



**Financial Statements
For the Year Ended December 31, 2022**

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



Independent Auditor's Responsibilities for the Audit of the Financial Statements Report

Board of County Commissioners
Gilpin County
Blackhawk, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gilpin County (the County) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements of (the County), as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.



We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 1, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Gilpin County's internal control over financial reporting and compliance.

Hick & Company, PC

Englewood, Colorado
November 1, 2023



GILPIN COUNTY, COLORADO
Management's Discussion and Analysis
For the Year Ended December 31, 2022

As management of Gilpin County, we offer readers of our financial statements this narrative overview and analysis of the financial activities of Gilpin County for the fiscal year ended December 31, 2022.

Financial Highlights

Gilpin County receives a majority of revenue from Colorado gaming taxes. Gaming taxes in 2021 were \$10,693,824 and in 2022 increased to \$15,251,006. Gilpin County relies on gaming taxes to keep property taxes low and provide the citizens of Gilpin County lower service fees than might otherwise be necessary. However, while gaming taxes are extremely beneficial to the County the global pandemic proved the fragility of the revenue source.

It is because of this that Gilpin County continues to be extremely careful with reserve funds. Gilpin County is at risk of a number of disasters that could greatly negatively impact our largest revenue source. Such disasters include wildfire, weather events, cyber attacks and any other public health emergencies. Our property taxes are still subject to TABOR and are mostly flat year over year. Our county has no sales tax and thus in order to safeguard our operations remains conservative with public funds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Gilpin County's financial statements. The financial statements include: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This management report also contains supplementary information to give the reader a more detailed view of the County's financial statements.

Government-Wide Financial Statements The government-wide financial statements are designed to provide readers with a broad overview of Gilpin County's finances, in a manner similar to a private sector business. For Gilpin County this means using the accrual basis of accounting, and including depreciation on capital assets.

The statement of net position presents information on all of Gilpin County's assets and liabilities and deferred inflows with the difference reported as net position. Changes in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Evaluation of the overall health of the County would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of County infrastructure, in addition to the financial information provided in this report.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow changes in future fiscal periods (e.g., earned but unused vacation leave). An important purpose of the design of the statement of activities is to show the financial reliance of the County's activities or functions on revenues provided by gaming taxes and the County's taxpayers.

The government-wide financial statements can be found on pages 1-2 of this report.

GILPIN COUNTY, COLORADO
Management's Discussion and Analysis
For the Year Ended December 31, 2022

Fund Financial Statements A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Gilpin County, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Gilpin County funds can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds Governmental funds focus on how money flows into and out of the funds and the balances left at year end available for spending.

Gilpin County maintains eight individual governmental funds. Four are major: the general fund, the public works fund, the human services fund, and the parks & recreation fund. Four are non-major: the library fund; the public health agency fund; the solid waste fund; and the conservation trust fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the three major funds, and is combined into a single aggregated presentation for the four non-major governmental funds.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not included in the government-wide financial statements because the resources of these funds are not available to support Gilpin County's own operations. The County's agency funds include Public Trustee, Treasurer, Jail accounts and Sheriff Forfeiture. The fiduciary fund financial statements can be found on page 6-7 of this report.

Gilpin County adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided for each fund to demonstrate compliance with these budgets.

GILPIN COUNTY, COLORADO
Management's Discussion and Analysis
For the Year Ended December 31, 2022

Government-Wide Financial Analysis

Net Position As noted earlier, net position may serve as a useful indicator of the County's financial position. At the close of fiscal year 2021, assets exceeded liabilities and deferred inflows of resources by \$45,826,400. This position has increased in 2022 to \$50,965,304.

Assets:	<u>2022</u>	<u>2021</u>
Cash and Investments	\$30,007,904	\$21,346,531
Accounts Receivable	486,610	1,436,598
Property Taxes Receivable	6,021,270	6,009,246
Inventory	450	8,173
Prepaid Expenses	95,048	71,328
Capital Assets, Net of Accumulated Depreciation	<u>23,648,835</u>	<u>26,032,371</u>
Total Assets	<u>60,260,149</u>	<u>54,904,247</u>
Liabilities:		
Accounts Payable	931,066	628,009
Accrued Liabilities	199,782	162,256
Unearned Revenues	3,357,596	894,266
Noncurrent Liabilities - Current Portion	269,000	533,618
Noncurrent Liabilities	<u>420,131</u>	<u>850,450</u>
Total Liabilities	<u>5,177,575</u>	<u>3,068,601</u>
Deferred Inflows of Resources:		
Deferred Property Tax Revenue	<u>6,021,270</u>	<u>6,009,246</u>
Net Position:		
Net Investment in Capital Assets	25,482,867	25,278,044
Restricted(pg1, low)	4,721,788	4,320,017
Unrestricted	<u>20,760,649</u>	<u>16,228,339</u>
Total Net Position	<u>50,965,304</u>	<u>\$45,826,400</u>

Note that a majority of the increase in our asset position is due to an increase in Cash and Investments. The County continues to be conservative after the effects of the global pandemic and keeps enough cash and safe investments to ensure government continuity.

GILPIN COUNTY, COLORADO
Management's Discussion and Analysis
For the Year Ended December 31, 2022

Governmental Activities: The County's total revenues of \$30,771,252 exceeded of program expenses of \$25,632,348 for an increase in net position of \$5,138,904. A summary follows:

Revenues (pg 2 vertical)	<u>2022</u>	<u>2021</u>
Program Revenues		
Charges for Services	\$ 2,762,140	\$ 2,573,061
Operating Grants & Contributions	5,157,081	5,587,640
Capital Grants & Contributions	-	1,063,370
Total Program Revenues	<u>7,919,221</u>	<u>9,224,071</u>
General Revenues		
Property Taxes*	6,013,738	6,087,662
Specific Ownership Taxes*	469,023	453,714
Gaming Taxes*	15,251,006	10,693,824
Grants & Contrib not restricted to specific programs*	652,601	138,580
Investment Earnings	342,689	(6,050)
Other Revenues	529,142	584,716
(Loss) on Sale of Capital Assets	<u>(406,168)</u>	<u>-</u>
Total General Revenues	<u>22,852,031</u>	<u>17,952,446</u>
Expenses (page 2)		
General Government	7,944,892	6,160,692
Public Safety	8,513,830	7,318,628
Health and Welfare	3,033,050	3,189,311
Highways and Streets	3,001,651	2,599,392
Culture and Recreation	2,676,041	2,100,040
Community Development	414,117	315,391
Interest on Long-Term Debt	48,767	30,863
Total Expenses	<u>25,632,348</u>	<u>21,714,317</u>
Increase/(Decrease) in Net Position	<u>5,138,904</u>	<u>\$5,462,200</u>

*It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

Gilpin County continues to see strong revenue in the gaming sector, which is our largest source of revenue. A switch to unlimited gaming and recovery from COVID have led to strong numbers but we cannot count on these numbers persisting into the future. Gilpin County continues to be conservative for the residents of Gilpin County in order to safe guard our citizens from disaster.

GILPIN COUNTY, COLORADO
 Management's Discussion and Analysis
 For the Year Ended December 31, 2022

Governmental funds

In 2011, the County implemented Governmental Accounting Standards Board Statement 54 (GASB 54), which requires a more specific breakdown of the availability of fund balances, resulting in the components detailed in this report.

Because the General Fund receives in the gaming revenue for the county it is routinely supporting county operations in our other funds through transfers which can be found below. The General Fund saw a rise in unrestricted, unassigned fund balance to \$17,442,933 at the end of 2022. All Governmental Funds within Gilpin County continue to show patterns of sustainability over the long run expect for the Parks and Recreation Fund. 2023 is the final year of the Parks and Recreation Mill Levy. A replacement Levy will be on the 2023 ballot but if the measure fails this fund will require either a reduction of services, higher fees, a return to the General Fund or perhaps all measures.

Transfers In	Transfers Out	Amount
Public Works	General	\$2,000,000
Human Services	General	349,915
Subgroup	General	85
	Total	\$2,350,000

General Fund Budgetary Highlights

The General Fund accounts for all of the general governmental services provided by the County. This includes public safety, health, community development, maintenance, recreation and general administration. Funding for these services comes from a variety of sources but the general fund is heavily funded by gaming taxes. Gaming revenue of \$15,251,006, which is up from the \$10,693,824 of the previous year.

Actual Gaming revenue was \$3,402,591 more than the original budget for 2022. This is due to many factors contributing to the calculation of this revenue which makes it hard to predict such as ballot issues, the economy, the weather, and the move from limited gaming to unlimited gaming.

GILPIN COUNTY, COLORADO
 Management's Discussion and Analysis
 For the Year Ended December 31, 2022

Capital Assets

At December 31, 2022, the County had \$25,482,867 invested in a broad range of capital assets.

In 2006, the County added infrastructure per GASB 34 using the standard depreciation approach which distributes the loss in value of assets across their lives.

Additional Capital Asset information can be found in Note 1, on page 10 and in Note 3, on page 13, in the Notes to the Financial Statements.

The following table provides a summary of capital asset activity:

	<u>2022</u>	<u>2021</u>
Land	\$ 1,191,750	\$ 1,191,750
Water Rights	132,001	132,001
Infrastructure, net	68,050	82,439
Building, net	16,297,266	16,857,906
Improvements, net	3,951,373	4,086,055
Equipment, net	3,332,146	3,389,534
Construction in progress	510,281	292,686
	<u>\$25,482,867</u>	<u>\$26,032,371</u>

Capital asset additions during the current fiscal year included the following:

- \$345,501 for a Caterpillar Grader
- \$329,116 for a Front-End Loader
- \$102,380 for Justice Center Showers
- \$39,330 for Playground Surface

A full list of capital projects is available on request. In the coming years Gilpin County plans on placing larger investments into capital projects. In 2023 a facilities report was completed that demonstrated a need to invest in county infrastructure. This will replace needed assets that help us ensure the County continues to serve the public.

GILPIN COUNTY, COLORADO
Management's Discussion and Analysis
For the Year Ended December 31, 2022

Debt

At the end of the 2022 calendar year, the County had no long-term outstanding debt. All long-term debt was paid off in the 2022 calendar year. The energy lease of \$803,096 was paid off during the 2022 year. Gilpin County is now free of long-term debt.

The Year Ahead

The budget adopted for 2023 is structured to include: necessary governmental services, library services, parks & recreation programs, and youth programs; spending allowed by Public Health grants; assigning of funds for fire mitigation/disasters, and capital expenditures; funds to conduct staffing and compensation levels in Gilpin County.

In 2022, the major source of budgeted revenue for Gilpin County continues to be gaming tax, authorized by the constitution of the State of Colorado. Gilpin County has exempted gaming tax revenue from TABOR but has not exempted property tax revenue. With this combination of rules, if the amount of gaming tax revenue decreases, services could decrease or cost users more unless the voters approve a property tax increase. Gaming tax revenue currently allows Gilpin County great flexibility in the level of services it provides.

There are also measures on the State of Colorado ballot in November that could adversely affect the revenue of Gilpin County. We continue to monitor these issues as they unfold and as stewards of public money we plan conservatively.

In order to maintain services, the County is continuing to pursue all cost-effective sources of funding. County offices and departments continue to sustain services as best they can, with the funding available.

In closing, Gilpin County government continues on a cautious and fiscally responsible course to maintain necessary services.

Requests for Information

This financial report is designed to provide a general overview of Gilpin County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Gilpin County Finance Department.

BASIC FINANCIAL STATEMENTS

Gilpin County
Statement of Net Position
December 31, 2022

	Governmental Activities
Assets	
Cash and Investments	\$ 30,077,904
Accounts Receivable	486,610
Taxes Receivable	6,021,270
Prepaid Expenses	95,048
Inventory	450
Capital Assets, <i>Not Being Depreciated</i>	1,834,032
Capital Assets, <i>Net of Accumulated Depreciation</i>	23,648,835
Total Assets	62,164,149
Liabilities	
Accounts Payable	931,066
Accrued Liabilities	199,782
Unearned Revenues	3,357,596
Non-current Liabilities	
Due Within One Year	269,000
Due in More Than One Year	420,131
Total Liabilities	5,177,575
Deferred Inflows of Resources	
Deferred Property Tax Revenue	6,021,270
Total Deferred Inflows of Resources	6,021,270
Net Position	
Net Investment in Capital Assets	25,482,867
Restricted	4,721,788
Unrestricted	20,760,649
Total Net Position	\$ 50,965,304

Gilpin County
Statement of Activities
For the Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Position
Primary Government					
<i>Governmental Activities</i>					
General Government	\$ 7,944,892	\$ 1,056,445	\$ 470,492	\$ -	\$ (6,417,955)
Public Safety	8,513,830	874,748	839,891	-	(6,799,191)
Health and Welfare	3,033,050	30,177	2,818,127	-	(184,746)
Highways and Streets	3,001,651	41,941	689,358	-	(2,270,352)
Culture and Recreation	2,676,041	254,477	339,213	-	(2,082,351)
Community Development	414,117	504,352	-	-	90,235
Interest on Long-Term Debt	48,767	-	-	-	(48,767)
Total Government Activities	<u>\$ 25,632,348</u>	<u>\$ 2,762,140</u>	<u>\$ 5,157,081</u>	<u>\$ -</u>	<u>(17,713,127)</u>
General Revenues					
Property Taxes					6,013,738
Specific Ownership Taxes					469,023
Gaming Taxes					15,251,006
Grants & Contributions not restricted to specific programs					652,601
Interest Income					342,689
Other					529,142
(Loss) on Sale of Capital Assets					(406,168)
Total General Revenues					<u>22,852,031</u>
Change in Net Position					5,138,904
Net Position, Beginning of Year					<u>45,826,400</u>
Net Position, End of Year					<u>\$ 50,965,304</u>

Gilpin County
 Balance Sheet
 Governmental Funds
 December 31, 2022

	General	Public Works	Human Services	Parks & Recreation	Other Governmental Funds	Totals
Assets						
Cash and Investments	\$ 24,062,728	\$ 2,740,960	\$ 1,222,502	\$ 581,509	\$ 1,470,205	\$ 30,077,904
Property Taxes Receivable	3,607,016	380,229	197,971	1,153,707	682,347	6,021,270
Accounts Receivable	285,182	58,520	40,001	16,194	86,713	486,610
Inventory	-	-	450	-	-	450
Prepaid Expenses	92,873	-	-	1,895	280	95,048
Total Assets	\$ 28,047,799	\$ 3,179,709	\$ 1,460,924	\$ 1,753,305	\$ 2,239,545	\$ 36,681,282
Liabilities						
Accounts Payable	829,812	18,491	9,991	45,369	27,403	931,066
Accrued Liabilities	149,741	21,516	10,633	12,979	4,913	199,782
Unearned Revenue	3,231,814	-	32,098	-	93,684	3,357,596
Total Liabilities	4,211,367	40,007	52,722	58,348	126,000	4,488,444
Deferred Inflows of Resources						
Deferred Property Tax Revenue	3,607,016	380,229	197,971	1,153,707	682,347	6,021,270
Total Deferred Inflows of Resources	3,607,016	380,229	197,971	1,153,707	682,347	6,021,270
Fund Balances						
Nonspendable	92,873	-	450	1,895	280	95,498
Restricted	841,000	2,759,473	1,077,953	-	43,362	4,721,788
Committed	-	-	-	539,355	1,387,556	1,926,911
Assigned	1,852,610	-	131,828	-	-	1,984,438
Unrestricted, Unassigned	17,442,933	-	-	-	-	17,442,933
Total Fund Balances	20,229,416	2,759,473	1,210,231	541,250	1,431,198	26,171,568
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 28,047,799	\$ 3,179,709	\$ 1,460,924	\$ 1,753,305	\$ 2,239,545	\$ 36,681,282

Gilpin County
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	General	Public Works	Human Services	Parks & Recreation	Other Governmental Funds	Total
Revenues						
Taxes	\$ 3,897,033	\$ 410,756	\$ 213,854	\$ 1,247,211	\$ 713,907	\$ 6,482,761
Gaming Taxes	15,251,006	-	-	-	353,178	15,604,184
Intergovernmental	2,010,414	689,358	2,533,537	223,195	-	5,456,504
Licenses and Permits	402,196	-	-	-	-	402,196
Charges for Services	1,754,786	41,941	-	252,719	310,498	2,359,944
Interest Income	258,256	40,031	15,692	9,275	19,435	342,689
Miscellaneous	434,237	20,838	18,770	54,597	700	529,142
Total Revenues	<u>24,007,928</u>	<u>1,202,924</u>	<u>2,781,853</u>	<u>1,786,997</u>	<u>1,397,718</u>	<u>31,177,420</u>
Expenditures						
Current						
General Government	7,366,557	-	-	-	318,394	7,684,951
Public Safety	8,221,987	-	-	-	-	8,221,987
Health and Welfare	-	-	2,806,835	-	212,008	3,018,843
Highways and Streets	-	2,498,762	-	-	-	2,498,762
Culture and Recreation	192,067	-	-	1,569,328	482,142	2,243,537
Community Development	412,332	-	-	-	-	412,332
Capital Outlay	348,266	632,373	-	119,101	207,090	1,306,830
Debt Service						
Principal	754,330	-	-	-	-	754,330
Interest and Fiscal Charges	48,767	-	-	-	-	48,767
Total Expenditures	<u>17,344,306</u>	<u>3,131,135</u>	<u>2,806,835</u>	<u>1,688,429</u>	<u>1,219,634</u>	<u>26,190,339</u>
Revenues Over (Under) Expenditures	<u>6,663,622</u>	<u>(1,928,211)</u>	<u>(24,982)</u>	<u>98,568</u>	<u>178,084</u>	<u>4,987,081</u>
Other Financing Sources (Uses)						
Sale of Assets	3,250	-	3,140	-	-	6,390
Transfers In	85	2,000,000	349,915	-	-	2,350,000
Transfers (Out)	(2,350,000)	-	-	-	-	(2,350,000)
Total Other Financing Sources (Uses)	<u>(2,346,665)</u>	<u>2,000,000</u>	<u>353,055</u>	<u>-</u>	<u>-</u>	<u>6,390</u>
Net Change in Fund Balances	4,316,957	71,789	328,073	98,568	178,084	4,993,471
Fund Balances, Beginning of year	<u>15,912,459</u>	<u>2,687,684</u>	<u>882,158</u>	<u>442,682</u>	<u>1,253,114</u>	<u>21,178,097</u>
Fund Balances, End of year	<u>\$ 20,229,416</u>	<u>\$ 2,759,473</u>	<u>\$ 1,210,231</u>	<u>\$ 541,250</u>	<u>\$ 1,431,198</u>	<u>\$ 26,171,568</u>

Gilpin County

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2022

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances of Governmental Funds	\$	4,993,471
 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 as depreciation expense.		
Capital Outlay		1,550,147
Depreciation Expense		(1,687,093)
Disposal of Capital Assets		(412,558)
 Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities		
Principal paid on capital leases		754,330
 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		<u>(59,393)</u>
Change in Net Position of Governmental Activities	\$	<u><u>5,138,904</u></u>

Gilpin County
Statement of Fiduciary Net Position
December 31, 2022

	Custodial Funds
Assets	
Cash and cash equivalents	\$ <u>589,232</u>
 Total Assets	 \$ <u><u>589,232</u></u>
Liabilities	
Due to other governmental entities	\$ 441,946
Held for Inmate Expenses	131,203
Held for Sheriff Expenses	<u>16,083</u>
 Total Liabilities	 \$ <u><u>589,232</u></u>

Gilpin County
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2022

	<u>Custodial Funds</u>
Additions	
Tax collections for other governments	\$ 15,404,211
Other collections	<u>822,547</u>
Total Additions	16,226,758
Deductions	
Payments to other governments	15,691,321
Treasurer fee	126,559
Other disbursements	<u>408,878</u>
Total Deductions	<u>16,226,758</u>
Net Increase in Fiduciary Net Position	-
Net Position, Beginning of Year	<u>-</u>
Net Position, End of Year	<u><u>\$ -</u></u>

GILPIN COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Gilpin County, Colorado (the County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

In accordance with governmental accounting standards, the County has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The County is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if County officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the County. The County may also be financially accountable for organizations that are fiscally dependent upon it.

Based on the application of these criteria, the County does not include additional organizations in its reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the County. For the most part, the effect of inter-fund activity has been removed from these statements. Exceptions to this general rule are charges for inter-fund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported in a single column.

The statement of activities demonstrates the degree to which the direct expenses of the 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 the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

GILPIN COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. 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 County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

The County reports the following major governmental funds:

The *General Fund* – This fund is the general operating fund of the County which accounts for all financial resources that are not accounted for in other funds. Operations of the County such as public safety, planning and zoning, property valuation, tax collection and distribution, vehicle licensing, County administration, and other activities financed from taxes and general revenues are reflected in this fund.

The *Public Works Fund (Road and Bridge)* – This fund records resources and expenditures related to County road and bridge construction and maintenance. By State law, Colorado counties are required to maintain a fund of which a portion of road and bridge property taxes is allocated to cities and towns for use in their road and street activities. Other significant resources in the fund include State and Federal shared revenue for road maintenance.

The *Human Services Fund* - This fund accounts for revenues that are generated from state and federal payments, property taxes, and other intergovernmental revenues and fees. Spending is restricted or assigned to the administration of public assistance and welfare activities.

The *Parks & Recreation Fund* - This fund accounts for revenues that are generated from patron fees, property taxes, and other intergovernmental revenues. Spending is committed or assigned to the operations of the parks and recreation activities.

GILPIN COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Additionally, the County reports the following fund type:

The *Custodial Funds* - are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, and other governments. The County holds all assets in a purely custodial capacity.

Receivables

Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Inventory

Inventories include Public Works fuel valued at cost using the weighted average method.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods, and are reported as prepaid expenses using the consumption method.

Capital Assets

Capital assets, which include land, buildings, equipment, intangibles, and infrastructure assets (e.g., roads, bridges) purchased or constructed since 1980, are reported in the governmental activity's column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the acquisition value on the date of donation.

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

Property and equipment of the County is depreciated using the straight-line method over the following estimated useful lives:

Infrastructure	5 – 40 years
Buildings	10 – 50 years
Improvements	5 – 50 years
Machinery and Equipment	2 – 25 years

GILPIN COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Employees of the County are allowed to accumulate unused vacation time up to 416 hours and 600 hours of unused sick time. Upon termination of employment from the County, employees will be compensated for up to 208 accrued vacation time at their current pay rate.

These compensated absences are recognized when due in the governmental funds. A liability has been recorded in the government-wide financial statements for the accrued compensated absences.

Unearned Revenues

Unearned revenue includes grants that have been collected but corresponding expenditures have not been incurred, and fees received in advance.

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities.

In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Property taxes earned but not levied for the current year are reported as deferred inflows of resources.

Net Position/Fund Balances (see Note 5)

In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. As reported in the fund financial statements, the Board of County Commissioners establishes a fund balance commitment through passage of a resolution. In addition, by resolution the Board of County Commissioners has delegated to the Finance Director the authority to assign fund balances for specific purposes.

When expenditures are incurred for a specific purpose for which both restricted and unrestricted fund balances are available, the County's policy is to use restricted amounts first, followed by committed, assigned and unassigned amounts.

GILPIN COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

Property taxes attach as an enforceable lien on the property on January 1, are levied the following December, and collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer’s office collects property taxes and remits to the County on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

Subsequent Events

The County has evaluated subsequent events through the date which the financial statements were issued.

NOTE 2: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2022 follows:

Petty Cash and Treasurer Cash On Hand	\$ 2,678
Cash Deposits	4,744,008
Investments	<u>25,920,450</u>
 Total	 <u>\$ 30,667,136</u>

The above amounts are classified in the financial statements as follows:

Governmental Activities	30,077,904
Custodial funds	<u>589,232</u>
 Total	 <u>\$ 30,667,136</u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. 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 regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

GILPIN COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk – Deposits (Continued)

At December 31, 2022, of these balances, \$2,141,901 was covered by collateral held by authorized escrow agents in the financial institution's name (PDPA).

Investments

Colorado statutes specify in which instruments the units of local government may invest which include:

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

The above investments are authorized for all funds and fund types used by Colorado municipalities.

Interest Rate Risk

State statutes generally limit the maturity of investment securities to five years from the date of purchase, unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk

State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

Concentration of Credit Risk

State statutes do not limit the amount the County may invest in one issuer, except for corporate securities.

Local Government Investment Pools

At December 31, 2022, the County had \$12,753,776 and \$13,166,674 invested in the Colorado Local Government Liquid Asset Trust and the Colorado Surplus Asset Fund Trust (COLOTRUST and CSAFE), respectively. The pools are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The pools are measured at the net asset value per share, with each share valued at \$1. The pools are rated AAAM by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

GILPIN COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 3: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2022 is summarized below:

	<u>Balance 12/31/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/22</u>
Governmental Activities				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 1,191,750	\$ -	\$ -	\$ 1,191,750
Water Rights	132,001	-	-	132,001
CIP	<u>292,686</u>	<u>378,253</u>	<u>(160,658)</u>	<u>510,281</u>
Total Capital Assets, <i>Not Being Depreciated</i>	<u>1,616,437</u>	<u>378,253</u>	<u>(160,658)</u>	<u>1,834,032</u>
<i>Capital Assets, Being Depreciated</i>				
Buildings	28,057,687	-	-	28,057,687
Infrastructure	2,289,356	-	-	2,289,356
Improvements	8,451,651	257,888	(14,948)	8,694,591
Machinery and Equipment	<u>11,957,102</u>	<u>1,074,664</u>	<u>(420,333)</u>	<u>12,611,433</u>
Total Capital Assets, <i>Being Depreciated</i>	<u>50,755,796</u>	<u>1,332,552</u>	<u>(435,281)</u>	<u>51,653,067</u>
<i>Less Accumulated Depreciation</i>				
Buildings	(11,199,781)	(560,640)	-	(11,760,421)
Infrastructure	(2,206,917)	(14,389)	-	(2,221,306)
Improvements	(4,365,596)	(385,345)	7,723	(4,743,218)
Machinery and Equipment	<u>(8,567,568)</u>	<u>(726,719)</u>	<u>15,000</u>	<u>(9,279,287)</u>
Total Accumulated Depreciation	<u>(26,339,862)</u>	<u>(1,687,093)</u>	<u>22,723</u>	<u>(28,004,232)</u>
Total Capital Assets, <i>Being Depreciated, net</i>	<u>24,415,934</u>	<u>(354,541)</u>	<u>(412,558)</u>	<u>23,648,835</u>
Governmental Activities Capital Assets, <i>net</i>	<u>\$ 26,032,371</u>	<u>\$ 23,712</u>	<u>\$ (573,216)</u>	<u>\$ 25,482,867</u>

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

General governments	\$ 490,843
Public safety	259,014
Health and Welfare	11,212
Highways and Streets	495,990
Culture and recreation	429,002
Community Development	<u>1,032</u>
Total depreciation expense	<u>\$ 1,687,093</u>

GILPIN COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 4: LONG-TERM DEBT

Following is a summary of long-term debt transactions for the year ended December 31, 2022:

Governmental Activities	Balance 12/31/21	Additions	Deletions	Balance 12/31/22	Due Within One Year
Capital Leases	\$ 754,330	\$ -	\$ (754,330)	\$ -	\$ -
Claims Payable	202,000	2,513,827	(2,513,827)	202,000	202,000
Compensated Absences	427,738	565,252	(505,859)	487,131	67,000
Total	<u>\$ 1,384,068</u>	<u>\$ 3,079,079</u>	<u>\$ (3,774,016)</u>	<u>\$ 689,131</u>	<u>\$ 269,000</u>

Accrued Compensated Absences are expected to be paid from resources generated by the General, Public Works, Library, Human Services, Solid Waste, and Parks & Recreation Funds.

In 2016 the County switched from fully-funded to partially self-funded medical insurance for employees. The County reports claims payable since that time.

Capital Leases

In November 2011, the County entered into a capital lease agreement for \$2,861,884 to purchase equipment and to make improvements which will be paid from revenues of the General Fund. The lease requires quarterly payments of \$73,542, beginning in November 2012. This lease bears interest at a rate of 3.15% and will mature in August 2024.

In February 2017, the County entered into a capital lease agreement for \$390,676 to purchase equipment which will be paid from revenues of the Public Works Fund. The lease requires quarterly payments of \$25,810, beginning April 2017. This lease bears interest at a rate of 2.93% and matured in January 2022.

In May 2017, the County entered into a capital lease agreement for \$297,167 to purchase equipment which will be paid from revenues of the Public Works Fund. The lease requires quarterly payments of \$19,705, beginning August 2017. This lease bears interest at a rate of 2.82% and matured in May 2022.

In July 2017, the County entered into a capital lease agreement for \$257,575 to purchase equipment which will be paid from revenues of the Public Works Fund. The lease requires quarterly payments of \$17,080, beginning November 2017. This lease bears interest at a rate of 2.82% and matured in August 2022.

Leased improvements and equipment under capital leases in capital assets at December 31, 2022, include the following.

Improvements	\$ 2,822,952
Equipment	1,033,918
Less: Accumulated Amortization	<u>(2,027,073)</u>
Total	<u>\$ 1,829,797</u>

Amortization of equipment purchased and improvements made under capital leases is included with depreciation expense.

GILPIN COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5: FUND BALANCES

The specific purposes for each fund balance classification on the balance sheet are detailed in the table below:

	General	Public Works	Human Services	Parks & Rec	Non-Major Governmental	Total
Fund Balances						
Non-Spendable:						
Inventory amounts	\$ -	\$ -	\$ 450	\$ -	\$ -	\$ 450
Prepaid amounts	92,873	-	-	1,895	280	95,048
	<u>92,873</u>	<u>-</u>	<u>450</u>	<u>1,895</u>	<u>280</u>	<u>95,498</u>
Restricted:						
Emergency Reserves	841,000	-	-	-	-	841,000
Highways & Streets	-	2,759,473	-	-	-	2,759,473
Health & Welfare	-	-	1,077,953	-	-	1,077,953
Culture & Recreation	-	-	-	-	43,362	43,362
	<u>841,000</u>	<u>2,759,473</u>	<u>1,077,953</u>	<u>-</u>	<u>43,362</u>	<u>4,721,788</u>
Committed:						
Library	-	-	-	-	424,856	424,856
Public Health	-	-	-	-	396,879	396,879
Parks & Recreation	-	-	-	539,355	-	539,355
Solid Waste	-	-	-	-	565,821	565,821
	<u>-</u>	<u>-</u>	<u>-</u>	<u>539,355</u>	<u>1,387,556</u>	<u>1,926,911</u>
Assigned:						
Donations	-	-	131,828	-	-	131,828
eRecording	21,167	-	-	-	-	21,167
Open space	327,032	-	-	-	-	327,032
GCART	4,411	-	-	-	-	4,411
Disasters	500,000	-	-	-	-	500,000
Capital Projects	500,000	-	-	-	-	500,000
Medical	500,000	-	-	-	-	500,000
	<u>1,852,610</u>	<u>-</u>	<u>131,828</u>	<u>-</u>	<u>-</u>	<u>1,984,438</u>
Unassigned:						
General Fund	17,442,933	-	-	-	-	17,442,933
Total	<u>\$ 20,229,416</u>	<u>\$ 2,759,473</u>	<u>\$ 1,210,231</u>	<u>\$ 541,250</u>	<u>\$ 1,431,198</u>	<u>\$ 26,171,568</u>

NOTE 6: INTERFUND TRANSFERS

Inter-fund transfers for the year ended December 31, 2022, were comprised of the following:

	General Fund	Public Works Fund	Human Services Fund	Total
Transfer in	\$ 85	\$ 2,000,000	\$ 349,915	\$ 2,350,000
Transfer out	<u>(2,350,000)</u>	<u>-</u>	<u>-</u>	<u>(2,350,000)</u>
Total	<u>\$ (2,349,915)</u>	<u>\$ 2,000,000</u>	<u>\$ 349,915</u>	<u>\$ -</u>

The General Fund transferred funds to the Public Works Fund and Human Services Fund to subsidize operations and capital purchases in those funds.

GILPIN COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 7: RETIREMENT COMMITMENTS

401(a) Employee Pension Plan

The County contributes to a multiple employer Defined Contribution retirement plan administered by the Colorado Retirement Association. Substantially all eligible County employees are required to participate immediately upon being hired. Both the County and the employee contribute five percent of the employee's eligible compensation. The County's contributions for each employee are 100% vested upon participation in the plan. The contribution rate is determined by the Board of County Commissioners. During the year ended December 31, 2022, employer and employees each contributed \$432,554, equal to their required contributions.

457(b) Deferred Compensation

The County offers its employees a Deferred Compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all County eligible employees and permits them to defer a portion of their salary until future years. The County does not contribute to the plan. All plan investments are held in trust for the exclusive benefit of the employees.

NOTE 8: PUBLIC ENTITY RISK POOL

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the County participates in the Colorado Counties Casualty and Property Pool and the County Workers' Compensation Pool. These are public entity risk pools that operate as common risk management and insurance programs for member counties.

The purposes of the pools are to provide members defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to county property and to persons or property which might result in claims being made against members of the pools, their employees and officers.

The County pays an annual contribution to each of these pools. The intergovernmental agreement forming each pool provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary. The pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each year.

Partially Self-Funded Medical Insurance

Beginning January 2016, the County switched to a partially self-funded medical insurance plan for its employees and since then has been exposed to risk for medical claims of its employees. The County accounts for and finances this risk activity in the General Fund.

The County's individual stop loss insurance coverage for 2022 is \$100,000. The aggregate stop-loss limit for the County is 125% of expected claims, or \$1,964,590, decreased from \$1,964,590 in the prior year.

GILPIN COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 8: PUBLIC ENTITY RISK POOL (Continued)

Partially Self-Funded Medical Insurance (Continued)

The self-insurance balance assigned as part of the General Fund at the end of the current fiscal year is \$500,000. This cash balance plus monthly contributions by the County and its employees is expected to cover any anticipated claims during the coming year.

Claims liabilities are reported in the government-wide financial statements if information available prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Other than current amounts, the County does not believe the claims liability is fully measurable, and the County could incur additional costs related to incurred but not reported claims.

Changes in claims payable for the employee medical plan were as follows:

	2022	2021
Liability balance, <i>Beginning of Year</i>	\$ 202,000	\$ 264,000
Incurred claims	2,513,827	1,711,692
Payments on claims	(2,513,827)	(1,773,692)
Liability balance, <i>End of Year</i> (IBNR)	\$ 202,000	\$ 202,000

NOTE 9: COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. In November 1993, the voters of the County elected to allow an increase in spending and revenues, to the extent of distributions to the County of its share of monies from the limited gaming fund, notwithstanding the provisions of the Amendment.

The Amendment is complex and subject to judicial interpretation. The County believes it is in compliance with the requirements of the Amendment. However, the County has made certain interpretations of the Amendment’s language in order to determine compliance.

The County has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2022, the emergency reserve of \$841,000 was reported as restricted fund balance in the General Fund.

Litigation

The County is involved in various threatened or pending litigation. The outcome of this litigation cannot be determined at this time.

GILPIN COUNTY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 9: COMMITMENTS AND CONTINGENCIES (Continued)

Claims and Judgments

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. At December 31, 2022, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the County.

REQUIRED SUPPLEMENTARY INFORMATION

Gilpin County
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> (<i>Negative</i>)
Revenues			
Taxes	\$ 3,811,936	\$ 3,897,033	\$ 85,097
Gaming Taxes	10,500,000	15,251,006	4,751,006
Intergovernmental	1,811,174	2,010,414	199,240
Licenses and Permits	290,525	402,196	111,671
Charges for Services	1,632,447	1,754,786	122,339
Interest Income	10,000	258,256	248,256
Miscellaneous	24,766	434,237	409,471
Total revenues	<u>18,080,848</u>	<u>24,007,928</u>	<u>5,927,080</u>
Expenditures			
Current			
General Government	8,223,999	7,366,557	857,442
Public Safety	6,164,382	8,221,987	(2,057,605)
Culture and Recreation	-	192,067	(192,067)
Community Development	725,772	412,332	313,440
Capital Outlay	63,000	348,266	(285,266)
Debt Principal	-	754,330	(754,330)
Debt Interest and fiscal charges	-	48,767	(48,767)
Total expenditures	<u>15,177,153</u>	<u>17,344,306</u>	<u>(2,167,153)</u>
Excess (Deficiency) of revenues over expenditures	<u>2,903,695</u>	<u>6,663,622</u>	<u>3,759,927</u>
Other financing sources			
Sale of Assets	-	3,250	3,250
Transfer in	-	85	85
Transfer out	(2,350,000)	(2,350,000)	-
Total other financing sources (uses)	<u>(2,350,000)</u>	<u>(2,346,665)</u>	<u>3,335</u>
Net changes in fund balance	553,695	4,316,957	3,763,262
Fund Balance, Beginning of Year	<u>10,046,194</u>	<u>15,912,459</u>	<u>5,866,265</u>
Fund Balance, End of Year	<u>\$ 10,599,889</u>	<u>\$ 20,229,416</u>	<u>\$ 9,629,527</u>

Gilpin County
 Budgetary Comparison Schedule
 Public Works Fund
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 401,032	\$ 401,032	\$ 410,756	\$ 9,724
Intergovernmental	728,117	728,117	689,358	(38,759)
Licenses and Permits	8,000	8,000	-	(8,000)
Charges for services	31,000	31,000	41,941	10,941
Interest Income	5,000	5,000	40,031	35,031
Miscellaneous	19,000	19,000	20,838	1,838
Total Revenues	<u>1,192,149</u>	<u>1,192,149</u>	<u>1,202,924</u>	<u>10,775</u>
Expenditures				
Highways and Streets	3,011,813	3,011,813	2,498,762	513,051
Capital Outlay	706,430	706,430	632,373	74,057
Total expenditures	<u>3,718,243</u>	<u>3,718,243</u>	<u>3,131,135</u>	<u>587,108</u>
Excess (Deficiency) of revenues over expenditures	<u>(2,526,094)</u>	<u>(2,526,094)</u>	<u>(1,928,211)</u>	<u>597,883</u>
Other financing sources (uses)				
Transfers In	2,000,000	1,000,000	2,000,000	1,000,000
Total other financing sources (uses)	<u>2,000,000</u>	<u>1,000,000</u>	<u>2,000,000</u>	<u>1,000,000</u>
Net changes in fund balance	(526,094)	(1,526,094)	71,789	1,597,883
Fund Balance, Beginning of Year	<u>2,457,989</u>	<u>2,457,989</u>	<u>2,687,684</u>	<u>229,695</u>
Fund Balance, End of Year	<u>\$ 1,931,895</u>	<u>\$ 931,895</u>	<u>\$ 2,759,473</u>	<u>\$ 1,827,578</u>

Gilpin County
 Budgetary Comparison Schedule
 Human Services Fund
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance <i>Positive</i> (<i>Negative</i>)
Revenues				
Taxes	\$ 208,389	\$ 208,389	\$ 213,854	\$ 5,465
Intergovernmental	2,021,136	2,021,136	2,533,537	512,401
Interest Income	-	8,000	15,692	7,692
Miscellaneous	15,397	10,000	18,770	8,770
Total Revenues	<u>2,244,922</u>	<u>2,247,525</u>	<u>2,781,853</u>	<u>534,328</u>
Expenditures				
Health and Welfare	2,639,489	2,639,489	2,806,835	(167,346)
Total expenditures	<u>2,639,489</u>	<u>2,639,489</u>	<u>2,806,835</u>	<u>(167,346)</u>
Excess (Deficiency) of revenues over expenditures	<u>(394,567)</u>	<u>(391,964)</u>	<u>(24,982)</u>	<u>366,982</u>
Other financing sources (uses)				
Sale of Assets	-	-	3,140	3,140
Transfers In	350,000	350,000	349,915	(85)
Total other financing sources (uses)	350,000	350,000	353,055	3,055
Net changes in fund balance	(44,567)	(41,964)	328,073	370,037
Fund Balance, Beginning of Year	<u>564,791</u>	<u>564,791</u>	<u>882,158</u>	<u>317,367</u>
Fund Balance, End of Year	<u>\$ 520,224</u>	<u>\$ 522,827</u>	<u>\$ 1,210,231</u>	<u>\$ 687,404</u>

Gilpin County
 Budgetary Comparison Schedule
 Parks & Recreation Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> (<i>Negative</i>)
Revenues			
Taxes	\$ 1,206,143	\$ 1,247,211	\$ 41,068
Intergovernmental	355,209	223,195	(132,014)
Charges for Services	-	252,719	252,719
Interest Income	-	9,275	9,275
Miscellaneous	63,500	54,597	(8,903)
Total Revenues	<u>1,624,852</u>	<u>1,786,997</u>	<u>162,145</u>
Expenditures			
Culture and Recreation	1,603,989	1,569,328	34,661
Capital Outlay	115,000	119,101	(4,101)
Total expenditures	<u>1,718,989</u>	<u>1,688,429</u>	<u>30,560</u>
Excess (Deficiency) of revenues over expenditures	<u>(94,137)</u>	<u>98,568</u>	<u>192,705</u>
Net changes in fund balance	(94,137)	98,568	192,705
Fund Balance, Beginning of Year	<u>397,144</u>	<u>442,682</u>	<u>45,538</u>
Fund Balance, End of Year	<u>\$ 303,007</u>	<u>\$ 541,250</u>	<u>\$ 238,243</u>

GILPIN COUNTY, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2022

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

- Prior to October 15, the County Budget Officer submits to the County Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The budget includes actual data from the prior year, current year and budget year estimated revenues and expenditures.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- The County Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the County Commissioners. Colorado governments may not exceed budgeted appropriations by fund.
- Department directors and elected officials may transfer budgeted amounts within each department from one line item to another.
- Budgets are legally adopted for all funds of the County except for the fiduciary funds. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- Budgeted amounts in the financial statements are as originally adopted or as amended by the County Commissioners. All appropriations lapse at year end.

During the year ended December 31, 2022 actual expenditures exceeded budgeted appropriations in the General and Human Services funds which may be a violation of State statutes.

SUPPLEMENTARY INFORMATION

Gilpin County
 Nonmajor Governmental Funds
 Combining Balance Sheet
 December 31, 2022

	Library	Public Health	Solid Waste	Conservation Trust	Totals
Assets					
Cash and Investments	\$ 439,478	\$ 411,782	\$ 575,583	\$ 43,362	\$ 1,470,205
Property Taxes Receivable	555,754	-	126,593	-	682,347
Accounts Receivable	-	81,995	4,718	-	86,713
Prepaid Expenses	-	280	-	-	280
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 995,232</u>	<u>\$ 494,057</u>	<u>\$ 706,894</u>	<u>\$ 43,362</u>	<u>\$ 2,239,545</u>
Liabilities					
Accounts Payable	11,494	3,214	12,695	-	27,403
Accrued Liabilities	3,128	-	1,785	-	4,913
Unearned Revenue	-	93,684	-	-	93,684
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>14,622</u>	<u>96,898</u>	<u>14,480</u>	<u>-</u>	<u>126,000</u>
Deferred Inflows of Resources					
Deferred Property Tax Revenue	555,754	-	126,593	-	682,347
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	<u>555,754</u>	<u>-</u>	<u>126,593</u>	<u>-</u>	<u>682,347</u>
Fund Balances					
Nonspendable (Prepays)	-	280	-	-	280
Restricted	-	-	-	43,362	43,362
Committed	424,856	396,879	565,821	-	1,387,556
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>424,856</u>	<u>397,159</u>	<u>565,821</u>	<u>43,362</u>	<u>1,431,198</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 995,232</u>	<u>\$ 494,057</u>	<u>\$ 706,894</u>	<u>\$ 43,362</u>	<u>\$ 2,239,545</u>

Gilpin County

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Funds

For the Year Ended December 31, 2022

	Library Fund	Public Health Fund	Solid Waste Fund	Conservation Trust Fund	Totals
Revenues					
Taxes	\$ 577,034	\$ -	\$ 136,873	\$ -	\$ 713,907
Intergovernmental	5,970	284,590	-	62,618	353,178
Charges for Services	1,758	30,177	278,563	-	310,498
Investment Income	6,034	5,600	6,752	1,049	19,435
Miscellaneous	700	-	-	-	700
Total Revenues	\$ 591,496	\$ 320,367	\$ 422,188	\$ 63,667	\$ 1,397,718
Expenditures					
Current					
General Government	\$ -	\$ 26,444	\$ 291,950	\$ -	\$ 318,394
Health and Welfare	-	212,008	-	-	212,008
Culture and Recreation	481,514	-	-	628	482,142
Capital Outlay	-	-	7,090	200,000	207,090
Total Expenditures	<u>481,514</u>	<u>238,452</u>	<u>299,040</u>	<u>200,628</u>	<u>1,219,634</u>
Net Change in Fund Balances	109,982	81,915	123,148	(136,961)	178,084
Fund Balances, Beginning of Year	<u>314,874</u>	<u>315,244</u>	<u>442,673</u>	<u>180,323</u>	<u>1,253,114</u>
Fund Balances, End of Year	<u>\$ 424,856</u>	<u>\$ 397,159</u>	<u>\$ 565,821</u>	<u>\$ 43,362</u>	<u>\$ 1,431,198</u>

See Accompanying Independent Auditor's Report.

Gilpin County
 Budgetary Comparison Schedule
 Library Fund
 For the Year Ended December 31, 2022

	Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Taxes	\$ 546,885	\$ 577,034	\$ 30,149
Intergovernmental	5,500	5,970	470
Charges for Services	830	1,758	928
Interest Income	500	6,034	5,534
Miscellaneous	2,000	700	(1,300)
Total Revenues	<u>555,715</u>	<u>591,496</u>	<u>35,781</u>
Expenditures			
Culture and Recreation	<u>518,639</u>	<u>481,514</u>	<u>37,125</u>
Total expenditures	<u>518,639</u>	<u>481,514</u>	<u>37,125</u>
Excess (Deficiency) of revenues over expenditures	<u>37,076</u>	<u>109,982</u>	<u>72,906</u>
Net changes in fund balance	37,076	109,982	72,906
Fund Balance, Beginning of Year	<u>289,237</u>	<u>314,874</u>	<u>25,637</u>
Fund Balance, End of Year	<u>\$ 326,313</u>	<u>\$ 424,856</u>	<u>\$ 98,543</u>

Gilpin County
 Budgetary Comparison Schedule
 Public Health Fund
 For the Year Ended December 31, 2022

	Final Budget	Actual	Variance <i>Positive</i> (<i>Negative</i>)
Revenues			
Intergovernmental	\$ 26,144	\$ 284,590	\$ 258,446
Charges for Services	29,250	30,177	927
Interest Income	1,500	5,600	4,100
Miscellaneous	416,165	-	(416,165)
Total Revenues	<u>473,059</u>	<u>320,367</u>	<u>(152,692)</u>
Expenditures			
General Government	-	26,444	(26,444)
Health and Welfare	434,645	212,008	222,637
Total expenditures	<u>434,645</u>	<u>238,452</u>	<u>196,193</u>
Excess (Deficiency) of revenues over expenditures	<u>38,414</u>	<u>81,915</u>	<u>43,501</u>
Other financing sources (uses)			
Transfers In	120,000	-	(120,000)
Total other financing sources (uses)	120,000	-	(120,000)
Net changes in fund balance	158,414	81,915	(76,499)
Fund Balance, Beginning of Year	<u>211,285</u>	<u>315,244</u>	<u>103,959</u>
Fund Balance, End of Year	<u>\$ 369,699</u>	<u>\$ 397,159</u>	<u>\$ 27,460</u>

Gilpin County
 Budgetary Comparison Schedule
 Solid Waste Fund
 For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 133,861	\$ 133,861	\$ 136,873	\$ 3,012
Charges for Services	303,043	303,043	278,563	(24,480)
Interest Income	500	500	6,752	6,252
Total Revenues	<u>437,404</u>	<u>437,404</u>	<u>422,188</u>	<u>(15,216)</u>
Expenditures				
General Government	448,913	448,913	291,950	156,963
Capital Outlay	9,000	8,000	7,090	910
Total expenditures	<u>457,913</u>	<u>456,913</u>	<u>299,040</u>	<u>157,873</u>
Net changes in fund balance	<u>(20,509)</u>	<u>(19,509)</u>	<u>123,148</u>	<u>142,657</u>
Fund Balance, Beginning of Year	<u>365,708</u>	<u>365,708</u>	<u>442,673</u>	<u>76,965</u>
Fund Balance, End of Year	<u>\$ 345,199</u>	<u>\$ 346,199</u>	<u>\$ 565,821</u>	<u>\$ 219,622</u>

Gilpin County
 Budgetary Comparison Schedule
 Conservation Trust Fund
 For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance <i>Positive</i> (<i>Negative</i>)
Revenues			
Intergovernmental	\$ 50,000	\$ 62,618	\$ 12,618
Interest Income	50	1,049	999
 Total Revenues	 50,050	 63,667	 13,617
Expenditures			
Culture and Recreation	700	628	72
Capital Outlay	200,000	200,000	-
 Total expenditures	 200,700	 200,628	 72
 Net changes in fund balance	 (150,650)	 (136,961)	 13,689
 Fund Balance, Beginning of Year	 177,576	 180,323	 2,747
 Fund Balance, End of Year	 \$ 26,926	 \$ 43,362	 \$ 16,436

Gilpin County
Combining Statement of Fiduciary
Net Position
December 31, 2022

	County Treasurer	Jail Inmates	Public Trustee	Sheriff Forfeiture	Totals
Assets					
Cash and Investments	\$ 441,190	\$ 131,203	\$ 756	\$ 16,083	\$ 589,232
Total Assets	<u>\$ 441,190</u>	<u>\$ 131,203</u>	<u>\$ 756</u>	<u>\$ 16,083</u>	<u>\$ 589,232</u>
Liabilities					\$
Due to Other Governments	\$ 441,190	\$ -	\$ 756	\$ -	441,946
Held for Inmate Expenses	-	131,203	-	-	131,203
Held for Sheriff Expenses	-	-	-	16,083	16,083
Total Liabilities	<u>\$ 441,190</u>	<u>\$ 131,203</u>	<u>\$ 756</u>	<u>\$ 16,083</u>	<u>\$ 589,232</u>

Gilpin County
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2022

	County Treasurer	Jail Inmates	Public Trustee	Sheriff Forfeiture	Total Custodial Funds
Additions					
Tax collections for other governments	\$ 15,404,211	\$ -	\$ -	\$ -	\$ 15,404,211
Other collections	413,669	407,684	375	819	822,547
Total Additions	15,817,880	407,684	375	819	16,226,758
Deductions					
Payments to other governments	15,691,321	-	-	-	15,691,321
Treasurer fees	126,559	-	-	-	126,559
Other disbursements	-	407,684	375	819	408,878
Total Deductions	15,817,880	407,684	375	819	16,226,758
Net Increase in Fiduciary Net Position	-	-	-	-	-
Net Position, Beginning of Year	-	-	-	-	-
Net Position, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

COMPLIANCE SECTION



**HINKLE &
COMPANY**
Strategic PC
Business Advisors

**Independent Auditor's Report on Internal Control Over
Financial Reporting and On Compliance and Other Matters
Based on An Audit of Financial Statements Performed
In Accordance with *Government Auditing Standards***

Board of County Commissioners
Gilpin County
Blackhawk, Colorado

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gilpin County (the County) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County, and have issued our report thereon dated November 1, 2023.

Report on Internal Control over Financial Reporting

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

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

Office Locations:

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Hick & Company, PC

Englewood, Colorado
November 1, 2023





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

Board of County Commissioners
Gilpin County
Blackhawk, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Gilpin County's (the County) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2022. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.



A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Hick & Company, PC

Englewood, Colorado
November 1, 2023



GILPIN COUNTY
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2022

Section I: Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None Reported

Noncompliance material to the financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None Reported

Type of Auditor's report issued on compliance for major federal programs: Unmodified

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

Identification of major federal program:

Assistance Listing Number	Name of Federal Cluster/Program
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish Between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

GILPIN COUNTY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

Section II: Financial Statement Findings

No current year findings or questioned costs were reported.

Section III: Federal Award Findings and Questioned Costs

No current year findings or questioned costs were reported.

GILPIN COUNTY
Schedule of Prior Year Findings
For the Year Ended December 31, 2022

Section I: Financial Statement Findings

None reported for the year ended December 31, 2022.

Section II: Federal Award Findings and Questioned Costs

None reported for the year ended December 31, 2022.

Gilpin County
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2022

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Amount Expended
U.S. DEPARTMENT OF AGRICULTURE			
Colorado Dept of Human Services			
Food Assistance Administration	10.561		\$ 68,643
Direct Assistance			
Title 1 Schools & Roads - Grants to Counties	10.665	FFY20 30-29-101	29,051
TOTAL U.S. DEPARTMENT OF AGRICULTURE			97,694
U.S. DEPARTMENT OF JUSTICE			
Colorado Division of Criminal Justice			
Victims of Crime Act	16.575	2020-VA-21-408-01	76,878
Bullet Proof Vest Partnership Program	16.607		2,983
TOTAL U.S. DEPARTMENT OF JUSTICE			79,861
U.S. DEPARTMENT OF TREASURY			
Colorado Dept of Health & Human Services			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		1,435
COVID-19 Coronavirus Relief Funds	21.019		20,000
Direct Assistance			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		581,747
Total U.S. DEPARTMENT OF TREASURERY			603,182
Passed Through U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			
Colorado Dept of Public Health & Environment			
Immunization Cooperative Agreements	93.268	PO, FHJA,202100009891	33,863
Immunization Cooperative Agreements	93.268	PO, FHJA 202100010280	23,442
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	PO, FHJA 202000013724	102,801
Public Health Emergency Response	93.354	PO, FAAA 202200009746	94,316
Maternal and Child Health Services Block Grant to the States	93.994	18 FAAA 97461	3,794
			258,216
Colorado Dept of Health & Human Services			
Guardianship Assistance	93.090		1,044
TANF	93.558		64,898
IV-D Admin	93.563		54,578
LEAP	93.568	OM-FEA-2021-0004	90,827
CCDF Discretion	93.575		54,059
Child Care Block Grant	93.575		52,794
CCDF	93.596		35,004
IV-B Child Welfare Child Care	93.645		3,317
IV-E Foster Care	93.658		88,637
Adoption Assistance	93.659		33,536
Title XX Block	93.667		53,581
CRF PTE CDHS	93.747		1,709
Title XIX Medicaid	93.778		108,472
s	93.959		161,088
			803,544
Total U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			1,061,760
U.S. DEPARTMENT OF HOMELAND SECURITY			
Colorado Division of Emergency Management			
Emergency Management Performance Grants	97.042	POGG1,RFAA,202200002192	51,981
Hazard Mitigation	97.047	EMD-2020-PC-0002	9,040
			61,021
IAFC Wildland Fire			
Chipping Grant-dHS/FEMA EMW-2019-FP-00412	97.044	EMW-2019-FP-00412	2,933
City and County of Denver			
UASI Urban Area Security Initiative- incar solution	97.067	GR00001032 FY18 UASI	109,819
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			173,773
TOTAL FEDERAL AWARDS			\$ 2,016,270

GILPIN COUNTY, COLORADO
NOTES TO NOTES TO THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS
December 31, 2022

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of Title 2 U.S Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), using the accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in the basic financial statements.

Note 2: Value of Non-cash Awards

Supplemental Nutrition Assistance Program (SNAP) electronic benefit transfers of \$1,636,113 are reported in the Human Services Fund and not reported in the Schedule of Expenditures of Federal Awards.

Note 3: Cost Rates

Gilpin County did not elect to utilize the 10% de minimis indirect cost rate.

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/22

This Information From The Records Of: GILPIN COUNTY	Prepared By: MARCIA WOODFORD
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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. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ -
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 1,231,886.67
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 38,552.94
2. General fund appropriations	\$ 2,000,000.00	b. Snow and ice removal	\$ 46,350.09
3. Other local imposts (from page 2)	\$ 417,719.12	c. Other	\$ 135,436.06
4. Miscellaneous local receipts (from page 2)	\$ 131,888.46	d. Total (a. through c.)	\$ 220,339.09
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 1,749,911.73
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 3,202,137.49
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes	\$ -	1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	\$ -
7. Total (1 through 6)	\$ 2,549,607.58	b. Redemption	\$ -
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 714,440.58	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ 9,877.43	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 3,273,925.59	b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 3,202,137.49

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ 2,687,684.05	\$ 3,273,925.59	\$ 3,202,137.49		\$ 2,759,472.15

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
 YEAR ENDING (mm/yy):
 12/22

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	\$ 381,015.57	a. Interest on investments	\$ 40,030.98
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	\$ 71,000.00
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	\$ 36,703.55	g. Other Misc. Receipts	\$ 924.46
6. Total (1. through 5.)	\$ 36,703.55	h. Other	\$ 19,933.02
c. Total (a. + b.)	\$ 417,719.12	i. Total (a. through h.)	\$ 131,888.46
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 679,463.24	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	\$ 9,877.43
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 34,977.34	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal	
f. Total (a. through e.)	\$ 34,977.34	g. Total (a. through f.)	\$ 9,877.43
4. Total (1. + 2. + 3.f)	\$ 714,440.58	3. Total (1. + 2.g)	\$ 9,877.43
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES 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			\$ -
b. Engineering Costs		\$ -	\$ -
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements			\$ -
(3). System Preservation			\$ -
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ -	\$ -
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ -	\$ -
<i>(Carry forward to page 1)</i>			

Notes and Comments: