

Baca County, Colorado
Financial Statements
December 31, 2023

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Independent Auditor's Report

Baca County Commissioners
Springfield CO 81052

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Baca County (the "County"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The County's 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 the County'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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and 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.

Management has elected to omit the management's discussion and analysis which is required by the Governmental Accounting Standards Board. The omission of this information does not affect our opinion.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The balance sheet-other governmental funds, schedule of revenues, expenditures, and changes fund balance-other governmental funds, budget to actual schedules, local highway finance report and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

rfarmer, llc

July 23, 2024

Baca County, Colorado
Statement of Net Position
December 31, 2023

	Governmental Activities	Total
ASSETS		
Cash and Equivalents	\$ 11,976,963	\$ 11,976,963
Receivables	3,877,793	3,877,793
Land	16,480	16,480
Buildings and Improvements	5,320,080	5,320,080
Machinery and Equipment	12,653,229	12,653,229
Less: Accumulated Depreciation	(11,377,161)	(11,377,161)
Total Capital Assets	6,612,628	6,612,628
Total Assets	22,467,384	22,467,384
 LIABILITIES		
Accounts payable and accrued expenses	238,197	238,197
Unearned revenues	1,235,441	1,235,441
Compensated absences	117,755	117,755
Total liabilities	1,591,393	1,591,393
 Deferred cash inflow of resources:		
Deferred Property taxes	4,114,771	4,114,771
 NET POSITION		
Net investment in capital assets	7,565,122	7,565,122
Restricted for:		
Other projects	46,178	46,178
Unrestricted	9,149,920	9,149,920
Total Net Position	\$ 16,761,220	\$ 16,761,220

The accompanying notes to financial statements
are an integral part of these statements.

Baca County, Colorado
Statement of Activities
For the Year Ended December 31, 2023

<u>Functions/Programs</u>	<u>Program Revenue</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
Primary government					
Governmental Activities					
General Government	\$ 3,688,888	\$ 596,909	\$ 1,157,075	\$ (1,934,904)	\$ (1,934,904)
Public Safety	1,356,515	65,977	75,532	(1,215,006)	(1,215,006)
Public Works	3,572,439	4,740	2,930,149	(637,550)	(637,550)
Health and Human Services	938,224	-	620,238	(317,986)	(317,986)
Culture and Recreation	254,697	-	219,395	(35,302)	(35,302)
Total governmental activities	<u>9,810,763</u>	<u>667,626</u>	<u>5,002,389</u>	<u>(4,140,748)</u>	<u>(4,140,748)</u>
Total primary government	<u>9,810,763</u>	<u>667,626</u>	<u>5,002,389</u>	<u>(4,140,748)</u>	<u>(4,140,748)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	\$ 3,867,167	\$ 3,867,167
SO tax	383,342	383,342
Unrestricted investment earnings	330,631	330,631
Miscellaneous	284,805	284,805
<i>Special item</i> - adjustment to detail on general fixed assets	350	350
Total general revenues, special items, and transfers	<u>4,866,295</u>	<u>4,866,295</u>
Change in net position	725,547	725,547
Net position - beginning	16,035,673	16,035,673
Net position - ending	<u>\$ 16,761,220</u>	<u>\$ 16,761,220</u>

The accompanying notes to financial statements are an integral part of these statements.

Baca County, Colorado
Balance Sheet
Governmental Funds
December 31, 2023

	General	Road & Bridge	Human Services	Capital	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 7,251,828	\$ 3,028,921	\$ 842,930	\$ 175,865	\$ 677,422	\$ 11,976,966
Taxes receivable, net	-	572,038	171,611	-	61,906	805,555
Receivable from other governments	-	-	34,406	-	-	34,406
Other receivables	3,033,061	-	4,772	-	-	3,037,833
Total assets	<u>10,284,889</u>	<u>3,600,959</u>	<u>1,053,719</u>	<u>175,865</u>	<u>739,328</u>	<u>15,854,760</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	160,272	74,817	(1,667)	-	57	233,479
Unearned revenue	744,437	491,004	280,872	-	-	1,516,313
Total liabilities	<u>904,709</u>	<u>565,821</u>	<u>279,205</u>	<u>-</u>	<u>57</u>	<u>1,749,792</u>
Deferred inflow of resources:						
Deferred property taxes	3,033,061	572,038	171,611	-	61,906	3,838,616
Fund balance:						
Restricted for:						
Other purposes--programs	-	-	46,178	-	-	46,178
Committed	-	2,463,100	556,725	175,865	-	3,195,690
Unassigned	6,347,119	-	-	-	-	6,347,119
Committed, reported in non-major funds	-	-	-	-	677,365	677,365
Total fund balance	<u>6,347,119</u>	<u>2,463,100</u>	<u>602,903</u>	<u>175,865</u>	<u>677,365</u>	<u>10,266,352</u>
Total liabilities and fund balance	<u>\$ 10,284,889</u>	<u>\$ 3,600,959</u>	<u>\$ 1,053,719</u>	<u>\$ 175,865</u>	<u>\$ 739,328</u>	<u>\$ 15,854,760</u>

The accompanying notes to financial statements are an integral part of these statements.

Baca County, Colorado
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2023

Total fund balance, governmental funds \$ 10,266,352

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position. 6,612,628

Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position. (117,759)

Net Position of Governmental Activities in the Statement of Net Position \$ 16,761,221

The accompanying notes to financial statements
are an integral part of these statements.

Baca County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	General	Road & Bridge	Health and Human Services	Capital	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property Taxes	\$ 3,047,452	\$ 576,906	\$ 178,600	\$ -	\$ 65,607	\$ 3,868,565
SO Tax	365,976	11,808	-	-	6,153	383,937
Miscellaneous taxes	2,097	-	-	-	-	2,097
Intergovernmental	1,429,241	2,929,554	620,238	-	10,222	4,989,255
Charges for services	605,124	5,552	-	-	65,977	676,653
Investment earnings	328,104	-	-	-	1,129	329,233
Miscellaneous	259,747	26,474	-	-	-	286,221
Total revenues	6,037,741	3,550,294	798,838	-	149,088	10,535,961
EXPENDITURES						
Current:						
General government	2,953,790	54,951	-	-	3,775	3,012,516
Public safety	1,217,479	-	-	-	89,038	1,306,517
Public works	-	3,044,934	-	-	-	3,044,934
Health and welfare	174,121	-	768,437	-	-	942,558
Culture and recreation	168,163	-	-	-	473	168,636
Capital Outlay	153,629	251,379	-	-	-	405,008
Total Expenditures	4,667,182	3,351,264	768,437	-	93,286	8,880,169
Excess (deficiency) of revenues over expenditures	1,370,559	199,030	30,401	-	55,802	1,655,792
SPECIAL ITEM						
Proceeds from sale of asset	350	-	-	-	-	350
Net change in fund balances	1,370,909	199,030	30,401	-	55,802	1,656,142
Fund balances - beginning	4,976,210	2,264,070	572,502	175,865	621,563	8,610,210
Fund balances - ending	\$ 6,347,119	\$ 2,463,100	\$ 602,903	\$ 175,865	\$ 677,365	\$ 10,266,352

The accompanying notes to financial statements
are an integral part of these statements.

Baca County, Colorado
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2023

Net change in fund balances - total governmental funds: \$ 1,656,142

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlay of \$405,008 was less than depreciation of \$1,357,503 in the current period. (952,495)

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

Change in Compensated Absences not reflected on Governmental funds	21,901
Change in fund balances of governmental activities	\$ 725,548

The accompanying notes to financial statements
are an integral part of these statements.

Baca County, Colorado
Custodial Funds
Statement of Fiduciary Net Position
December 31, 2023

ASSETS:

Cash and cash equivalents	<u>\$ 12,052,761</u>
Total assets	<u><u>12,052,761</u></u>

LIABILITIES:

Due to other governmental units	<u>12,052,761</u>
Total Liabilities	<u><u>\$ 12,052,761</u></u>

The accompanying notes to financial statements
are an integral part of these statements.

Baca County, Colorado
Custodial Funds
Statement of Changes in Fiduciary Net Position
December 31, 2023

Additions:

Collections for other governments		
Treasurer	\$ 20,061,844	
Total additions		20,061,844

Deductions:

Disbursements to other governments		
Treasurer	(18,294,079)	
Total Deductions		(18,294,079)

Change in Amounts Due to Other Governmental Units		1,767,765
Due to, beginning of the year		10,284,996
Due to, end of the year		<u>\$ 12,052,761</u>

The accompanying notes to financial statements
are an integral part of these statements.

Baca County, Colorado
Notes to the Financial Statements
December 31, 2023

Note 1 Summary of Significant Accounting Policies

The County's financial statements are prepared in accordance with accounting principles generally accepted in the United States (USGAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing USGAAP for state and local governments through its pronouncements. The more significant accounting policies established by USGAAP used by the County are discussed below:

Reporting Entity

The reporting entity consists of (a) the primary government, i.e., the County, and (b) organizations for which the County is financially accountable. The County is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the County. Consideration is also given to other organizations, which are fiscally dependent, i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the County. Organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria above, the County is not financially accountable for any other entity, nor is the County a component unit of any other government.

Government-wide and Fund Financial Statements

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The County sheriff's protection, road maintenance, culture and recreation, and administration are classified as governmental activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions. The functions are also supported by general government revenues (property taxes, intergovernmental revenue, investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function (sheriff, roads, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The government-wide focus is on the sustainability of the County as an entity and the change in the County's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts

that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses.

The fund focus is on current available resources and budget compliance.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund. The major sources of revenue include property taxes, specific ownership taxes, intergovernmental revenues, and charges for services. The major expenditures include general government and public safety.

The *Road and Bridge Fund* accounts for assets and earnings to be used for road maintenance. The major sources of revenue include property taxes and intergovernmental revenue-highway user's trust fund. The major expenditures are for road and bridge maintenance.

The *Capital Fund* accounts for capital outlay costs relating to equipment and in some instances, building renovations. The major source of revenue is grants, if applicable, for capital improvements and transfers-in. The major expenditures include capital outlay costs.

The *Health and Human Services Fund* accounts for assets and earnings to be used for welfare expenditures. The major sources of revenue include property taxes and intergovernmental revenue-public welfare funds from the State of Colorado. The major expenditures include welfare benefits paid to welfare recipients and expenditures relating to administering benefits.

The County reports the following non-major governmental funds:

The *Pest Control District Fund* accounts for assets and earnings that are used for the reimbursement of expenses incurred spraying noxious weeds.

The *Contingent Fund* accounts for assets and earnings that are governed by CRS.

The *Conservation Trust Fund* accounts for lottery proceeds required to be expended solely on park and recreation improvements.

The *E911 Fund* accounts for assets and earnings that are used for the public safety communication system.

The County has no proprietary or business-type funds.

The County reports the Treasurer's Office as a fiduciary fund. The fiduciary fund is not reported in any other financial statement.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

Long-term Economic Focus and Accrual Basis

The governmental activities in the government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

Financial Statement Presentation

Amounts reported as program revenues include 1) charges to customers and applicants for goods, services, or privileges, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Investments

Investments, if any, are stated at cost, which is approximately the same as fair value due to the type of investments. All investments are maintained in the Treasurer's office. The Treasurer is authorized to invest funds in any investment that qualifies under the applicable Colorado Revised Statutes.

Property Taxes

Annual property taxes are levied and assessed on January 1 and are certified by the County by November 1 of the current year. On January 1 of the following year, the County Treasurer bills the property owners, thus establishing an enforceable lien on the property. The County Treasurer also collects the property taxes and remits the collections on a monthly basis to the County.

The County recognizes a receivable, net of estimated uncollectible balances, for property tax levied upon certification by the County Treasurer. A deferred revenue liability is recorded in the same amount since the taxes are not available at year-end to fund expenditures of the current year.

Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses.

Capital Assets

Capital assets, which include land, land improvements, distribution systems, buildings, equipment, and vehicles, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial cost of \$5,000 or more and an estimated useful life in

excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The infrastructure the County has will be capitalized for costs incurred after January 1, 2004.

The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets constructed in the business-type activities. There was not any interest capitalized during the year.

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

<u>Assets</u>	<u>Years</u>
Land improvements	25
Buildings and improvements	75
Machinery and equipment	10
Vehicles	5
Infrastructure	50

Vacation Days & Sick Leave - Compensated Absences

All County employees, who are considered full-time employees, are eligible to receive paid vacation. Any unused vacation can be carried forward. Upon termination, any unused vacation up to a maximum number of days will be paid. The number of days depends on the length of service. Sick leave can be accumulated up to 60 days with the maximum amount carried forward year-to-year. Sick leave is not paid when the employee is terminated. The unused hours can be donated to the County's sick leave bank.

Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of the governmental fund. The remaining portion of such obligations is reported in the governmental activities' column of the government-wide financial statements.

Use of Estimates

The preparation of financial statements in conformity with GAAP required the County's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

Legal Provisions and Authorization for Deposits

The County is governed by state statutes as to the type of institutions and investments with which it may deposit funds and transact business.

Contraband

Per Colorado Contraband Forfeiture Act (C.R.S. 16-13-501 to 511), proceeds received from the seizure of contraband must be used for the specific purpose of law enforcement activities. These proceeds are exempt from the appropriation process. Baca County received no material proceeds from contraband during the year.

Note 2

Stewardship, Compliance, and Accountability

Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year-end.

As required by Colorado, the County followed the required timetable noted below in preparing, approving, and enacting its budget for each year.

For each budget year, prior to August 25, the County Assessor sent to the County an assessed valuation of all taxable property within the County's boundaries.

The County Administrator, or other qualified person appointed by the Commissioners, submitted to the Commissioners, on or before October 15, a recommended budget, which detailed the necessary property taxes needed along with other available revenues to meet the County's operating requirements.

Prior to December 15, a public hearing is held for the budget adoption. The Commissioners adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.

After adoption of the budget resolution, the County may make the following changes: a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2022 were collected in 2023 and taxes certified in 2023 will be collected in 2024. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the County because it is at present considered not necessary to assure effective budgetary control or to facilitate effective cash planning and control.

TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR

contains revenue, spending, tax, and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR required advance voter approval for the creation of any multiple- fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

In November 1996, the voters of the County approved a ballot initiative permitting the County to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatever, without limitation, in 1995 and all subsequent years, notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution.

The County's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

Note 3 Deposits and Investments

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by State regulators. Amounts on deposit in excess of Federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public depositories as a group. The market value of the collateral must exceed 102% of the uninsured deposits.

The Colorado Division of Banking is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At year-end, the County Treasurer's cash deposits had a bank balance of \$12,052,761 which is insured by the Federal Deposit Insurance Corporation (FDIC) and collateralized in single institution pools.

Custodial Credit Risk—Baca County is not exposed to custodial risk due to funds deposited in local financial institutions that meet PDPA requirements and have FDIC coverage.

Investments

Colorado Statutes authorize the County to invest in any of the following investments:

- Repurchase agreements,
- Obligations of the United States or obligations unconditionally guaranteed by the United States,
- Obligations of the State of Colorado and most general obligations of units of local government,

- Federally insured mortgages and student loans,
- Participation with other local governments in pooled investment funds (trusts), these trusts are supervised by participating governments, and must comply with the same restrictions on cash deposits and investments. (Such trusts formed under the statute is ColoTrust and CSAFE). Both trust pools are a 2a7-like investment pool.

The following facts are relevant for 2a7-like investment pools:

- Credit risk: COLOTRUST PRIME is rated AAAM by S&P Global Ratings.
- Custodial credit risk: COLOTRUST PRIME participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- COLOTRUST PRIME is a stable \$1.00 NAV portfolio offering daily liquidity that only invests in the US Treasury securities, US Government Agencies, bank deposits, and repurchase agreements.
- Credit Risk: CSAFE is rated AAAMmf by Fitch.
- Liquidity: CSAFE adheres to the maturity, liquidity, and eligibility guidelines set by applicable Colorado State Laws, rules, regulations, and promulgations. CSAFE Cash seeks to meet or exceed the minimum liquidity limits of those guidelines found in GASB Statement 79.
- CSAFE is a stable \$1.00 NAV portfolio offering daily liquidity.

The County Treasurer, who has the authority to invest funds, per the County policies, invested \$2,300,000 in FHLMC, FHLMC, and FNMA step coupons. The fair market value is approximately the same as cost. All investments are a level 1 investment as defined by applicable standards. Level 1 investments have a readily determinable fair value based on market valuations.

Note 4 Pension Plan

The County has adopted a defined contribution retirement plan, which provides for contributions equal to 3% of earnings by each full-time employee with a matching amount contributed by the County. The employer contributed \$85,105 and the employees contributed \$85,105 in 2023, based on qualifying salaries of approximately \$3,359,728 with total salaries being approximately \$2,836,833. The plan is with Colorado County Officials and Employees Retirement Association.

Upon retirement, the employee is entitled to all funds deposited in his account, including investment earnings. Upon termination of employment, the employee will normally recover his contributions to the plan, plus investment earnings, plus 20% of total County contributions up to 100% in his name for each year of employment.

There were approximately 95 employees as of December 31 that are considered general employees.

Note 5 Capital Assets

Capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Land	\$ 16,480	\$ -	\$ -	\$ 16,480
Buildings & Improvements	5,313,157	-	-	5,313,157
Machinery & Equipment	12,277,388	405,008	(22,245)	12,660,151
Total	17,607,025	405,008	(22,245)	17,989,788
Less: Accumulated Depreciation	(10,041,903)	(1,357,503)	22,245	(11,377,161)
Net amount	<u>\$ 7,565,122</u>	<u>\$ (952,495)</u>	<u>\$ -</u>	<u>\$ 6,612,627</u>

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

Governmental Activities:	
General Government	\$ 700,256
Public Safety	46,222
Highways & Streets	485,330
Health & Welfare	-
Culture & Recreation	125,695
Total Depreciation Expense	<u>\$ 1,357,503</u>

Note 6 Long-term Liabilities

Accrued vacation at year-end consists of the following:

	Beginning Balance	Additions	Deletions	Ending Balance
Human Services	\$ 18,597	\$ 4,334	\$ -	\$ 22,931
Road & Bridge	64,515	12,777	-	77,292
General	56,545	4,791	-	61,336
Total	<u>\$ 139,657</u>	<u>\$ 21,902</u>	<u>\$ -</u>	<u>\$ 161,559</u>

The schedule of long-term debt is as follows:

	January 1	Additions	Deletions	December 31	Current
Compensated Absences	<u>\$ 139,657</u>	<u>\$ 21,902</u>	<u>\$ -</u>	<u>\$ 161,559</u>	<u>\$ -</u>

Note 7 Risk Management

County Workers' Compensation Pool

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

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

Colorado Counties Casualty and Property Pool

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

The intergovernmental 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, which is determined each policy year.

The County, in their opinion, has obtained adequate coverage as required by Colorado Revised Statutes to settle claims in the ordinary course of business. However, due to the unknown nature of potential liability, some claims may arise that fall outside the coverage limits for which the County would be financially responsible. Claims have not exceeded coverages during the past three years.

Note 8

Joint Ventures

The County participates in various pools covering workers' compensation and property and casualty losses. These joint ventures do not meet the criteria for inclusion within the reporting entity because the pools:

- are financially independent and responsible for their own financial deficits and entitled to their own surpluses,
- have separate governing boards from that of the County, which is comprised of one voting member from each participating County,
- have governing boards and management who have the ability to significantly influence operations by approving budgetary requests and adjustments, signing contracts, hiring personnel, exercising control over facilities, and determining the outcome or disposition of matters affecting the recipients of services provided, and
- have absolute authority over all funds and fiscal responsibility including budgetary responsibility and reporting to state agencies and control fiscal management.

Note 9

Contingent Liabilities

The County is not aware of any contingent liabilities that need to be disclosed.

During the latter part of 2004, the State of Colorado, Department of Human Services converted to a new accounting system to account for the public welfare costs, revenues, and eligible clients. The accounting system failed, and several clients received more welfare benefits than they were entitled to. It was ruled in federal court that if a welfare client received excess funds as a result of the State of Colorado, Department of Human Services or the County Department of Human Services error or errors, the welfare client was not

responsible for repaying the excess amount and the State and County could not start a collection effort. The State has not decided if they will pursue collection efforts against the County for any excess payments made because of the accounting system errors. The amount of liability, if any, that the County could owe to the State because of the errors is not known and the impact on the financial statements, if any, cannot be determined.

Note 10 Fund Balances

The County has applied the requirements of GASB 54 – Fund Balance Reporting.

Non-Spendable

Non-spendable balances represent amounts which have been paid for but not consumed and will include inventories and prepaid expenses.

Committed

The portion of fund balance constrained for specific purposes according to the limitations imposed by the County's highest level of decision-making authority, the County Commissioners, or other individuals authorized to assign funds to be used for a specific purpose. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.

Assigned

Assigned balances represent balances where the intent is expressed by (1) the governing body itself or (2) a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned

Unassigned balances can be used for any legal purpose and are limited to the General Fund.

The County considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Baca County, Colorado
Budget and Actual
General
For the year ended December 31, 2023

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property taxes	\$ 3,029,862	\$ 3,052,862	\$ 3,047,452
SO taxes	190,000	190,000	365,976
Sales and miscellaneous taxes	2,000	2,000	2,097
Intergovernmental	827,239	2,164,195	1,429,241
Charges for services	583,551	583,551	605,124
Investment earnings	32,000	32,000	328,104
Miscellaneous	21,900	22,900	259,747
Total revenues	<u>4,686,552</u>	<u>6,047,508</u>	<u>6,037,741</u>
EXPENDITURES			
Current:			
General government	2,440,273	3,627,244	2,953,790
Public safety	1,488,766	1,488,766	1,217,479
Health and sanitation	964,144	964,144	174,121
Culture and recreation	251,406	251,406	168,163
Capital Outlay	178,400	352,385	153,629
Total Expenditures	<u>5,322,989</u>	<u>6,683,945</u>	<u>4,667,182</u>
Excess (deficiency) of revenues over expenditures	<u>(636,437)</u>	<u>(636,437)</u>	<u>1,370,559</u>
SPECIAL ITEM			
Proceeds from sale capital assets	1,000	1,000	350
Net change in fund balances	(635,437)	(635,437)	1,370,909
Fund balances - beginning	636,437	636,437	4,976,210
Fund balances - ending	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 6,347,119</u>

Baca County, Colorado
Budget and Actual
Road & Bridge
For the year ended December 31, 2023

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property Taxes	\$ 592,820	\$ 598,420	\$ 576,906
SO Taxes	10,000	10,000	11,808
Intergovernmental	3,173,409	3,173,409	2,929,554
Charges for services	4,100	4,100	5,552
Miscellaneous	55,600	50,000	26,474
Total revenues	<u>3,835,929</u>	<u>3,835,929</u>	<u>3,550,294</u>
EXPENDITURES			
Current:			
General government	47,000	47,000	54,951
Highways and roads	3,277,107	3,293,107	3,044,934
Capital Outlay	<u>1,062,504</u>	<u>1,046,504</u>	<u>251,379</u>
Total Expenditures	<u>4,386,611</u>	<u>4,386,611</u>	<u>3,351,264</u>
Excess (deficiency) of revenues over expenditures	<u>(550,682)</u>	<u>(550,682)</u>	<u>199,030</u>
Net change in fund balances	(550,682)	(550,682)	199,030
Fund balances - beginning	<u>550,682</u>	<u>550,682</u>	<u>2,264,070</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,463,100</u>

**Baca County, Colorado
Budget and Actual
Health and Human Services
For the year ended December 31, 2023**

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property Taxes	\$ 177,846	\$ 177,846	\$ 178,600
Intergovernmental	1,082,378	1,097,378	620,238
Miscellaneous	250,000	250,000	-
Total revenues	<u>1,510,224</u>	<u>1,525,224</u>	<u>798,838</u>
EXPENDITURES			
Current:			
Health and welfare	1,261,352	1,276,352	768,437
Total Expenditures	<u>1,261,352</u>	<u>1,276,352</u>	<u>768,437</u>
Excess (deficiency) of revenues over expenditures	<u>248,872</u>	<u>248,872</u>	<u>30,401</u>
Net change in fund balances	248,872	248,872	30,401
Fund balances - beginning	(248,872)	(248,872)	572,502
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 602,903</u>

Baca County, Colorado
Balance Sheet
Other Governmental Funds
December 31, 2023

	E911	Contingency	Conservation Trust	Pest Control District	Total Other Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 251,706	\$ 114,029	\$ 25,229	\$ 286,458	\$ 677,422
Taxes receivable, net	-	-	-	61,906	61,906
Total assets	<u>251,706</u>	<u>114,029</u>	<u>25,229</u>	<u>348,364</u>	<u>739,328</u>
LIABILITIES AND NET POSITIONS					
Liabilities:					
Accounts payable	57	-	-	-	57
Total liabilities	<u>57</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57</u>
Deferred inflow of resources:					
Deferred property taxes	-	-	-	61,906	61,906
Fund balance:					
Committed	251,649	114,029	25,229	286,458	677,365
Total fund balances	<u>251,649</u>	<u>114,029</u>	<u>25,229</u>	<u>286,458</u>	<u>677,365</u>
Total liabilities and fund balances	<u>\$ 251,706</u>	<u>\$ 114,029</u>	<u>\$ 25,229</u>	<u>\$ 348,364</u>	<u>\$ 739,328</u>

Baca County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended December 31, 2023

	E911	Contingency	Conservation Trust	Pest Control District	Total Other Governmental Funds
REVENUES					
Property Taxes	\$ -	\$ -	-	\$ 65,607	\$ 65,607
SO Taxes	-	-	-	6,153	6,153
Intergovernmental	-	-	10,222	-	10,222
Charges for services	65,977	-	-	-	65,977
Investment earnings	1,043	-	86	-	1,129
Total revenues	<u>67,020</u>	<u>-</u>	<u>10,308</u>	<u>71,760</u>	<u>149,088</u>
EXPENDITURES					
Current:					
General government	565	-	-	3,210	3,775
Public Safety	39,749	-	-	49,289	89,038
Culture and recreation	-	-	473	-	473
Total Expenditures	<u>40,314</u>	<u>-</u>	<u>473</u>	<u>52,499</u>	<u>93,286</u>
Excess (deficiency) of revenues over expenditures	<u>26,706</u>	<u>-</u>	<u>9,835</u>	<u>19,261</u>	<u>55,802</u>
Net change in fund balances	26,706	-	9,835	19,261	55,802
Fund balances - beginning	224,943	114,029	15,394	267,197	621,563
Fund balances - ending	<u>\$ 251,649</u>	<u>\$ 114,029</u>	<u>\$ 25,229</u>	<u>\$ 286,458</u>	<u>\$ 677,365</u>

Baca County, Colorado
Budget and Actual
Capital
For the year ended December 31, 2023

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Intergovernmental	\$ 791,004	\$ 791,004	\$ -
Total revenues	<u>791,004</u>	<u>791,004</u>	<u>-</u>
EXPENDITURES			
Current:			
General government	591,004	591,004	-
Capital Outlay	200,000	200,000	-
Total Expenditures	<u>791,004</u>	<u>791,004</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - beginning	-	-	175,865
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,865</u>

Baca County, Colorado
Budget and Actual
E911
For the year ended December 31, 2023

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Intergovernmental	\$ 7,000	\$ 7,000	\$ -
Charges for services	40,000	40,000	65,977
Investment earnings	300	300	1,043
Miscellaneous	18,000	18,000	-
Total revenues	<u>65,300</u>	<u>65,300</u>	<u>67,020</u>
EXPENDITURES			
Current:			
General government	400	400	565
Public Safety	51,200	51,200	39,749
Capital Outlay	13,700	13,700	-
Total Expenditures	<u>65,300</u>	<u>65,300</u>	<u>40,314</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>26,706</u>
Net change in fund balances	-	-	26,706
Fund balances - beginning	175,684	175,684	224,943
Fund balances - ending	<u>\$ 175,684</u>	<u>\$ 175,684</u>	<u>\$ 251,649</u>

Baca County, Colorado
Budget and Actual
Contingency
For the year ended December 31, 2023

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Miscellaneous	\$ 114,090	\$ 114,090	\$ -
Total revenues	<u>114,090</u>	<u>114,090</u>	<u>-</u>
EXPENDITURES			
Current:			
General government	<u>114,090</u>	<u>114,090</u>	<u>-</u>
Total Expenditures	<u>114,090</u>	<u>114,090</u>	<u>-</u>
Fund balances - beginning	<u>114,029</u>	<u>114,029</u>	<u>114,029</u>
Fund balances - ending	<u>\$ 114,029</u>	<u>\$ 114,029</u>	<u>\$ 114,029</u>

**Baca County, Colorado
Budget and Actual
Conservation Trust
For the year ended December 31, 2023**

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Intergovernmental	\$ 11,000	\$ 11,000	\$ 10,222
Investment earnings	-	-	86
Total revenues	<u>11,000</u>	<u>11,000</u>	<u>10,308</u>
EXPENDITURES			
Current:			
Culture and recreation	<u>11,000</u>	<u>11,000</u>	<u>473</u>
Total Expenditures	<u>11,000</u>	<u>11,000</u>	<u>473</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>9,835</u>
Net change in fund balances	-	-	9,835
Fund balances - beginning	<u>13,197</u>	<u>13,197</u>	<u>15,394</u>
Fund balances - ending	<u>\$ 13,197</u>	<u>\$ 13,197</u>	<u>\$ 25,229</u>

Baca County, Colorado
Budget and Actual
Pest Control District
For the year ended December 31, 2023

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property Taxes	\$ 64,520	\$ 64,520	\$ 65,607
SO Taxes	6,000	6,000	6,153
Total revenues	<u>70,520</u>	<u>70,520</u>	<u>71,760</u>
EXPENDITURES			
Current:			
General government	3,000	3,000	3,210
Public Safety	50,200	50,200	49,289
Total Expenditures	<u>53,200</u>	<u>53,200</u>	<u>52,499</u>
Excess (deficiency) of revenues over expenditures	<u>17,320</u>	<u>17,320</u>	<u>19,261</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	50	50	-
Total other financing sources and uses	<u>50</u>	<u>50</u>	<u>-</u>
Net change in fund balances	17,370	17,370	19,261
Fund balances - beginning	204,501	204,501	267,458
Fund balances - ending	<u>\$ 221,871</u>	<u>\$ 221,871</u>	<u>\$ 286,719</u>

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

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/31/2023
This Information From The Records Of: Baca County, Colorado	Prepared By: Missy Corn 719-523-6532

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			2,605,045	
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			2,605,045	

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	245,816
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	3,050,227
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	
3. Other local imposts (from page 2)	592,859	c. Other	
4. Miscellaneous local receipts (from page 2)	27,882	d. Total (a. through c.)	
5. Transfers from toll facilities		4. General administration & miscellaneous	54,951
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	3,350,994
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)		a. Interest	
7. Total (1 through 6)	620,741	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	
C. Receipts from State government (from page 2)	2,605,045	2. Notes:	
D. Receipts from Federal Government (from page 2)	324,508	a. Interest	
E. Total receipts (A.7 + B + C + D)	3,550,294	b. Redemption	
		c. Total (a. + b.)	
		3. Total (1.c + 2.c)	
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	3,350,994

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
 YEAR ENDING (mm/yy):
12/31/2023

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	576,906	a. Interest on investments	
b. Other local imposts:		b. (Specify)	
1. Sales Taxes		c. (Specify)	
2. (Specify)		d. (Specify)	
3. (Specify)		e. (Specify)	
4. Licenses	11,213	f. (Specify)	
5. Road Permits	4,740	g. (Specify)	
6. Total (1. through 5.)	15,953	h. Other misc	27,882
c. Total (a. + b.)	592,859	i. Total (a. through h.)	27,882
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	2,605,045	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	324,508
a. State bond proceeds		b. FEMA	
b. (Specify)		c. HUD	
c. (Specify)		d. (Specify)	
d. (Specify)		e. (Specify)	
e. (Specify)		f. (Specify)	
f. Total (a. through e.)		g. Total (a. through f.)	324,508
4. Total (1. + 2. + 3.f)	2,605,045	3. Total (1. + 2.g)	324,508
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		245,816	245,816
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)		245,816	245,816
<i>(Carry forward to page 1)</i>			

Notes and Comments:

Baca County, Colorado
Schedule of Federal Awards Expended
for the year ended December 31, 2023

<u>GRANT TITLE</u>	<u>PASS-THRU AGENCY</u>	<u>FEDERAL ALN NUMBER</u>	<u>AMOUNT OF AWARD EXPENDED</u>	
DEPARTMENT OF HEALTH & HUMAN SERVICES:				
IV-D Administration	Colo. Dept of Human Services	93.563	\$ 50,767	
LEAP	Colo. Dept of Human Services	93.568	108,599	
Title IV-E-FC	Colo. Dept of Human Services	93.658	72,020	
Block Grant- Title XX	Colo. Dept of Human Services	93.667	10,914	
Title IV-E Guard As	Colo. Dept of Human Services	93.090	583	
CO Works- TANF	Colo. Dept of Human Services	93.558	150,128	
Child Care Development Funds	Colo. Dept of Human Services	93.596	7,293	
IV-E Adoption	Colo. Dept of Human Services	93.659	<u>3,742</u>	404,046
DEPARTMENT OF HEALTH & HUMAN SERVICES:				
Medicaid Cluster	Colo. Dept of Health Care Policy & Fin.	93.778	<u>73,812</u>	73,812
DEPARTMENT OF PUBLIC HEALTH & ENVIRONMENT				
Immunization	Colo. Dept of Public Health & Environ	93.268	25,269	
ELC Grant	Colo. Dept of Public Health & Environ	93.323	28,209	
OPHP/PBG	Colo. Dept of Public Health & Environ	93.354	23,578	
OPHP LPHA	Colo. Dept of Public Health & Environ	93.967	15,748	
Maternal and Child Health Services	Colo. Dept of Public Health & Environ	93.994	3,500	
EPR Core PHEP	Colo. Dept of Public Health & Environ	93.069	<u>12,309</u>	108,613
DEPARTMENT OF AGRICULTURE:				
WIC	Colo. Dept of Public Health & Environ	10.557	24,246	
WIC	Colo. Dept of Public Health & Environ	10.557	51,917	
Food Stamp Cluster	Colo. Dept of Human Services	10.551	571	
Food Stamp Cluster	Colo. Dept of Human Services	10.561	<u>71,188</u>	147,922
DEPARTMENT OF THE TREASURY:				
American Rescue Plan	Colo. Dept of Human Services	21.027	6,065	
American Rescue Plan		21.032	346,664	
Community Services Block Grant		21.008	<u>36,494</u>	<u>389,223</u>
TOTAL FEDERAL FINANCIAL AWARDS			<u><u>\$ 1,123,616</u></u>	

Baca County, Colorado
Schedule of Federal Awards Expended
for the year ended December 31, 2023
Continued...

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Baca County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the federal requirements.

The County does not use the minimum indirect cost rate.

The County did not have any subrecipients during 2023.

Baca County, Colorado
Schedule of Findings & Questioned Costs
December 31, 2023

Section I: Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: **Unmodified**

Internal control over financial reporting:		
• Material weakness(es) identified?	___ Yes	_X_ No
• Significant deficiency(ies) identified?	___ Yes	_X_ None Reported
Noncompliance material to financial statements noted?	___ Yes	_X_ No

Federal Awards

Internal control over major federal programs:		
• Material weakness(es) identified?	___ Yes	_X_ No
• Significant deficiency(ies) identified?	___ Yes	_X_ None Reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ Yes	_X_ No
Identification of major federal programs:		
Assistance Listing Number(s):	21.032	Name of Federal Program or Cluster
		American Rescue Plan
Dollar threshold used to distinguish between type A and type B programs:	\$ <u>750,000</u>	
Auditee qualified as a low-risk auditee?	_X_ Yes	___ No

Section II: Financial Statement Findings

There are no findings to report.

Section III: Federal Awards Findings

There are no findings to report.



Independent Auditor's Report

Baca County Commissioners
Springfield CO 81073

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Baca County (the "County") as of December 31, 2023, and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 23, 2024.

Report on Internal Control over Financial Reporting

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

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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

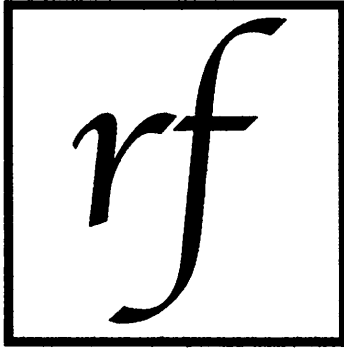
As part of obtaining reasonable assurance about whether the County’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

rfarmer, llc

July 23, 2024



Independent Auditor's Report

Baca County Commissioners
Springfield CO 81073

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Baca County's (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2023. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

rfarmer, llc

July 23, 2024