

HINSDALE COUNTY, COLORADO  
FINANCIAL STATEMENTS AND REPORT OF  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2022

## CONTENTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
Government wide Financial Statements	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements	
Balance Sheet – Governmental Funds	11
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	14
Statement of Net Position – Proprietary Funds	15
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	16
Statement of Cash Flows – Proprietary Funds	17
Statement of Fiduciary Net Position – Custodial Fund	18
Statement of Changes in Fiduciary Net Position – Custodial Fund	19
Silver Thread Public Health District Balance Sheet	20
Silver Thread Public Health District Statement of Revenues, Expenditures and Changes in Fund Balance	21
Notes to Financial Statements	22
REQUIRED SUPPLEMENTAL INFORMATION	
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual General Fund	36
Road and Bridge Fund	37
Notes to the Required Supplementary Information	38
SUPPLEMENTAL INFORMATION	
Combining Balance Sheet – Non-Major Governmental Funds	39
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	40
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Title III	41
Human Services Fund	42
Lodging Tax Fund	43
Ambulance Replacement Fund	44
Conservation Trust Fund	45
Snow Grooming Fund	46
Transfer Station Fund	47
Recreation Fund	48

SUPPLEMENTAL INFORMATION-Continued

Component Unit – Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual – Silver Thread Public Health District 49

Combining Balance Sheet – General Fund and Sub-funds 50

Combining Budget to Actual Schedule – General Fund and Sub-funds 51

SINGLE AUDIT SECTION

Schedule of Expenditures of Federal Awards 52

Notes to Schedule of Expenditures of Federal Awards 54

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* 56

Report on Compliance with Requirements Applicable to Each Major Program and  
Internal Control Over Compliance in Accordance With OMB Circular A-133 58

Schedule of Findings and Questioned Costs 60

Summary Schedule of Prior Year Audit Findings 62

OTHER REPORT

Local Highway Finance Report 63



INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Hinsdale County, Colorado

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Hinsdale County, Colorado, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Hinsdale County, Colorado's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Hinsdale County, Colorado, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hinsdale County, Colorado's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

#### ***Required Supplementary Information***

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

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hinsdale County, Colorado's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, 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 Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual nonmajor fund financial statements, Local Highway Finance Report and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2023, on our consideration of Hinsdale County, Colorado'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 Hinsdale County, Colorado'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 Hinsdale County, Colorado's internal control over financial reporting and compliance.

*Blair and Associates, P.C.*

Cedaredge, Colorado  
August 15, 2023

**Hinsdale County**  
311 N Henson Street  
P.O. Box 277 • Lake City • Co 81235  
Phone: (970) 944-2225  
Fax: (970) 944-2630  
[www.hinsdalecounty.colorado.gov](http://www.hinsdalecounty.colorado.gov)



HINSDALE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2022

This management's discussion and analysis of Hinsdale County financial statements provides an overview of the County's financial activities for the fiscal year ended December 31, 2022. The intent of this discussion and analysis is to look at the County's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the County's overall financial performance.

**USING THE BASIC FINANCIAL STATEMENTS**

This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, the supplementary information, and the single audit, if applicable. The basic financial statements include two types of information on the same statement that present different views of the County:

- Government-wide financial statements report information on all of the activities of County and its component units, except for County fiduciary activity.
- Fund financial statements of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows, fund equity, revenues, and expenditures or expenses.

**Government-wide Statements**

The government-wide statements include the Statement of Net Position and the Statement of Activities. The effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

These two statements, the Statement of Net Position and the Statement of Activities, report the County's net position and changes in it. The County's net position—the difference of assets, liabilities, and deferred inflows—are one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors, however, such as changes in the County's property tax base and the condition of the infrastructure, are needed to assess the overall health of the County.

HINSDALE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2022

**Fund Financial Statements**

The fund financial statements provide more detailed information about the County's funds, focusing on its most significant funds—not the County as a whole. The County's major governmental funds include the General Fund, the Road and Bridge Fund, and the Sheriff Department Fund.

Governmental funds – The County's activities are reported in twelve governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending in future periods. The funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

The Proprietary Fund is accounted for using the accrual basis of accounting as follows:

- Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred.
- Current-year contributions, administrative expenses, and premium payments, which are not received or paid until the subsequent year, are accrued.

Fiduciary Fund Financial Statements consist of the Trust and Agency Funds and are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations.

**THE COUNTY AS A WHOLE**

Statement of Net Position

The perspective of the Statement of Net Position is of the County as a whole. Following is a summary of the County's net position for the fiscal years 2021 and 2022.

	2021			2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and Other assets	3,676,466	139,149	3,815,615	4,731,972	166,335	4,898,307
Capital Assets	4,140,044	35,651	4,175,695	3,878,071	23,865	3,901,936
Total Assets	7,816,510	174,800	7,991,310	8,610,043	190,200	8,800,243
Long-Term Liabilities outstanding	23,575	0	23,575	127,675	0	127,675
Other Liabilities	233,248	9,039	242,287	266,577	8,866	275,443
Deferred Inflows: Property Taxes	1,057,502	0	1,057,502	1,038,174	0	1,038,174
Total Liabilities	1,314,325	9,039	1,323,364	1,432,426	8,866	1,441,292
Net Position:						
Net investment in Capital Assets	4,140,044	35,651	4,175,695	3,878,071	23,865	3,901,936
Restricted for TABOR	124,658	0	124,658	124,658	0	124,658
Unrestricted	2,237,481	130,110	2,367,591	3,174,888	157,469	3,332,357
Total Net Position	6,502,183	165,761	6,667,944	7,177,617	181,334	7,358,951

HINSDALE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2022

The County shows a positive balance in net position. The most significant item on the statement of net position is an increase in Capital Assets.

Statement of Activities

The perspective of the Statement of Activities is of the County as a whole. The Statement of Activities reflects the cost of program services and the charges for services and sales, grants and contributions offsetting those services. The following detail reflects the total cost of services supported by program revenues, sales taxes, and general property taxes, as well as other general revenues, resulting in the overall change in net position for the fiscal years 2021 and 2022.

REVENUES:	2021			2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Program Revenues:						
Charges for Services	534,899	234,769	769,668	736,196	259,970	996,166
Grants & Contributions	1,001,388	0	1,001,388	4,347,978	0	4,347,978
General Revenues:						
Taxes	2,861,908	0	2,861,908	2,695,383	0	2,695,383
Interest & Other Revenue	28,395	0	28,395	210,908	0	210,908
Total Revenues	4,413,590	234,769	4,413,590	7,990,465	259,970	8,250,435
EXPENSES:						
General Government	1,735,898	0	1,735,898	4,666,314	0	4,666,314
Public Safety	587,583	0	587,583	726,941	0	726,941
Health & Welfare	344,209	0	344,209	142,549	0	142,549
Highways & Streets	1,526,315	0	1,526,315	1,636,104	0	1,636,104
Culture & Recreation	89,645	0	89,645	143,123	0	143,123
Transfer Station/Recreation		178,829	178,829	0	249,397	249,397
Interest Expense	0	0	0	0	0	0
Total Expenses	4,283,650	178,829	4,462,479	7,315,031	249,397	7,564,428
Increase (Decrease) in net position:	142,941	60,940	203,881	675,434	15,573	691,007
Net Position January 1	6,359,242	104,821	6,464,063	6,502,183	165,761	6,667,944
Prior Period Adj	0	0	0	0	0	0
Net Position January 1 restated	6,359,242	104,821	6,464,063	6,502,183	165,761	6,667,944
Net Position December 31	6,502,183	165,761	6,667,944	7,177,617	181,344	7,358,951

The County's primary sources of revenue are from taxes and grants. These revenues are used to pay the cost of the general government and capital asset improvements.

The County operated at an increase in net position for governmental activities in 2022.

HINSDALE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2022

**The County's Major Funds**

The County's procedures in establishing budgetary data reflected in the financial statements are summarized in Note B of the financial statements. An amended budget was adopted by the County during the fiscal year 2022.

General Fund Budgetary Highlights

*General Fund Resources (Inflows)*

The County's final revenues in the amount of \$5,956,237 were higher than the budget expectations of \$3,050,090 by \$2,906,147 due to the revenue created by the Office of Emergency Management All Hazards Team program implemented in 2022.

*General Fund Charges to Appropriations (Outflows)*

The County's final expenditures of \$5,395,287 is less than the appropriated budget of \$2,943,512 by \$2,451,775 due to expenditures from the Office of the Emergency Management All Hazards Team program implemented in 2022.

Road and Bridge Budgetary Highlights

*Road and Bridge Fund Resources (Inflows)*

The County's final revenues in the amount of \$1,847,150 were more than the budget expectations of \$1,467,416 by \$379,734 mainly due to an increase in PILT-LATCF funds and Forest Service SRS funds.

*Road and Bridge Fund Resources (Outflows)*

The County's final expenditures in the amount of \$1,746,211 was more than the budget expectations of \$1,431,313 by \$314,898 mostly due to an increase in fuel costs and the purchase of a necessary piece of equipment.

Sheriff Fund Budgetary Highlights

*Sheriff Fund Resources (Inflows)*

The County's final revenues in the amount of \$198,012 were more than the budget expectations of \$167,572 by \$30,440 due to a Search and Rescue grant from the Lake Fork Community Foundation and additional SAR grant funding.

*Sheriff Fund Resources (Outflows)*

The County's final expenditures of \$673,529 were more than the budget expectations of \$596,697 by \$67,832 due to the grant expenditures based on the new grants received.

HINSDALE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2022

**CAPITAL ASSETS**

At the end of 2022, the County had a total \$3,878,071 invested in capital assets of governmental activities. The amount of capital assets for business-type activities totalled \$23,865 after accumulated depreciation. See Note E Capital Assets.

**LONG-TERM DEBT**

The balance of Long-Term Debt at the end of 2022 is \$36,638 in Compensated balances and \$91,037 in a Lease Payable.

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our residents, customers, taxpayers, investors, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, please contact:

HINSDALE COUNTY

Attn: Lynn McNitt, Accounting and Finance Director

PO Box 277

Lake City CO 81235

PH: 970-944-2225 x 103

FAX: 970-944-2630

e-mail: [accounting@hinsdalecountycolorado.us](mailto:accounting@hinsdalecountycolorado.us)

**HINSDALE COUNTY, COLORADO**  
**STATEMENT OF NET POSITION**  
**December 31, 2022**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Component Unit Silver Thread</u>
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents	\$ 3,345,637	\$ 149,014	\$ 3,494,651	\$ 596,988
Accounts receivable	236,260	17,321	253,581	-
Interfund receivable (payable)	-	-	-	195,648
Property taxes receivable	1,038,174	-	1,038,174	-
Inventories	111,901	-	111,901	-
Total current assets	<u>4,731,972</u>	<u>166,335</u>	<u>4,898,307</u>	<u>792,636</u>
Noncurrent Assets				
Capital Assets				
Land	2,307,400	6,327	2,313,727	-
Buildings	2,103,186	-	2,103,186	-
Machinery and equipment	2,895,712	287,000	3,182,712	-
Vehicles	1,192,988	-	1,192,988	-
Less Accumulated depreciation	<u>(4,621,215)</u>	<u>(269,462)</u>	<u>(4,890,677)</u>	<u>-</u>
Total noncurrent assets	<u>3,878,071</u>	<u>23,865</u>	<u>3,901,936</u>	<u>-</u>
<b>Total Assets</b>	<u>8,610,043</u>	<u>190,200</u>	<u>8,800,243</u>	<u>792,636</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	195,390	2,066	197,456	19,220
Accrued liabilities	5,729	-	5,729	-
Deposits Payable	-	6,800	6,800	-
Compensated absences	65,458	-	65,458	-
Total current liabilities	<u>266,577</u>	<u>8,866</u>	<u>275,443</u>	<u>19,220</u>
Noncurrent liabilities				
Compensated absences	36,638	-	36,638	-
Lease payable	91,037	-	91,037	-
Total noncurrent liabilities	<u>127,675</u>	<u>-</u>	<u>127,675</u>	<u>-</u>
<b>Total Liabilities</b>	<u>394,252</u>	<u>8,866</u>	<u>403,118</u>	<u>19,220</u>
<b>Deferred Inflows of Resources</b>				
Property taxes	<u>1,038,174</u>	<u>-</u>	<u>1,038,174</u>	<u>-</u>
<b>NET POSITION</b>				
Invested in capital assets	3,878,071	23,865	3,901,936	-
Restricted for:				
TABOR	124,658	-	124,658	14,627
Unrestricted	<u>3,174,888</u>	<u>157,469</u>	<u>3,332,357</u>	<u>758,789</u>
Total net position	<u>\$ 7,177,617</u>	<u>\$ 181,334</u>	<u>\$ 7,358,951</u>	<u>\$ 773,416</u>

See accompanying notes to the basic financial statements

**HINSDALE COUNTY, COLORADO**  
**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government		TOTAL	
						Business-Type Activities	Silver Thread		
<b>Primary government:</b>									
<b>Governmental activities:</b>									
General government	\$ 4,666,314	\$ 330,115	\$ 293,108	\$ 84,744	\$ (3,958,347)	\$ -	\$ -	\$ (3,958,347)	\$ -
Public Safety	726,941	4,793	3,193,652	-	2,471,504	-	-	2,471,504	-
Health and welfare	142,549	170,336	-	105,091	132,878	-	-	132,878	-
Highway and streets	1,636,104	230,952	639,428	-	(765,724)	-	-	(765,724)	-
Culture and Recreation	143,123	-	23,164	8,791	(111,168)	-	-	(111,168)	-
<b>Total governmental activities</b>	<b>7,315,031</b>	<b>736,196</b>	<b>4,149,352</b>	<b>198,626</b>	<b>(2,230,857)</b>	<b>-</b>	<b>-</b>	<b>(2,230,857)</b>	<b>-</b>
<b>Business-Type Activities</b>									
Recreation	35,941	50,375	-	-	-	14,434	-	14,434	-
Transfer Station	213,456	209,595	5,000	-	-	1,139	-	1,139	-
<b>Total Business-Type Activities</b>	<b>249,397</b>	<b>259,970</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>15,573</b>	<b>-</b>	<b>15,573</b>	<b>-</b>
Total Primary Government	7,564,428	996,166	4,154,352	198,626	-	-	-	-	-
<b>Component Unit</b>									
Public Health	782,915	225,384	679,707	-	-	-	-	-	122,176
<b>General Revenues</b>									
Taxes:									
General property taxes					1,054,772	-	-	1,054,772	-
Specific ownership tax					85,615	-	-	85,615	-
Sales and Use Tax					554,948	-	-	554,948	-
Highway Users Tax					775,035	-	-	775,035	-
Other Taxes					225,013	-	-	225,013	-
Other Revenue					43,097	-	-	43,097	-
Gain on Disposal of assets					120,719	-	-	120,719	-
Interest on Investments					47,092	-	-	47,092	-
<b>Total General Revenues</b>					<b>2,906,291</b>	<b>-</b>	<b>-</b>	<b>2,906,291</b>	<b>-</b>
<b>Changes in Net Position</b>					675,434	15,573	-	691,007	122,176
<b>Net Position-January 1</b>					6,502,183	165,761	-	6,667,944	651,240
<b>Net Position-December 31</b>					<b>\$ 7,177,617</b>	<b>\$ 181,334</b>	<b>\$ -</b>	<b>\$ 7,358,951</b>	<b>\$ 773,416</b>

See accompanying notes to the basic financial statements

**HINSDALE COUNTY, COLORADO**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2022**

	<u>General</u>	<u>Road and Bridge</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and Investments	\$ 2,818,273	\$ 301,354	\$ 226,010	\$ 3,345,637
Accounts receivable	138,550	97,710	-	236,260
Property tax receivable	965,499	56,238	16,437	1,038,174
Due from other funds	56,458	-	-	56,458
Inventory	22,434	89,467	-	111,901
<b>Total assets</b>	<u>\$ 4,001,214</u>	<u>\$ 544,769</u>	<u>\$ 242,447</u>	<u>\$ 4,788,430</u>
<b>Liabilities:</b>				
Accounts payable	\$ 174,481	\$ 7,921	\$ 12,988	\$ 195,390
Accrued liabilities	4,773	956	-	5,729
Due to other funds	-	-	56,458	56,458
<b>Total liabilities</b>	<u>179,254</u>	<u>8,877</u>	<u>69,446</u>	<u>257,577</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	<u>965,499</u>	<u>56,238</u>	<u>16,437</u>	<u>1,038,174</u>
<b>Fund balances:</b>				
Non-spendable				
Inventory	22,434	89,467	-	111,901
Restricted				
TABOR emergency reserve	171,864	-	-	171,864
Human services	-	-	5,781	5,781
Marketing and advertising	-	-	15,552	15,552
Open space	19,341	-	23,032	42,373
Retirement	57,033	-	-	57,033
Snow grooming	-	-	27,481	27,481
Schools and roads	-	-	26,215	26,215
Road Maintenance and construction	-	390,187	-	390,187
Public safety	713,416	-	-	713,416
Assigned				
Capital purchases	-	-	58,503	58,503
Unassigned	1,872,373	-	-	1,872,373
<b>Total fund balances</b>	<u>2,856,461</u>	<u>479,654</u>	<u>156,564</u>	<u>3,492,679</u>
<b>Total liabilities and fund balances</b>	<u>\$ 4,001,214</u>	<u>\$ 544,769</u>	<u>\$ 242,447</u>	<u>\$ 4,788,430</u>

See accompanying notes to the basic financial statements

**HINSDALE COUNTY, COLORADO**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO THE STATEMENT OF NET POSITION**  
**December 31, 2022**

---

**Total governmental fund balances** \$ 3,492,679

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

Capital assets used in governmental activities are not financial resources  
and therefore are not reported in the funds.

	8,499,286	
Cost		
Accumulated Depreciation	(4,621,215)	3,878,071

Long-term liabilities, including leases payable and compensated absences,  
are not due and payable in the current period and therefore are not reported  
in the funds.

	(102,096)	
Compensated absences		
Lease payable	(91,037)	

**Net position of governmental activities** \$ 7,177,617

**HINSDALE COUNTY, COLORADO**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2022**

	<u>General</u>	<u>Road and Bridge</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes	\$ 1,625,950	\$ 923,756	\$ 145,677	\$ 2,695,383
Intergovernmental	3,851,199	614,628	30,853	4,496,680
Licenses and permits	68,107	-	-	68,107
Interest on Investments	47,092	-	-	47,092
Charges for services	314,692	170,958	-	485,650
Reimbursement	33,737	-	-	33,737
Miscellaneous	15,460	137,808	1,717	154,985
<b>Total revenues</b>	<u>5,956,237</u>	<u>1,847,150</u>	<u>178,247</u>	<u>7,981,634</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,872,129	-	-	1,872,129
Judicial	2,790,235	-	-	2,790,235
Public safety	732,923	-	-	732,923
Health and welfare	-	-	54,737	54,737
Highways and streets	-	1,535,241	-	1,535,241
Culture and recreation	-	-	143,123	143,123
Capital outlay	-	210,970	-	210,970
<b>Total expenditures</b>	<u>5,395,287</u>	<u>1,746,211</u>	<u>197,860</u>	<u>7,339,358</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>560,950</u>	<u>100,939</u>	<u>(19,613)</u>	<u>642,276</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	98,000	98,000
Transfers (out)	(98,000)	-	-	(98,000)
Sale of assets	299,800	-	-	299,800
Loan proceeds	-	91,037	-	91,037
<b>Total other financing sources (uses)</b>	<u>201,800</u>	<u>91,037</u>	<u>98,000</u>	<u>390,837</u>
<b>Net change to fund balance</b>	762,750	191,976	78,387	1,033,113
<b>Fund balance, January 1</b>	2,093,711	287,678	78,177	2,459,566
<b>Fund balance, December 31</b>	<u>\$ 2,856,461</u>	<u>\$ 479,654</u>	<u>\$ 156,564</u>	<u>\$ 3,492,679</u>

See accompanying notes to the basic financial statements

**HINSDALE COUNTY, COLORADO**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2022**

---

**Net change in fund balances - total governmental funds** \$1,033,113

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

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

Capital Outlays	292,011	
Depreciation expense	<u>(263,014)</u>	28,997

Accrued liabilities for employees compensation benefits are considered long-term liabilities and as such are not recognized in the funds but are recognized in the government-wide financial statements.

Lease proceeds		(91,037)
Increase in Compensated absences		(4,670)

Loss on disposal of assets		(290,969)
----------------------------	--	-----------

<b>Change in net position of governmental funds</b>		<u><u>\$ 675,434</u></u>
---	--	--------------------------

**HINSDALE COUNTY, COLORADO**  
**STATEMENT OF NET POSITION-PROPRIETARY FUNDS**  
**December 31, 2022**

ASSETS	<b>Business-Type Activities- Enterprise Fund</b>		
	<b>Transfer Station Fund</b>	<b>Recreation Fund</b>	<b>Total</b>
<b>Current assets</b>			
Cash and equivalents	\$ 30,719	\$ 118,295	\$ 149,014
Accounts receivable	17,321	-	17,321
Land	291	6,036	6,327
Machinery and equipment	236,633	50,367	287,000
Accumulated Depreciation	(226,325)	(43,137)	(269,462)
Total assets	\$ 58,639	\$ 131,561	\$ 190,200
<b>Liabilities</b>			
Accounts payable	\$ 1,709	\$ 357	\$ 2,066
Deposits payable	6,800	-	6,800
	8,509	357	8,866
<b>Net Position</b>			
Unrestricted	50,130	131,204	181,334
<b>Total Net Position</b>	50,130	131,204	181,334
<b>TOTAL LIABILITIES AND NET POSITON</b>	\$ 58,639	\$ 131,561	\$ 190,200

See accompanying notes to the basic financial statements

**HINSDALE COUNTY, COLORADO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**For the Year Ended December 31, 2022**

	<u>Transfer Station</u> <u>Fund</u>	<u>Recreation</u> <u>Fund</u>	<u>Total</u>
<b>Operating Revenues</b>			
Intergovernmental	\$ 5,000	\$ -	\$ 5,000
Disposal fees	209,595	-	209,595
Campground fees	-	50,375	50,375
<b>Total operating revenues</b>	<u>214,595</u>	<u>50,375</u>	<u>264,970</u>
<b>Operating expenses</b>			
Payroll expenses	30,449	-	30,449
Insurance	1,475	1,805	3,280
Sanitation and maintenance expenses	167,903	27,163	195,066
Supplies	1,392	3,762	5,154
Depreciation	9,377	2,409	11,786
Miscellaneous	2,860	802	3,662
<b>Total Operating expenses</b>	<u>213,456</u>	<u>35,941</u>	<u>249,397</u>
Excess (deficiency) of revenues over expenditures	1,139	14,434	15,573
<b>Fund balance, January 1</b>	48,991	116,770	165,761
<b>Fund balance, December 31</b>	<u>\$ 50,130</u>	<u>\$ 131,204</u>	<u>\$ 181,334</u>

See accompanying notes to the basic financial statements

**HINSDALE COUNTY, COLORADO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**For the Year Ended December 31, 2022**

	<b>Transfer Station</b>	<b>Recreation</b>	<b>Total</b>
	<b>Fund</b>	<b>Fund</b>	<b>Total</b>
<b>Cash Flows From Operating Activities</b>			
Cash received from customers	\$ 201,128	\$ 50,375	\$ 251,503
Cash payments to supplies for goods and services	(174,144)	(33,191)	(207,335)
Cash payments to employees for services	(30,449)	-	(30,449)
<b>Net cash provided (used) by operating activities</b>	<b>(3,465)</b>	<b>17,184</b>	<b>13,719</b>
<b>Net increase (decrease) in cash and equivalents</b>	(3,465)	17,184	13,719
<b>Cash balances, January 1</b>	34,184	101,111	135,295
<b>Cash balances, December 31</b>	<b>\$ 30,719</b>	<b>\$ 118,295</b>	<b>\$ 149,014</b>
<b>Reconciling of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 1,139	\$ 14,434	\$ 15,573
Adjustments to reconcile operating income (loss) from operations to net cash provided (used) by operating activities:			
Depreciation expense	9,377	2,409	11,786
(Increase) decrease in accounts receivable	(13,467)	-	(13,467)
Increase (decrease) in deposits payable	200	-	200
Increase (decrease) in accounts payable	(714)	341	(373)
<b>Net cash provided (used) by operating activities</b>	<b>\$ (3,465)</b>	<b>\$ 17,184</b>	<b>\$ 13,719</b>

See accompanying notes to the basic financial statements

**HINSDALE COUNTY, COLORADO**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**December 31, 2022**

---

	<u><b>Custodial Funds</b></u>
<b>Assets</b>	
Cash and Investments	177,213
Due from Other Governments	118,504
<b>Total Assets</b>	<u><u>\$ 295,717</u></u>
<b>Liabilities</b>	
Due to Other Governments	\$ 121,365
<b>Total Liabilities</b>	<u>121,365</u>
<b>Net Position, Restricted for Other Governments</b>	<u><u>\$ 174,352</u></u>

See accompanying notes to the basic financial statements

**HINSDALE COUNTY, COLORADO**  
**SILVER THREAD PUBLIC HEALTH DISTRICT**  
**BALANCE SHEET**  
**GENERAL FUND**  
**December 31, 2022**

---

	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash and Investments	\$ 596,988
Accounts Receivable	195,648
<b>Total Assets</b>	<b>\$ 792,636</b>
 <b>Liabilities:</b>	
Accounts Payable	\$ 19,220
<b>Total Liabilities</b>	<b>19,220</b>
 <b>Fund Balance</b>	
Restricted	
TABOR emergency reserve	14,627
Unassigned	758,789
<b>Total Fund Balance</b>	<b>\$ 773,416</b>

See accompanying notes to the basic financial statements

**HINSDALE COUNTY, COLORADO**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**SILVER THREAD PUBLIC HEALTH DISTRICT**  
**GOVERNMENTAL FUND**

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

	<b>Total</b>
<b>REVENUES</b>	
Intergovernmental Revenue	\$ 603,262
Charges for Services	225,384
Miscellaneous	76,445
<b>Total revenues</b>	<b>905,091</b>
<b>EXPENDITURES</b>	
Current:	
Public Health	782,915
<b>Total expenditures</b>	<b>782,915</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>122,176</b>
<b>Fund balance, January 1</b>	<b>651,240</b>
<b>Fund balance, December 31</b>	<b>\$ 773,416</b>

See accompanying notes to the basic financial statements

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the County reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Government Accounting and Financial Reporting Standards*.

**Reporting Entity**

*Primary Government*

The County is a political subdivision organized under the statutes of the State of Colorado. The County is governed by a three-member elected Board of County Commissioners (the Board). There are also five other elected officials – assessor, clerk and recorder, sheriff, district attorney, and treasurer. The treasurer is also the County Public Trustee. The County provides a wide range of services to its residents including public safety, highways and streets, parks and open spaces, health and social services, public improvements, planning, zoning, and general administration.

*Component Unit*

Silver Thread Public Health District (the “District”) was formed in 2016 to provide health information, programs, services, and resources to the residents and visitors of Hinsdale and Mineral Counties. The District is governed by a 5-member board appointed by a committee composed of one commissioner from each of the counties comprising the District. The District is funded through contributions from each of the counties it serves as well as through grants from federal, state and local sources, and through user fees. Hinsdale County provides the District’s facilities and performs all financial accounting and reporting functions for the District. The County handles all payroll for the District’s employees and its employees participate in the County’s benefit programs. Due to the integration of Silver Thread’s accounting systems, people, and assets with Hinsdale County, management determined that it should be reported as a discretely presented component unit of the County. The District follows the accounting policies of Hinsdale County.

**Government-Wide Financial Statements**

The government-wide financial statements include a statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the County and its component units, except for County fiduciary activity. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED**

The statement of activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and
- 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 in program revenues are reported as general revenues.

**Fund Financial Statements**

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets, current liabilities, and appropriate deferred inflows. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

- The General Fund is the general operating fund of the County. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Principal sources of revenues for this fund are property taxes, licenses and permits, intergovernmental assistance, and charges for services. Primary expenditures are for functions related to public safety, planning and zoning, property valuation, tax collection, vehicle licensing, document recording, and other County administrative functions. The general fund is reported with the EMS, Sheriff, and Retirement sub-funds.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED**

- The Road and Bridge Fund is a special revenue fund used to account for the maintenance and improvements of streets and highways. The sources of funds include property taxes, highway user fees, and PILT money. By state law, Colorado counties are required to establish a Road and Bridge Fund with a portion of any property taxes assessed for this purpose to be allocated to cities and towns located within that county.

The County also reports six nonmajor governmental funds. These include one capital fund that accumulates resources for ambulance replacements and five special revenues funds, each of which has a restricted revenue sources that is used to fund the purpose of the fund. The special revenue funds are used to account for revenues and expenditures related to human services, tourism, conservation, wildfire prevention, and snow grooming.

The Proprietary Funds are accounted for using the accrual basis of accounting which means that revenues are recognized when earned, and expenses are recognized when the liabilities are incurred. The proprietary funds recognize all long-term liabilities and assets. Fiduciary Fund Financial Statements consist of the Trust and Agency Fund established to record transactions relating to assets held by the County in a trustee capacity or as an agent for individuals, governmental entities, and non-public organizations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations.

**Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned and expenses are recorded when a 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.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined. “Available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on general long-term debt, which is recognized when due and (2) compensated absences, which are recognized when the obligations are expected to be liquidated with expendable available resources.

Those revenues susceptible to accrual are interest revenue and charges for services. Entitlement revenues are not susceptible to accrual because, generally, they are not measurable until received. Grant revenues are recognized as they are earned.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED**

**Assets, Liabilities, and Net Position or Equity**

*Cash*

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

*Investments*

Investments are stated at fair value based on quoted market values, with the exception of money market funds and external investments pools, which are stated at cost, which is equal to fair value.

*Property Taxes*

Property taxes are levied on January 1 based on assessed valuation as of the previous January 1 when an enforceable lien is placed on the property. Property taxes payable in the following year are reported as a receivable on December 31. All current taxes receivable are offset by the full amount of the deferred inflow of property taxes. Taxes are payable in full by April 30, or in two equal installments due February 28 and June 15.

*Receivables*

General receivables are reported at gross unless management has determined that there is a significant amount that will not be collected. The majority of the receivables balance relates to intergovernmental payments for grant reimbursements and receivables for user fees related to EMT services.

*Allowance for doubtful accounts*

The allowance for doubtful accounts is based on the expected collectability of current receivable based on actual historical experience.

*Inter-fund transactions*

There are transactions between funds that are treated as revenues and expenditures if the services provided are reasonably equivalent in value to the amount paid. Transactions that constitute reimbursement of a fund for expenditures initially made from that fund, which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions are reported as transfers. Outstanding balances between funds at the end of the year are reported as due to/from other funds.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED**

**Assets, Liabilities, and Net Position or Equity - continued**

*Inventories and Prepaid Items*

Inventory is valued at cost (first-in, first-out). Inventory in the Special Revenue Funds consists of expendable supplies held for use. Reported inventories are reported as non-spendable fund balance, which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets. Inventory policy on government-wide statements is consistent with fund statements.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The expenditures will be recognized using the consumption method in the period that they benefit.

*Capital Assets*

Capital assets, which include land, buildings and improvements, equipment, construction in progress, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the Government-wide Financial Statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and a life of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building	40
Furniture & Fixtures	7
General Equipment	10
Vehicles	3-5

*Long-Term Obligations*

Long-term debt and other long-term obligations are recorded as liabilities in the Government-wide Financial Statements. In the fund financial statements for governmental fund types, debt proceeds are reported as another financing source. The County does has one long-term debt at December 31, 2022.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED**

**Assets, Liabilities, and Net Position or Equity - continued**

*Compensated Absences*

County policy allows employees to accumulate unused vacation and sick leave up to certain maximum hours. Retiring employees are paid 100% of unused vacation up to 240 hours but are not paid for unused sick leave. The County has recorded the accrued liability for the accumulated vacation time as compensated absences in the accompanying financial statements.

*Unearned Revenue*

Revenues on grants, which are restricted by the grant document for specific purposes, are recognized as revenue only after eligible grant costs have been incurred. Grant funds received in excess of grant expenditures are recorded as unearned revenues.

*Deferred inflows*

Deferred inflows of resources represent an acquisition of net position of fund balance that applies to future periods and will not be recognized as an inflow of resources as revenue until applicable. Hinsdale County records property taxes receivable as of December 31 for the subsequent year's tax levy but because this acquisition of net position or fund balance applies to a future period it is offset by a deferred inflow of resources.

*Fund Equity*

In the fund financial statements, the following classifications describe the relative strength of the spending constraint.

*Non-spendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid expense and inventory) or is legally or contractually required to be maintained intact.

*Restricted fund balance* – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.

*Committed fund balance* – The portion of fund balance constrained for specific purposes according to resolution passed by the County's highest level of decision-making authority, the Board of County Commissioners, prior to the end of the current fiscal year. The constraint may be removed or changed only through resolution by the Board of County Commissioners. Commitments are created through adoption and subsequent amendment of the budget.

HINSDALE COUNTY, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED**

**Assets, Liabilities, and Net Position or Equity - continued**

*Assigned fund balance* – The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the Board of County Commissioners or other individuals authorized to assign funds to be used for a specific purpose.

*Unassigned fund balance* – The residual portion of fund balance that does not meet any of the above criteria. The general fund is the only fund that reports a positive unassigned fund balance.

If both restricted and unrestricted amounts of fund balance are available for use when an expenditure is incurred, it is County policy to use restricted amounts first. An unrestricted fund balance will be used in the following order: committed, assigned and unassigned.

*Use of Estimates*

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

**NOTE B - CASH, DEPOSITS, AND INVESTMENTS**

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

Petty Cash	\$ 1,625
Cash Deposits	1,276,915
Investments	<u>2,990,312</u>
Total Cash and Investments	<u>\$ 4,268,852</u>

Cash and investments are reported in the financial statements as follows:

Pooled cash and investments	\$ 3,494,651
Agency cash and investments	<u>177,213</u>
Total county cash and investments	<u>3,671,864</u>
Silver Thread Public Health Department	
Pooled cash and investments	<u>596,988</u>
Total pooled cash and investments	<u>\$ 4,268,852</u>

**NOTE B - CASH, DEPOSITS, AND INVESTMENTS – CONTINUED**

**Cash Deposits**

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

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

*Custodial Credit Risk- Deposits*

Custodial credit risk is the risk that in the event of the failure of a depository institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. At December 31, 2022, the County had bank deposits totaling \$1,396,979, of this, \$500,000 was covered by FDIC. The remaining balance of \$896,979 was covered by PDPA.

**Investments**

The County’s investments are subject to interest rate, credit risk, and concentration of credit risk.

The types of investments which are authorized to be made with County funds are controlled by state statute and the investment policies of the County. Colorado statutes and the County’s investment policies specify investment instruments meeting defined rating and risk criteria in which the County may invest:

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

**NOTE B - CASH, DEPOSITS, AND INVESTMENTS – CONTINUED**

**Investments - continued**

*Credit Risk*

The County's investment policy calls for investment diversification within the portfolio to avoid unreasonable risk inherent in over investing in specific instruments, individual financial institutions or maturities. The County's investment policy allows for the County to invest in local government investment pools. As of December 31, 2022, the local government investment pools (ColoTrust and CSAFE) in which the County had invested, were rated AAAM by Standard & Poor's.

*Interest Rate Risk*

Colorado Revised Statutes limit investment maturities to five years or less from date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from increasing interest rates. The County has had no investments with maturities for the past five years.

The County is invested in Colorado Government Liquid Asset Trust (COLOTRUST), and the Colorado Surplus Asset Fund Trust (CSAFE).

COLOTRUST reports its underlying investments at fair value, CSAFE reports its underlying investments at amortized cost. Both pools are similar to money market funds, with each share valued at \$1, though this is not guaranteed. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments. Investments consist of U.S. Treasury bills, notes and note strips, U.S. government agency securities, highly rated commercial paper and corporate bonds, bank deposits, AAA money market mutual funds, and repurchase agreements collateralized by U.S. Treasury notes. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions of each pooled investment. All securities owned by each pooled investment are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by each pool investor. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

HINSDALE COUNTY, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE D – INTER-FUND ACTIVITY**

The County reports inter-fund balances between many of its funds. The balances resulted from the time lag between the dates that (1) inter-fund goods and services are provided, or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Inter-fund balances are generally expected to be repaid within one year of the financial statement date. Inter-fund transfers for the year ended December 31, 2021, are as follows:

	Transfers	
	In	Out
General Fund	\$ -	\$ 98,000
Ambulance Fund	3,000	-
Human Services Fund	95,000	-
Totals	\$ 98,000	\$ 98,000

**NOTE E – CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2022, was as follows:

	Balance January 1, 2022	Additions	Dispositions	Balance December 31, 2022
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 2,307,400	\$ -	\$ -	\$ 2,307,400
	2,307,400	-	-	2,307,400
Capital assets being depreciated				
Buildings and Improvements	2,439,887	57,795	(394,496)	2,103,186
Machinery and Equipment	2,661,496	234,216	-	2,895,712
Vehicles	1,255,369	-	(62,381)	1,192,988
	6,356,752	292,011	(456,877)	6,191,886
Less accumulated depreciation:				
Buildings and Improvements	(1,464,581)	(49,283)	103,526	(1,410,338)
Machinery and Equipment	(2,228,231)	(97,580)	-	(2,325,811)
Vehicles	(831,296)	(116,151)	62,381	(885,066)
Total Accumulated Depreciation	(4,524,108)	(263,014)	165,907	(4,621,215)
Total Capital assets depreciated, net	1,832,644	28,997	(290,970)	1,570,671
<b>Total Governmental Activities Capital Assets Net</b>	\$ 4,140,044	\$ 28,997	\$ (290,970)	\$ 3,878,071

HINSDALE COUNTY, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE E – CAPITAL ASSETS – CONTINUED**

	Balance January 1, 2022	Additions	Dispositions	Balance December 31, 2022
<b>Business-Type Activities</b>				
Capital assets not being depreciated				
Land	\$ 6,327	\$ -	\$ -	\$ 6,327
	6,327	-	-	6,327
Capital assets being depreciated				
Equipment	287,000	-	-	287,000
Total Capital assets being depreciated	287,000	-	-	287,000
Less accumulated depreciation:				
Equipment	(257,676)	(11,786)	-	(269,462)
Total Accumulated Depreciation	(257,676)	(11,786)	-	(269,462)
Total Capital assets depreciated, net	29,324	(11,786)	-	17,538
<b>Total Governmental Activities Capital Assets Net</b>	\$ 35,651	\$ (11,786)	\$ -	\$ 23,865

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

Governmental Activities	
General Government	\$ 77,065
Public Safety	19,287
Health and Welfare	87,812
Highways and Streets	78,850
Total Depreciation Expense	\$ 263,014

**NOTE F – LONG- TERM LIABILITIES**

Long- term liability balances for the year ended December 31, 2022, were as follows:

	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022	Due within one year
Governmental Activities					
Compensated absences	\$ 97,426	\$ 4,670	\$ -	\$ 102,096	\$ -
Lease payable	-	91,037	-	91,037	17,278
Total	\$ 97,426	\$ 95,707	\$ -	\$ 193,133	\$ 17,278

HINSDALE COUNTY, COLORADO  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2022

---

**NOTE F – LONG- TERM LIABILITIES - Continued**

**Lease Payable**

The County has a lease payable with CAT Financial Services Corporation for \$91,037 for the purchase of equipment at an annual interest rate of 2.6% payable in yearly payments of \$19,644.47 for five years starting on April 6, 2023.

	Principal	Interest	Total
2023	\$ 17,278	\$ 2,367	\$ 19,645
2024	17,727	1,918	19,645
2025	18,188	1,457	19,645
2026	18,661	984	19,645
2027	19,183	499	19,682
	\$ 91,037	\$ 7,225	\$ 98,262

**NOTE G – RETIREMENT**

*Pension Plans*

The County is a member of the Colorado Retirement Association (CRA) which offers a defined contribution pension plan 401(a), and a Section 457 deferred compensation plan. CRA was organized in 1966 pursuant to state statutes, and includes counties, municipalities and special districts. Required contributions are established by the governing board of the Association.

*Defined Contribution Pension Pla*

Under a defined contribution pension plan, the benefits a participant receives depend solely on the amount contributed to the participant’s account plus the returns earned on investments of those contributions.

Participation is mandatory for all employees after one year of employment. Eligible employees contribute four percent (4%) of their base pay which is matched by the County. The plan has a five (5) year vesting period and is distributed upon the employee’s termination or retirement. Two (2) additional voluntary plans are also offered. One plan provides for contributions up to ten percent (10%) of an employee’s base pay while the other plan provides for deferred compensation in which the employee may tax shelter up to nineteen percent (19%) of their base pay.

During the year, the County’s required and actual contributions amounted to \$75,198 which was four percent (4%) of its current year covered payroll of \$1,879,950. The County’s total payroll for 2022 was \$3,750,052.

*Deferred Compensation Plan*

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

HINSDALE COUNTY, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

---

**NOTE G – RETIREMENT-Continued**

*Deferred Compensation Plan*

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries.

The accrual basis of accounting is used for the plan. Revenues are recognized when earned and expenditures are recognized when incurred. Investments are recorded at market value.

The County has no liability for losses under the plan but does have the duty of due care what would be required of an ordinary prudent investor. The County does not administer the plan and is not the Trustee of the plan.

**NOTE H – TABOR AMENDMENT RESERVE**

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

Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. The voters of the County have approved a measure that allows the County to retain and spend revenue in excess of the limit.

The amendment also requires that Emergency Reserves be established. These reserves must be at least 3 percent of the fiscal year spending. The Emergency Reserve has been presented as restricted fund balance in the General fund. The County is not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

**NOTE I – RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft or, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance.

The County mitigates risk through the following self- insurance pools:

The County is exposed to various risks of loss related to property and casualty losses. The County joined together with other counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CAPP for its property and casualty insurance coverage.

HINSDALE COUNTY, COLORADO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022

---

**NOTE I – RISK MANAGEMENT-Continued**

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

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

There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded insurance coverage for the current year of the three prior years.

**NOTE J – COMMITMENTS AND CONTINGENCIES**

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

**NOTE K – INTERGOVERNMENTAL AGREEMENTS**

The Board of County Commissioners of Hinsdale County, Colorado, the Board of Trustees of the Town of Lake City, Colorado, and the Upper Gunnison River Water Conservation District are parties to an Intergovernmental Agreement dated May 18, 2009 and amended in 2013 (IGA) for the purpose of prescribing the powers and obligations of the Board of Directors of the Lake San Cristobal Water Activity Enterprise (Enterprise). The Enterprise is governed by a six-member Board of Directors with two directors appointed by each of the parties. The Enterprise provides for the financing, design, construction and operation of an outlet structure in Lake San Cristobal located in Hinsdale County. Each of the member entities pay annual assessments for base units of water in Lake San Cristobal. In 2022, the County paid a total of \$13,379 to the Enterprise.

**NOTE L – BUDGET VIOLATIONS**

The County had budget violations in the current year. The Road and Bridge fund was over budget by \$26,074 and Recreation fund was over budget by \$536.

**HINSDALE COUNTY, COLORADO**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**Year Ended December 31, 2022**

	Budgeted		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,713,447	\$ 1,730,718	\$ 1,625,950	(104,768)
Intergovernmental	1,048,323	4,197,306	3,851,199	(346,107)
Licenses and permits	33,900	33,900	68,107	34,207
Interest on Investments	1,270	13,645	47,092	33,447
Charges for services	215,800	215,800	314,692	98,892
Reimbursement	28,700	28,700	33,737	5,037
Miscellaneous	8,650	8,650	15,460	6,810
Total revenues	<u>3,050,090</u>	<u>6,228,719</u>	<u>5,956,237</u>	<u>(272,482)</u>
<b>EXPENDITURES</b>				
General Government	1,965,203	2,048,111	1,872,129	175,982
EMS Services	278,439	2,836,304	2,790,235	46,069
Public Safety	663,870	711,506	732,923	(21,417)
Capital Outlay	36,000	36,000	-	36,000
Total department expenses	<u>2,943,512</u>	<u>5,631,921</u>	<u>5,395,287</u>	<u>236,634</u>
Excess (deficiency) of Revenues over (under) expenditures	106,578	596,798	560,950	(35,848)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	562,000	562,000	553,000	(9,000)
Transfers out	(595,000)	(595,000)	(651,000)	(56,000)
Sale of Asset	320,000	320,000	299,800	(20,200)
Total other financing sources (uses)	<u>287,000</u>	<u>287,000</u>	<u>201,800</u>	<u>(85,200)</u>
Excess (deficiency) of Revenues over (under) expenditures	393,578	883,798	762,750	(121,048)
Fund balance, January 1	<u>1,864,658</u>	<u>1,864,658</u>	<u>2,093,711</u>	<u>229,053</u>
Fund balance, December 31	<u><u>2,258,236</u></u>	<u><u>2,748,456</u></u>	<u><u>2,856,461</u></u>	<u><u>108,005</u></u>

See accompanying notes to the basic financial statements

**HINSDALE COUNTY, COLORADO**  
**ROAD AND BRIDGE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2022**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxes	\$ 900,041	\$ 900,041	\$ 923,756	\$ 23,715
Intergovernmental:	355,475	855,635	614,628	(241,007)
Charges for Services	165,400	165,400	170,958	5,558
Miscellaneous	46,500	46,500	137,808	91,308
Total revenues	<u>1,467,416</u>	<u>1,967,576</u>	<u>1,847,150</u>	<u>(120,426)</u>
<b>EXPENDITURES</b>				
<b>Current Expenditures</b>				
Highway and Streets	1,375,675	1,664,499	1,535,241	129,258
Capital Outlay	55,638	55,638	210,970	(155,332)
Total Expenditures	<u>1,431,313</u>	<u>1,720,137</u>	<u>1,746,211</u>	<u>(26,074)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	36,103	247,439	100,939	(146,500)
<b>OTHER FINANCING SOURCES (USES)</b>				
Loan proceeds	-	-	91,037	91,037
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>91,037</u>	<u>91,037</u>
<b>Net change to fund balance</b>	36,103	247,439	191,976	(55,463)
<b>Fund balance, January 1</b>	<u>134,813</u>	<u>134,813</u>	<u>287,678</u>	<u>152,865</u>
<b>Fund balance, December 31</b>	<u>\$ 170,916</u>	<u>\$ 382,252</u>	<u>\$ 479,654</u>	<u>\$ 97,402</u>

See accompanying notes to the basic financial statements

**NOTE RSI 1 – BUDGETARY INFORMATION**

Hinsdale County follows the procedures set for them in the Colorado Local Government Budget Law when preparing the annual budget for each fund. Budget procedures include:

- Preparation of budget documents by administrative staff, which shall be submitted to the Board no later than October 15 of each year.
- Publication of a notice stating that the budget is available for public inspection.
- Discussion of the budget in a meeting open to the public.
- Adoption of the budget in a public meeting by appropriate resolution, no later than December 31.
- 

Formal budgetary integration is employed as a management control device for all funds of the County. All budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

Any increases or decreases to the adopted budget at the fund level require that an amended or supplemental budget be approved by the Board of County Commissioners through formal resolution at a public meeting, with prior notice of the proposed changes.

All budget amounts presented in the accompanying supplementary information reflect the original and final budget amounts.

**HINSDALE COUNTY, COLORADO  
BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
December 31, 2022**

	Title III Fund	Human Services Fund	Lodging Tax Fund	Ambulance Replacement Fund	Conservation Trust Fund	Snow Grooming Fund	Total Non-Major Governmental Fund
<b>ASSETS</b>							
Cash and cash equivalents	\$ 62,344	\$ 18,769	\$ 35,881	\$ 58,503	\$ 23,032	\$ 27,481	\$ 226,010
Property taxes receivable	-	16,437	-	-	-	-	16,437
<b>Total assets</b>	<u>\$ 62,344</u>	<u>\$ 35,206</u>	<u>\$ 35,881</u>	<u>\$ 58,503</u>	<u>\$ 23,032</u>	<u>\$ 27,481</u>	<u>\$ 242,447</u>
<b>Liabilities:</b>							
Accounts Payable	\$ -	\$ 12,988	\$ -	\$ -	\$ -	\$ -	\$ 12,988
Due to other funds	36,129	-	20,329	-	-	-	56,458
<b>Total liabilities</b>	<u>36,129</u>	<u>12,988</u>	<u>20,329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,446</u>
<b>Deferred inflows</b>							
Property taxes	-	16,437	-	-	-	-	16,437
<b>Fund balances</b>							
Restricted:							
Open Space	-	-	-	-	23,032	-	23,032
Snow Grooming	-	-	-	-	-	27,481	27,481
Schools and roads	26,215	-	-	-	-	-	26,215
Assigned:							
Ambulance replacement	-	-	-	58,503	-	-	58,503
Marketing and advertising	-	-	15,552	-	-	-	15,552
Unassigned	-	5,781	-	-	-	-	5,781
<b>Total fund balances</b>	<u>26,215</u>	<u>5,781</u>	<u>15,552</u>	<u>58,503</u>	<u>23,032</u>	<u>27,481</u>	<u>156,564</u>
<b>Total liabilities and fund balances</b>	<u>\$ 62,344</u>	<u>\$ 35,206</u>	<u>\$ 35,881</u>	<u>\$ 58,503</u>	<u>\$ 23,032</u>	<u>\$ 27,481</u>	<u>\$ 242,447</u>

**HINSDALE COUNTY, COLORADO**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2022**

	Title III Fund	Human Services Fund	Lodging Tax Fund	Ambulance Replacement Fund	Conservation Trust Fund	Snow Grooming Fund	Total Non-Major Governmental Fund
<b>REVENUES</b>							
Taxes	\$ -	\$ 18,058	\$ 127,619	\$ -	\$ -	\$ -	\$ 145,677
Intergovernmental	22,062	-	-	-	4,591	4,200	30,853
Miscellaneous	338	-	-	840	367	172	1,717
<b>Total revenues</b>	<u>22,400</u>	<u>18,058</u>	<u>127,619</u>	<u>840</u>	<u>4,958</u>	<u>4,372</u>	<u>178,247</u>
<b>EXPENDITURES</b>							
Current:							
Health and Welfare	-	54,737	-	-	-	-	54,737
Culture and Recreation	25,170	-	114,533	-	-	3,420	143,123
<b>Total expenditures</b>	<u>25,170</u>	<u>54,737</u>	<u>114,533</u>	<u>-</u>	<u>-</u>	<u>3,420</u>	<u>197,860</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(2,770)	(36,679)	13,086	840	4,958	952	(19,613)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in/(out)	-	95,000	-	3,000	-	-	98,000
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>95,000</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>98,000</u>
<b>Excess (deficiency) of revenues over expenditures and other sources (uses)</b>	(2,770)	58,321	13,086	3,840	4,958	952	78,387
<b>Fund balance, January 1</b>	28,985	(52,540)	2,466	54,663	18,074	26,529	78,177
<b>Fund balance, December 31</b>	<u>\$ 26,215</u>	<u>\$ 5,781</u>	<u>\$ 15,552</u>	<u>\$ 58,503</u>	<u>\$ 23,032</u>	<u>\$ 27,481</u>	<u>\$ 156,564</u>

**HINSDALE COUNTY, COLORADO**  
**TITLE III**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2022**

	<b>Budgeted</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 15,000	\$ 22,347	\$ 22,062	\$ (285)
Interest Income	15	15	338	323
<b>Total revenues</b>	<u>15,015</u>	<u>22,362</u>	<u>22,400</u>	<u>38</u>
<b>EXPENDITURES</b>				
Culture and Recreation	8,989	25,175	25,170	5
<b>Total expenditures</b>	<u>8,989</u>	<u>25,175</u>	<u>25,170</u>	<u>5</u>
Excess (deficiency) of revenues over expenditures	6,026	(2,813)	(2,770)	33
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In/(out)	(14,000)	(14,000)	-	14,000
<b>Total other financing sources (uses)</b>	<u>(14,000)</u>	<u>(14,000)</u>	<u>-</u>	<u>14,000</u>
Excess (deficiency) of revenues over expenditures and other sources	(7,974)	(16,813)	(2,770)	14,043
<b>Fund balance, January 1</b>	<u>28,987</u>	<u>28,987</u>	<u>28,985</u>	<u>(2)</u>
<b>Fund balance, December 31</b>	<u><u>\$ 21,013</u></u>	<u><u>\$ 12,174</u></u>	<u><u>\$ 26,215</u></u>	<u><u>14,041</u></u>

**HINSDALE COUNTY, COLORADO**  
**HUMAN SERVICES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2022**

	<b>Budgeted</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 18,235	\$ 18,235	\$ 18,058	\$ (177)
<b>Total revenues</b>	<u>18,235</u>	<u>18,235</u>	<u>18,058</u>	<u>(177)</u>
<b>EXPENDITURES</b>				
Health and Welfare	60,000	60,000	54,737	5,263
<b>Total expenditures</b>	<u>60,000</u>	<u>60,000</u>	<u>54,737</u>	<u>5,263</u>
Excess (deficiency) of revenues over expenditures	(41,765)	(41,765)	(36,679)	(5,440)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In/(out)	44,000	44,000	95,000	51,000
<b>Total other financing sources (uses)</b>	<u>44,000</u>	<u>44,000</u>	<u>95,000</u>	<u>51,000</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	2,235	2,235	58,321	(56,086)
<b>Fund balance, January 1</b>	<u>1,293</u>	<u>1,293</u>	<u>(52,540)</u>	<u>(53,833)</u>
<b>Fund balance, December 31</b>	<u>\$ 3,528</u>	<u>\$ 3,528</u>	<u>\$ 5,781</u>	<u>\$ 2,253</u>

**HINSDALE COUNTY, COLORADO**  
**LODGING TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2022**

---

	<b>Budgeted</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Lodging Tax	\$ 110,000	\$ 115,995	\$ 127,619	\$ 11,624
<b>Total revenues</b>	<u>110,000</u>	<u>115,995</u>	<u>127,619</u>	<u>11,624</u>
<b>EXPENDITURES</b>				
Culture and Recreation	105,106	114,562	114,533	29
<b>Total expenditures</b>	<u>105,106</u>	<u>114,562</u>	<u>114,533</u>	<u>29</u>
Excess (deficiency) of revenues over expenditures	4,894	1,433	13,086	11,653
<b>Fund balance, January 1</b>	<u>12,743</u>	<u>12,743</u>	<u>2,466</u>	<u>10,277</u>
<b>Fund balance, December 31</b>	<u><u>\$ 17,637</u></u>	<u><u>\$ 14,176</u></u>	<u><u>\$ 15,552</u></u>	<u><u>\$ 1,376</u></u>

**HINSDALE COUNTY, COLORADO**  
**AMBULANCE REPLACEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2022**

	<b>Budgeted</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Interest Income	\$ 50	\$ 700	\$ 840	\$ 140
<b>Total revenues</b>	<b>50</b>	<b>700</b>	<b>840</b>	<b>140</b>
<b>EXPENDITURES</b>				
Ambulance Replacement Expenses	3,000	-	-	-
<b>Total expenditures</b>	<b>3,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	(2,950)	700	840	140
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In/(out)	3,000	3,000	3,000	-
<b>Total other financing sources (uses)</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures and other sources (uses)	50	3,700	3,840	(140)
<b>Fund balance, January 1</b>	<b>38,035</b>	<b>38,035</b>	<b>54,663</b>	<b>16,628</b>
<b>Fund balance, December 31</b>	<b>\$ 38,085</b>	<b>\$ 41,735</b>	<b>\$ 58,503</b>	<b>\$ 16,768</b>

**HINSDALE COUNTY, COLORADO**  
**CONSERVATION TRUST FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2022**

---

	<b>Budgeted</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 4,500	\$ 4,500	\$ 4,591	\$ 91
Interest on Investments	10	391	367	(24)
<b>Total revenues</b>	<u>4,510</u>	<u>4,891</u>	<u>4,958</u>	<u>67</u>
<b>EXPENDITURES</b>				
Operating Expenditures	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	4,510	4,891	4,958	67
<b>Fund balance, January 1</b>	<u>18,077</u>	<u>18,077</u>	<u>18,074</u>	<u>(3)</u>
<b>Fund balance, December 31</b>	<u><u>\$ 22,587</u></u>	<u><u>\$ 22,968</u></u>	<u><u>\$ 23,032</u></u>	<u><u>\$ 64</u></u>

**HINSDALE COUNTY, COLORADO**  
**SNOW GROOMING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2022**

---

	<b>Budgeted</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Trail maintenance fees	\$ 14,000	\$ 4,305	\$ 4,200	\$ (105)
Miscellaneous sources	5	5	172	167
<b>Total revenues</b>	<u>14,005</u>	<u>4,310</u>	<u>4,372</u>	<u>62</u>
<b>EXPENDITURES</b>				
Operating Expenditures	<u>13,535</u>	<u>3,420</u>	<u>3,420</u>	<u>-</u>
<b>Total expenditures</b>	<u>13,535</u>	<u>3,420</u>	<u>3,420</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	470	890	952	62
<b>Fund balance, January 1</b>	<u>27,197</u>	<u>27,197</u>	<u>26,529</u>	<u>(668)</u>
<b>Fund balance, December 31</b>	<u><u>\$ 27,667</u></u>	<u><u>\$ 28,087</u></u>	<u><u>\$ 27,481</u></u>	<u><u>\$ (606)</u></u>

**HINSDALE COUNTY, COLORADO**  
**TRANSFER STATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2022**

	<b>Budgeted</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental revenue	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Disposal fees	192,500	211,547	209,595	(1,952)
<b>Total revenues</b>	<u>197,500</u>	<u>216,547</u>	<u>214,595</u>	<u>(1,952)</u>
<b>EXPENDITURES</b>				
Operating expenses	186,427	216,954	204,079	12,875
<b>Total expenditures</b>	<u>186,427</u>	<u>216,954</u>	<u>204,079</u>	<u>12,875</u>
Excess (deficiency) of revenues over expenditures	11,073	(407)	10,516	10,923
<b>Fund balance, January 1</b>	<u>43,759</u>	<u>43,759</u>	<u>48,991</u>	<u>5,232</u>
<b>Fund balance, December 31</b>	<u>\$ 54,832</u>	<u>\$ 43,352</u>	<u>\$ 59,507</u>	<u>\$ 16,155</u>
<b>Reconciliation to GAAP basis:</b>				
Depreciation Expense			<u>(9,377)</u>	
<b>Net Position at end of year, GAAP basis</b>			<u>\$ 50,130</u>	

**HINSDALE COUNTY, COLORADO**  
**RECREATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2022**

---

	Budgeted		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Recreation fees	\$ 44,500	\$ 50,375	50,375	\$ -
<b>Total revenues</b>	44,500	50,375	50,375	-
<b>EXPENDITURES</b>				
Operating expenses	25,377	32,996	33,532	(536)
<b>Total expenditures</b>	25,377	32,996	33,532	(536)
Excess (deficiency) of revenues over expenditures	19,123	17,379	16,843	(536)
<b>Fund balance, January 1</b>	114,637	114,637	116,770	2,133
<b>Fund balance, December 31</b>	\$ 133,760	\$ 132,016	\$ 133,613	\$ 1,597
<b>Reconciliation to GAAP basis:</b>				
Depreciation Expense			(2,409)	
<b>Net Position at end of year, GAAP basis</b>			\$ 131,204	

**HINSDALE COUNTY, COLORADO**  
**SILVER THREAD PUBLIC HEALTH DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL- GENERAL FUND**  
**For the Year Ended December 31, 2022**

---

	<b>Budgeted</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental revenue	\$ 931,998	\$ 931,998	\$ 603,262	\$ (328,736)
Charges for services	170,879	170,879	225,384	54,505
Contributions	39,200	39,200	76,445	37,245
<b>Total revenues</b>	<u>1,142,077</u>	<u>1,142,077</u>	<u>905,091</u>	<u>(236,986)</u>
<b>EXPENDITURES</b>				
Public Health	1,112,611	1,112,611	782,915	329,696
<b>Total expenditures</b>	<u>1,112,611</u>	<u>1,112,611</u>	<u>782,915</u>	<u>329,696</u>
Excess (deficiency) of revenues over expenditures	29,466	29,466	122,176	92,710
<b>Fund balance, January 1</b>	<u>616,999</u>	<u>616,999</u>	<u>651,240</u>	<u>34,241</u>
<b>Fund balance, December 31</b>	<u><u>\$ 646,465</u></u>	<u><u>\$ 646,465</u></u>	<u><u>\$ 773,416</u></u>	<u><u>\$ 126,951</u></u>

**HINSDALE COUNTY, COLORADO  
COMBINING BALANCE SHEET  
GENERAL FUND AND SUB-FUNDS  
December 31, 2022**

	General Fund	EMS Fund	Retirement Fund	Sheriff's Fund	Governmental Funds
<b>ASSETS</b>					
Cash and Investments	\$ 2,107,777	\$ 348,555	\$ 57,520	\$ 304,421	\$ 2,818,273
Accounts receivable	85,664	41,216	-	11,670	138,550
Property taxes receivable	913,840	-	51,659	-	965,499
Due from other funds	20,329	36,129	-	-	56,458
Inventory	-	22,434	-	-	22,434
<b>Total assets</b>	<u>\$ 3,127,610</u>	<u>\$ 448,334</u>	<u>\$ 109,179</u>	<u>\$ 316,091</u>	<u>\$ 4,001,214</u>
<b>Liabilities:</b>					
Accounts payable	\$ 146,229	\$ 13,012	\$ -	\$ 15,240	\$ 174,481
Accrued Liabilities	3,963	-	487	323	4,773
<b>Total liabilities</b>	<u>150,192</u>	<u>13,012</u>	<u>487</u>	<u>15,563</u>	<u>179,254</u>
<b>Deferred Inflows of Resources</b>					
Property taxes	913,840	-	51,659	-	965,499
<b>Fund balances:</b>					
Nonspendable	-	22,434	-	-	22,434
Inventory	-	-	-	-	-
Restricted	171,864	-	-	-	171,864
TABOR	-	412,888	-	300,528	713,416
Assigned	-	-	57,033	-	57,033
Public Safety	-	-	-	-	-
Retirement	19,341	-	-	-	19,341
Open Space	1,872,373	-	-	-	1,872,373
Unassigned	2,063,578	435,322	57,033	300,528	2,856,461
<b>Total fund balances</b>	<u>2,063,578</u>	<u>435,322</u>	<u>57,033</u>	<u>300,528</u>	<u>2,856,461</u>
<b>Total liabilities and fund balances</b>	<u>\$ 3,127,610</u>	<u>\$ 448,334</u>	<u>\$ 109,179</u>	<u>\$ 316,091</u>	<u>\$ 4,001,214</u>

**HINSDALE COUNTY, COLORADO**  
**COMBINING BUDGET TO ACTUAL SCHEDULE - GENERAL FUND AND SUB-FUNDS**  
**For the Year Ended December 31, 2022**

	GENERAL FUND			EMS FUND			RETIREMENT FUND			SHERIFF'S FUND			COMBINED GENERAL FUND		
	Budgeted		Actual	Budgeted		Actual	Budgeted		Actual	Budgeted		Actual	Budgeted		Actual
	Original	Final		Original	Final		Original	Final		Original	Final		Original	Final	
<b>REVENUES</b>															
Taxes	1,653,451	1,653,451	\$ 1,559,456	-	-	-	59,996	77,267	66,494	-	-	-	1,713,447	1,730,718	1,625,950
Intergovernmental	824,161	950,900	678,765	68,590	3,049,099	2,999,271	-	-	-	155,572	197,307	173,163	1,048,323	4,197,306	3,851,199
Licenses and permits	33,900	33,900	68,107	-	-	-	-	-	-	-	-	-	33,900	33,900	68,107
Interest on Investments	1,270	13,645	47,092	-	-	-	-	-	-	-	-	-	1,270	13,645	47,092
Charges for services	122,300	122,300	146,538	90,000	90,000	163,361	-	-	-	3,500	3,500	4,793	215,800	215,800	314,692
Reimbursement	25,000	25,000	19,887	-	-	-	-	-	-	3,700	3,700	13,850	28,700	28,700	33,737
Miscellaneous	800	800	771	3,050	3,050	8,483	-	-	-	4,800	4,800	6,206	8,650	8,650	15,460
Total revenues	2,660,882	2,799,996	2,520,616	161,640	3,142,149	3,171,115	59,996	77,267	66,494	167,572	209,307	198,012	3,050,090	6,228,719	5,956,237
<b>EXPENDITURES</b>															
General Government	1,900,603	1,968,498	1,794,318	-	-	-	64,600	79,613	77,811	-	-	-	1,965,203	2,048,111	1,872,129
EMS Services	-	-	-	278,439	2,836,304	2,790,235	-	-	-	-	-	-	278,439	2,836,304	2,790,235
Public Safety	67,173	67,173	59,394	-	-	-	-	-	-	596,697	644,333	673,529	663,870	711,506	732,923
Capital Outlay	36,000	36,000	-	-	-	-	-	-	-	-	-	-	36,000	36,000	-
Total department expenses	2,003,776	2,071,671	1,853,712	278,439	2,836,304	2,790,235	64,600	79,613	77,811	596,697	644,333	673,529	2,943,512	5,631,921	5,395,287
Excess (deficiency) of Revenues over (under) expenditures	657,106	728,325	666,904	(116,799)	305,845	380,880	(4,604)	(2,346)	(11,317)	(429,125)	(435,026)	(475,517)	106,578	596,798	560,950
<b>OTHER FINANCING SOURCES (USES)</b>															
Transfers in	15,000	15,000	15,000	117,000	117,000	103,000	-	-	5,000	430,000	430,000	430,000	562,000	562,000	553,000
Transfers out	(595,000)	(595,000)	(608,000)	-	-	(43,000)	-	-	-	-	-	-	(595,000)	(595,000)	(651,000)
Sale of Asset	320,000	320,000	299,800	-	-	-	-	-	-	-	-	-	320,000	320,000	299,800
Total other financing sources (uses)	(260,000)	(260,000)	(293,200)	117,000	117,000	60,000	-	-	5,000	430,000	430,000	430,000	287,000	287,000	201,800
Excess (deficiency) of Revenues over (under) expenditures	397,106	468,325	373,704	201	422,845	440,880	(4,604)	(2,346)	(6,317)	875	(5,026)	(45,517)	393,578	883,798	762,750
Fund balance, January 1	1,524,981	1,524,981	1,689,874	5,654	5,654	(5,558)	55,720	55,720	63,350	278,303	278,303	346,045	1,864,658	1,864,658	2,093,711
Fund balance, December 31	1,922,087	1,993,306	2,063,578	5,855	428,499	435,322	51,116	53,374	57,033	279,178	273,277	300,528	2,258,236	2,748,456	2,856,461

**HINSDALE, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2022**

<b>Federal Grantor/Pass Through Grantor/Program Title</b>	<b>Federal CFDA Numbers</b>	<b>Major Program</b>	<b>Federal Expenditures</b>
<b>DEPARTMENT OF AGRICULTURE</b>			
Passed Through Colorado Department of Local Affairs			
Schools and Roads-Grants to States			
Title I	10.665	No	\$ 187,527
Title II	10.665	No	22,062
Passed Through Colorado Department of Human Services			
State Administrative Matching Grants for SNAP	10.561	No	54
<b>Total Department of Agriculture</b>			<b>\$ 209,643</b>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed Through Colorado Department of Public Health and Environment:			
Public Health Emergency Preparedness	93.069	No	\$ 18,372
Childhood Immunization	93.268	No	7,528
EPR Covid Funds	93.354	Yes	106,660
Maternal and Child Health Services Block Grant	93.994	No	4,000
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Yes	358,029
Passed Through Colorado Department of Human Services			
Guardianship Assistance Recovery	93.090	No	84
Temporary Assistance to Needy Families	93.558	No	7,775
Child Support Enforcement ( Title IV-d)	93.563	No	1,172
Low Income Home Energy Assistance	93.568	No	6,294
Child Care and Development Block Grant	93.575	No	25,618
Child Care mandatory and Matching Funds of the Child Care and Development fund and Development Block Grant	93.596	No	4,570
Child Welfare Services - State Grants	93.645	No	-
Foster Care - Title IV-E	93.658	No	14,415
Adoption Assistance	93.659	No	374
Social Services Block Grant	93.667	No	4,817
Medical Assistance program	93.778	No	1,150
<b>Total Department of Health and Human Services</b>			<b>\$ 560,858</b>
<b>DEPARTMENT OF TREASURY</b>			
Coronavirus State and Local Fiscal Recovery Funds	21.027	No	\$ 120,890
Local Assistance and Tribal Consistency Fund	21.032	Yes	234,000
			<b>\$ 354,890</b>

**HINSDALE, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2022**

<b>Federal Grantor/Pass Through Grantor/Program Title</b>	<b>Federal CFDA Numbers</b>	<b>Major Program</b>	<b>Expenditures</b>
<b>DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY</b>			
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	No	<u>\$ 83,029</u>
<b>DEPARTMENT OF HOMELAND SECURITY</b>			
Passed Through Colorado Department of Local Affairs: Emergency Management Agency	97.042	No	<u>\$ 42,203</u>
<b>Total Federal Awards</b>			<u><u>\$ 1,250,623</u></u>

**HINSDALE COUNTY, COLORADO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year ended December 31, 2022**

---

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Hinsdale County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (“Uniform Guidance”).

Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the general-purpose financial statements.

Federal awards provided to sub recipients are treated as expenditures when paid or distributed to the sub recipients.

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

**NOTE B - REPORTING ENTITY**

The financial reporting entity consists of Hinsdale County, Colorado (the County) as the primary government; organizations for which the County is financially accountable; and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete.

**NOTE C - PASS-THROUGH AWARDS**

The County receives certain federal awards from pass-through awards from the State of Colorado. The amounts received are commingled by the State of Colorado with other funds. Only the federal amount of such pass-through awards is included in the Schedule of Expenditures of Federal Awards.

**NOTE D – NON-CASH AWARDS EXPENDED**

Fair market value of assistance at the time of disbursement to the recipient or the assessed value, is provided by the state or federal agency.

**HINSDALE COUNTY, COLORADO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year ended December 31, 2022**

---

**NOTE E – CONTRACT WITH OTHER GOVERNMENTS**

Hinsdale County contracts with Gunnison County to provide services under the programs provided by the Department of Human Services, those grants are listed below.

Guardianship Assistance Recovery	93.090	\$ 84
Temporary Assistance to Needy Families	93.558	7,775
Child Support Enforcement	93.563	1,172
Low Income Home Energy Assistance	93.568	6,294
Child Care and Development Block Grant	93.575	25,618
Child Care Mandatory and Matching Funds of The Child Care and Development Fund	93.596	4,570
Foster Care-Title IV-E	93.658	14,415
Adoption Assistance	93.659	374
Social Service Block Grant	93.667	4,817
Medical Assistance Program	93.778	1,150
State Administrative Matching Grants for SNAP	10.561	<u>54</u>
 Total programs administered by Gunnison County		 <u>\$ 66,323</u>

These balances are not reported in the financial statements for Hinsdale County since the funds are passed through to Gunnison County.



**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***

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners  
Hinsdale County, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hinsdale County, Colorado, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Hinsdale County, Colorado's basic financial statements, and have issued our report thereon dated August 15, 2023.

**Internal Control over Financial Reporting**

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

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

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

To the Board of Commissioners  
Hinsdale County, Colorado  
Page Two

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Blair and Associates, P.C.*

Cedaredge, Colorado  
August 15, 2023



**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**Independent Auditor’s Report**

To the Board of Commissioners  
Hinsdale County, Colorado

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Hinsdale County, Colorado’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Hinsdale County, Colorado’s major federal programs for the year ended December 31, 2022. Hinsdale County, Colorado’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, Hinsdale County, Colorado 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Hinsdale County, Colorado 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 Hinsdale County, Colorado’s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

**Certified Public Accountants**

To the Board of Commissioners  
Hinsdale County, Colorado

Page Two

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

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

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

#### **Report on Internal Control over Compliance**

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

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

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

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

*Blair and Associates, P.C.*

Cedaredge, Colorado  
August 15, 2023

**Hinsdale County, Colorado**  
**Schedule of Findings and Questioned Costs**  
**Year ended December 31, 2022**

---

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified	None Noted
Significant deficiency identified	None Noted
Noncompliance material to financial statements noted	None Noted

Federal Awards

Internal Control over major programs:	
Material weakness identified	None Noted
Significant deficiency identified	None Noted
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	None Noted

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.354	Public Health Emergency Response
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases
21.032	Local Assistance and Tribal Consistency Fund

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as low risk auditee?	No

**Hinsdale County, Colorado**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS — CONTINUED**  
**Year ended December 31, 2022**

---

SECTION II — FINDINGS RELATED TO FINANCIAL STATEMENTS

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

SECTION III — FINDINGS RELATED TO FEDERAL AWARDS

None noted in the current year audit.

**Hinsdale County, Colorado**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**Year ended December 31, 2022**

---

SECTION II — FINDINGS RELATED TO FINANCIAL STATEMENTS

None

SECTION III — FINDINGS RELATED TO FEDERAL AWARDS

None

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/2022

This Information From The Records Of: HINSDALE COUNTY	Prepared By: LYNN MCNITT 970-944-2225
---	--

**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				

<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES</b>	<b>III. EXPENDITURES FOR ROAD AND STREET PURPOSES</b>
--	---

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway expenditures:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	210,970
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	743,622
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	204,781
2. General fund appropriations		b. Snow and ice removal	53,103
3. Other local imposts (from page 2)	61,579	c. Other	194,413
4. Miscellaneous local receipts (from page 2)	379,405	d. Total (a. through c.)	
5. Transfers from toll facilities		4. General administration & miscellaneous	357,150
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	1,764,039
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)		a. Interest	
7. Total (1 through 6)	440,984	b. Redemption	
<b>Private Contributions</b>		c. Total (a. + b.)	
<b>C. Receipts from State government</b>		2. Notes:	
(from page 2)	796,313	a. Interest	
<b>D. Receipts from Federal Government</b>		b. Redemption	
(from page 2)	695,899	c. Total (a. + b.)	
<b>E. Total receipts (A.7 + B + C + D)</b>	1,933,196	3. Total (1.c + 2.c)	
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	

**E. Total expenditures (A.6 + B.3 + C + D)**

1,764,039

**IV. LOCAL HIGHWAY DEBT STATUS**

*(Show all entries at par)*

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				

**LOCAL HIGHWAY FINANCE REPORT**

STATE: COLORADO

YEAR ENDING (mm/yy):

DEC 2022

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	56,950	a. Interest on investments	74
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. Sales of Surplus Property	111,888
4. Licenses		f. Charges for Services	170,098
5. Specific Ownership/Other	4,629	g. Other Misc Receipts	6,308
6. Total (1. through 5.)		h. Other	91,037
c. Total (a. + b.)	61,579	i. Total (a. through h.)	379,405
<i>(Carry forward to page 1)</i>	61,579	<i>(Carry forward to page 1)</i>	379,405

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes (from Item I.C.5.)	770,044	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	375,054
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	7,197	d. Federal Transit Administration	
d. Other (Specify) Weed Fund Grant	3,072	e. US Corps of Engineers	
e. Other (Specify) CDPHE Grant	16,000	f. Other Federal	320,845
f. Total (a. through e.)		g. Total (a. through f.)	695,899
4. Total (1. + 2. + 3.f)	796,313	3. Total (1. + 2.g)	695,899
<i>(Carry forward to page 1)</i>	796,313	<i>(Carry forward to page 1)</i>	695,899

**III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
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:**