Compensated absences	391,548	398,156	400,116	389,588	292,000
	<u>\$ 10,101,326</u>	<u>\$ 1,047,469</u>	<u>\$ 1,990,736</u>	<u>\$ 9,158,059</u>	<u>\$ 1,593,493</u>

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

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, 2019 was \$60,000.

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, 2019 was \$135,000.

Sun Country Public Improvement District General Obligation Bonds, dated April 20, 2019 were issued in the principal amount of \$1,800,000. Interest only payments are due on June 1. Principal and interest are due each December 1. Annual payments of principal and interest, at an annual interest rate of 4.200%, total \$132,705. The bonds mature on December 1, 2037. Property and Specific Ownership taxes are pledged as revenues to repay the bonds. The property tax revenues are capped at the lower of 16.85 mills or property tax revenues of \$189,252. The bonds contain a prepayment premium of 4% of the principal amount prepaid on or before November 30, 2020 reduced by 1% per year. However, no prepayment may reduce the aggregate outstanding principal to less than \$100,000. The bond issue was sold to one investor, a financial institution. The principal amount outstanding at December 31, 2019 was \$1,652,975.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

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 bonds are secured by the real property of the Justice Center. In the event that the County is unable to make a payment all outstanding amounts of principal and interest are due immediately. The lender also has the right to foreclose on the mortgage. The principal amount outstanding at December 31, 2019 was \$4,660,388.

The following is a schedule of the debt services requirements to maturity as of December 31, 2019.

<u>Year Ending</u> <u>December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 470,654	\$ 199,002	\$ 669,656
2021	462,569	184,310	646,879
2022	454,839	169,854	624,693
2023	472,474	156,847	629,321
2024	465,487	142,794	608,281
2025-2029	2,606,685	504,721	3,111,406
2030-2034	1,208,778	162,337	1,371,115
2035-2038	366,877	31,239	398,116
	<u>\$ 6,508,363</u>	<u>\$ 1,551,104</u>	<u>\$ 8,059,467</u>

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.

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 Balance	Interest Rate	Outstanding Balance
Motor Grader/SN 1DW772GPLFF668054	4/8/2015	282,737	3.00%	\$ 15,053
Motor Grader/SN 1DW772GPPFF670099	7/1/2015	113,841	3.00%	12,077
Motor Grader/SN 1DW772GPHFF672381	10/15/2015	110,841	3.00%	17,572
Motor Grader/SN 1DW772GPLFF672377	10/28/2015	108,841	3.00%	17,255
772 GP Motor Grader SN 1DW772GPVFF673719	2/29/2016	148,263	3.25%	31,351
772 GP Motor Grader SN 1DW772GPTFF673728	2/29/2016	146,910	3.25%	31,065
Radios	4/29/2016	69,669	3.96%	29,507
544 K Loader SN 1DW544KHHGF676038	6/29/2016	167,602	3.25%	44,125
772 GP Motor Grader SN 1DW772GPJGF678207	12/28/2016	129,410	3.25%	47,316
772 GP Motor Grader SN 1DW772GPHGF678215	12/28/2016	129,410	3.25%	47,316
6 Dodge Vehicles SO - 3351102	2/15/2017	332,410	3.82%	155,457
2017 Chevy Silverado 1500 Coroner 3351103	2/15/2017	45,200	3.82%	21,406
Compactor/Excavator - 077-0020352-001	6/1/2017	354,005	2.83%	183,239
Backhoe/Water Tanker/Roller - 077-0020352-002	6/1/2017	215,775	2.83%	111,689
INTL Road Truck - 077-0020352-003	6/1/2017	119,950	2.83%	62,088
INTL Tow Truck - 077-0020352-004	6/1/2017	215,096	2.83%	111,337
2 JD Motor Graders - 077-0020352-005	6/1/2017	239,215	2.83%	123,821
2 Motor Graders -077-0020352-006	11/13/2017	198,170	2.95%	122,378
4 Dodge Ram Trucks SO - 077-0020352-007	11/13/2017	220,996	2.95%	136,474
3 Dodge Vehicles SO - 077-0020352-008	11/20/2017	161,414	2.95%	99,680
4 2018 Motor Graders	3/29/2018	387,148	2.95%	259,354
2019 Caterpillar Motor Graders	2/26/2019	385,404	3.89%	332,240
4 Chevy Tahoe's	9/12/2019	117,544	2.95%	110,596
5 Chevy Tahoe's	9/12/2019	146,365	2.95%	137,712
				<u>\$ 2,260,108</u>

The assets acquired through capital leases as of December 31, 2019 are as follows:

	<u>Governmental Activities</u>
Equipment and software	\$ 5,588,369
Less accumulated depreciation	<u>(2,353,065)</u>
Total	<u>\$ 3,235,304</u>

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2019, were as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Governmental</u> <u>Activities</u>
2020	\$ 891,200
2021	786,984
2022	518,070
2023	159,048
2024	<u>21,297</u>
Total minimum lease payments	2,376,599
Less amounts representing interest	<u>(116,491)</u>
Present value of minimum lease payments	<u>\$ 2,260,108</u>

Compensated Absences

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

Payment of Obligations

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

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, 2019, the County had a net investment in capital assets of \$66,405,519 calculated as follows:

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - NET POSITION (CONTINUED)

	Governmental Activities
Net investment in capital assets:	
Capital assets, net	\$ 75,004,943
Loss on refunding (net of accumulated amortization)	86,062
Long-term obligations	(8,685,486)
Net investment in capital assets	\$ 66,405,519

Restricted assets include restrictions for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The County had restricted net position of \$1,340,439 as of December 31, 2019. The County's unrestricted net position as of December 31, 2019 is \$16,866,965.

NOTE 7 - PENSION PLAN

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

Employees vest 100% in personal contributions and 25% for each year of employment in employer contributions. Unvested employer contributions forfeited at termination revert to the County. The County applied participant forfeitures of \$34,839 to reduce the County share of contributions.

Both the County and the employees contributed 5% of eligible gross wages to the Plan during 2019. Information regarding the pension plan contributions for 2019, 2018, and 2017 are as follows:

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - PENSION PLAN (CONTINUED)

	2019	2018	2017
Total payroll	\$ 8,362,969	\$ 6,918,901	\$ 6,516,427
Base salary - eligible	7,549,240	5,948,668	6,010,092
County contribution	377,462	297,433	300,505
Employee contribution	377,462	297,433	300,505

NOTE 8 - DEFERRED COMPENSATION PLAN

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

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Operating Leases

The County leases equipment and software under operating leases that expire 2020. Total rental expense for the year ended December 31, 2019 was \$19,277. 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>
2020	\$ 23,891
2021	8,960
2022	8,960
2023	6,517
2024	4,015
2025	3,011
Total	\$ 55,354

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, 2019, the County does not believe the resolution of these matters will have a material adverse effect on the financial condition of the government.

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.

Employment

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

NOTE 10 - TRANSFERS/INTERFUND RECEIVABLES & PAYABLES

Interfund transfers for the year ended December 31, 2019 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	\$ -	\$ -	\$ 519,550	\$ 519,550
Sales and Use Tax	-	450,000	28,501	478,501
Nonmajor Governmental Funds	52,387	-	-	52,387
	<u>\$ 52,387</u>	<u>\$ 450,000</u>	<u>\$ 548,051</u>	<u>\$ 1,050,438</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 final Sun Country Meadows construction costs. 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 funds for a transfer of capital assets.

Interfund receivables/payables are as follows at December 31, 2019:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 55,815	\$ -
Sales and Use Tax	125,000	-
Road and Bridge	-	176
Human Services	2,273	-
Nonmajor Governmental Funds	11,235	194,147
	<u>\$ 194,323</u>	<u>\$ 194,323</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 interfund balances have been eliminated in the government-wide statements. Amounts are expected to be repaid in the next fiscal year.

The Nonmajor debt service fund, the Chaparral Valley Fund, owes the Road and Bridge Fund \$63,499. 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 \$109,811. 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.

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

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 11 - RISK MANAGEMENT (CONTINUED)

The Pools provide the following types of coverage:

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

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

NOTE 12 - TAX, SPENDING AND DEBT LIMITATIONS

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.

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.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 13 – IMPACT FEE ABATEMENT

In exchange for certain infrastructure improvements, the County has entered into an agreement with the developer of the Independence subdivisions to remit all of the Elbert County Impact Fees, except the Public Safety Impact Fee, 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, County Road 5 and Delbert Road. Any remaining funds will be released to the Overlay Metropolitan District.

NOTE 14 – ACCOUNTING PRONOUNCEMENTS

During the year ended December 31, 2019 the County implemented the following GASB statements.

Governmental Accounting Standards Board Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). It establishes criteria for determining the timing and pattern of the recognition of a liability and a corresponding deferred outflow of resources for AROs and also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. As a result of implementing this statement, the County recorded no additional transactions related to AROs.

Governmental Accounting Standards Board Statement No. 84 *Fiduciary Activities*. 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 changes the definition of fiduciary activities, providing more refined guidance on how to determine if activity is fiduciary in nature and therefore should be reported as such. The statement defines types of fiduciary funds, eliminating Agency Funds and replacing them with Custodial Funds. Under this guidance, all fiduciary funds will now report a net position and a statement of changes in that net position. Implementation of this guidance resulted in reclassification of several programs in Agency Funds to the Governmental Activities and the creation of new funds, entitled Custodial Funds, to account for these programs. Beginning General Fund fund balance and cash increased \$19,244 to record activity in the General Fund which was previously reported in the Agency Fund. In addition, the custodial funds reported beginning net position of \$317,592. This included cash of \$1,214,193 and liabilities of \$896,601.

Governmental Accounting Standards Board Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements and also clarify which liabilities governments should include when disclosing information related to debt. The impact of statement can be seen in change in Note 5 Long-Term Obligations.

Governmental Accounting Standards Board Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statement No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

ELBERT COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE 14 – ACCOUNTING PRONOUNCEMENTS (CONTINUED)

It establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. The implementation of this statement by the County did not result in any additional component units being included in the reporting entity.

The following GASB pronouncements are not yet required to be implemented.

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 2019 those leases are reported in Note 9. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021, although GASB is considering lengthening the effective date. The County is in the process of evaluating the impact of this pronouncement on its financial statements but believes additional liabilities will need to be recorded.

NOTE 15 – SUBSEQUENT EVENTS

Capital lease debt

During 2020, the County entered into three capital leases for public works equipment totaling \$1,299,234. The leases are for 60 months with an annual interest rate of 2.89%. The County also entered into two capital leases for Sheriff's Office vehicles totaling \$304,246.82. The leases are for 48 months with an annual interest rate of 2.64%.

Coronavirus Pandemic

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. At the current time, the economic fallout of the COVID-19 pandemic crisis is still largely unknown. Elbert County's staff and elected officials have reviewed early information about federal economic stimulus and recovery funds and are developing response plans based on emerging epidemiological data. Impacts related to property taxes, if any, are anticipated to be delayed to future years based on the statutory assessment cycle. Property taxes in the 2020 budget are approximately 55% of General Fund revenues and approximately 36% of total revenues. Operational changes in various County departments in response to the pandemic may affect expenditure trends for some time.

In May 2020, the County and the municipalities within were notified by the State that a per capita share of the Coronavirus Relief Fund, which was established by the federal CARES Act to provide state, local, and tribal governments resources to navigate the impact of the COVID-19 outbreak. For Elbert County, the fund is expected to provide \$2,293,004 to cover unbudgeted expenses incurred due to the public health emergency between March 1 and December 30, 2020. To access these funds, the County must enter into a cooperative agreement with the Towns of Elizabeth, Kiowa, and Simla to establish amounts from the fund that will be available to each unit of local government for eligible expenses.

REQUIRED SUPPLEMENTARY INFORMATION

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Taxes	\$ 7,532,127	\$ 7,883,814	\$ 351,687
Licenses and permits	1,516,000	1,128,523	(387,477)
Intergovernmental	287,378	307,090	19,712
Charges for service	2,139,192	2,165,205	26,013
Net investment income	95,503	160,966	65,463
Miscellaneous	540,239	594,183	53,944
Total revenues	<u>12,110,439</u>	<u>12,239,781</u>	<u>129,342</u>
EXPENDITURES			
General government	5,166,167	5,162,268	3,899
Public safety-Sheriff	5,255,480	4,759,969	495,511
Public safety-Community Development Services	481,043	516,315	(35,272)
Public safety-Building	262,614	296,759	(34,145)
Public health and welfare	38,605	14,824	23,781
Culture and recreation	228,234	196,533	31,701
Auxiliary services	156,154	167,841	(11,687)
Pool vehicles	18,000	34,910	(16,910)
Debt service	9,974	25,610	(15,636)
Capital outlay	264,000	296,240	(32,240)
Total expenditures	<u>11,880,271</u>	<u>11,471,269</u>	<u>409,002</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>230,168</u>	<u>768,512</u>	<u>538,344</u>
OTHER FINANCING SOURCES (USES)			
Sale of assets	-	20,338	20,338
Insurance recoveries	-	218,706	218,706
Capital lease financing		-	-
Transfers in	68,000	52,387	(15,613)
Transfers (out)	(511,629)	(519,550)	(7,921)
Total other financing sources (uses)	<u>(443,629)</u>	<u>(228,119)</u>	<u>215,510</u>
NET CHANGE IN FUND BALANCES	<u>\$ (213,461)</u>	<u>540,393</u>	<u>\$ 753,854</u>
FUND BALANCE - BEGINNING OF YEAR-RESTATED		<u>8,744,185</u>	
FUND BALANCE - END OF YEAR		<u>\$ 9,284,578</u>	

See accompanying notes to required supplementary information.

ELBERT COUNTY, COLORADO
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
NON GAAP BUDGET BASIS
GENERAL FUND
Year Ended December 31, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Taxes			
Property taxes	\$ 5,883,627	\$ 5,908,804	\$ 25,177
Specific ownership taxes	1,640,000	1,964,343	324,343
Cigarette taxes	8,500	10,667	2,167
Total taxes	<u>7,532,127</u>	<u>7,883,814</u>	<u>351,687</u>
Licenses and permits			
Building and zoning fees	1,515,000	1,124,721	(390,279)
Liquor licenses	1,000	3,802	2,802
Total licenses and permits	<u>1,516,000</u>	<u>1,128,523</u>	<u>(387,477)</u>
Intergovernmental revenues			
VALE grant	53,000	64,000	11,000
Other intergovernmental revenues	234,378	243,090	8,712
Total intergovernmental revenues	<u>287,378</u>	<u>307,090</u>	<u>19,712</u>
Charges for services			
Sheriff	41,500	122,476	80,976
Clerk and Recorder	810,800	923,059	112,259
Treasurer	615,500	683,629	68,129
Public trustee fees	18,000	68,229	50,229
Other	653,392	367,812	(285,580)
Total charges for services	<u>2,139,192</u>	<u>2,165,205</u>	<u>26,013</u>
Interest income	<u>95,503</u>	<u>160,966</u>	<u>65,463</u>
Miscellaneous revenues			
Fair receipts	63,500	-	(63,500)
Administrative cost allocation	388,380	277,654	(110,726)
Other	88,359	316,529	228,170
Total miscellaneous revenues	<u>540,239</u>	<u>594,183</u>	<u>53,944</u>
Other financing sources			
Sale of assets	-	20,338	20,338
Insurance recoveries	-	218,706	218,706
Transfers in	68,000	52,387	(15,613)
Total other financing sources	<u>68,000</u>	<u>291,431</u>	<u>223,431</u>
Total revenues	<u>\$ 12,178,439</u>	<u>\$ 12,531,212</u>	<u>\$ 352,773</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, 2019

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES			
General government			
Office of Commissioners	\$ 285,775	\$ 287,649	\$ (1,874)
County Attorney	241,859	264,086	(22,227)
Clerk and Recorder	710,296	628,751	81,545
Clerk and Recorder - Elections	196,268	138,377	57,891
County Treasurer	211,633	225,567	(13,934)
County Assessor	556,160	660,419	(104,259)
Maintenance of grounds and buildings	322,250	403,543	(81,293)
Central data processing	976,802	959,663	17,139
Other administration	881,341	804,114	77,227
Budget/payroll	174,557	185,707	(11,150)
District Attorney	609,226	604,392	4,834
Total general government	<u>5,166,167</u>	<u>5,162,268</u>	<u>3,899</u>
Public safety-Sheriff			
County Sheriff	4,857,331	4,439,087	418,244
County Coroner	160,590	137,187	23,403
Judicial center	158,160	98,522	59,638
Emergency communications and operations	79,399	85,173	(5,774)
Total public safety	<u>5,255,480</u>	<u>4,759,969</u>	<u>495,511</u>
Public safety-Community Development Services	<u>481,043</u>	<u>516,315</u>	<u>(35,272)</u>
Public safety-Building	<u>262,614</u>	<u>296,759</u>	<u>(34,145)</u>
Public health and welfare	<u>38,605</u>	<u>14,824</u>	<u>23,781</u>
Culture and recreation	228,234	196,533	31,701
Auxiliary services	156,154	167,841	(11,687)
Pool vehicles	18,000	34,910	(16,910)
Debt service	9,974	25,610	(15,636)
Capital outlay	264,000	296,240	(32,240)
Transfers out	511,629	519,550	(7,921)
Total expenditures	<u>\$ 12,391,900</u>	<u>\$ 11,990,819</u>	<u>\$ 401,081</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 3,592,285	\$ 3,592,285	\$ 3,586,309	\$ (5,976)
Intergovernmental	2,900,000	2,900,000	3,487,183	587,183
Charges for services	230,000	230,000	255,844	25,844
Net investment income	5,000	5,000	6,717	1,717
Miscellaneous	10,800	10,800	8,467	(2,333)
Total revenues	<u>6,738,085</u>	<u>6,738,085</u>	<u>7,344,520</u>	<u>606,435</u>
EXPENDITURES				
General government	447,905	447,905	445,451	2,454
Public works	5,858,043	5,508,043	5,590,604	(82,561)
Debt service	767,145	767,145	744,976	22,169
Capital outlay	-	500,000	419,612	80,388
Total expenditures	<u>7,073,093</u>	<u>7,223,093</u>	<u>7,200,643</u>	<u>22,450</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(335,008)</u>	<u>(485,008)</u>	<u>143,877</u>	<u>628,885</u>
OTHER FINANCING SOURCES				
Sale of general capital assets	20,000	20,000	76,786	56,786
Insurance proceeds	15,000	15,000	7,403	(7,597)
Transfers in	450,000	450,000	450,000	-
Total other financing sources	<u>485,000</u>	<u>485,000</u>	<u>534,189</u>	<u>49,189</u>
NET CHANGE IN FUND BALANCE-NON GAAP				
	<u>\$ 149,992</u>	<u>\$ (8)</u>	<u>678,066</u>	<u>\$ 678,074</u>
PERSPECTIVE DIFFERENCES				
Capital lease transactions				
Proceeds from capital leases			385,404	
Proceeds from buy back guarantees			942,000	
Capital outlay related to capital leases			<u>(1,327,404)</u>	
NET CHANGE IN FUND BALANCE-GAAP BASIS				
			678,066	
FUND BALANCE - BEGINNING OF YEAR				
			<u>2,781,430</u>	
FUND BALANCE - END OF YEAR				
			<u>\$ 3,459,496</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, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Taxes	\$ 542,444	\$ 540,335	\$ (2,109)
Intergovernmental	3,897,889	3,378,177	(519,712)
Other	45,400	46,665	1,265
Net investment income	-	1,032	1,032
Total revenues	<u>4,485,733</u>	<u>3,966,209</u>	<u>(519,524)</u>
EXPENDITURES			
Public health and welfare	4,336,755	3,772,315	564,440
Capital outlay	155,000	90,268	64,732
Total expenditures	<u>4,491,755</u>	<u>3,862,583</u>	<u>629,172</u>
NET CHANGE IN FUND BALANCE	<u>\$ (6,022)</u>	103,626	<u>\$ 109,648</u>
FUND BALANCE - BEGINNING OF YEAR		<u>762,002</u>	
FUND BALANCE - END OF YEAR		<u>\$ 865,628</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, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Sales tax	\$ 1,430,000	\$ 2,032,060	\$ 602,060
Use tax	<u>1,600,000</u>	<u>1,571,240</u>	<u>(28,760)</u>
Total revenues	<u>3,030,000</u>	<u>3,603,300</u>	<u>573,300</u>
EXPENDITURES			
General government	90,000	103,757	(13,757)
Public Works	235,000	327,226	(92,226)
Capital outlay	<u>2,514,000</u>	<u>2,085,921</u>	<u>428,079</u>
Total expenditures	<u>2,839,000</u>	<u>2,516,904</u>	<u>322,096</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>191,000</u>	<u>1,086,396</u>	<u>895,396</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(450,000)</u>	<u>(478,501)</u>	<u>(28,501)</u>
Total other financing sources (uses)	<u>(450,000)</u>	<u>(478,501)</u>	<u>(28,501)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (259,000)</u>	607,895	<u>\$ 866,895</u>
FUND BALANCE - BEGINNING OF YEAR		<u>2,316,593</u>	
FUND BALANCE - END OF YEAR		<u>\$ 2,924,488</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.

SUPPLEMENTARY INFORMATION

ELBERT COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2019

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Improvement Fund</u>
ASSETS			
Cash and investments with Treasurer	\$ 2,374,683	\$ 161,764	\$ 3,937
Cash and investments with Treasurer - Restricted	75,400	580	-
Accounts receivable	38,745	4,739	-
Assessments receivable	-	28,385	-
Due from other funds	11,235	-	-
Property taxes receivable	310,843	268,702	-
TOTAL ASSETS	<u><u>\$ 2,810,906</u></u>	<u><u>\$ 464,170</u></u>	<u><u>\$ 3,937</u></u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 104,714	\$ -	\$ -
Due to other funds	70,871	123,276	-
Advances from other funds	-	173,310	-
Total liabilities	<u>175,585</u>	<u>296,586</u>	<u>-</u>
 DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes and assessments	<u>310,843</u>	<u>297,087</u>	<u>-</u>
 FUND BALANCES			
Restricted			
Emergency reserves	25,798	-	-
Debt service	-	18,639	-
Capital asset purchases	75,400	-	-
Conservation trust	488,225	-	-
Assigned			
Public health and welfare	458,414	-	-
Capital projects	1,131,021	-	3,937
Debt service	-	3,833	-
Retirement	170,674	-	-
Unassigned			
Public safety	(25,054)		
Debt service	-	(151,975)	-
Total fund balances	<u>2,324,478</u>	<u>(129,503)</u>	<u>3,937</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u><u>\$ 2,810,906</u></u>	<u><u>\$ 464,170</u></u>	<u><u>\$ 3,937</u></u>

**Total
Nonmajor
Governmental
Funds**

\$ 2,540,384
75,980
43,484
28,385
11,235
579,545

\$ 3,279,013

\$ 104,714
194,147
173,310

472,171

607,930

25,798
18,639
75,400
488,225

458,414
1,134,958
3,833
170,674

(25,054)

(151,975)

2,198,912

\$ 3,279,013

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, 2019

	Special Revenue Funds	Debt Service Funds	Capital Improvement Fund
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Taxes	\$ 303,764	\$ 314,176	\$ -
Special assessments	-	12,989	-
Intergovernmental	276,300	-	-
Charges for services	1,287,954	-	-
Net investment income	56,582	92	-
Miscellaneous	41,426	-	-
Total revenues	<u>1,966,026</u>	<u>327,257</u>	<u>-</u>
EXPENDITURES			
General government	341,674	8,299	-
Public safety	15,474	-	-
Public works	1,500	-	-
Public health and welfare	226,300	-	-
Culture and recreation	24,050	-	-
Debt service			
Principal and interest	410,800	709,235	-
Capital outlay	522,949	-	79,879
Total expenditures	<u>1,542,747</u>	<u>717,534</u>	<u>79,879</u>
EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES	<u>423,279</u>	<u>(390,277)</u>	<u>(79,879)</u>
OTHER FINANCING SOURCES (USES)			
Debt proceeds	263,909	-	-
Sale of general capital assets	17,549	-	-
Transfers in	70,160	476,167	1,724
Transfers (out)	(52,387)	-	-
Total other financing sources (uses)	<u>299,231</u>	<u>476,167</u>	<u>1,724</u>
NET CHANGE IN FUND BALANCES	722,510	85,890	(78,155)
FUND BALANCES - BEGINNING OF YEAR	<u>1,601,968</u>	<u>(215,393)</u>	<u>82,092</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,324,478</u>	<u>\$ (129,503)</u>	<u>\$ 3,937</u>

**Total
Nonmajor
Governmental
Funds**

\$ 617,940
12,989
276,300
1,287,954
56,674
41,426

2,293,283

349,973
15,474
1,500
226,300
24,050

1,120,035
602,828

2,340,160

(46,877)

263,909
17,549
548,051
(52,387)

777,122

730,245

1,468,667

\$ 2,198,912

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
December 31, 2019

	<u>Law Enforcement Assistance</u>	<u>Growth and Development</u>	<u>Public Health and Administration</u>
ASSETS			
Cash and investments with Treasurer	\$ 129,260	\$ 1,131,021	\$ 452,204
Cash and investments with Treasurer - Restricted	75,400	-	-
Accounts receivable	9,114	-	25,047
Due from other funds	-	-	-
Property taxes receivable	-	-	-
TOTAL ASSETS	<u>\$ 213,774</u>	<u>\$ 1,131,021</u>	<u>\$ 477,251</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 83,374	\$ -	\$ 12,395
Due to other funds	70,851	-	20
Total liabilities	<u>154,225</u>	<u>-</u>	<u>12,415</u>
 DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>
 FUND BALANCES			
Restricted			
Emergency reserves	9,203	-	6,422
Capital asset purchases	75,400	-	-
Conservation trust	-	-	-
Assigned			
Public health	-	-	458,414
Capital projects	-	1,131,021	-
Retirement	-	-	-
Unassigned			
Public safety	(25,054)	-	-
Total fund balances	<u>59,549</u>	<u>1,131,021</u>	<u>464,836</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 213,774</u>	<u>\$ 1,131,021</u>	<u>\$ 477,251</u>

<u>Retirement</u>	<u>Conservation Trust</u>	<u>Total</u>
\$ 173,673	\$ 488,525	\$ 2,374,683
-	-	75,400
4,584	-	38,745
11,235	-	11,235
310,843	-	310,843
<u>\$ 500,335</u>	<u>\$ 488,525</u>	<u>\$ 2,810,906</u>
\$ 8,645	\$ 300	\$ 104,714
-	-	70,871
<u>8,645</u>	<u>300</u>	<u>175,585</u>
<u>310,843</u>	<u>-</u>	<u>310,843</u>
10,173	-	25,798
-	-	75,400
-	488,225	488,225
-	-	458,414
-	-	1,131,021
170,674	-	170,674
-	-	(25,054)
<u>180,847</u>	<u>488,225</u>	<u>2,324,478</u>
<u>\$ 500,335</u>	<u>\$ 488,525</u>	<u>\$ 2,810,906</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, 2019

	<u>Law Enforcement Assistance</u>	<u>Growth and Development</u>	<u>Public Health and Administration</u>
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	92,647
Charges for services	306,773	776,898	204,283
Net investment income	-	32,972	-
Miscellaneous income	-	-	6,102
Total revenues	<u>306,773</u>	<u>809,870</u>	<u>303,032</u>
EXPENDITURES			
General government	-	-	-
Public safety	15,474	-	-
Public works	-	1,500	-
Public health and welfare	-	-	226,300
Culture and recreation	-	-	-
Debt service	410,800	-	-
Capital outlay	361,822	93,240	1,078
Contingency	-	-	-
Total expenditures	<u>788,096</u>	<u>94,740</u>	<u>227,378</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES			
	<u>(481,323)</u>	<u>715,130</u>	<u>75,654</u>
OTHER FINANCING SOURCES			
Capital lease proceeds	263,909	-	-
Sale of general capital assets	17,549	-	-
Transfers in	28,500	-	41,660
Transfers (out)	-	-	-
Total other financing sources	<u>309,958</u>	<u>-</u>	<u>41,660</u>
NET CHANGE IN FUND BALANCES	(171,365)	715,130	117,314
FUND BALANCES - BEGINNING OF YEAR	<u>230,914</u>	<u>415,891</u>	<u>347,522</u>
FUND BALANCES - END OF YEAR	<u>\$ 59,549</u>	<u>\$ 1,131,021</u>	<u>\$ 464,836</u>

<u>Retirement</u>	<u>Conservation Trust</u>	<u>Total</u>
\$ 303,764	\$ -	\$ 303,764
-	183,653	276,300
-	-	1,287,954
-	23,610	56,582
35,324	-	41,426
<u>339,088</u>	<u>207,263</u>	<u>1,966,026</u>
341,674	-	341,674
-	-	15,474
-	-	1,500
-	-	226,300
-	24,050	24,050
-	-	410,800
-	66,809	522,949
-	-	-
<u>341,674</u>	<u>90,859</u>	<u>1,542,747</u>
<u>(2,586)</u>	<u>116,404</u>	<u>423,279</u>
-	-	263,909
-	-	17,549
-	-	70,160
-	(52,387)	(52,387)
<u>-</u>	<u>(52,387)</u>	<u>299,231</u>
(2,586)	64,017	722,510
<u>183,433</u>	<u>424,208</u>	<u>1,601,968</u>
<u>\$ 180,847</u>	<u>\$ 488,225</u>	<u>\$ 2,324,478</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, 2019

	Law Enforcement Assistance			Variance with Final Budget Positive (Negative)
	(NON-GAAP BUDGET BASIS)			
	Original Budget	Final Budget	Actual	
REVENUES				
Intergovernmental	40,000	\$ 40,000	\$ -	\$ (40,000)
Charges for services	\$ 300,000	300,000	306,773	6,773
Interest income	-	-	-	-
Total revenues	<u>340,000</u>	<u>340,000</u>	<u>306,773</u>	<u>(33,227)</u>
EXPENDITURES				
Public safety	22,924	22,924	15,474	7,450
Public works	-	-	-	-
Debt service	197,952	402,952	410,800	(7,848)
Capital outlay	171,000	171,000	163,144	7,856
Total expenditures	<u>391,876</u>	<u>596,876</u>	<u>589,418</u>	<u>7,458</u>
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES	<u>(51,876)</u>	<u>(256,876)</u>	<u>(282,645)</u>	<u>(25,769)</u>
OTHER FINANCING SOURCES				
Sale of general capital assets	-	-	17,549	17,549
Transfers in	-	-	28,500	28,500
Total other financing sources	<u>-</u>	<u>-</u>	<u>46,049</u>	<u>46,049</u>
NET CHANGE IN FUND BALANCES-NON GAAP	<u>\$ (51,876)</u>	<u>\$ (256,876)</u>	(236,596)	<u>\$ 20,280</u>
PERSPECTIVE DIFFERENCES				
Capital lease transactions				
Proceeds			263,909	
Capital outlay related to capital leases			<u>(198,678)</u>	
NET CHANGE IN FUND BALANCE-GAAP BASIS			(171,365)	
FUND BALANCES - BEGINNING OF YEAR			<u>230,914</u>	
FUND BALANCES - END OF YEAR			<u>\$ 59,549</u>	

Growth and Development

Original Budget	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
172,600	222,600	776,898	554,298
5,000	5,000	32,972	27,972
<u>177,600</u>	<u>227,600</u>	<u>809,870</u>	<u>582,270</u>
-	-	-	-
-	-	1,500	(1,500)
-	-	-	-
75,000	125,000	93,240	31,760
<u>75,000</u>	<u>125,000</u>	<u>94,740</u>	<u>30,260</u>
<u>102,600</u>	<u>102,600</u>	<u>715,130</u>	<u>612,530</u>
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 102,600</u>	<u>\$ 102,600</u>	715,130	<u>\$ 612,530</u>
		-	
		<u>-</u>	
		715,130	
		<u>415,891</u>	
		<u>\$ 1,131,021</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, 2019

	Public Health and Administration		
	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	177,116	92,647	(84,469)
Charges for services	212,998	204,283	(8,715)
Miscellaneous income	6,000	6,102	102
Total revenues	396,114	303,032	(93,082)
EXPENDITURES			
General government	-	-	-
Public health and welfare	403,868	226,300	177,568
Capital outlay	30,000	1,078	28,922
Total expenditures	433,868	227,378	206,490
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES	(37,754)	75,654	113,408
OTHER FINANCING SOURCES			
Transfers in	37,754	41,660	3,906
Total other financing sources	37,754	41,660	3,906
NET CHANGE IN FUND BALANCES	\$ -	117,314	\$ 117,314
PREPECTIVE DIFFERENCES			
Capital lease transactions		-	
NET CHANGE IN FUND BALANCES		117,314	
FUND BALANCES - BEGINNING OF YEAR		347,522	
FUND BALANCES - END OF YEAR		\$ 464,836	

Retirement

Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 307,202	\$ 303,764	\$ (3,438)
-	-	-
-	-	-
20,000	35,324	15,324
<u>327,202</u>	<u>339,088</u>	<u>11,886</u>
347,857	341,674	6,183
-	-	-
-	-	-
<u>347,857</u>	<u>341,674</u>	<u>6,183</u>
<u>(20,655)</u>	<u>(2,586)</u>	<u>18,069</u>
-	-	-
-	-	-
<u>\$ (20,655)</u>	<u>(2,586)</u>	<u>\$ 18,069</u>
	-	
	(2,586)	
	<u>183,433</u>	
	<u>\$ 180,847</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, 2019

	Conservation Trust		
	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 155,556	\$ 183,653	\$ 28,097
Interest income	1,000	23,610	22,610
Total revenues	156,556	207,263	50,707
EXPENDITURES			
Culture and recreation	27,000	24,050	2,950
Capital outlay	95,000	66,809	28,191
Total expenditures	122,000	90,859	31,141
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES			
	34,556	116,404	81,848
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(68,000)	(52,387)	15,613
Total other financing sources (uses)	(68,000)	(52,387)	15,613
NET CHANGE IN FUND BALANCES			
	\$ (33,444)	64,017	\$ 97,461
PRESPECTIVE DIFFERENCES			
Capital lease transactions		-	
NET CHANGE IN FUND BALANCES			
		64,017	
FUND BALANCES - BEGINNING OF YEAR			
		424,208	
FUND BALANCES - END OF YEAR			
		\$ 488,225	

See accompanying independent auditors' report.

ELBERT COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
December 31, 2019

	Bond Redemption	Chaparral Valley
ASSETS		
Cash and investments with Treasurer	\$ 3,833	\$ -
Cash and investments with Treasurer - Restricted	-	580
Accounts receivable	-	-
Assessments receivable	-	28,385
Property tax receivable	-	-
TOTAL ASSETS	\$ 3,833	\$ 28,965
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Due to other funds	\$ -	\$ -
Advances from other funds	-	63,499
Total liabilities	-	63,499
 DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue-property taxes and assessments	-	28,385
Total deferred inflows of resources	-	28,385
 FUND BALANCES		
Restricted for debt service	-	-
Assigned for debt service	3,833	-
Unassigned	-	(62,919)
Total fund balance	3,833	(62,919)
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
	\$ 3,833	\$ 28,965

<u>Meadows Station</u>	<u>Sun Country Meadows</u>	<u>Foxwood Estates</u>	<u>Total</u>
\$ 3,292	\$ 140,608	\$ 14,031	\$ 161,764
-	-	-	580
854	3,423	462	4,739
-	-	-	28,385
53,915	189,245	25,542	268,702
<u>\$ 58,061</u>	<u>\$ 333,276</u>	<u>\$ 40,035</u>	<u>\$ 464,170</u>
\$ -	\$ 123,276	\$ -	\$ 123,276
-	109,811	-	173,310
<u>-</u>	<u>233,087</u>	<u>-</u>	<u>296,586</u>
53,915	189,245	25,542	297,087
<u>53,915</u>	<u>189,245</u>	<u>25,542</u>	<u>297,087</u>
4,146	-	14,493	18,639
-	-	-	3,833
-	(89,056)	-	(151,975)
<u>4,146</u>	<u>(89,056)</u>	<u>14,493</u>	<u>(129,503)</u>
<u>\$ 58,061</u>	<u>\$ 333,276</u>	<u>\$ 40,035</u>	<u>\$ 464,170</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, 2019

	<u>Bond Redemption</u>	<u>Chaparral Valley</u>
REVENUES		
Taxes	\$ -	\$ -
Special assessments	-	12,989
Net investment income	-	-
Total revenues	<u>-</u>	<u>12,989</u>
EXPENDITURES		
General government	-	389
Debt service		
Principal and interest	<u>471,726</u>	<u>-</u>
Total expenditures	<u>471,726</u>	<u>389</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES		
	<u>(471,726)</u>	<u>12,600</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	<u>472,000</u>	<u>4,167</u>
Total other financing sources (uses)	<u>472,000</u>	<u>4,167</u>
NET CHANGE IN FUND BALANCES	274	16,767
FUND BALANCES - BEGINNING OF YEAR	<u>3,559</u>	<u>(79,686)</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,833</u>	<u>\$ (62,919)</u>

Meadows Station	Sun Country Meadows	Foxwood Estates	Total
\$ 56,596	\$ 226,948	30,632	\$ 314,176
-	-	-	12,989
7	64	21	92
<u>56,603</u>	<u>227,012</u>	<u>30,653</u>	<u>327,257</u>
1,492	5,508	910	8,299
71,318	132,706	33,485	709,235
<u>72,810</u>	<u>138,214</u>	<u>34,395</u>	<u>717,534</u>
<u>(16,207)</u>	<u>88,798</u>	<u>(3,742)</u>	<u>(390,277)</u>
-	-	-	476,167
-	-	-	476,167
(16,207)	88,798	(3,742)	85,890
20,353	(177,854)	18,235	(215,393)
<u>\$ 4,146</u>	<u>\$ (89,056)</u>	<u>14,493</u>	<u>\$ (129,503)</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, 2019

	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	-	-	-
Debt service			
Principal and interest	471,726	471,726	-
Total expenditures	<u>471,726</u>	<u>471,726</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER UNDER EXPENDITURES	<u>(471,726)</u>	<u>(471,726)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	472,000	472,000	-
Transfers (out)	-	-	-
Total other financing sources (uses)	<u>472,000</u>	<u>472,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE-GAAP BASIS	<u>\$ 274</u>	274	<u>\$ -</u>
FUND BALANCES - BEGINNING OF YEAR		<u>3,559</u>	
FUND BALANCES - END OF YEAR		<u>\$ 3,833</u>	

Chaparral Valley

Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 11,400	\$ 12,989	\$ 1,589
11,400	12,989	1,589
500	389	111
-	-	-
500	389	111
10,900	12,600	1,700
-	4,167	4,167
10,000	-	(10,000)
10,000	4,167	(5,833)
\$ 20,900	16,767	\$ (4,133)
	(79,686)	
	\$ (62,919)	

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, 2019

	Meadows Station			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes	\$ 55,692	\$ 55,692	\$ 56,596	\$ 904
Net investment income	-	-	7	7
Total revenues	<u>55,692</u>	<u>55,692</u>	<u>56,603</u>	<u>911</u>
EXPENDITURES				
General government	1,800	1,800	1,492	308
Debt service				
Principal and interest	<u>61,411</u>	<u>71,411</u>	<u>71,318</u>	<u>93</u>
Total expenditures	<u>63,211</u>	<u>73,211</u>	<u>72,810</u>	<u>401</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u><u>\$ (7,519)</u></u>	<u><u>\$ (17,519)</u></u>	(16,207)	<u><u>\$ 1,312</u></u>
FUND BALANCES - BEGINNING OF YEAR			<u>20,353</u>	
FUND BALANCES - END OF YEAR			<u><u>\$ 4,146</u></u>	

Sun Country Meadows

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 219,252	\$ 226,948	\$ 7,696
Net investment income	70	64	(6)
Total revenues	219,322	227,012	7,690
EXPENDITURES			
General government	5,800	5,508	292
Debt service			
Principal and interest	132,706	132,706	-
Total expenditures	138,506	138,214	292
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	80,816	88,798	7,982
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(30,000)	-	30,000
Total other financing sources (uses)	(30,000)	-	30,000
NET CHANGE IN FUND BALANCES	\$ 50,816	88,798	\$ 37,982
FUND BALANCES - BEGINNING OF YEAR		(177,854)	
FUND BALANCES - END OF YEAR		\$ (89,056)	

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, 2019

	Foxwood Estates			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes	\$ 30,142	\$ 30,142	\$ 30,632	\$ 490
Net investment income	-	-	21	21
Total revenues	<u>30,142</u>	<u>30,142</u>	<u>30,653</u>	<u>511</u>
EXPENDITURES				
General government	1,000	1,000	910	90
Debt service				
Principal and interest	<u>27,760</u>	<u>33,760</u>	<u>33,485</u>	<u>275</u>
Total expenditures	<u>28,760</u>	<u>34,760</u>	<u>34,395</u>	<u>365</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 1,382</u>	<u>\$ (4,618)</u>	(3,742)	<u>\$ 876</u>
FUND BALANCES - BEGINNING OF YEAR			<u>18,235</u>	
FUND BALANCES - END OF YEAR			<u>\$ 14,493</u>	

ELBERT COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
December 31, 2019

	<u>Capital Improvement</u>	<u>Sun Country Meadows Capital Projects</u>	<u>Total</u>
ASSETS			
Cash and investments with Treasurer	\$ 3,937	\$ -	\$ 3,937
TOTAL ASSETS	<u>\$ 3,937</u>	<u>\$ -</u>	<u>\$ 3,937</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Assigned	-	-	-
Capital asset purchases	3,937	-	3,937
Total fund balance	<u>3,937</u>	<u>-</u>	<u>3,937</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
	<u>\$ 3,937</u>	<u>\$ -</u>	<u>\$ 3,937</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, 2019

	Capital Improvement	Sun Country Meadows Capital Projects	Total
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES			
Capital outlay	20,548	59,331	79,879
Total expenditures	<u>20,548</u>	<u>59,331</u>	<u>79,879</u>
EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES	<u>(20,548)</u>	<u>(59,331)</u>	<u>(79,879)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	1,724	1,724
Total other financing sources (uses)	<u>-</u>	<u>1,724</u>	<u>1,724</u>
NET CHANGE IN FUND BALANCES	(20,548)	(57,607)	(78,155)
FUND BALANCES - BEGINNING OF YEAR	<u>24,485</u>	<u>57,607</u>	<u>82,092</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 3,937</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,937</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, 2019

	Capital Improvement		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES			
Capital outlay	68,229	20,548	47,681
Total expenditures	68,229	20,548	47,681
NET CHANGE IN FUND BALANCE	\$ (68,229)	(20,548)	\$ 47,681
FUND BALANCE - BEGINNING OF YEAR		24,485	
FUND BALANCE - END OF YEAR		\$ 3,937	

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, 2019

	Sun Country Meadows Capital Projects		
	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES			
Capital outlay	805,020	59,331	745,689
Total expenditures	805,020	59,331	745,689
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(805,020)	(59,331)	745,689
OTHER FINANCING SOURCES			
Transfers in	-	1,724	1,724
Total other financing sources	-	1,724	1,724
NET CHANGE IN FUND BALANCE	\$ (805,020)	(57,607)	\$ 747,413
FUND BALANCE - BEGINNING OF YEAR		57,607	
FUND BALANCE - END OF YEAR		\$ -	

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 2019

This Information From The Records Of (example - City of _ or County of _ County of Elbert County, Colorado	Prepared By: Phone:
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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)	3,405,089
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	6,021,255
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	265,523
2. General fund appropriations		b. Snow and ice removal	509,837
3. Other local imposts (from page 2)	10,013,939	c. Other	744,976
4. Miscellaneous local receipts (from page 2)	1,682,759	d. Total (a. through c.)	1,520,336
5. Transfers from toll facilities		4. General administration & miscellaneous	967,140
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	11,913,820
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	60,730
7. Total (1 through 6)	11,696,698	b. Redemption	71,975
B. Private Contributions	699,025	c. Total (a. + b.)	132,705
C. Receipts from State government (from page 2)	3,636,715	2. Notes:	
D. Receipts from Federal Government (from page 2)	14,653	a. Interest	
E. Total receipts (A.7 + B + C + D)	16,047,091	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	132,705
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	12,046,525

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	0	1,713,705	60,730	1,652,975
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
	2,781,430	16,047,091	12,046,525	6,781,996	0

Notes and Comments: The County has currently recognized \$2,299,469 in unspent Sales Taxes which have not previously been reported on line A.3 b1

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2019

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	3,613,029	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	5,903,169	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	460,045	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	1,018,785
4. Licenses		f. Charges for Services	264,738
5. Specific Ownership &/or Other	37,696	g. Other Misc. Receipts	13,832
6. Total (1. through 5.)	6,400,910	h. Other Capital Lease proceeds	385,404
c. Total (a. + b.)	10,013,939	i. Total (a. through h.)	1,682,759
	(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	3,472,530	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	5,502
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	164,185	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)	0	f. Other Federal - Mineral Lease	9,151
f. Total (a. through e.)	164,185	g. Total (a. through f.)	14,653
4. Total (1. + 2. + 3.f)	3,636,715	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	0	0	0
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	3,405,089	3,405,089
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	3,405,089	3,405,089
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	3,405,089	3,405,089
			(Carry forward to page 1)

Notes and Comments: